

# TOD STEERING COMMITTEE MEETING MINUTES

February 28, 2007, Rm.270  
Metro Regional Center  
600 NE Grand Ave, Portland

Members present: Mark Ellsworth, Chair (Governor's Office), Vince Chiotti (Oregon Housing & Community Services), Jillian Detwieller (TriMet), Meg Fernekees (DLCD), Robert Liberty (Metro Council, District 6), Cheryl Twete (PDC).

Staff present: Andy Cotugno, Megan Gibb, Marc Guichard, Joel Morton, Meganne Steele, Phil Whitmore, and Malu Wilkinson.

## I. CALL TO ORDER

Chair called the meeting to order at 1:35pm

## II. APPROVAL OF MINUTES

Chair Mark Ellsworth called for approval of the Dec. 14, 2006 minutes as written. They were unanimously approved.

## III. CONSIDERATION OF ACTIONS RELATED TO THE BARANGER CONDOMINIUM PROJECT IN DOWNTOWN GRESHAM

Mr. Whitmore reported that the project's construction costs have risen beyond projections prompting the developer to seek additional construction funds. Mr. Rossman's construction's lender is likely willing to increase construction financing by \$500,000 provided the new "as built" appraisal supports a value of \$7,200,000 for the project. Since Metro holds a second mortgage on the project, the Steering Committee will need to approve the increased amount of the lender's first position. Mr. Chiotti moved *to authorize further subordination of Metro's second position mortgage to allow the first position mortgage to be increased by a value not to exceed \$600,000*. Ms. Detweiler seconded, and the motion passed unanimously.

## IV. DISCUSSION ON DIRECTION OF TOD & CENTERS PROGRAMS

Mr. Whitmore summarized written response to the joint Metro Council/Steering Committee questions: 1) what factors should be considered prior to investing funds in TOD/Centers Projects? 2) How do we determine when we have "lift off?" 3) How and when does Metro exit a TOD/Centers project? Chair Ellsworth then solicited comments and discussion from committee members and staff. The discussion prompted the following trade-offs:

- |   |     |   |
|---|-----|---|
| 1. Invest in a few big projects   | vs. | Invest in more smaller projects   |
| 2. Regardless of project size, the Program should use larger investments to aggressively "push the envelope" (i.e. projects w/large feasibility gaps) | vs. | Regards of project size, focus making "on the fence" projects incrementally more transit supportive (i.e. projects w/small gaps)          |
| 3. Investments geographically focused on Gresham, Milwaukie, Beaverton and Hillsboro and sustained for the next 3-5 years, until lift off occurs.     | vs. | Geographically diverse investments based on where the action is   |
| 4. Program maintain project implementation focus  | vs. | Program work more holistically incorporating education, advocacy non-site specific planning in addition to implementing specific projects |

Although no specific conclusions were made, Councilor Liberty requested that the minutes reflect the straw pole vote, indicating that some of the steering committee members present are feeling 'fatigue' over funding of projects in Gresham beyond those with current commitments.

Committee members also requested staff to prepare an Opportunities & Constraints analysis of Regional and Town centers with the following elements:

- Level of transit service
- Level of community support
- Public incentives currently available
- Location of potential opportunity sites (aerials)

## **ADJOURNMENT**

Chair Ellsworth adjourned the meeting at 3:15pm

Minutes taken by Marc Guichard

## Short Analysis of the Program Direction Options Discussed at 2/28/07 TOD Steering Committee Meeting

- 1. Invest in a few big projects**

  - + lower overhead to Metro
  - + Potential to work on signature projects
  - limited locations in which sites available for large projects
  - large developers are not flexible
  - +Signature projects help establish new paradigm in local market

vs.

- Invest in more smaller projects**

  - higher Metro overhead compared to capital investment
  - + smaller developers more malleable, better opportunity to overcome resistance to innovation
  - +since overall budget smaller, Metro can cover more cost premiums/risk
  - + development market (especially in town center and station communities) is still dominated by small developers, this option helps build a cadre of small progressive developers
  
- 2. Regardless of project size, the Program should use larger investments to aggressively "push the envelope" (i.e. projects w/large feasibility gaps)**

  - + demonstrates ideal of best practice
  - can result in projects that are too far ahead of market, thus all subsequent projects would need public investment to be remotely feasible

vs.

- Regards of project size, focus making "on the fence" projects incrementally more transit supportive (i.e. projects w/small gaps)**

  - + requires smaller investment by Metro on per project basis
  - + demonstrates incremental steps towards best practice thus, chance for emulating projects to need less public support
  - results not always obvious to public why Metro would provide funding
  
- 3. Investments geographically focused on Gresham, Milwaukie, Beaverton and Hillsboro and sustained for next 3-5 years until lift off occurs**

  - doesn't leverage market opportunities
  - + concentrates public resources, doesn't spread resources too thin across region

vs.

- Geographically diverse investments based on where the action is**

  - +acquisition of opportunity sites preserves key sites for high, right kind of project
  - brings on the fence projects down on the side of increased intensity, pedestrian friendly
  - +demonstrates agility of Metro
  
- 4. Program maintain project implementation focus**

  - saps time and funding the buildings specific examples and establishment of "comps" the only things that matter to many developers, lenders, and builders.

vs.

- Program work more holistically incorporating education, advocacy non site specific planning. in addition to implementing specific projects**

  - + sets the stage for project implementation
  - + Resulting in local capacity building, that could reduce long term need for Metro to provide implementation funding
  - + Can leverage Metro investment with local investment of tax abatement, redirected SDC, TIF funding, LIDs, TMAs, and TDM measures