



METRO

TOD Steering Committee
Thursday, April 11, 2007
1:30 p.m. – 3:00 p.m.
Metro Regional Center, Room 270

ATTENDEES:

Committee Members

Mark Ellsworth, Chair
Tamira Clark
Jillian Detweiler
Meg Fernekees
Dave Kunz
Robert Liberty
Cheryl Twete

Governor's Office
ODOT
TriMet
Oregon DLCD
DEQ
Metro
PDC

Staff

Pamela Blackhorse
Megan Gibb
Joel Morton
Meganne Steele
Bill Stringer
Phil Whitmore

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Guests

Kim Knox
Charmaine Coleman
David Aschenbrenner

Shiels Oblatz Johnson
Milwaukie Citizen Advisory Committee
Milwaukie Citizen Advisory Committee

I. CALL TO ORDER AND INTRODUCTIONS

Council Robert Liberty (for Chair Mark Ellsworth) called the meeting to order at 1:31 pm.

II. APPROVAL OF MEETING MINUTES FROM FEBRUARY 28

Council Liberty called for a discussion of the meeting minutes from February 28, 2007.

Action Taken: Council Liberty asked for approval of the minutes. Ms. Jillian Detweiler of TriMet moved to approve the minutes. Ms. Cheryl Twete of The Portland Development Commission seconded the approval. **The meeting minutes were approved unanimously.**

III. DEVELOPER SELECTION FOR MILWAUKIE TOWN CENTER – ACTION ITEM

Mr. Phil Whitmore, TOD Manager for Metro gave a brief overview of the Milwaukie Town Center Project and introduced Ms. Kim Knox of Shiels Oblatz Johnson, Ms. Charmaine Coleman and David Aschenbrenner of the Milwaukie Citizen Advisory Committee. Ms. Knox gave an overview of the PMG and the selection of a developer from three proposals. The developers were: Main street partners (KemperCo), Costa Pacific and Winkler; with Main Street Partners (KemperCo) chosen as the preferred developer, based on recommendations by the PMG concerning project concept, feasibility, and the strengths and weaknesses of the business offer. Council Liberty clarified that business offers are what the developer requires financially from Metro at this point in time. Ms. Knox stated that the following Tuesday of next week the project will go up for approval with the City of Milwaukie.

Mr. Aschenbrenner of the Advisory Committee advised that the finished product will fit well in to the “feel” of downtown Milwaukie, and that there is a move to revitalize downtown Milwaukie based upon this project alone. He found interviews with each development team to be insightful and felt that the Kemper Group had the most favorable developer based upon funds and the City of Milwaukie’s needs.

The committee raised questions concerning density issues and whether or not parking is considered an issue with this project. It was suggested one project could not solve a longer parking issue for the downtown and that parking is a long-range consideration for the future.

Additionally, the fifth floor on the project is not seen as overbearing. According to members of the Advisory Committee, the fifth floor softens McLaughlin Blvd and provides additional financial and aesthetic appeal based on the view and location. Although the project has fostered differing viewpoints concerning over all look of the building, it was determined that The KemperCo Project had a good cornerstone development with critical features.

Ms. Coleman of the Advisory Committee encouraged Metro to take a longer look at Milwaukie and the city’s plans to revamp downtown within the next two years. Milwaukie is densely populated with commuter options. Further, although the quality of business is still in question, there are still experienced downtown businesses to deal with. She urged the TOD Program to consider future projects in milwaukie.

Council Liberty stated that Metro has limited funds and questioned whether or not the City of Milwaukie is planning to acquire other sites. Ms. Coleman stated that the city has property on the south end of town, but that city funds are limited as well.

Chair Ellsworth questioned the sustainable features of the Milwaukie project. It was advised that the project opens up an opportunity for sustainability and green building.

Action Taken: Ms. Jillian Detweiler originally moved to accept the recommendation, but withdrew her motion, as she felt it was too soon to make a decision based upon the conditions provided. Council Liberty abstained from voting or discussion, as he had received a \$50 contribution from Mr. Kemper. Ms. Tamira Clark of the ODOT, moved to accept the proposal if conditions are accepted as guidelines. Meg Fernekees of Oregon DLCD seconded the motion.

IV. EXECUTIVE SESSION HELD PURSUANT TO ORS192.660(2)(e), DELIBERATIONS WITH PERSONS DESIGNATED TO NEGOTIATE REAL PROPERTY TRANSACTIONS

Chair Ellsworth opened an Executive Session pursuant to ORS192.660(2)(e), for the purpose of deliberating with persons authorized to negotiate real property transactions at 2:22 p.m., to discuss the choice of Main Street Partners (KemperCo) as the Developer for the Milwaukie Town Center.

Persons Present: Pamela Blackhorse, Tamira Clark, Jillian Detweiler, Chair Mark Ellsworth, Meg Fernekees, Megan Gibb, Dave Kunz, Joel Morton, Meganne Steele, Bill Stringer, Cheryl Twete, and Phil Whitmore. Council Liberty left the session at 2:30 p.m.

Time Began: 2:22 p.m.

Time ended: 2:35 p.m.

Chair Ellsworth ended the Executive Session in order for the Committee to take action regarding the selection of a developer for the Milwaukie Town Center.

Action Taken: Chair Ellsworth entertained a motion regarding the decision to select Main Street Partners (KemperCo) as the developer for the Milwaukie Town Center and authorize negotiations for a Memorandum of Understanding with “ten items to address” and five specified conditions. There are questions concerning sustainability, but the project is to be LEEDs equivalent. Ms. Detweiler stated that the project is fundamentally and environmentally responsible. Ms. Clark moved to accept the proposal and select the developer negotiations of a Memorandum of Understanding with the “ten items” and the five specified conditions. Meg Fernekees seconded the motion. **The motion passed unanimously.**

V. BURNSIDE ROCKET, GREEN BUILDING FUND – ACTION ITEM

Mr. Whitmore gave a brief overview on the Burnside Rocket, stating that it is seeking LEEDs Platinum certification and the building is attracting an “edgy” clientele. However, in a challenged rent location, rents for this building are high. He raised the issue of conventional financing vs. conduit financing at 6%, now allotted to mixed-use projects. Mr. Whitmore further stated that project costs are also higher than anticipated. Mr. Whitmore is asking for funding of an extra \$100,000, although he realizes and that this unusual to request funding this far into the project. This is to help close the gap caused by making the building included elements for LEEDs Platinum. Currently the developer is selling a project to help cover the gap. The developer’s assets are already tied into the Rocket.

Chair Ellsworth called for discussion. Ms. Clark pointed out that the funding was not excessive, but that the timing is off. Ms. Detweiler felt that the additional funding was not comparable, based upon the developer’s business decision. She stated that this project is not a catalytic location and that the

building will be good without the extra funding and that the total funding of \$275,000 is excessive for this project. Further, Ms. Detweiler is not clear on the opportunity costs for the building. She will therefore not be supporting additional funding. Mr. Dave Kunz of Oregon DEQ felt that the funding was a small amount and that having LEEDS platinum certification in the project is a worthwhile addition for the TOD Program portfolio. He is aware that the project is not close to the rail (MAX) lines, although it is on frequent bus routes intersection and finds the recommendation reasonable.

Ms. Detweiler questioned whether or not there were funds available through the Green Building Program, or whether or not MTIP dollars or funds from BETC could go into it. Mr. Whitmore suggested that Metro would get BETCs from the Crossings in the amount of \$220,000 and also from our program. He further stated that developer Kevin Cavanaugh is a prime example of "developing the developer," one of the six TOD Investment Strategies.

Action Taken: Chair Ellsworth suggested that the committee either vote or postpone the vote. Chair Ellsworth noted that the committee had five members, which is enough for a quorum. Ms. Meg Fernekees of Oregon DLCD advised that she would remain neutral and would abstain from voting. Mr. Kunz moved to accept the recommendation. Ms. Clark seconded the motion, provided that it included language that the 100,000 come from the green building program fronted initially by MTIP funds. Ms. Clark further pointed out that the project is transit friendly. Costs are from \$.80 to \$1.86. **The motion passed four to one.**

VI. RUSSELLVILLE PHASE THREE FUNDING – ACTION ITEM

Mr. Whitmore briefed the committee concerning funding for Russellville Phase III. The project has already been authorized. However, due to the length of time between building phases, Mr. Whitmore felt it necessary to reauthorize phase III. Mr. Whitmore proposed that the Steering Committee authorize \$175,000 for phase III with the following conditions:

- Plans substantially as provided on the attached illustration elevations,
- 139 units of housing,
- 20,000 square feet of medical, office and retail space available and
- Underground parking of 125 spaces

The current schematic provided is a different design. The completed project is four stories with underground parking. The current proposed design review is not acceptable to the city design review and new designs were shown, which most members though were not as attractive. Mr. Whitmore stated that the committee is committed to the current Letter Agreement with Rembold properties.

Action Taken: Ms. Detweiler moved to accept the recommendation to authorize \$175,000 for Phase III and honor the original Letter Agreement. Ms. Fernekees seconded the motion. Chair Ellsworth noted the motion of acceptance on the floor and called for further discussion. There being no further discussion by the committee, the motion was **approved unanimously**.

VII. OTHER BUSINESS

The next meeting is scheduled in two weeks, on April 25, 2007. Meg Fernekees asked that the meeting be moved to one p.m. Ms. Clark stated that she would have a conflict for this coming meeting. There was some discussion to move the meeting time to the second Wednesday of the month. Ms. Detweiler asked that a decision be made before next Wednesday.

ADJOURNMENT

There being no further business, Chair Ellsworth adjourned the meeting at 3:12 p.m.

*Summary Respectfully submitted by
Pamela Blackhorse, TOD Administrative Secretary*