

## **TOD STEERING COMMITTEE MEETING MINUTES**

Tuesday, January 31, 2006 from 10:30 to 12:00  
Metro (600 NE Grand Ave) Room 270

Members present: Mark Ellsworth, Chair (Governor's Office), Vince Chiotti (Oregon Housing & Community Services), Kyle Crate for Tamira Clark (ODOT), Jillian Detweiler (TriMet), Betty Dominguez (Oregon Housing & Community Services), Meg Fernekees (Oregon DLCD), Robert Liberty (Metro Council, District 6)

Staff present: Phil Whitmore, Joel Morton, Lisa Miles, Meganne Steele, and Lisa Hrenko.

### **CALL TO ORDER/APPROVAL OF MINUTES**

Chair Mark Ellsworth called the meeting to order at 10:38 a.m. and asked for any discussion items on the minutes of the September 19, 2005 meeting.

Action Taken: Chair Ellsworth moved to accept the minutes from the September 19, 2005 meeting. Mr. Vince Chiotti seconded the motion. The minutes were approved.

### **REPORT ON CONSTRUCTION COSTS**

Mr. Phil Whitmore provided information on the continuing rise in construction costs, especially for materials like steel, concrete and lumber. Mr. Whitmore stressed that the rise most threatens the type of projects that the TOD Program deals in.

Members discussed if the rise in construction costs will change the nature of projects that are considered. Suggestions of funding fewer projects with more money or changing the program's attitudes about how ambitious the projects are were talked about. The Committee will continue this discussion on TOD policy direction at a later time.

Ms. Betty Dominguez noted that the numbers for the leverage on the Milwaukie Project seemed incorrect and asked that the minutes reflect that the TOD portion was \$555,000 of a \$7.9 million total project.

### **ACTION ITEM – BURNSIDE ROCKET (11<sup>TH</sup> AND BURNSIDE) – INCREASE IN TOD FUNDING**

Mr. Whitmore presented background information on the project and went over the recommendation that the Steering Committee approve that TOD funding for the Burnside Rocket be increased from \$100,000 to \$175,000. Committee members discussed the project and the recommendation.

Mr. Vince Chiotti made the recommendation that the TOD amount not be increased until after the bank has confirmed their increase.

Action Taken: Mr. Chiotti motioned that the TOD funding for the Burnside Rocket be increased from \$100,000 to \$175,000 after confirmation that the bank loan has been increased. The motion was approved unanimously.

### **ACTION ITEM – CENTRAL POINT PHASE II (BERANGER) – AUTHORIZATION OF A SECURED LOAN**

Mr. Whitmore reminded everyone of the status of the project to date, including converting the project to condos. Mr. Whitmore explained that the bank appraisal had come in too low for the bank loan due to a lack of comparables in the area. This, combined with additional cost increases on the project, has resulted in Peak requesting the loan. Committee members discussed issues regarding the plan for repayment of the loan, the nature of condo projects in Gresham, and the advisability of riding out this project. There was also discussion of the cost and size of what the finished condos on this particular project will be as well as the design and finishing of the units and the project location.

Mr. Chiotti expressed concern over the loan due to the appraised value on the project.

Action Taken: The motion for approval of a \$300,000 loan at 1% as a second mortgage for the Beranger to be repaid from condo sales after the bank's loan is repaid and before the investors are repaid or the developer's profit is realized, for a period of 24 months, with an 18 month extension if necessary passed 6 to 1 (Mr. Chiotti voting no).

**ACTION ITEM – ORENCO – NEXUS – AUTHORIZATION OF TOD FUNDING**

Mr. Whitmore gave a description and details of the proposed Orenco Nexus project including size, location, and importance to the surrounding area. The project would be a mixed-use rental with some tuck-under parking and almost half of the units would be larger 2 and 3 bedroom units.

Committee members talked about other projects done by Simpson (the owner and developer of this proposed project) in the area. Members then discussed the proposed Nexus project and issues regarding rental rates, apartment size and potential renters, and parking ratio concerns. Along with the design and parking issues, members were also unhappy with the 3-story height and density of the project and a lack of play areas. Members wanted to make sure that they would be getting something in return for the investment in the project.

Action Taken: The motion that \$300,000 be approved for the Nexus was tabled. It was suggested that direction be given to the developer on possible design and other changes in order to resolve the issues raised by the Committee. The Committee would like to see the developer attempt to get a concept plan modification from the City of Hillsboro for reduced parking ratios, increased density and more open green space.

**ACTION ITEM – PACIFIC UNIVERSITY – HILLSBORO CAMPUS – AUTHORIZATION OF TOD FUNDING**

Mr. Whitmore went over the history of the Pacific University Hillsboro Campus project. Mr. Whitmore then explained the current status of the project, including the possibility of seeking a Congressional earmark for the future next phase.

Action Taken: The motion that TOD funds in the amount of \$200,000 be approved for purchase of a TOD easement for the Pacific University Building at Tuality and 8<sup>th</sup> Ave. Station in downtown Hillsboro subject to the following conditions (5-story building of 104,000 S.F., urban scale building built out to sidewalk, ground floor deli or restaurant, purchase of a TOD easement, and the building to be constructed substantially as depicted) was approved unanimously.

**ACTION ITEM – ACQUISITION OF ADDITIONAL PROPERTY IN CIVIC NEIGHBORHOOD**

Mr. Whitmore explained the strategy behind Gresham Civic and described the site and current situation with Fred Bruning. Mr. Whitmore noted what would happen with the property if the Committee approves the recommendation that the Steering Committee authorize acquisition of the parcel north of the Cal site on the east side of Civic Drive to encourage ground floor retail development with office above.

Mr. Whitmore stated that the total acquisition price will be \$880,000 with \$440,000 down and the balance carried for 2 years from the sellers. CenterCal will have an option for 2 years to develop the property to be 20,000 S.F. of ground floor retail with office above in a building totaling 3 or 4 floors. Committee members noted that they wanted the language to be modified or changed to include a provision for residential (which would have a need a different appraisal).

Action Taken: The motion that the Steering Committee authorize acquisition of the parcel north of the Cal site on the east side of Civic Drive, subject to appraisal and subject to including a provision for residential, passed 6 to 1 (Ms. Jillian Detweiler voted no).

**ADJOURNMENT**

There being no further business, Chair Ellsworth adjourned the meeting at 11:58 a.m.