

Tom Kelly
Chair

Gustavo J. Cruz, Jr.
Commissioner

Mark Edlen
Commissioner

Alisha Moreland-Capua
Commissioner

William Myers
Commissioner

Charlie Hales
Mayor

Kimberly Branam
Executive Director

This document represents the official meeting record of the November 9, 2016, Portland Development Commission (PDC) Board of Commissioners (Board) meeting held at 222 NW 5th Ave., Portland, OR 97209. The full video recording of this meeting can be found at https://www.youtube.com/watch?v=IdMbfZ_RCSc

1. Call to Order and Roll Call

Chair Kelly called the meeting to order at approximately 3:05 p.m. Anne Crispino-Taylor, PDC Senior Administrative Coordinator, called the PDC Board roll:

Chair Tom Kelly	PRESENT
Commissioner Gustavo Cruz	PRESENT
Commissioner Mark Edlen	PRESENT
Commissioner Alisha Moreland-Capua	PRESENT
Commissioner William Myers	PRESENT

2. Commissioner Reports

Commissioner Cruz

- On October 17, 2016, attended a board meeting with the Portland Business Alliance (PBA)
- On October 18, 2016, attended a meeting with the Hispanic Metropolitan Chamber of Commerce (HMCC)
- On November 7, 2016, met with the HMCC audit liaison

Commissioner Edlen

- Attended an event for De la Salle North Catholic High School
- Testified at the Planning and Sustainability Commission about inclusionary zoning
- Attended a number of meetings with Ecotrust
- On October 28, 2016, attended the Doernbecher freestyle event
http://www.oregonlive.com/playbooks-profits/index.ssf/2016/10/doernbecher_freestyle_jordan_2.html
- On October 29, 2016, attended the PSU Simon Benson Celebration
<http://www.psuf.org/simon-benson-awards-dinner>
- On November 1, 2016, attended the PBA Business leadership Meeting
<http://weblink.portlandalliance.com/events/eventdetail.aspx?EventID=4193>
- On November 8, 2016, visited the Power School in the old Humboldt School

Commissioner Moreland-Capua

- Nothing to report

Commissioner Myers

- Attended a ground breaking event for the Fields office development on Front Street
- Attended a ground breaking event for the new Multnomah County Courthouse

222 NW Fifth Avenue
Portland, OR
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Chair Kelly

- On October 23, 2016, attended the 9101 Foster ground breaking event
<https://www.eventbrite.com/e/9101-foster-groundbreaking-tickets-28431071099>
- On October 29, 2016, attended the PSU Simon Benson Celebration
- Participated in a number of check-ins with Mayor Charlie Hales

3. Executive Director Report

- On October 21, 2016, attended the N/NE Community Health Center ribbon cutting event
- On October 23, 2016, attended the 9101 Foster ground breaking event
- Attended a ground breaking event for the Fields office development office on Front Street
- On October 27, 2016, the design plan for Oregon Convention Center Hotel received approval by the Design Commission <http://www.nextportland.com/2016/11/29/convention-center-hotel-approved/>
- On November 1, 2016, attended the grand opening celebration of the food cart pod on the Nelson Plaza in the Interstate Urban Renewal Area (URA) [http://www.pdc.us/news-and-events/all-news/all-news-detail/16-10-31/PDC to Dedicate Nelson Plaza and Welcome Food Carts.aspx](http://www.pdc.us/news-and-events/all-news/all-news-detail/16-10-31/PDC%20to%20Dedicate%20Nelson%20Plaza%20and%20Welcome%20Food%20Carts.aspx)
- On November 1, 2016, attended the PBA Business Leadership meeting where Commissioner Wilhoite was recognized
- On November 11, 2016, PDC will sponsor the 13th Annual Gala event <http://nayagala.org/>
- On November 17, 2016, will attend the Rosewood Initiative ground breaking event
<https://rosewoodinitiative.org/staff/>
- The PDC has begun accepting applications for the Community Livability Grant (CLG) program, which are due on December 12, 2016
- On October 27, 2106, the Portland Mercado Foster Road and SE 72nd Avenue was vandalized; they are raising money for repairs <http://portlandtribune.com/pt/9-news/328873-208676-portland-mercado-raising-funds-after-food-carts-vandalized>
- Pam Micek was welcomed as the new Senior Executive Assistant

4. Public Comment for Items Not on Agenda

Connie Ashbrook, Executive Director Oregon Tradeswomen, Inc. Ms. Ashbrook provided a copy of the Oregon Tradeswomen, Inc.'s [Annual Report](#) for reference. She explained the organization has a pre-apprenticeship program that provides education to about 80 women per year who are interested in careers in building and construction manufacturing. The organization recently hosted an event, attended by over 800 women and their families and 21 school groups, to educate participants about these professions. Over 90 volunteers contributed over 377 hours, and there were 37 hands-on workshops and 72 exhibitors. She recognized PDC's leadership in helping the organization move woman from as state of poverty into the middle class. She added that the organization recently received a CLG grant to expand their space and allow them to provide career counseling.

Commissioner Myers thanked Ms. Ashbrook for the important work she does.

Chair Kelly mentioned that Oregon Tradeswomen, Inc. has been a great asset to his company over the years.

REGULAR AGENDA

5. Information Item: Update of the Portland housing Bureau's Priorities, Projects and Initiatives.

Javier Mena, Director Portland Housing Bureau (PHB)

Mr. Mena reported on the current status of the bureau's funding priorities, as well as current and future projects and initiatives within the specific urban renewal areas (URAs).

Commissioner Edlen inquired how many units will be developed with the ZRZ Realty project in the North Macadam URA. Mr. Mena stated PHB is committed to have at least 200 affordable units at both 60 percent and at zero to 30 percent Median Family Income (MFI). Commissioner Edlen noted that many of these buildings struggle to lease ground floor space and wondered how PDC might partner to help create alternative uses for these spaces. Mr. Mena suggested the Palindrome project in the Lents Town URA as an example of how PDC could partner and provide support for combining residential and other uses. Commissioner Edlen wondered if there were any upcoming projects where retail development on the ground floor might be challenged. Mr. Mena stated that for the ZRZ project PHB would replicate the development on Parcel 3. Commissioner Edlen inquired whether the old Multnomah County building would be appropriate for adaptive re-use. Mr. Mena said PHB would be interested in having that conversation. Commissioner Edlen hoped the available Floor Area Ratio on top of the Oregon Clinic in the Gateway Regional Center URA would be a viable location for affordable housing. Mr. Mena stated that hopefully inclusionary zoning will help with that. Commissioner Edlen inquired about how to construct cheaper units in order to provide more housing, and wondered if there was any demand for micro units. Mr. Mena stated that construction costs continue to go up which greatly affect the cost per unit. He stated PHB is always looking for opportunities to remain within the confines of the City investment requirements.

Chair Kelly asked how the lease up was measured and how it meets demand. Mr. Mena stated that in the central city there are always waiting lists for affordable housing. He added with regard to the Lents and Gateway communities that they would partner with outside sources for outreach to ensure accessibility. He stated the overall need of 60 percent MFI is throughout the city. Mr. Mena stated PHB is not concerned about creating a surplus of units that will not be able to be leased up. Chair Kelly had wondered, with so much coming on line in 2018, what PHB's plans were for 2019 and 2020. Mr. Mena stated PHB is looking at adding additional resources in the Interstate Corridor URA, and that a large part of their portfolio needs reinvestment and recapitalization. He added that the Bureau has purchased properties outside URAs which will ultimately be developed. He thanked the voters for the renewal of the housing bond, so those resources will be available to secure affordable housing. Chair Kelly wondered if there would need to be future bond measures. Mr. Mena stated they would need to work with what they currently have over the next five years.

6. Action Item: Resolution 7215 – Public Hearing on Budget Amendment No. 1; Adopting Budget Amendment No. 1 for the fiscal Year Beginning July 1, 2016 and Ending June 30, 2017; and Making Appropriations.

PDC Staff Presenting this item:
Tony Barnes, Budget Manager

With this action, the PDC Board will formally amend the current fiscal year (FY) 2016-2017 Adopted PDC Budget for the first time in the following ways:

- 1) Adjust beginning fund balances to match actual FY 2015-16 year-end fund balances;

- 2) Revise loan repayment and property disposition income based on updated estimates on payments and timing;
- 3) Adjust individual project and program budgets based on FY 2015-16 carryover that was not included in the FY 2016-17 Adopted Budget due to maintaining conservative estimates on timing but are now anticipated to spend in FY 2016-17;
- 4) Adjust the PHB Tax Increment Financing (TIF) Set Aside Budget to match updated FY 2016-17 expenditure estimates from PHB; and
- 5) Decrease funding if necessary based on current project timelines for inclusion in the FY 2017-18 Draft Budget and Forecast.

In summary, FY 2016-17 Budget Amendment No. 1 increases the total PDC budget from \$516,090,279 in the FY 2016-17 Adopted Budget to \$581,253,828 including Transfers, Contingency, and Reserves. Excluding Transfers and Contingency, total budgeted expenditures increase from \$296,372,887 to \$344,579,996.

Chair Kelly inquired how long the Brighton Trail had been on the books. Tony Barnes responded that it had been on the books about ten years.

Chair Kelly called for a motion to approve Resolution 7215; Commissioner Cruz moved and Commissioner Myers seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers
NAYS: None

7. Information Item: Update on the North/Northeast (N/NE) Community Development Action Plan.

PDC Staff presenting this item:

Tory Campbell, Interim Director of Community Economic Development
Kate Deane, Community Economic Development Manager

Staff briefed the PDC Board on the status of the N/NE Community Development Action Plan (Action Plan). The Action Plan is a comprehensive strategy that articulates how PDC will invest the remaining \$32,000,000 in TIF resources available for economic development in the Interstate Corridor URA. The goal of the Action Plan is to use TIF resources to foster economic prosperity among communities and individuals that have not fully participated in, or benefited from, economic opportunities in the Interstate Corridor URA.

The Action Plan is organized into the following four major investment priorities:

- 1) Promote Property Ownership and Redevelopment
- 2) Promote Business Ownership and Growth
- 3) Invest in New and Existing Homeowners
- 4) Invest in Community Livability Projects

Staff has worked with community stakeholders to develop the Action Plan; after the document is finalized, PDC will establish an Oversight Committee to help guide the implementation of the Action Plan and monitor outcomes.

Staff anticipates presenting the Action Plan to the Portland City Council for approval in January 2017.

Commissioner Edlen asked for clarification of the numbers used in Mr. Campbell's report; Mr. Campbell stated they were raw numbers.

Chair Kelly called forward public testimony

Sheila Holden, PacifiCorp. Ms. Holden discussed the N/NE Economic Alliance, which was adopted in 2000, as well as to increase the area's economic prosperity. However, she explained that plan did not provide the intended benefit for black-owned businesses or black residents. She thanked the committee members for their openness and for listening to the community. She believes the Action Plan will help create wealth opportunities for the residents who have remained in the district, and hoped the Action Plan will address zoning issues to ensure black property owners have a clear path development. She also hopes there are accommodations for loans and grants for redevelopment and to reduce risks.

Commissioner Edlen agreed the 2000 plan had good intentions, but wondered where it failed and what lessons were learned to make the Action Plan successful. Ms. Holden believes some of the issues will be addressed by the Action Plan, and others will need to be leveraged by other partners. She felt the Enterprise Zone (E-Zone) will need to be effective at hiring within the community. Commissioner Edlen asked for clarification about zoning issues that Ms. Holden previously mentioned. Ms. Holden stated that subsequent to the establishment of the Interstate Corridor URA the area had been rezoned multiple times. She believes that as the market improves that business development be allowed to keep up with the housing. Lastly she believes working with and educating loan recipients is a key to investing in the community.

Stephen Green, Black Investment Consortium for Economic Progress (BICEP). Mr. Green shared his perspective after working with the community and his takeaway is that there are three facets for success: trust, education, and urgency. He stated the people serving on the committee are committed to the Action Plan and want to be a part of it.

Karis Stoudamire-Phillips, MODA Health. Ms. Stoudamire-Phillips emphasized the need for trust, urgency, and accountability. As a member of the subcommittee she feels enormous pressure for being accountable to the community. She thanked PDC for holding the community forums to provide a venue for people to share their thoughts and experiences, as many didn't feel heard the first time around. She stated she will continue to serve the community and share with the PDC their input.

Nita Shah, Micro Enterprise Services of Oregon (MESO). Ms. Shah explained that they represent the small business community though MESO. She acknowledged the great effort PDC has made to reach out to the community and share the Action Plan.

Tostanga Davis, MESO. Ms. Davis stated that suggestions from their small business network were submitted (see Attachment 2). She stated feedback from the community forums was submitted and concerns about transparency continuing during the implementation phase were raised.

Felicia Thomas-Well, MESO. Ms. Thomas-Wells states they are requesting the City audit department provide clear guidance on conflict of interest for the project advisory committee. She stated that since

time is of the essence the use of local partners is necessary. Lastly, she requested that 100 percent of the funds be used to support those the Action Plan was intended to support.

Ray Leary, BICEP. Mr. Leary read from a written statement (see Attachment 3). He stated he encouraged by the dialogue and continued conversation around the use of the resources earmarked for the URA, but emphasized that progress must be made to generate long-term wealth that can be sustained.

James Posey, long-term resident. Mr. Posey stated how this community has taken a hit and how the \$32,000,000 could seem like an insult. Nonetheless, he acknowledges PDC's efforts, but recognizes this work will require broad public and private partnerships to make the community whole again. He stressed about the need for not just equity, but parity. He asked that whatever is put forth, that the ideas be transparent.

Chair Kelly wondered what PDC's capacity was for implementing the Action Plan. Ms. Deane stated that it appears we would serve 130 business and property owners over the next five years, which would be 26 transactions annually and consistent with our current volume. She continued by stating that because expectations have been raised in this area that our efforts would need to be proactive, intentional with good follow through.

Commissioner Myers wondered if PDC offered any loan structures similar to what MESO offers. Ms. Deane stated that MESO offers suite of loan products, some of which we do not offer because MESO is a micro-lender. However, the manner in which we underwrite or take factors into consideration are very similar, but she added that we are open to looking at our process and barriers and suite of products available to make ourselves more accessible. She added that we are willing analyze the best way to get money out the door. She believes the next big step to undertake is working with partners to get the money out the door.

Commissioner Moreland-Capuia thanked staff for the update and requested to receive continued updates in the future. She also requested a list of community partners who have participated in the plan. Additionally, she requested a breakdown for the proposed five-year allocations; i.e., who would be served and how much would be given to each.

Chair Kelly appreciated Executive Director Branam's honesty when addressing the attendees of the public forum and wished there were more resources available to do what needed to be done.

8. Action Item: Resolution 7216 – Authorizing the Acquisition of 2.19 Acres of Real Property and a Lease for 2.18 Acres of Real Property Located on SE Water Avenue between SE Taylor and SE Madison Streets in the Central Eastside Urban Renewal Area from the Oregon Department of Transportation

PDC Staff Presenting this item:
Geraldene Moyle, Project Manager

With this action, the PDC Board will authorize the following two transactions with the Oregon Department of Transportation (ODOT): i.) a Bid Form and Sale Agreement that would allow PDC to purchase 2.19 acres of property located on SE Water Avenue, and ii.) a lease agreement that would allow PDC to obtain a leasehold on 2.18 acres of property located on SE Salmon, SE Main, and SE

Madison streets. Collectively, this 4.3-acre site is commonly known as the ODOT Blocks and is located within the Central Eastside URA. If approved, these transactions will allow PDC to control three full city blocks of real estate in a strategic central city location and enable PDC to deliver on goals to increase affordable industrial space and district parking.

Commissioner Cruz offered his congratulations.

Commissioner Edlen commented that when selecting a partner in the disposition phase that he would like to PDC balance the mission and financial returns with our long-term sustainability objectives financially as an organization.

Chair Kelly called forward public testimony.

Juliana Lukasik, Central Eastside Industrial Council. Ms. Lukasik appreciated the city's efforts for moving this project forward. She believes redeveloping these blocks will add to the supply of industrial and employment space and hopes to see a plan for affordable industrial space, zoning and maximizing developable property. She hopes design (parking, sidewalks, and ground floor uses) and programming will be a high priority when choosing the development partner. She feels this project could be a symbol for the future of the district.

Commissioner Edlen asked for clarification with respect to development to its fullest capacity. Ms. Lukasik felt density could be achieved creatively by vacating two dead end streets to create access to structured parking creating more developable space over the top. She emphasized, speaking for her board, to create as much developable space as possible.

Chair Kelly called for a motion to approve Resolution No. 7216; Commissioner Edlen moved and Commissioner Cruz seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers
NAYS: None

9. Action Item: Resolution 7217 – Approving Amended Terms of a Commercial Property Redevelopment Loan to WGP Apartments LLC for Redevelopment of a Certain Property in the Lents Town Center Urban Renewal Area in and Amount Not to Exceed \$9,090,955

PDC Staff Presenting this item:
Laura Alsenas, Business Finance Officer

With this action, the PDC Board will authorize the PDC Executive Director to negotiate and execute an amended loan agreement for increased PDC financing for a 64-unit, mixed-income residential project (Project) on PDC-owned property at SE 91st Avenue and SE Reedway Street in the Lents Town Center URA. The action will authorize a Commercial Property Redevelopment Loan of up to \$9,090,955 to WGP Apartments LLC, a special purpose entity formed by ROSE Community Development Corporation and Home Forward, conditioned upon PDC review and approval of standard underwriting protocols. If approved, this action would increase PDC's commitment to the Project by \$2,148,961.

Chair Kelly called forward public testimony.

Nick Sauvie, ROSE Community Development. Mr. Sauvie shared his and the organization's support of the Project, which provides affordable family housing. He stated that housing instability is one of the biggest factors against creating healthy families. He added that the Guthrie family is delighted to have an affordable housing project named for their father.

Chair Kelly called for a motion to approve Resolution No. 7217; Commissioner Cruz moved and Commissioner Myers seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capua, Myers
NAYS: None

10. Action Item: Resolution 7219 – Approving the Terms of a Settlement Agreement

PDC Staff Presenting this item:
Jillian Detweiler, Interim Manager

With this action, the PDC Board will authorize the terms of a Settlement Agreement with Acorn Foster LLC (Acorn Foster) concerning a dispute related to a PDC-owned property in the Lents Town Center URA (PDC Property).

The PDC Board approved the conveyance of the PDC Property to Asian Health Services Center, Inc (AHSC) and a PDC loan to help finance the construction of a health services facility (Project) on the PDC Property. Acorn Foster, the adjacent property owner, has asserted that the proposed development of the AHSC Project would create parking pressures on the Acorn Foster Property and that the terms of certain Covenants, Conditions, and Restrictions (CC&R) that govern the development of both the PDC Property and the Acorn Foster Property give Acorn Foster the right to approve development on the PDC Property. PDC agrees that the AHSC Project will create increased parking demand and that the AHSC Project is consistent with the terms of the CC&R.

By this action, the PDC Board is being asked to authorize the Executive Director to enter into a Settlement Agreement in accordance with the terms described in Exhibit A to Resolution No. 7219. If approved, the Settlement Agreement will i) permit the AHSC Project to proceed on schedule, ii) obtain approval from Acorn Foster for the AHSC Project, including approval to build approximately 25 more parking stalls than are depicted in the CC&R, and iii) provide Acorn Foster with a small parcel of property upon which it may build additional parking spaces.

Chair Kelly called for a motion to approve Resolution No. 7219; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capua, Myers
NAYS: None

CONVENE CONTRACT REVIEW BOARD

11. Action Item 7220 – Adopting Findings in Support of and Exempting the Nelson Suites 20-40-50 Tenant Improvement Project From Low-Bid Solicitation

PDC Staff Presenting this Item:

Elise Hendrickson, Construction Coordinator

With this action, the PDC Board, serving in its capacity as PDC's Local Contract Review Board (LCRB), will adopt Resolution No. 7220 in support of an exemption from the general rule of low-bid solicitation for the Nelson Suite 20-40-50 Tenant Improvement Project (Project) to PDC-owned property at 8411 N. Denver Avenue (Property) in the Kenton neighborhood within the Interstate Corridor URA. The current tenant, Figure Plant, is looking to grow their business and expand into unoccupied Suite 20, soon-to-be vacant Suite 40, and move from a Temporary Use Permit to fixed term lease in Suite 50. These spaces need various upgrades to be usable for Figure Plant's needs. If approved, the Resolution No. 7220 will exempt the Project from the low-bid solicitation requirements in accordance with Oregon Revised Statutes (ORS) 279C.335 and allow PDC to proceed with the tenant improvements. Construction of the tenant improvements is contingent on successful negotiation of lease terms with Figure Plant.

ORS 279C.335 and PDC's LCRB Administrative Rules provide that the LCRB may exempt certain public contracts from the low-bid process upon the LCRB making the following findings:

- 1) It is unlikely that such exemption will encourage favoritism in the awarding of a public contract or substantially diminish competition for the contract; and
- 2) The awarding of public contract under the exemption will result in substantial cost savings to the agency.

A Best Value Guaranteed Maximum Price contract solicitation (BV-GMP) is proposed as an alternative to low-bid contracting for the Project.

Commission Edlen inquired whether there would be outreach to Minority-owned, Woman-owned, or Emerging Small Business (MWESB) firms. Ms. Hendrickson affirmed his inquiry and stated they had already reached out to the Metropolitan Contractors Improvement Partnership (MCIP) with the scope of work. Commissioner Edlen asked if this outreach included an emphasis on hiring local firms. Ms. Hendrickson stated yes and they also plan to attend a meeting of the Oregon Association of Minority Entrepreneurs (OAME) to announce the project to their members.

Chair Kelly called for a motion to approve Resolution 7220; Commissioner Edlen moved and Commissioner Cruz seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers
NAYS: None

ADJOURN LOCAL CONTRACT REVIEW BOARD

12. Adjourn

There being no further business, Chair Kelly adjourned the PDC Board meeting at approximately 5:26 p.m.

Approved by the Portland Development Commission on January 18, 2017




Pam Micek, Recording Secretary



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MESO

Members of the Board, my name is Nita Shah, Felicia Wells-Thomas and Tastonga Davis. We represent small business community who are supported by Micro Enterprise Services of Oregon in N-NE Portland. MESO provides business support, access to capital and resources to small businesses over the last eleven years.

I, along with Felicia and Tastonga have participated in the N-NE Community Development Initiative for the past year. I want to thank Kate, and Kim, who made tremendous effort throughout to make sure that that the discussions were respectful; the committee was fully involved without pressure and was very transparent. Information needed by the committee was provided in a timely and understandable format. Understanding of TIF funds was also provided as needed.

Suggestions from our small business network were submitted which was shared with the committee and parts were incorporated into the plan. The 2 community forums were advertised widely to ensure maximum attendance. Feedback was collected and is now being considered.

The concern we continue to hear is: will the transparency continue during the implementation phase. We hope we can ensure our network that there will be transparency through-out the next five years.

We request for the city's audit department be involved to provide clear guidance on conflict of interest for the advisory committee that is to be formed to oversee disbursement. Secondly, time is of the essence, so using local partners in the URA to be involved to help disburse the funds and lastly, since the plan is based on the data collected about the inequity that the CURRENT African American's face, we are requesting that 100% of the funds align and support those who it is intended for.

Thank you

Nita, Felicia and Tastonga

N/NE Community Development Action Plan
Portland Development Commission Testimony
November 9, 2016

Good afternoon Chair Kelly and PDC Commissioners,

The N/NE Community Development Action Plan has been an ambitious process to identify effective strategies for leverage a mere \$32 million into wealth-building opportunities for current and forced out N/NE Black businesses and residents. The MESO organization would like to recognize the diligence, transparency and expertise of the PDC staff and leadership through this process. They heard the voices, views, needs and approaches of the North/ Northeast blacks that want to make a difference in their lives and community. The outreach process has been open, effective and responsive.

Here are the things that our MESO board wants the commission to note as effective measures and additions in the plan:

- Increased investment in wealth creation for middle income households with 80-120 percent MFI for home repair, homeownership and accessory dwelling units.
- Increased investment in property ownership, redevelopment, business ownership and growth.
- Make sure the business loan development funds are 75/25 grant to participation to insure maximum success of the businesses.
- Make sure the city leverages other area resources to insure success this time by working with the planning on equity zoning to accommodate changes in the Comprehensive Plan for black property developers.
- Do not set aside funds but allow for impressive larger development opportunities to be considered as developed.

Thank you for your time today. We will continue to work with staff and the community to get this 100% right and effective.

BICEP

November 9, 2016

Portland Development Commission
222 NW 5th Avenue
Portland, OR 97209

Dear Board of Commissioners:

As an African-American community development organization with board members who have been involved in economic development activities for decades in N/NE Portland, we feel compelled to provide some feedback to the Commission regarding the proposed 90% N/NE Community Development Action Plan being presented today. Our assessment is that if this plan is adopted without any changes, the Commission, PDC and the City will once again repeat the failures of the past by overpromising benefits, and under-delivering tangible economic results for the N/NE black community, despite PDC's recent public statements about its good intentions.

We recognize that PDC has made better efforts to listen, engage, and try to work more closely with N/NE community based organizations, residents and businesses over the last few months. But we are not convinced that these efforts will produce more tangible and substantive results for the community, and here's why. We do not believe that PDC currently has sufficient capacity or expertise to mobilize, qualify, process and staff the volume of small project transactions (200 transactions at an average project cost of \$150,000-\$300,000) necessary to expend the entire \$32 million within the next four years based on the expense categories proposed in this 90% plan. We also strongly believe that there needs to be more flexibility built into the plan so PDC has the ability to invest in "important projects" that create meaningful economic opportunity and participation for the historic N/NE community, and are thus deserving of the Commission's and City's support.

As some of you may know, the Black Investment Corporation for Economic Progress (BICEP) is involved in the early planning stages to create the SOUL District that includes the development of a few such projects in inner N/NE. For example, currently BICEP is consulting on a project with Multnomah County to explore the potential feasibility of redeveloping its block located at NE MLK/NE Killingsworth. A major redevelopment project at this location will not be able to be built in the current market to deliver the type of proposed, or desired, community benefit uses that we are currently discussing with a wide array of community partners, without substantial additional subsidized resources like New Market Tax Credits and TIF. Given, that TIF is one of the only major local resources available to promote

public/private community benefits in commercial developments, it makes no sense to limit its use strictly to small-scale redevelopment and business improvements. It needs to be a flexible tool, available to cover both larger scale, and smaller scale commercial and economic revitalization projects in the urban renewal zone.

So, today BICEP strongly urges the Commission to direct its staff to allow the Project Advisory Committee to weigh in substantively on the 90% Action Plan, and make its final recommendations, taking into consideration the community input that was received in the recent public meetings. We encourage this action because PDC convened this diverse and representative group to help it design the Action Plan in the first place, and thus this body ought to be the final arbitrator of the plan's content, weighing all input against what this body already knows about PDC's history, successes and failures in creating economic results on the ground in N/NE Portland. And just as importantly, we also strongly recommend that the Commission build into the final adopted plan the flexibility to hold back and spend up to \$12 million for "significant projects", should appropriate projects that deliver substantive community benefits that serve the N/NE Community Development Action Plan's objectives and intent, emerge for consideration in the next 24 months.

Thank you for your consideration.

Sincerely,



Ray Leary, Member
BICEP Board of Directors