



12 March 1997
To Mayor Vera Katz & City Council Members
Francesconi, Hales, Kafoury and Sten,
Portland City Hall, 1220 SW Fifth Avenue
Portland, Oregon 97204
From AIA/ Portland Chapter- Urban Design Committee
Re M O U BETWEEN HOYT STREET PROPERTIES & CITIZENS OF PORTLAND

The Urban Design Committee is a volunteer, professional advocacy group which promotes architectural excellence and a high-quality public realm for our city. We strongly support the development of dense, mixed use neighborhoods in proximity to our major infrastructure investments. For years we have been carefully monitoring the planning and specific building projects in the River District. Our concerns have always been to not only ensure attractive buildings and streetscapes, but ALSO to guarantee the evolution of a diverse, self-sufficient, pedestrian friendly neighborhood, not simply a housing district. Our concerns remain

After reviewing the draft M O U, we share with others, serious concerns regarding housing affordability, housing density and totals, and equity of public to private commitments. However, we will focus on the most prominent deficiencies of planning and urban design we believe the M O U and revised map(Exh B) represent

To meet city and regional goals, the HSP site was targeted to provide 4000 - 4300 new units for nearly 10,000 residents. To be a true neighborhood, the site must provide for their commercial, institutional, recreational and employment needs, as well as housing. To ensure this urban synergy and decrease auto use, these uses must be strategically located, and we strongly urge the M O U be revised to achieve the following

1) STREET CONNECTIVITY AND PEDESTRIAN ACCESS. All superblocks (especially B & E) must maintain 24 hour, ground level, public access through them, aligned with street view corridors. Site A appears a suburban "leftover", and must maintain public access corridors aligned with 12th, 13th, Raleigh and Savier streets. We are extremely dismayed with the abandonment of 11th Avenue as a special wider street, building on the railroad heritage and connecting neighborhood to river- 10th is too far east, the superblock terminus at Lovejoy is uncomposed and cannot allow the 200 foot building shape typically provided on superblocks (are parking layouts this critical?)

2) LOCATION & QUANTITY OF PARKS AND OPEN SPACE. 10,000 residents deserve various, dispersed open space, not only the diminished one concentrated at Tanner Creek/"Water Feature". There are NO open spaces indicated in the 45 block center of the River District (Lovejoy to Glisan, 405 to Broadway) where most current residents live, HSP site K is the last, best chance. It seems odd to be "trading" the Kearney/Marshall pedestrian ways for Tanner Park, the original vision and city urban design plan clearly imply BOTH will be provided, and residents will need both

3) INSTITUTIONS & CIVIC FACILITIES Healthy neighborhoods require schools, community centers, police offices, libraries, clinics, social services and other public facilities. These are best sited and designed in conjunction with parks, plazas and the transportation facilities needed to expose and serve them, most all Portland neighborhoods are organized around the school/playground/park at their center. Although other locations in the River District might be appropriate, the City's Urban Design Plan completely reneges on locating public facilities. We believe these are not "market driven" site decisions, and the HSP sites adjacent to the Tanner Park/ "Water Feature" open space are logical candidates. A complete inventory of such facilities should be specifically sited. To not do so is simply non-planning.

4) COMMERCIAL & RETAIL NEIGHBORHOOD FOCUS Although we strongly support all sites in the district be mixed use and have active, transparent ground floors, these usually can only accommodate small shops or offices. These 35 acres and 10,000 residents will certainly need larger grocery and households stores, plus central restaurants, cultural and assorted commercial services. Again, these should not be scattered willy-nilly throughout, instead, following regional transit-oriented policies, they should be located along transit or streetcar routes, and centrally clustered to maximize walking trips and provide for shared parking structures/solutions. We are very concerned that the "retail core" along Lovejoy identified in prior plans, has no enforcement policies, and furthermore, we believe this street has serious traffic/ streetcar/ transit capacity issues (exacerbated by the proposed 'jog' in 11th) which suggest other nodes be considered.

We implore you to be faithful and consistent with the district vision you approved, and the Urban Design Plan which is city policy and what citizens expect you to uphold and implement, "to provide (the district neighborhoods) the support they need to become self-sufficient" (Vision statement) and "provide neighborhood amenities-commercial, educational, medical, recreational, transportation, entertainment, emergency and social service- that support River District residents " (River District policy 17-E)

Thank You for considering these recommendations and cautions. Some will say this M O U is not the right place for these concerns, or it's best to let the market decide, or "it is too early to plan these "details" and errors in locations could be made". As we speak, this District is exploding with construction, the time to truly urban design it is now, and we would suggest to not do a more complete, careful job will ENSURE mistaken and omitted locations will occur.

Sincerely,

A handwritten signature in black ink that reads "Garry Papers". The signature is stylized with a long, sweeping horizontal line extending to the right.

Garry Papers, AIA
Chair, Urban Design Committee

cc Barbara Sestak, AIA, Chapter President
Saundra Stevens, Hon AIA

35592

AMENDMENT NO. 1
TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF PORTLAND AND
HOYT STREET PROPERTIES L.L.C.

On Page 14, the first three paragraphs shall be replaced with the following

If an application is submitted to PDC and/or another housing agency by HSP which meets PDC's and/or the subsidizing agency's lending requirements and guidelines, but is not funded on a reasonably equivalent basis and within a similar timeframe as those offered other affordable housing projects in Portland either because: (1) the City determines that sufficient public subsidies are not available at the time to do the project, or (2) the City and HSP do not agree on the "reasonableness" of the type, amount or other terms and conditions of the proposed public assistance, then HSP and the City agree to work in good faith together, for a period of twelve (12) months thereafter, to modify the proposal to the parties' satisfaction or to secure necessary public funds during that period. During this twelve month period, the City may elect to develop the property itself or to also attempt to secure another entity to develop the proposed project under those terms and conditions sought by the City but not accepted by HSP. If the City so secures another entity, or elects to develop the property itself, it shall then have the right to purchase the proposed property from HSP, at a price established through the process described below, and cause the development of the proposed project.

In the event the necessary public subsidies are not provided and the City fails to exercise its right to secure another entity and acquire the proposed property, HSP shall be given credit against the then applicable minimum housing affordability goals for the affordable housing project submitted but not subsidized, whether the project is built or not.

TESTIMONY SIGN-UP
FOR

35592

P.1

307 MOU with Hoyt St. Properties

IF YOU WISH TO SPEAK TO THE CITY COUNCIL,
PLEASE PRINT YOUR NAME AND ADDRESS BELOW

NAME

ADDRESS & ZIP CODE

✓ 1	John Rodger	POP / 5425 NE 27th
✓ 2	Shelby Lorenzen	League of Women Voters
✓ 3	Susan Emmons	New Pilot Project
✓ 4	GARRY PAPERS	AIA - URBAN DESIGN COMMITTEE
✓ 5	BRIAN SYMES	3737 SW 87 PDX 97225
✓ 6	^{John Felt} JOHN FELT	1211 SW 5 AVE, PDX 97204
✓ 7	Grant Guyer	1009 NW Hoyt #201, Pdx 97209
✓ 8	Pamela Alegria	3750 SE Henry 97202
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Date: 3/12/97

Page 1 of

P.2

#307 MOU with Hoyt St. Properties

ADDRESS & ZIP CODE[illegible]

AB502

February 25, 1997

Mayor Vera Katz
and City Council
City of Portland
1220 SW Fifth Avenue
Portland, OR 97204

RE. The River District Memorandum of Understanding between the City of
Portland and Hoyt Street Properties

Dear Mayor Katz and Portland City Commissioners

We are writing this letter on behalf of the Coalition for a Livable Future, an affiliation of over 35 nonprofit organizations based in the Portland metropolitan region that are working together to promote a compact, equitable and sustainable future for the Portland area.

The Coalition commends the City for its good work in (1) promoting a positive vision for the River District through the River District Plan and (2) fostering good development through public/private partnerships. We appreciate these efforts and recognize the importance of the River District to the success of the City's implementation of the Region 2040 Growth Concept and to the vitality of the city as a whole.

However, we are concerned with the current Memorandum of Understanding (M O U) between the City and Hoyt Street Properties regarding future development in the River District. It is puzzling to us that as the City and others work with Metro to ensure good code provisions for development on the region's fringe that the City would be satisfied with an insubstantial agreement for development at the City's core. We should expect at least as much from development at the region's core as we do from development in the urban reserves.

Therefore, the Coalition believes that the M O U with Hoyt Street Properties should ask for more. Public investments -- like lowering the Lovejoy ramp or creating Tanner Creek Park -- should leverage community benefits from the developers who gain from those investments. The current M O U doesn't seem to ask for anything that the market would not provide anyway.

The City created a clear and comprehensive vision for the River District through the River District Plan. The Coalition is concerned that this vision is not being

followed by the current draft of the M O U We suggest revising the M O U to achieve the following

- Require more than 87 units per acre for the first phase of City improvements to the District (i.e Lovejoy ramp),
- Emphasize street connectivity and sight lines in the River District The current block size of 200' by 200' should be maintained and streets should not be diverted by superblocks,
- Encourage retail development in order to create a mixed-use community Families, especially lower-income, should not be forced to own a car in order to do their grocery shopping,
- Strengthen the provisions for housing affordability Include minimum inclusionary housing provisions in which the developer is required to supply 20% of a development's rental units at prices affordable to households at 80% of the median family income (MFI) or below, and 20% of the home ownership units at prices affordable to households at 100% of the MFI or below If significant public assistance is available then a greater share of the units should be affordable to a broader range of lower income families
- Daylight Tanner Creek as part of the Tanner Creek Park improvements Every significant vision or plan for the River District has called for the daylighting of Tanner Creek

Thank you for your time in considering our recommendations The Coalition will continue to participate in the ongoing dialogue over the River District and appreciates the opportunity to comment on the M O U Please contact Coalition coordinator Zack Semke (497-1000) with any questions or comments

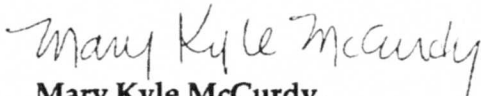
Sincerely,



Tasha Harmon,
CLF Affordable Housing Working Group
CLF Steering Committee



Mike Houck,
Audubon Society of Portland
CLF Steering Committee



Mary Kyle McCurdy,
1000 Friends of Oregon
CLF Steering Committee



Marcy McNelly,
American Institute of Architects
CLF Steering Committee

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or the City, and HSP do not agree on the reasonableness of the type, amount or other terms and conditions of the proposed public assistance.
If an application is submitted to PDC and/or another housing agency by HSP which meets PDC's and/or the subsidizing agency's lending requirements and guidelines, but is not funded on a reasonably equivalent basis and within a similar timeframe as those offered other affordable housing projects in Portland because the City determines that sufficient public subsidies are not available at the time to do the project, then HSP and the City agree to work in good faith together, for a period of twelve (12) months thereafter, to modify the proposal to the parties' satisfaction or to secure necessary public funds during that period

During this twelve month period, the City may also attempt to secure another private entity to develop the proposed project under final terms and conditions offered by the City or PDC but not accepted by HSP. If the City so secures another private entity, it shall then have the right to purchase the proposed property from HSP, at a price established through the process described below, and cause development of the proposed project upon the same terms and conditions as the offer declined by HSP. HSP shall be entitled to repurchase on the same terms outlined below, in the event the terms and conditions offered by the City to another private entity are substantially modified from those offered to HSP, or in the event the proposed project does not begin construction within twelve (12) months of closing. This right of purchase shall be limited to two projects

In the event the necessary public subsidies are not provided and the City fails to exercise its right to secure another entity and acquire the proposed property, HSP shall be given credit against the then applicable minimum housing affordability goals for the affordable housing project submitted but not subsidized, whether the project is built or not

The Portland City Council has directed PDC to monitor the River District's projects in achieving the minimum housing affordability goals called for in the River District Housing Implementation Strategy. As described above, PDC will also track HSP's progress in the overall effort to achieve those goals. HSP shall be given affordable housing credit to the extent the recently sold or optioned Lots 55, 56, 57 and 58 of Pearl Block 4 contain affordable housing

Upon the fifth, tenth and fifteenth anniversaries of the execution of the Development Agreement, PDC shall make a determination as to whether or not the housing development in the River District area as a whole has met the minimum goals established in the River District Housing Implementation Strategy for that period of time since the execution of the Development Agreement. If the minimum housing affordability goals have not been met, PDC shall then make a determination whether or not HSP has met or exceeded

City Council Testimony
March 12, 1997

Good morning Madam Mayor, Commissioners, my name is John Rodgers I am a leader with the Portland Organizing Project

Two years ago the Portland Organizing Project began negotiating with the Central City Task Force As you recall the CCTF was charged with designing a set of proposals for the development of several downtown neighborhoods, including the River District Their vision was entitled "Central City 2000 " Our involvement was sparked by the concern that this vision included the use of hundreds of millions of public money, and it would exhaust affordable housing dollars designated for the whole city of Portland Their vision also raised questions about the level of private profit as the result of public investment In response to this vision and the questions it raised, we articulated our vision which was "Portland 2000 "

We lifted up some important principles that guided our vision A key principle was that there should not be any public investment of tax dollars without commensurate public return, and secondly, where that public investment resulted in private gain, the balance between public investment, public return and private gain needed to be carefully scrutinized

Our negotiations with CCTF helped to change the vision and resulted in their supporting our call for the creation of a \$15 million dollar Housing Investment Fund And thanks to the work of Commissioner Kafoury and others, that Fund has become a reality

That's a bit of history We are here today to continue the process of implementing one of CCTF's recommendations the redevelopment of the River District and surrounding neighborhoods We applaud the work that has gone into this project by Hoyt Street properties, but we raise the same concerns that we had two years ago Before there is a commitment of significant public monies, it needs to be clearly demonstrated that there is commensurate public benefit, and secondly, that there is a fair balance between that public investment and private gain

At the Council's informal hearing a few weeks ago, several Commissioners said that they were concerned that in the absence of sufficient data, it was difficult to determine whether this was a fair deal for the city and the taxpayer It is my understanding that this data is not yet available In light of these concerns and the absence of supporting data, I believe the only responsible action that can be taken at this time is to table any action until the data is available and it can be analyzed



PEARL DISTRICT NEIGHBORHOOD ASSOCIATION

1325 NW FLANDERS ST PORTLAND OR 97209

TEL (503) 222-3895 FAX (503) 274-7995

E-MAIL NABEEL6148@AOL.COM

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35592

Madam Mayor and City Council Members

March 12, 1997

The PEARL DISTRICT N A recommends the proposed Memorandum of Understanding between the City of Portland and the Hoyt Street Properties L L C be adopted as the first step in the process of planning and development of the River District

PRESIDENT

NEILSON ABEEL

VICE PRESIDENT

AL SOLHEIM

TREASURER

JACKIE MATHYS

SECRETARY

KAREN MORGAN

Our association, through the work of our Planning Committee, has made comments and statements of concern to the two parties, several have caused the MOU to be modified and we want to thank the parties for that consideration. There are still issues which trouble us and which we hope the parties will continue to strive for improvement.

BOARD OF DIRECTORS

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MICHAEL BUTTERS

MICHAEL CZYSZ

DANIEL DEHEN

SANDY WOLFSON

LARRY GRIMES

TOM HARVEY

CATHY HOWELL

CAROL SMITH LARSON

WILBUR LARSON M D

TOM MOHR

The PDNA has consistently supported the River District Vision, the River District Development Plan as adopted by the City of Portland, and the River District Design Guidelines. We believe that this is the most important large scale improvement to the central city ever to be contemplated. We believe that HSP is an innovative, creative, sensitive developer who will strive for excellence of design in its buildings. For its "leap of faith", in the enormous commitment of infrastructure, we charge the City of Portland to be active and vigilant in pursuing the highest standards for public facilities, parks, transportation and urban design.

It is now time to get on to the details of the Development Agreement, the Master Plan, and the Planning Process. We have confidence in the desire of both the City, as represented by PDC, and the developer to create a well planned and executed Master Plan and Development Agreement. For our part, we plan to be part of the process at every step to help make sure that the City of Portland and the Pearl District receive the very best for the future.

COMMUNICATIONS

JACKIE MATHYS


1308 NW HOYT, STE 308

PORTLAND, OR 97209

TEL 294 0581, FAX 294-0589

E MAIL JMATHYS@TELEPORT.COM

Respectfully submitted,


Neilson Abeel

Janet Christ
294-5023

Submitted 3/12
@ 2 pm mtg -
by PDC

AMENDMENT NO. 1
TO THE
MEMORANDUM OF UNDERSTANDING
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THE CITY OF PORTLAND AND
HOYT STREET PROPERTIES L.L.C.

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#307

7906 N Foss Ave
Portland, Or 97203

February 26, 1997

Portland City Council
1120 S W 5th Avenue
Portland, Or 97205

RECEIVED
FEB 28 12 11 PM '97
DAVE KAUFMAN
CITY OF PORTLAND OR

Dear Mayor Katz & Council members,

I am writing concerning the proposed closure and removal of the Northwest 10th Street ramp and the adjoining Lovejoy ramp

Both ramps are very vital to the citizens of Portland to reach businesses located in the Northwest part of Portland. In particular I am concerned about the additional time it would take an emergency vehicle to reach the Good Samaritan Hospital located on 23rd & Lovejoy/Marshall

When you are trying to reach the hospital with a heart attack victim, the additional time necessary to wind down Broadway to Glisan and thence to the 23rd location, might be too long for the victim to survive. There are thousands of workers who daily commute across these two viaducts, who would be inconvenienced with their removal.

Over the past 41 years, my daily commute took me over the Lovejoy ramp. The additional mileage and expenses incurred in traveling down Broadway and back up Glisan to reach my Northwest business location, would be prohibitive.

The areas which you are trying to help, can expand and exist with the two aforementioned structures in place. In fact, these two structures would enhance access to and from that location to those who would live there.

Before any further action is taken, I recommend you bring this issue to the citizens who live in Portland for their consideration and approval. Then and only then, should they vote for the removal should it begin.

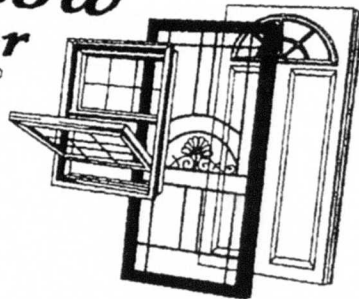
Thank you,


Howard L. Stephenson

Accurate Window & Door

INCORPORATED

- Replacement Windows
- Storm Windows
- Security Doors
- Entry Doors
- French Doors
- Quality Installation



3347 North Lombard
Portland, Oregon 97217



Portland City Council
1120 SW 5th Ave
~
~ 11 17

Planning for the River District represents a remarkable contradiction

On the one hand - a beautiful vision of planning a whole neighborhood on an undeveloped parcel of land in the heart of the City

I was at the PDC commission meeting in March 1994 when they showed the slide show - and we were all just wowed by it and it's understandable why people are so excited about it

We get a wonderful picture of the future but then we don't require precise numbers of housing for low income people

Comment on the language in the agreement under Housing Affordability

The parties acknowledge.. ...

I want to question this statement and this assumption

It assumes HSP cannot meet the Housing affordability goals without public financial assistance

It's true that it requires deep public subsidy if all you are doing is building housing for poor people. But in the River District the plan has always been to build a whole neighborhood of mixed income housing. What we've always been told about mixed income housing is that if you're building enough units of moderate income housing and upper income housing - the income from these will subsidize the lower income units and not require any public assistance.

The low income units will be spread around. They won't be segregated in one building and that's better for poor people. Why are we reluctant to require this?

I've talked to business people this week. Here's what some of them have said to me when I've asked them about what is fair for the city to require:

- (1) You don't want to rely on good faith and good will. That's not how we do it in the business world

You want predictable behavior. Why will the business community do it if we don't require it?

- (2) Is it fair? Yes it is fair to make specific requirements. Of course developers are in it to make money. They will make money. Even if they have to factor low income units in they will still make plenty of money - they just won't make quite as much

River District
3/12/97
Page 2

I've been worried that we have these competing city goals regarding housing and one is density that plans for growth and one is affordability that responds to our greatest needs

Someone explained to me earlier this week that I've been looking at it all wrong - that these twin goals are not mutually exclusive - they are compatible and one is the sub-set of the other.

So the big overarching goal is to get as many housing units as we can in the urban core. A sub-set of this goal is to get as many units for low-income people mixed in with the housing.

The reason the River District is so important is that what you do with this will set the policy framework for every other blank piece of land to be developed

N. Macadam
South Auditorium

This guidance has to come from City Council. You have to send this clear message to PDC that whatever you do, whatever you're working on from now on we want you to get some units for low income people in every project -- and I don't see why you can't do this

It's up to City Council to set the target

We have serious problems confronting us right now and incredible challenges we need everyone to pull together in this community to help us meet these challenges - there's no one sector that can do it alone.

I urge you to amend this Memo of Understanding to require that of the first 3,000 units built -- 300 will be studio apartments that rent for \$300 a month. I understand from developers that this is a reasonable requirement

Some people say we can't reach our goal of 10,000 units for low income people. They say we don't have the resources. They say it can't be done. I say it can be done - if on every project from now on we mix in low income units

John M. Feit
2042 SW Madison Apartment 1
Portland, Oregon 97205

Dear Commissioners,

Wednesday, March 12 1997

My name is John M. Feit. I am a long time member of the AIA Urban Design Committee, and am here to testify as a concerned citizen and resident of downtown Portland.

You are the stewards of our urban form. It is an awesome responsibility you hold, one that entrusts you to secure for us the best possible city we can have. What we have before us today concerns the most crucial and substantial place as to where you can insure that Portland becomes what it ought to be.

I testify today in neither support nor denial of the plan before you. I can really do neither, in good conscience, because there is little of substance before me with which to offer an informed appraisal. As a member of the Urban Design Committee I have offered urban design critiques for many years, judging urban design and building proposals on whether or not they support the public realm, enhance our city, and improve our lives. The Memo of Understanding could, as I hope it would, be an excellent proposal, exceeding our expectations of sound urbanism. The trouble is that the city has no definitive indications of what is being offered to them in place of what has already been agreed between the city and the applicants. This represents a gamble on the city's part, one that I hope the Council does not care to place a wager on.

While I may find fault with some of the realignment of streets and blocks as presented, I take a broader stance. For this plan does not, nor as a matter of fact has any proceeding plan to this one proposed locations for any of the following: civic amenities (including schools, libraries, and police) or useful neighborhood services (such as grocery stores, dry cleaners, day care centers, etceteras). Parks are proposed, but are concentrated in a few areas not offering the diversity of size and location this district needs to offer for its residents. I do not wish to imply that the applicants have no intentions to build a rich and diverse district, but if they do have these intentions they are not shown. And this is the time to show us, is it not? Other developers have a tarnished record when it comes to following through on commitments in this district. I do not prejudge all developers in the district, but as the present applicant has no track record in the River District proof of intention is prudent. As a manager of money, the applicant should know that a credit history, as well as collateral, is required when obtaining a loan. To my knowledge, neither built neighborhood examples, nor a plan worthy of interpretation, have been presented.

I ask the city then to postpone any decisions on this proposal until definitive plans are presented including, but not limited to, specific proposals as to building use and form, as well as a more diversified open space plan. This fundamental information needs inclusion in any proposal so that you and the citizenry may offer informed judgment upon what we are getting for our dollars. And even more importantly what we are getting our city.

Best Regards,


John M. Feit

35592

#307

555 NW Park Ave #702
Portland, OR 97209

March 12, 1997

City Council
City of Portland
1120 SW 5th Ave
Portland, Oregon 97204

Subj: Memorandum of Understanding between
City of Portland and Hoyt Street Properties

I am a member of both the Pearl District Neighborhood Association
Planning Committee and the Willamette Pedestrian Coalition

The Memorandum of Understanding (MOU) addresses several development
issues which will affect the pedestrian environment in this part of the
River District


It is essential to maintain Portland's 200 ft block size and public
street grid throughout this new area of the city

This is especially true because of the proposed Central City Streetcar
alignment on NW 10th Ave and 11th Ave through the River District

This requirement will be addressed in future processes, such as the
Master Plan Amendment to be proposed by Hoyt Street Properties. I am
concerned that the MOU includes references to possible variances from a
traditional pattern

I urge the Council to add language to the MOU that establishes the
200 ft block alignment and public street access as principal values in
this development. Variations which add to the visual interest may be
addressed in future Design Review.

Yours Sincerely,



Thomas E. Mohr

March 7, 1997

Ms Debbie Aiona, President
Ms Conida Von Braun Chair
The League of Women Voters of Portland Oregon
921 SW Morrison, Suite 410
Portland, OR 97205

Re: City-Hoyt Street Properties Memorandum of Understanding

Thank you for your recent letter on the development of the River District and the draft Memorandum of Understanding (MOU) dated February 10. Your comments were reviewed and considered by the River District Steering Committee on February 20th, the City Council at an informal work session on February 25, and by the Public Negotiating Team appointed by the City Council. Shelly Lorenzen and Leanne MacColl of the League have attended and provided comments at these sessions as well.

As chair of the Public Negotiating Team, I will summarize the status of the issues raised in your February 10 correspondence to Robert Ames, Chair of the River District Steering Committee. Mr. Ames spoke to these issues at the City Council informal meeting.

Neighborhood Planning

Concern The League requested that a Neighborhood Plan be prepared for the Pearl District addressing parking, emergency services, schools, child care, grocery stores, open space, etc.

Response We have attached to this letter a summary of recent planning documents and studies related to the River District. Six River District policies and plans have been adopted by the City Council over the past five years. In addition, we are working with the Superintendent of Public School and grocery companies to find a suitable location(s) for new facilities in the District. We do not believe that a Neighborhood Plan is necessary to help create these services and, in fact, might be overly prescriptive.

Developer Commitments

Concern The League questions whether the developer commitments are commensurate with the public expenditures envisioned in the River District Plan. Specifically, the League feels that many of the terms and conditions in the MOU such as street dedications, density requirements, easements, open space dedications, etc., are obligations that the developer would normally have to abide by or is already doing because of market conditions.

RECEIVED

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MAR 10 2 07 PM '97

BARBARA CLARK, AUDITOR
CITY OF PORTLAND, OR

BY _____

Carl B. Tilton
Chairman

Martin Brantley
Commissioner

Guido Castillo
Commissioner

John D. Eskildsen
Commissioner

Frank Stepp
Commissioner

Vera Kitz
Mayor

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www.portlandindex.org



Response At the outset of the River District planning effort, a market analysis was undertaken by E D Hovee & Associates documenting the need for the proposed public investment in order to accomplish the anticipated 5,000 new housing units in the area. Significant amounts of housing are envisioned to be built on property owned by the PDC and Port of Portland. This work was followed-up by a return-on-investment analysis undertaken by OTAK, Inc. which, again, indicated that the level of private investment desired would not occur without the proposed public investment. The Office of Finance and Administration is contracting with OTAK to update their return-on-investment analysis to reflect the impacts of project economics resulting from the passage of Ballot Measure 47.

Currently, the developer has the legal ability to build-out the Hoyt Street Properties with commercial/office development and is only required to construct 15 dwelling units per acre. Under the terms of the Development Agreement, the developer will be required to build a minimum of 87-units per acre and, once all the public improvements are in place, up to 131-units per acre.

It should also be pointed out that the developers are required to pay for large pieces of the public infrastructure including street dedications, the construction of the streets, sidewalks and utilities and a \$700,000 contribution to the streetcar local improvement district.

Implications of Non-Performance by the City

Concern The League points out that, if the City fails to perform its public infrastructure obligations, the developer is not obligated to build more than 15 dwelling units per acre.

Response This is correct. The developer's commitment to build high density housing in lieu of lesser density housing or commercial/office space is expressly contingent upon the City's performance.

Super Blocks

Concern The League is concerned that the provision in the MOU calling for the transfer of open space will result in super blocks with "mini-gated communities", suburban style development, etc.

Response In February of 1996, the City Council adopted the River District Special Design Guidelines covering urban and architectural design. The MOU does not preempt any decisions that may be made by the Hearings Officer or Design Commission through the master plan amendments or specific design review. The MOU does increase the minimum over all housing density from 15-units per acre to up to 131-units per acre. We feel that the concerns raised by the League will be adequately and appropriately dealt with through the master plan amendment process and through design review by the Planning Bureau, the Hearings Officer and the Design Commission. The Public Negotiating Team did not feel that the MOU was the appropriate place to try to resolve future design questions.

Housing Affordability

Concern The League is concerned about leeway afforded the developer in meeting housing affordability goals

Response Safeguards are built into the MOU to allow for achieving housing affordability goals, in particular, the provision allowing the City to acquire three sites for affordable housing projects. In addition, new provisions have been added to the MOU to provide the City with a year option to secure financing or an alternate developer if needed public financing is not available

We are pleased to note that as of this date, the low-income and moderate-income housing affordability goals have been met with recently completed projects, projects under construction or projects with funding thus far committed

Thank you again for your comprehensive review and comments. The City Council is scheduled to consider this matter on March 12 at 9 45 a.m. We look forward to your continued involvement and review of this important community effort

Sincerely,



Lawrence L. Dully
Director of Development

LLD/ddx

Attachment

cc Portland City Council
Robert Ames, Chair, River District Steering Committee
River District Steering Committee
Public Negotiating Team

Summary of Planning Documents and Studies relating to River District

- River District Vision Document Endorsed by City Council on March 11, 1992
- River District Development Plan Approved by City Council on May 11, 1994
- River District Housing Implementation Strategy Approved by City Council on December 21, 1994
- River District Strategic Investment Plan Approved by City Council on December 21, 1994
- River District Special Design Guidelines Approved by City Council on February 21, 1996
- Central City Plan Amendment incorporating the River District Vision Approved by City Council on April 12, 1995
- River District Right-of-Way Design Guidelines Approved by Design Commission on April 18, 1996
- Central City Public Parking Facilities Plan, December, 1995
- River District Housing Feasibility Analysis E G Hovee & Assoc 1992
- River District Return on Investment Analysis OTAK, Inc December, 1994
- River District School Siting Analysis Bureau of Planning July 10, 1995

March 6, 1997

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BARBARA LLAR AUDITOR
CITY OF PORTLAND OR

BY _____

Carl B. Edton
Chairman

Mr. Neilson Abeel, President
Pearl District Neighborhood Association
1325 NW Flanders Street
Portland, OR 97209

Martin Brantley
Commissioner

Mr. Michael Czysz, Chair, Planning and Transportation Committee
Pearl District Neighborhood Association
1325 NW Flanders Street
Portland, OR 07209

Cele Castillo
Commissioner

RE: Hoyt Street Properties Memorandum of Understanding

John D. Skoldsen
Commissioner

Thank you for your written comments and testimony on the draft Memo of Understanding. Your letter and testimony has been reviewed by the River District Steering Committee at its February 20th meeting, the Portland City Council at an informal meeting on February 25th and by the Public Negotiating Team appointed by the City Council. As chair of the team I want to specifically address the issues you raised in your February 14th letter regarding the MOU.

F. Kay Stepp
Commissioner

The Lovejoy Project

Concern PDNA expressed concern about removal of the Lovejoy Ramp based on its potential historic value, the artwork on the columns, and potential increased traffic in the neighborhood.

Response The Portland Office of Transportation (PDOT) has reviewed the Lovejoy Ramp Project with the Oregon Department of Transportation (ODOT) and the State Historic Preservation Office (SHPO) relative to the historic status of the ramp. The SHPO has determined that neither the bridge nor the artwork on the columns are eligible for inclusion to the National Register of Historic Places. However, PDOT has agreed to investigate ways to preserve the columns and relocate them as part of the project and has included this in the current scope of work for its design and engineering consultants. PDOT has undertaken extensive traffic analysis which indicate that all streets and roads in the River District will operate satisfactorily once the Lovejoy Ramp is removed and the street reconstructed.

Vera Katz
Mayor

Tim S. Barrison
Executive Director

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The Streetcar Project

Concern PDNA opposes the suggestion that rubber-wheeled trolleys be instituted in the River District as an interim measure to the fixed-rail streetcar system

Response The MOU allows the flexibility to initiate rubber-wheeled service, at which time, the minimum housing density requirement would also increase. City Council members specifically requested that this language be included to allow for flexibility in expediting and improving transit service to the River District

Tanner Creek Project

Concern PDNA points out that the daylighting of Tanner Creek is not mentioned in the MOU, they are concerned that the Tanner Creek Park Blocks are of sufficient size to accommodate the daylighting and, desire to be a part of the planning process for the Park

Response Staff is in agreement on these issues. The specific design of the park and the Tanner Creek daylighting will be addressed during the parks and open space planning process. PDNA will be invited to participate in that process

Every reference to Tanner Park has been modified to say Tanner Creek Park. Section III A 3 has been expanded to state

The Tanner Creek Park Project also anticipates the development of a related project known as the "Daylighting of Tanner Creek" which would bring clean storm water from the Tanner Creek storm water system to the surface and would be incorporated into Tanner Creek Park as a park amenity and educational feature

Section III 0 has been modified to include the Pearl District Neighborhood Association to work together with city agencies, the River District Association and Hoyt Street Properties on additional planning and feasibility work related to the proposed parks and open space public improvements

Super Blocks

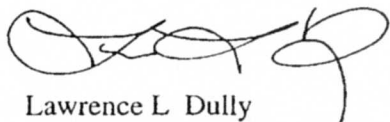
Concern PDNA is concerned about super blocks and accessibility through those blocks by pedestrians, bicyclists, etc

Response This issue will be adequately addressed through the Master Plan Amendment process and through design review we suggest that the MOU not attempt to specifically resolve these kinds of design issues. The MOU does say the following:

Section IV D - The partners understand that pedestrian or other passages through the development parcels may be desirable or required and that the extent and nature of those remaining open spaces for pedestrians or other passages will be determined as a part of the Mast Plan Amendment.

Thank you again for your comments. We look forward to continuing to work with you and Hoyt Street Properties as this important community project moves forward.

Sincerely,



Lawrence L. Dully
Director of Development

LLD/ddx

cc Portland City Council
Bob Ames, Chair, River District Steering Committee
Public Negotiating Team

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF PORTLAND AND
HOYT STREET PROPERTIES L.L.C.**

This Memorandum of Understanding ("MOU") is entered into between the City of Portland ("City"), a municipal corporation of the State of Oregon, and Hoyt Street Properties, L L C ("HSP"), a limited liability company managed by Homer G Williams. HSP is the owner of approximately thirty-four (34) acres of property in Northwest Portland referred to in this MOU as the "Property." The Property subject to this MOU is outlined on Exhibit A to this MOU.

I. PURPOSE

The purpose of this MOU is to outline the basic principles agreed upon with regard to the preparation of a Development Agreement for the Property. This MOU is not intended to address all of the issues that will ultimately be included in the Development Agreement. The parties intend to proceed within their respective authorities consistent with the understandings and principles outlined herein.

The Development Agreement will be executed and a Memorandum of the Development Agreement will be recorded. Many terms and conditions of the Development Agreement will be covenants running with the land. As such, the terms and conditions will generally apply to any purchasers, successors or assigns of the Property who acquire the Property for development. The parties do not intend that HSP's development obligations will be binding on purchasers of completed improvements, either residential or commercial. Some monetary obligations, such as the obligation to pay LID assessments, may continue to bind all purchasers, successors or assigns after the effective date of assessment.

This MOU is not intended to be legally binding and neither party shall have any cause of action for failure of the negotiations contemplated in this MOU to result in an executed Development Agreement between the parties. The parties anticipate that the Development Agreement will be executed as soon as reasonably possible with a goal of April 15, 1997.

II. GENERAL STATEMENT OF UNDERSTANDING AND INTENT

- A. The intent of the Development Agreement is to provide for timely private development and public investments on the Property and in the vicinity so they occur in a manner consistent with the River District Development Plan endorsed by City Council on May 11, 1994 ("Plan"). The Plan calls for a high density, mixed-use development of the Property which will primarily consist of new residential projects such that, at full build-out, approximately 2,000 to 3,000 new housing units will be built on the Property. The Plan also calls for a series

of public and private infrastructure improvements in the area in support of the private development of the Property

- B HSP is currently under no obligation to develop at the densities envisioned by the Plan and the City is under no obligation to implement the public improvements envisioned. Most of the Property is subject to a minimum housing density of fifteen (15) units per acre, but this minimum falls far short of the density called for in the Plan. HSP is willing to work within the framework of the Plan, by performing the HSP activities outlined in this MOU, to the extent that the public improvements called for in the Plan are implemented in accordance with the MOU. The parties recognize that HSP's ability to perform some obligations outlined in this MOU may be constrained by the terms and conditions of a Second Amended Lease between HSP, as assignee of Walker Road Partners, and Burlington-Northern Railroad Company dated June 18, 1992 ("B-N Lease"). HSP will use its best efforts to perform its obligations pursuant to the Development Agreement notwithstanding the terms of the B-N Lease, but the parties recognize that HSP obligations under the Development Agreement will be subject to its obligations under the B-N Lease.
- C The primary purpose of the Development Agreement will be to describe the general framework for development of the Property by HSP, for the construction of infrastructure improvements by the City, and to define when commitments of the respective parties need to be finalized. The Development Agreement will be a binding agreement between the parties conditioned on subsequent performance by the parties of their obligations identified in the Development Agreement. The City will not commit the significant public resources called for in the Plan without a like commitment by HSP to build in accordance with the Plan. Likewise, HSP will not agree to specific land use and development requirements unless the public infrastructure commitments are also in place. Therefore, the Development Agreement will establish a series of contingent obligations between the parties which will provide for the phased construction of the public and private improvements consistent with the Plan.
- D The parties acknowledge that the ability of each to successfully accomplish the public and private improvements called for under the Development Agreement will be, in large part, dependent on the ability of the City to secure the necessary funds to undertake the public improvements and to meet its housing affordability goals. To this end, the parties agree to work together to evaluate the feasibility and legality of establishing an Urban Renewal District, including the Property, as a possible mechanism to provide for said public financing.
- E The parties acknowledge and agree that it is the intent of the City to assign many of its rights and responsibilities to manage, administer and enforce this

MOU, and subsequently, the Development Agreement, to the Portland Development Commission ("PDC") which shall be authorized to act on behalf of the City on all matters provided for herein

III. GENERAL TERMS AND DEFINITIONS

A Specific terms and conditions will be contained in the Development Agreement relating to the City's commitment to implement public infrastructure improvements and HSP's commitment to certain minimum housing densities and other obligations. These terms and conditions are established relative to four (4) proposed public projects (individually, a "Project", and jointly or collectively, "Projects") known as

- 1 the "Lovejoy Project", defined as removal of the N W Lovejoy and N W 10th Avenue ramps and reconstruction of those streets at grade along with construction of a new ramp to the Broadway Bridge at N W 9th Avenue and N W Lovejoy, including all street improvements engineered as part of the Lovejoy Project by the City. HSP shall contribute \$121,000 to the Lovejoy Project as part of the design and engineering costs. HSP shall make the contribution in installments to the City at such times and on such terms as shall be mutually agreeable to HSP and the Portland Office of Transportation. It is anticipated that N W Northrup will also be constructed and/or reconstructed if N W Northrup is needed to establish a viable transportation system connecting Northwest Portland with the Broadway Bridge. The location of the Lovejoy Project is generally described on Exhibit B to this MOU,
- 2 the "Streetcar Project", defined as the construction of a new streetcar system, connecting Downtown Portland and, ultimately, Portland State University, with the Good Samaritan Hospital area along an alignment including N W 10th and N W 11th Avenues, N W Lovejoy and N W Northrup within the Property. The Streetcar Project is intended to be a fixed rail system. However, the City may institute the Streetcar Project as regularly scheduled service using rubber wheeled trolleys on an interim basis, subject to HSP's agreement to the conditions of the interim service. The location of the Streetcar Project is generally described on Exhibit B,
- 3 the "Tanner Creek Park Project", defined as the acquisition by the City and the development of Park improvements, (i.e., the design, construction and maintenance) of a City Park. The Tanner Creek Park Project also anticipates the development of a related project known as the "Daylighting of Tanner Creek" which would bring clean storm water

from the Tanner Creek storm water system to the surface and would be incorporated into Tanner Creek Park as a park amenity and educational feature. The Tanner Creek Park Project shall be located in the area generally described on Exhibit B. The design, construction and maintenance of the Park improvements may be referred herein as the "Tanner Creek Park Improvements", and

- 4 the "Water Feature Project", defined as the acquisition by the City of a minimum of 45,000 square feet to a maximum of 155,000 square feet of property owned by HSP between the Tanner Creek Park and N W Front Avenue generally described on Exhibit B, and the development of Park improvements, (i.e., the design, construction and maintenance of the Water Feature Project) on the property acquired

B The terms and conditions relative to each of the four Projects are generally defined below

- 1 The term the "City Certifies," as used in this MOU and the Development Agreement relating to the City's commitment to immediately implement the Tanner Creek Park Improvements and the Water Feature Project, shall mean the City Council's adoption of a resolution expressing the Council's commitment to implement the respective Project, and certifying that funds are available to do so

For any Projects Certified by the City, the City will begin physical construction activities on the Project not later than twelve (12) months following the Council resolution. The 12-month period may only be extended by mutual agreement of the parties, or by such amount of time that the City is delayed in resolving lawsuits, land use appeals or other legal proceedings which prohibit it from undertaking construction activities. In the event the City fails to physically begin construction within the 12 months following the resolution (unless the 12-month period has been extended pursuant to this paragraph), HSP shall thereafter have no obligation to perform HSP activities that are contingent upon the City Certification until physical construction begins on the subject Project.

- 2 "Uncommitted Property" is defined as the Property except (1) parcels which either have improvements that are complete, under construction, or have committed financing or (2) parcels for which a substantially complete application for design review approval has been submitted with all fees paid

- 3 "Park" is defined as an improved public open space and may include auxiliary public uses so long as the use of the property is primarily open space and non-commercial in character All Parks shall be designed by or at the direction of the City of Portland, Bureau of Parks
 - 4 "Original Density" shall mean fifteen (15) units per acre For purposes of these parties' agreements, Original Density shall not be changed by any action of the City, including zone changes or density changes, which may occur after the date of the Development Agreement However, at HSP's option, the densities required in the Development Agreement may be reduced by an amount equal to any density increases over and above the original density applied to the Property in the future through any zone change or density changes occurring after the date of this Development Agreement All increases in density related to the Projects under the Development Agreement ("Additional Densities"), shall replace the Original Density, it being the intention of the parties that the densities stated herein will be the maximum densities required of HSP on the Property The Original Density and Additional Densities are summarized on Exhibit C to this MOU
 - 5 "Appraisal" shall mean that any site to be acquired by the City or HSP, other than public rights-of-way to be dedicated to the City pursuant to this Agreement or is otherwise condemned by PDC, will be appraised by the following method The City will appoint an appraiser, HSP will appoint an appraiser, and the two appraisers will select an independent third appraiser The two appointed appraisers will each independently set a market value of the subject site, and then attempt to set the market value by agreement If the appraisers appointed by the City and HSP cannot agree on market value, the independent third appraiser shall determine the market value based upon the analyses performed by the appraisers for the City and HSP The independent third appraiser's determination of market value will be binding on HSP and the City
- C HSP's, PDC's and the City's obligations to perform according to the terms and conditions contained in the Development Agreement will commence upon execution of the Development Agreement, subject to termination in the case that the City does not undertake construction of the Lovejoy Project within eighteen (18) months after execution of the Development Agreement
- D It is the intent of the parties that the City undertake and construct the Tanner Creek Park Improvements and Water Feature Project in a manner generally consistent with the River District Vision and the Plan However, the parties

acknowledge that the actual design, size, location and levels of improvement are not yet determined and need to be developed in a manner that is consistent with the City's significant need for housing in this core area and that the size, location and type of water feature may vary significantly from that currently suggested in the River District Vision and Plan PDC, the City Parks Bureau, the Portland Office of Transportation, the City Bureau of Environmental Services, the Pearl District Neighborhood Association, the River District Association and HSP, under the direction of the Mayor's Office and in close coordination with the Commissioners in charge of the Parks Bureau and the Bureau of Environmental Services, shall together undertake additional planning, preliminary design, preliminary engineering, engineering feasibility, cost estimating and financial feasibility work relating to the proposed Parks and open space public improvements (with an emphasis on the Water Feature Project) and develop alternatives for consideration by the City Council which shall ultimately decide on the designs for these public improvements. The scope of this planning study shall include the area between Front Avenue and the Willamette River within the Plan area, as well as the Water Feature and Tanner Creek Park Project areas. The alternatives will be presented to the City within one (1) year of the execution of the Development Agreement. The City shall consider public input and select a preferred alternative within eighteen (18) months of the execution of the Development Agreement. The City Council may thereafter delay its final decision relating to size and design of the Projects for an additional period, but in any event, the City Council shall make a final decision within two (2) years after the execution of the Development Agreement. The design of these Parks shall incorporate an open space connection from N W Lovejoy to the river at least 100 feet in width, a significant water feature and pedestrian amenities.

It is the intent of the parties that the design of Tanner Creek Park be of the quality of other downtown parks and open spaces. The parties agree that the park will be a multi-use space, similar in function to the South Park Blocks, pedestrian oriented, and capable of accommodating short-term events such as ArtQuake, etc. A significant portion of the park will include trees and landscaped areas that support and enhance the uses in the park. The park will not include features, sport facilities, or other improvements that would generate permanent or long-term impacts on the residents of the neighborhood, such as excessive noise, lighting, early or late hours of use, large crowds, or automobile traffic.

- E In addition to the construction of certain streets elsewhere required in this MOU, the City shall construct,

- 1 One-half of the street improvements on portions of streets which front on publicly-owned open space property on one side and HSP-owned property on the other side, and
 - 2 All street improvements on portions of streets which front publicly-owned open space on both sides of the street
- F All changes in the development standards for the Property which are required by the parties' activities pursuant to the Development Agreement such as the contingent increases in densities, shall be evidenced by a written, recorded document, in form mutually acceptable to the parties, which shall be recorded upon the satisfaction of the condition upon which an increase in density is contingent

IV. CONTINGENT OBLIGATIONS

A. INITIAL DEVELOPMENT AGREEMENT OBLIGATIONS

Upon execution of the Development Agreement, HSP will commit to build housing on its Uncommitted Property at a minimum density of eighty-seven (87) units per acre. The new minimum density shall replace the Original Density.

B. LOVEJOY PROJECT

The City shall begin physical construction of the Lovejoy Project within eighteen (18) months after the date of execution of the Development Agreement. If the City fails to do so, HSP may terminate the Development Agreement.

At the request of the City, in conjunction with the Lovejoy Project, HSP will immediately execute documents necessary to convey the following property for public rights-of-way:

- 1 N W 10th Avenue between N W Irving and N W Northrup, N W Lovejoy and N W Northrup (if Northrup is part of the Lovejoy Project) between N W 9th and N W 12th Avenues, and
- 2 An additional easement of up to 10 feet along the north side of N W Lovejoy between N W 9th and N W 12th as necessary to increase the width of N W Lovejoy to the minimum width required for the Lovejoy Project, it being the parties' goal to minimize the amount of easement required.

C. STREETCAR PROJECT

When the City begins physical construction of the Streetcar Project as described in Paragraph III A 2 above, or the City institutes the Streetcar Project using rubber wheeled trolleys, HSP will commit to increase the minimum housing density on its then Uncommitted Property by an additional one (1) unit per 2,000 square feet of land (approximately 22 units per acre) above the then required minimum density, as depicted in Exhibit C

At the time of the formation of the Streetcar Local Improvement District ("Streetcar LID"), HSP will execute the necessary documents waiving its right to remonstrate against a lump sum Streetcar LID in an amount not to exceed \$700,000 when combined with the amount of assessment, if any, against property within the Property which HSP does not own. If the Streetcar Project is developed on an interim basis using rubber wheeled trolleys, HSP agrees to waive its right to remonstrate against an LID assessment on property it owns to help pay for the capital costs of the Streetcar Project, provided that the assessment is based on the same rate used in computing assessments on other properties within the district receiving a similar benefit from the Streetcar Project. HSP shall be entitled to any financing options available to other property owners assessed within the Streetcar LID. If HSP sells, donates, dedicates, or otherwise conveys any portion of the Property, other than street right-of-way, to the City, the City shall acquire said Property subject to the Streetcar LID assessment allocated to the acquired property. HSP agrees to convey any streets necessary for the Streetcar Project.

D. TANNER CREEK PARK PROJECT

1 Property Acquisition

PDC shall assist and support HSP's application for a land use review process to amend HSP's current Master Plan (the "Master Plan Amendment")

The Master Plan Amendment shall include only the following: (a) those amendments necessary to remove HSP's obligation to dedicate certain 40 foot to 50 foot pedestrian ways/open spaces along N W Kearney between N W 10th and N W 12th by means of vacating those platted open spaces, and elimination of the N W Marshall Street open space between N W 9th and N W 12th, and (b) those amendments necessary to increase the east-west depth of the blocks between N W Lovejoy and N W Overton, N W 11th and N W 12th to 300 feet from the standard 200 foot depth to allow for 100 foot wide park blocks between N W

10th and N W 11th, north of Lovejoy The intent of this amendment is to replace the smaller pedestrian ways/open spaces described in the current Master Plan with a larger area of open space approximately equal in area to be developed by the City as Tanner Creek Park Upon approval of the Master Plan Amendment, HSP shall donate an area for permanent use as a Park approximately equivalent to the difference in area between (i) the area of the public dedications HSP must make under the current Master Plan, and (ii) the area of the public conveyances for rights-of-way and open space HSP must make under the terms of the Master Plan Amendment and the Development Agreement The parties understand that pedestrian or other passages through the development parcels may be desirable or required and the extent and nature of those remaining open spaces for pedestrians or other passages will be determined as part of the Master Plan Amendment HSP may choose to propose other changes to the Master Plan in separate, but concurrent applications to the City, such as the reduction or removal of the 10 foot setback along 11th Avenue PDC shall support the removal of the 10 foot setback in the City land use process, but the City's failure to approve these supplemental Master Plan changes shall not affect HSP's obligation to donate Park land as described in the next paragraph HSP shall initiate the land use review process for the Master Plan Amendment within ninety (90) days after the date of execution of the Development Agreement

The parties understand and agree that the Master Plan Amendment may result in some block sizes being greater than 200 feet by 200 feet However, the parties acknowledge that it is not the intention of the Amendment to allow the construction of large, massive buildings with extensive uninterrupted frontages HSP's stated goal is to develop a variety of building types, varying in height and massing

The land area of the Tanner Creek Park donation will be not more than 66,000 square feet and shall be a minimum of 100 feet in width, aligned along N W 10th Avenue north of N W Lovejoy It is understood and agreed by the parties that the exact size and location of the area to be acquired by the City shall be determined through the Park planning process described in Paragraph III D above

HSP agrees that for a period of three years from the date of execution of the Development Agreement it will not develop permanent improvements on that land identified on Exhibit B as Tanner Creek Park It is the intent of the parties that during this period, the design, size, location and

level of improvements will be determined and that funds will be secured by the City for the Park improvements

Following acquisition of the Tanner Creek Park property, the City shall maintain the donated parcels during the period prior to construction of Tanner Creek Park in a condition that does not constitute a nuisance to the adjacent properties. HSP shall be entitled to install temporary park improvements (such as grass and trees) at HSP's expense on the Tanner Creek Park property if HSP believes such improvements are needed to enhance adjacent HSP developments, subject to the receipt of permits issued by the City. HSP shall maintain any temporary park improvements at its sole expense. Upon City's commencement of construction of Tanner Creek Park, HSP's temporary park improvements may be removed or demolished by the City without compensation to HSP.

The City also agrees that, until Tanner Creek Park improvements are constructed on the Tanner Creek Park property, the City and HSP will have the non-exclusive right to use that property for any purpose permitted by the City's zoning regulations and subject to any necessary permits, insurance certificates, and the like required by the City. Upon reasonable notice given by either the City or HSP, the right to use the property for other than Park use shall cease.

2 Park Improvements

The City agrees to diligently pursue design, financing and construction of the Tanner Creek Park Improvements with the goal that the Park (or phases of the Park) will be completed when the improvements on adjacent properties are ready for occupancy. When the City Certifies the construction of the Tanner Creek Park Improvements, HSP will commit to build housing on its then Uncommitted Property south of N W Overton at an additional density of one unit per 2,000 square feet of land above the then minimum density required under the Development Agreement. (See Exhibit C)

HSP may desire to accelerate the construction of the Tanner Creek Park Improvements and may approach the City with a request to undertake that work on behalf of the City but subject to the City's approval and agreement to reimburse HSP for all of the reasonable costs of the Tanner Creek Park Improvements. In that event, the City will work with HSP in a good faith effort to allow the Tanner Creek Park Improvements to be accelerated but is under no obligation to agree to the work.

proceeding HSP acknowledges that any Park improvements constructed by HSP will be designed by or at the direction of the City of Portland's Bureau of Parks and Recreation, that all design and engineering work will be approved by that Bureau, and that all construction work will be subject to inspection and sign-off by the Bureau. It will then be the responsibility of the City to maintain and police Tanner Creek Park in the same manner as other City parks in the Downtown area.

E. WATER FEATURE PROJECT

1 Acquisition

HSP shall grant to the City, by and through PDC, an option to purchase up to 155,000 square feet of land between Tanner Creek Park and N W Front Avenue for the development of a Park, along with associated public uses consistent with the Plan, which may include water quality facilities, demonstration facilities, etc. so long as the principal use of the area is park-like and compatible with the residential character of the area (the "Water Feature Property")

It is understood and agreed by the parties that the actual design, size and location of the Water Feature Property will be determined by the Park planning process set forth in Paragraph III D of this MOU.

The City's option to purchase the Water Feature Property shall be for a three year period. The option price of the Water Feature Property shall be based on the square footage value at the time of option exercise established by an Appraisal to be undertaken at that time. Closing shall occur sixty (60) days after exercise of the Option and shall be a cash sale.

To the extent the Water Feature Property exceeds 45,000 square feet, HSP shall be granted by PDC a first right to negotiate for acquisition or development of City/PDC property, preferably in the River District, equal in area to the difference between the area of the Water Feature Property and 45,000 square feet, or of a size to accommodate 200 housing units, but, at minimum, a one acre site or site of sufficient size to accommodate eighty-seven (87) housing units and street level commercial uses, all according to mutual agreement. Any sale to HSP pursuant to this paragraph shall be upon the same terms and conditions as those offered, or to be offered, to the public for acquisition or development of the subject site. Development of the land acquired by HSP pursuant to this paragraph shall be consistent with City goals and

objectives and land use and other specific program requirements for the site established by PDC and/or the City

HSP agrees that for a period of three years from the date of execution of the Development Agreement it will not develop permanent improvements on the area identified on Exhibit B as the Water Feature Project

As a part of and a condition to the closing of the acquisition of the Water Feature Property, HSP will execute documents requested by the City to convey public rights-of-way to the City for N W Overton between N W 9th and N W 12th, and any other public rights-of-way required by the HSP Master Plan, as amended

Following its acquisition of the Water Feature Property, the City shall maintain the Water Feature Property in such a condition that it does not constitute a nuisance to the adjacent properties. HSP may install and maintain temporary park improvements (such as grass and trees) at HSP's expense on the Water Feature Property if HSP believes such improvements are needed to enhance adjacent HSP developments, subject to permits issued by the City. HSP shall maintain any temporary park improvements or at its sole expense. Upon City's commencement of construction of the Water Feature Project, HSP's temporary park improvements may be removed or demolished by the City without compensation to HSP.

The City also agrees that, prior to the construction of the Water Feature Project, HSP and the City will have the non-exclusive right to use the Water Feature Property for reasonable purposes and subject to providing any necessary permits, insurance certificates, and the like required by the City. Upon reasonable notice given by either the City or HSP, the right to use the Water Feature Property for other than Park use shall cease.

In the event that the City does not proceed with the construction of the Water Feature Project within three years after the date of sale of the property by HSP to the City, HSP shall be entitled to repurchase the Water Feature Property at its then fair market value, provided however that HSP may not repurchase the Water Feature Property during the immediately succeeding one year period, if the City has not commenced construction solely because necessary permits have not been granted.

2 Improvement of Water Feature Project

The City agrees to diligently pursue design, financing and construction of the Water Feature Project with the goal that the Park will be completed when the improvements on adjacent properties are ready for occupancy. When the City Certifies the Water Feature Project improvements, HSP will commit to build housing on its then Uncommitted Property north of N W Overton Street at an additional density of one (1) unit per 2,000 square feet of land above the then minimum density (See Exhibit C)

V. OTHER TERMS AND CONDITIONS

The following additional provisions shall be incorporated into the Development Agreement

A. HOUSING AFFORDABILITY

HSP agrees to cooperate with the City in helping to meet the minimum Housing Affordability goals established in the River District Housing Implementation Strategy, approved by City Council on December 21, 1994 on its Uncommitted Property. These goals are hereby incorporated into this Agreement by reference and are attached hereto as Exhibit "D". The parties acknowledge that HSP's ability to meet these goals will be subject to the availability of public financial assistance from the City and other sources and the negotiation and successful agreement between the City and HSP regarding the amount and use of this assistance.

HSP will prepare and submit development proposals from time to time to PDC for development of affordable housing, giving the City the opportunity to commit tax abatements and/or other City, State or Federal public subsidy funds, needed to include affordable housing in HSP housing projects on its Uncommitted Property. Those subsidies, if provided, will be provided for projects of a reasonable size and scale, in an amount on a per unit basis, of a type and at a time reasonably equivalent to those offered other affordable housing projects in Portland. However, the agreement to provide said subsidies shall be subject to the same discretionary decisions that PDC has the right to make on other housing projects. HSP also agrees to seek private and public financing from other reasonably available sources which may include, but are not limited to special tax abatement, low income housing tax credits, multi-family revenue bond financing, State or Federal housing programs, possible financing from the City based on future anticipated property tax revenues or, alternatively, tax increment financing, if it becomes available in the future.

If an application is submitted to PDC and/or another housing agency by HSP which meets PDC's and/or the subsidizing agency's lending requirements and guidelines, but is not funded on a reasonably equivalent basis and within a similar timeframe as those offered other affordable housing projects in Portland either because (1) the City determines that sufficient public subsidies are not available at the time to do the project, or (2) the City and HSP do not agree on the "reasonableness" of the type, amount or other terms and conditions of the proposed public assistance, then HSP and the City agree to work in good faith together, for a period of twelve (12) months thereafter, to modify the proposal to the parties' satisfaction or to secure necessary public funds during that period. During this twelve month period, the City may elect to develop the property itself or to attempt to secure another entity to develop the proposed project under those terms and conditions sought by the City but not accepted by HSP. If the City so secures another entity, or elects to develop the property itself, it shall then have the right to purchase the proposed property from HSP, at a price established through the process described below, and cause the development of the proposed project.

In the event the necessary public subsidies are not provided and the City fails to exercise its right to acquire the proposed property, HSP shall be given credit against the then applicable minimum housing affordability goals for the affordable housing project submitted but not subsidized, whether the project is built or not.

The Portland City Council has directed PDC to monitor the River District's projects in achieving the minimum housing affordability goals called for in the River District Housing Implementation Strategy. As described above, PDC will also track HSP's progress in the overall effort to achieve those goals. HSP shall be given affordable housing credit to the extent the recently sold or optioned Lots 55, 56, 57 and 58 of Pearl Block 4 contain affordable housing.

Upon the fifth, tenth and fifteenth anniversaries of the execution of the Development Agreement, PDC shall make a determination as to whether or not the housing development in the River District area as a whole has met the minimum goals established in the River District Housing Implementation Strategy for that period of time since the execution of the Development Agreement. If the minimum housing affordability goals have not been met, PDC shall then make a determination whether or not HSP has met or exceeded those minimum goals. If HSP has not met those goals, HSP shall then be required to enter into a purchase and sale agreement for the sale to the City of a parcel of land of HSP's choice of approximately 100 feet x 200 feet for the limited purpose of development by the City of affordable housing. This requirement shall apply to HSP's Uncommitted Property existing at the date of

the execution of the Development Agreement. In designating a parcel for sale to the City, HSP shall designate a parcel that is proximate to existing housing (not isolated), so as to distribute the affordable housing throughout the Property, rather than for it to become concentrated in one area. The area required to be sold shall be proportionately reduced as HSP meets the minimum affordable housing goals but shall not be less than a 100 foot x 100 foot parcel. In the event the parcel HSP would otherwise be required to sell is less than 100 feet x 100 feet, the City's option to purchase shall be carried forward to the next 5 year period and may be eliminated in the event HSP "makes up" the minimum affordable housing density during that next 5 year period. The cost to the City for purchase of the site(s) shall be determined as follows:

- 1 Any site to be acquired by the City will be appraised at the time of intended acquisition. The City will appoint an appraiser, HSP will appoint an appraiser and the two appraisers will select an independent third appraiser.
- 2 The two appointed appraisers will establish the market value of the site. If the appraisers appointed by the City and HSP cannot agree on market value, the independent appraiser shall determine the market value based upon the analyses performed by the appraisers for the City and HSP.
- 3 Once the market value is determined as described above, the City may utilize its appointed appraiser to develop a modified Appraisal, or addendum thereto, which establishes, in the appraiser's opinion, that portion of the market value of the site which may be solely attributable to the City's investment in the Lovejoy Project, the Streetcar Project, the Tanner Creek Park and the Water Feature Project, if any, and acknowledging that HSP is making significant contributions to those Projects as well. This information shall be shared with HSP and the third independent appraiser. HSP may offer evidence and analysis to rebut the modified Appraisal. The independent appraiser will review the modified Appraisal and the evidence, analyses and rebuttal of the parties. If the independent appraiser concludes that the City has demonstrated that a portion of the market value is solely attributable to City infrastructure investments as described above, the purchase price will be reduced by the amount of that portion.

HSP shall be entitled to repurchase each parcel acquired at the net fair market value, as determined in the manner described in paragraphs 1, 2, and 3 above, in the event the City fails to develop that parcel at the density required by the Development Agreement for low and/or moderate income housing within two (2) years of the City's initial acquisition of that parcel.

B. HOUSING DENSITY GOALS/FEASIBILITY

HSP agrees to build according to the minimum housing densities set out in Exhibit C when and if the City commences each of the improvements which triggers increased housing density. HSP's agreement to build at the minimum housing densities established herein will not be subject to any subsidies or other financial assistance being provided by the City. The parties do, however, agree to work in cooperation to the extent that the parties desire to vary housing densities from those described in the Development Agreement, to alter the mix between rental and home ownership, to address parking, soils or environmental constraints which may affect the financial feasibility of undertaking projects contemplated in the Development Agreement or in the event a Project cannot be developed on a commercially reasonable basis due to adverse market conditions at the time which are outside of the control of HSP. The parties also agree to work cooperatively in establishing a public parking facility for public and neighborhood use in the event one is reasonably needed to achieve River District Plan goals.

The City of Portland shall delegate the authority to PDC to monitor HSP's progress in achieving the housing densities required in the Development Agreement. In so doing, PDC shall track the total number of housing units completed by HSP as development occurs. To the extent Projects on the Property exceed the minimum required densities, HSP shall be credited for that additional density in future projects. Likewise, PDC may authorize HSP to proceed with Projects below the then required minimum density upon satisfactory evidence that the deficit will be made up in other HSP projects. HSP shall be given density credit to the extent the recently sold or optioned Lots 55, 56, 57 and 58 of Pearl Block 4 create housing at densities greater than 80 units per 40,000 square feet.

The City and HSP also acknowledge the need for flexibility to allow other supportive uses on the Property in support of the large number of housing units proposed. Certain community facilities and services may be highly desirable and of tremendous benefit to the character and enhancement of the River District but may be precluded if strict adherence to the housing density requirements is required in every case. Therefore, the City of Portland shall also delegate the authority to PDC to review and approve proposed modifications to the anticipated housing development program if HSP can demonstrate to PDC that the proposed land uses are of significant benefit to the development of the River District as a whole sufficient to warrant a reduction in the number of housing units. PDC will consult with other City bureaus and members of the City Council as it evaluates any such HSP requests.

C. MISCELLANEOUS**1 Density Calculations**

For purposes of calculating densities, rights-of-way conveyances or rights-of-way to be conveyed, open space and set backs required by the Master Plan (as amended or as may be amended) shall not be included in the land area

2 Environmental

In all cases where HSP is to dedicate or donate land to the City, and in all cases where the City and/or PDC are to acquire land from HSP, HSP shall disclose all environmental analyses and information within its control, and allow access for testing and evaluation. Within six months of execution of the Development Agreement, or as soon as practicable thereafter, HSP shall provide to PDC and/or the City copies of all studies and reports, completed or in progress, by HSP or others known to HSP, that address environmental contamination (including soil, water or air) of any land known to be or contemplated to be dedicated, donated to or acquired by the City or PDC. This information shall also include any additional land within or adjacent to the parcels covered by this agreement. HSP shall provide a copy of any item on this list upon a request from PDC or the City.

The City, may at its option, not accept the transfer, donation or dedication in the event it is not satisfied, based upon its own analysis, whether it is feasible or appropriate to use the land for its intended purpose.

The City, by accepting the transfer of any land or rights-of-way, shall not accept any liability for any release of hazardous substances, onto or from the property, and HSP shall not attempt to transfer such liability to the City or PDC.

If the City determines that the environmental condition of land to be conveyed to the City renders the land unsuitable or undesirable for the City's intended purpose, then the City may decline all or part of the conveyance, or, if the conveyance has taken place, reconvey the property to HSP. Alternatively, if the environmental condition of the land is unsatisfactory, the parties agree to work together in an attempt to determine if environmental site conditions can be satisfactorily resolved or to modify the intended use of the property to become acceptable.

HSP agrees to cooperate fully with the City regarding all aspects of any proposed actions proposed by the Oregon Department of Environmental Quality (DEQ) affecting any land to be conveyed to the City or PDC under this Agreement including, but not limited to, remedial action plans, records of decision, etc. HSP shall immediately notify the City and PDC when it becomes aware of any such proposed action. Furthermore, HSP will not consent to any such proposed action which affects any property to be conveyed to the City or PDC under this agreement without first obtaining the City's approval, which approval will not be unreasonably withheld.

3 Private Utilities

Financial benefits may accrue to public and private utilities due to the lower cost of serving higher density development. The City intends to negotiate separate agreements with utilities for their participation in the cost of infrastructure that is the City's responsibility under this agreement. HSP will cooperate with the City and participate in good faith with the City in the City's negotiations to determine which company will serve HSP developments, provided however, that the agreement(s) will not result in HSP being charged more than standard rates (plus any additional tariffs or charges for which the utility companies may be authorized to collect due to the presence of "hazardous substances," as defined under Oregon law, or due to any costs or expenses incurred by a utility due to hazardous substances) for connecting to the utility system and ongoing service commensurate with the volume and configuration of HSP's use, and provided that the service provider meets HSP's service specifications. The utility's right to impose such tariffs, expenses or charges shall not be granted by the City as part of the City's negotiations contemplated in this paragraph 3.

4 Other Easements

The parties agree to cooperate with each other on property owned, dedicated or otherwise optioned, to allow necessary easements through and across the parties' respective properties to allow necessary utility services, pedestrian or other access, as may be necessary for the successful development of those respective properties, but to the extent said easements do not adversely impact the value of those properties or the ability of any party to develop those properties.

5 Floor Area Ratios (FAR) and Height Limitations

Zoning and other code changes may be required, including increases in FAR and height limits, as requested by HSP to insure that the housing densities can be achieved on a commercially reasonable basis in the context of mixed commercial and residential development contemplated in the Plan. Should City fail to approve said needed zoning or other code changes, HSP shall be obligated to construct improvements up to the limits called for by the applicable City regulations, but shall be exempt from the higher density requirements on the parcels denied zoning and code changes.

6 Conveyance of Rights-of-Way

Any conveyance of a portion of the Property to be used as public rights-of-way shall be at no cost to the City and shall be in accordance with the design of rights-of-way as described in *The River District Right-of-Way Framework Plans, Design Criteria and Design Standards* as prepared by the Office of Transportation of the City of Portland and adopted April 1996. Any dedication by HSP shall be dedicated on the standard form approved by the City, a copy of which is attached here as Exhibit "E". The City may, at its option, refuse any other type of conveyance of public rights-of-way by eminent domain pursuant to paragraph 7 below.

7 Eminent Domain

For all public rights-of-way not dedicated to the City pursuant to the provisions of Sections V C 6 of this Agreement but which the City determines are necessary, PDC, acting by and through the City, shall exercise eminent domain authority to condemn such public rights-of-way. The City or PDC may also elect to condemn all or some of the property rights described in this Agreement other than public rights-of-way. PDC shall be responsible for conducting and completing all necessary condemnation proceedings in a timely manner. PDC shall coordinate with the City in all phases of condemnation proceedings to insure City requirements are met. For any public rights-of-way acquired by condemnation, the condemnation shall be at no cost to the Portland Office of Transportation. In the event PDC acquires by condemnation, the undertakings of the parties and other consideration attributable to the so acquired properties recited in this Memorandum, and in any subsequent agreements between the parties, shall constitute full and fair consideration for the respective acquisitions subject property unless otherwise agreed in writing by PDC, the City and HSP.

8 Other City Permit or Land Use Requirements

Unless specifically provided for herein to the contrary, HSP shall comply with all local laws and regulations relating to the development of the Property, and the terms and conditions of any permits issued by the City. To the extent allowed by law, if any specific provision herein is contrary to a general regulation or permit condition of the City, the specific provision shall not constitute a City waiver of the general regulation or condition. The MOU or the Development Agreement shall not constitute a commitment to loan money.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding effective this 15th day of April, 1997

CITY OF PORTLAND,
a municipal corporation of the State of Oregon

By

Vera Katz
Vera Katz, Mayor

HOYT STREET PROPERTIES, L L C,
an Oregon limited liability company, by
Hoyt Street Investors, L L C , Member

By

Homer G Williams
Homer G Williams, Manager

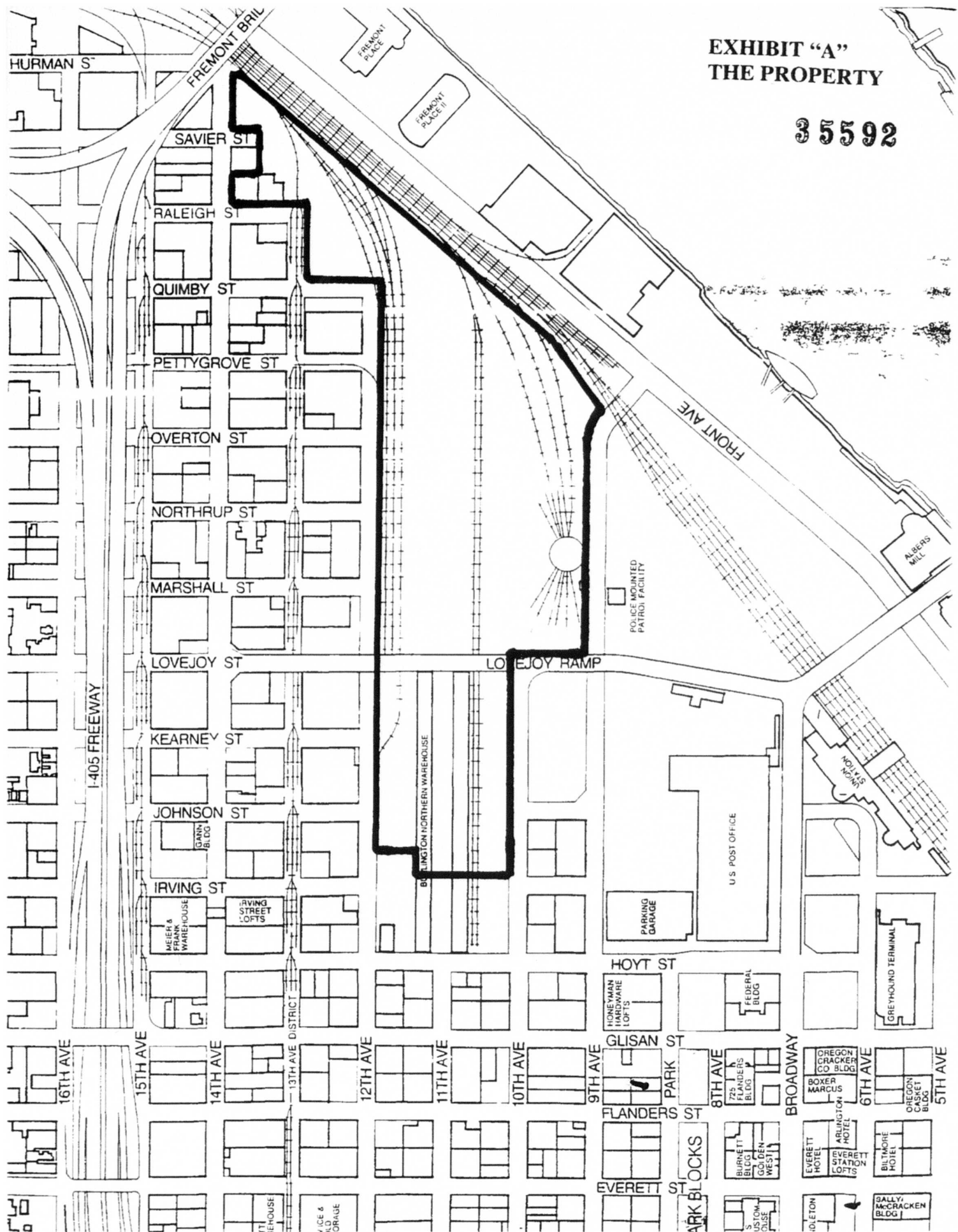
35592

EXHIBIT 'A'

The Property

EXHIBIT "A"
THE PROPERTY

35592



35592

EXHIBIT 'B'

Drawing Depicting the Projects

EXHIBIT "B"

35592

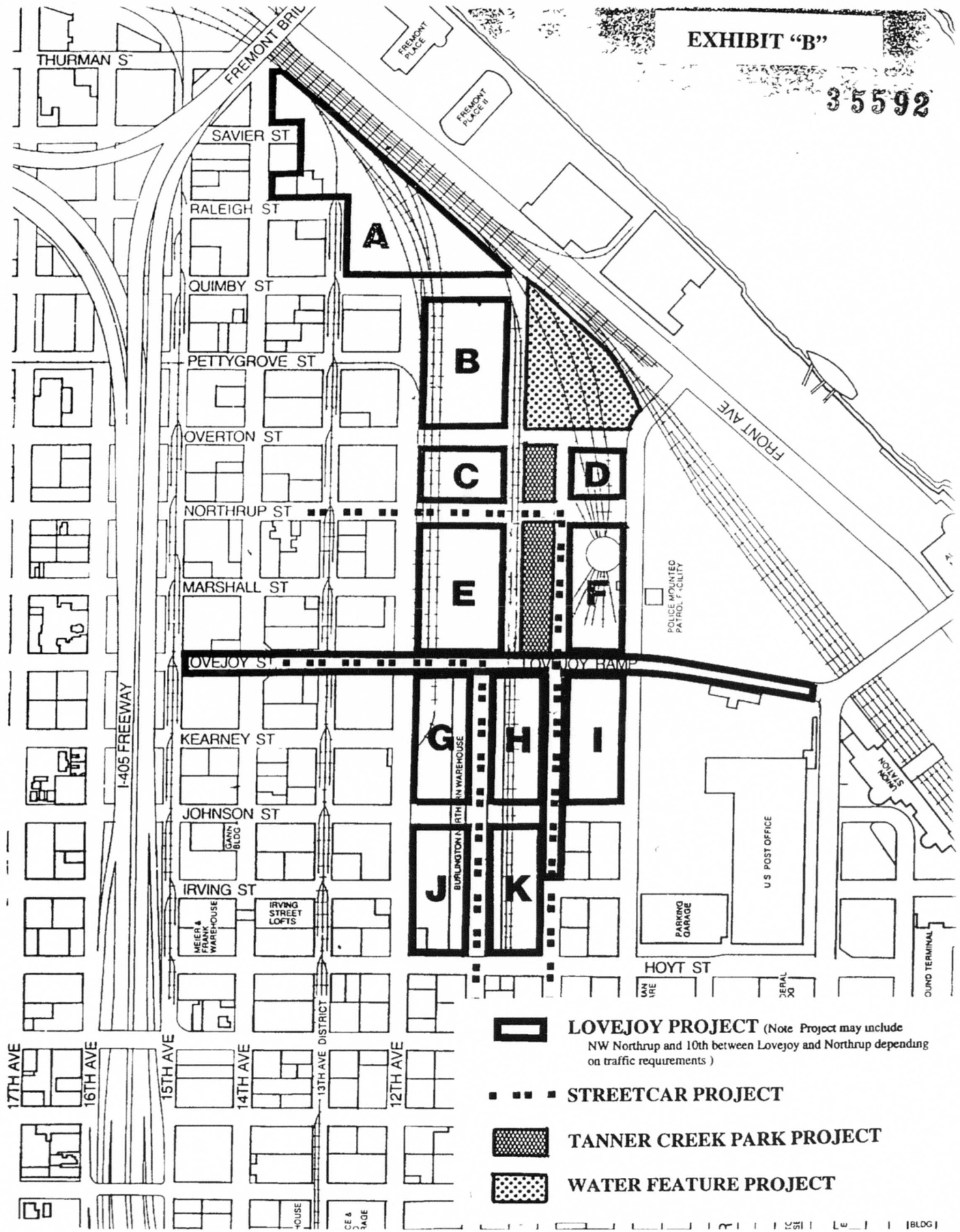


EXHIBIT 'C'

Calculation of Minimum Housing Densities

**CITY/HOYT STREET PROPERTIES DEVELOPMENT AGREEMENT
ESTIMATED DENSITIES (Assumes compliance w/MOU incl. Master Plan Amendment)**

EXHIBIT "C"

BLOCK	APPROX AREA	Current Req Density (15 d u./acre)	Min Req'd w/Lovejoy (1 d u./500 sf)	Add for Streetcar (1) (1 d u./2,000 sf)	Add for Tanner Park (1) (1 d u./2,000 sf)	Add for Tanner Basin (1) (1 d u./2,000 sf)	Cumulative Minimum Density	Committed Units	Total Units
A (2)	198,000	68	396	99		99	594		594
B (2)	138,000	48	276	69		69	414		414
C	60,000	21	120	30	30		180		180
D	40,000	14	80	20	20		120		120
E	138,000	48	276	69	69		414		414
F	92,000	32	184	46	46		276		276
G	92,000	32	184	46	46		276		276
H	92,000	32	184	46	46		276		276
I (south) (3)	41,000	14					14	199	199
I (north) (3)	41,000	14					14		14
J/K	164,000	56						226	226
TOTAL	1,096,000	377	1,700	425	257	168	2,578	425	2,989

Notes

- (1) Actual # of units will be dependent upon timing of public improvements
- (2) Developable area may be increased or reduced depending on street dedications required in approved Master Plan amendment
- (3) Parcels have been sold to Prendergast & Assoc

35592

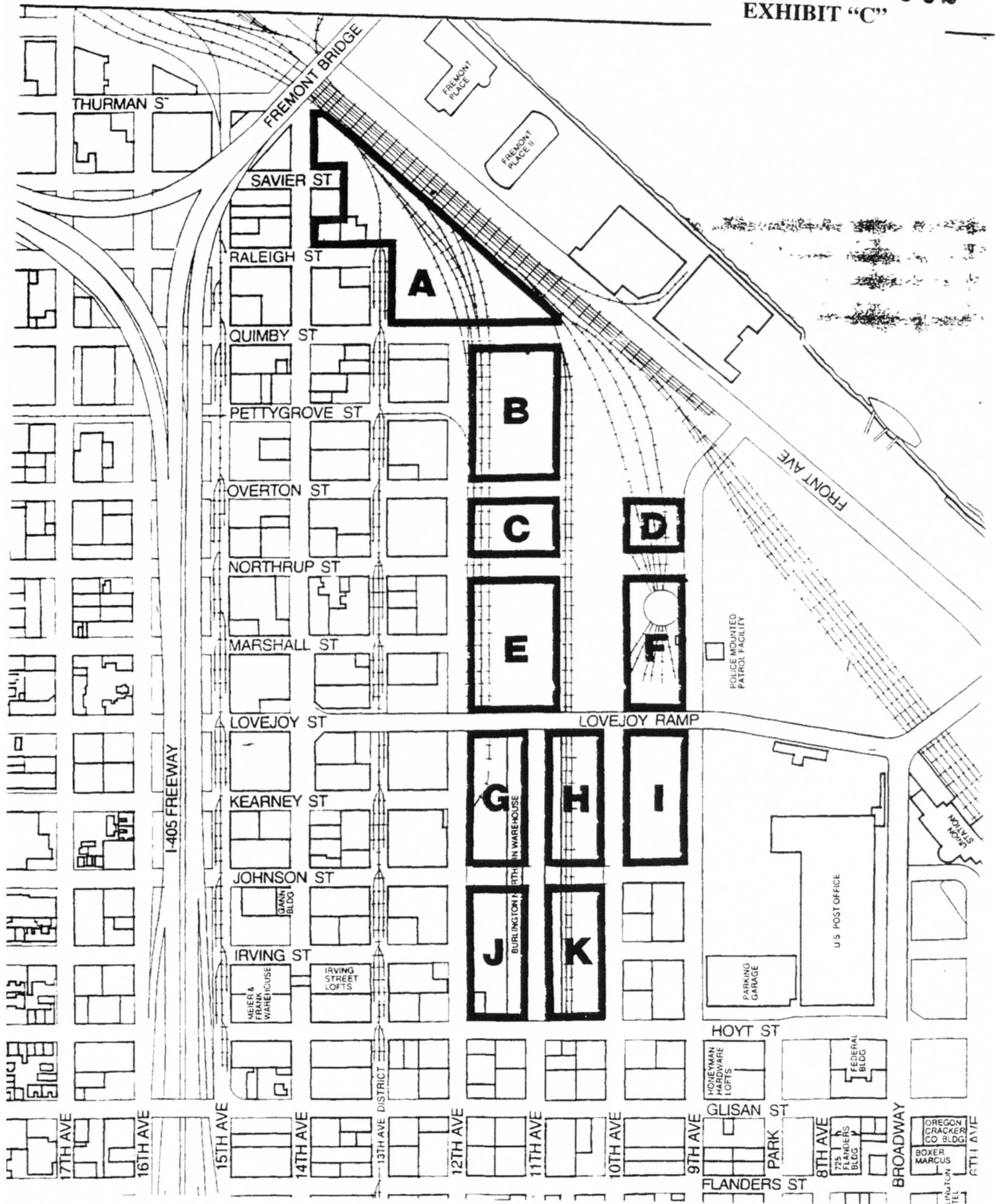


EXHIBIT 'D'

Housing Affordability Goals

35592

The following ranges are established as the targets for new housing development in the River District

Household Income Category	Housing Targets - New Units as a % of Total New Units at Build-out	# of New Housing Units in River District Needed to Meet Target
Extremely-Low (0-30% of MFI) Low (31-50% of MFI)	15 - 25%	800 - 1,400
Moderate (51-80% of MFI)	20 - 30%	1,100 - 1,700
Middle (81-150% of MFI) Upper (151%+ MFI)	50 - 65%	3,100 - 3,600
TOTAL AT BUILD-OUT		5,555

35592

EXHIBIT 'E'

**Standard Form
Deed For Right-of-Way Purposes**

35592

Corporate

DEED FOR RIGHT-OF-WAY PURPOSES

KNOW ALL PERSONS BY THESE PRESENTS, that *, Grantor, a corporation duly organized and incorporated under the laws of the State of *, in consideration of the sum of * (\$*) and no/100 Dollars, and other good and valuable consideration, to it paid by the City of Portland, a municipal corporation of the State of Oregon, the receipt whereof is hereby acknowledged, hereby conveys unto the City of Portland, which purchases pursuant to its eminent domain power and authority, an easement for public street and right of way purposes in the real property situated in the City of Portland, County of Multnomah, and State of Oregon, being particularly described as follows

*

TO HAVE AND TO HOLD, the same easement to the City of Portland for the uses and purposes aforesaid forever And Grantor does covenant with the City of Portland, that the subject property is free from all liens and encumbrances, and that Grantor and its successors shall Warrant and Defend the same to the City of Portland against the lawful claims and demands of all persons whomsoever

- A. Grantor represents that to the best of its knowledge after appropriate inquiry, the subject property is in compliance with all local, State and Federal environmental laws and regulations
- B. Grantor* represent* that * has disclosed all knowledge of any release of hazardous substances onto or from the property, and disclosed any known report, investigation, survey, or environmental assessment regarding the subject property. "Release" and "hazardous substance" shall have the meaning as defined under Oregon law

*N/S/E/W**** *

After Recording Return to.106/802/*Tax Statement shall be sent to.No Change

- C Grantor* warrant* that there are no underground storage tanks, as defined under Oregon law, presently on or under the subject property
- D It is understood and agreed that the City, by accepting this dedication, is not accepting any liability for any release of hazardous substances onto or from the subject property, and that the Grantor* * not attempting to convey any such liability
- E. The Grantor* agree* to defend, indemnify and hold harmless the City, its officers, agents, and employees against all liabilities, damages, losses, claims, demands, actions, and suits (including attorney fees and costs) resulting from the presence or release of hazardous substances onto or from the property. This provision shall not apply to a release of hazardous substances onto or from the property caused by the officers, agents or employees of the City, or caused solely by a third party, other than an employee, agent, officer, successor or assign of the Grantor, subsequent to the date of this agreement. Any action taken pursuant to this provision shall not constitute an admission of liability or waiver of any defenses to liability

IN WITNESS WHEREOF, *, pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its _____ President and _____ Secretary, this _____ day of _____, A D , 199*

* _____

By _____

By _____

STATE OF OREGON

County of Multnomah

This instrument was acknowledged before me on _____, 199*,
by _____ and _____ (names) as President
and Secretary of * (Corporate Name)

Notary Public for Oregon
My Commission expires _____

Approved as to form

City Attorney

Approved:

City Engineer

(*Masters Deeds)*RWP C

RESOLUTION No.

3 5 5 9 2

As Amended

Approve the Memorandum of Understanding (MOU) with Hoyt Street Properties, LLC (HSP), authorize the Portland Development Commission to prepare a Development Agreement with HSP, and direct the respective City Bureaus to undertake certain activities related to the MOU (Resolution)

WHEREAS, on March 11, 1992, the City Council adopted Resolution No 34970 acknowledging the River District Vision and directing the Bureau of Planning to develop recommendations for a study to evaluate the proposal, and

WHEREAS, on August 12, 1992, the City Council adopted Resolution No 35029 implementing the Bureau of Planning's recommendations including appointing the River District Steering Committee which has met regularly and conducted open meetings since that time, and

WHEREAS, on May 11, 1994, after extensive public review and comment, the City Council adopted Resolution No 35274 endorsing the River District Development Plan and initiating actions in support of the Plan, and

WHEREAS, said Resolution No 35274 also authorized the Portland Development Commission to assume the lead responsibility for negotiating and preparing a Master Development Agreement with the private property owners within the River District, principally the owners of the adjacent 40 acres of land, Hoyt Street Properties, LLC, and

WHEREAS, on December 21, 1994, the City Council adopted Resolution No 35350 approving the River District Housing Implementation Strategy, the River District Strategic Investment Plan, a management structure and operating budget and directed the respective City Bureaus to proceed with implementation, and

WHEREAS, said Resolution No 35350 also established the formation of a River District Public Negotiating Team to coordinate the preparation and negotiation of the Master Development Agreement and directed that, when prepared, it be forwarded to City Council for consideration, and

WHEREAS, the River District Public Negotiating Team included Director of Development, PDC as the Team Chair, and also included the Directors of the Office of Finance and Administration, the Bureau of Planning and the Bureau of Environmental Services, the City Engineer and the City Attorney, and

WHEREAS, after extensive negotiations and substantial public input, the River District Public Negotiating Team has prepared a Memorandum of Understanding between the City of Portland and Hoyt Street Properties, LLC, which the Negotiating Team feels responds to the direction given it by the City Council and protects the City's interests in the expenditure of public funds

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portland, a municipal corporation of the State of Oregon, that the Council approves

- 1 The Memorandum of Understanding with Hoyt Street Properties, LLC, substantially in form attached hereto as Exhibit A to the original of this Resolution, and by reference made a part hereof

BE IT FURTHER RESOLVED that the City Council authorizes the Portland Development Commission and the River District Public Negotiating Team to prepare a Development Agreement with HSP, substantially consistent with the MOU, and forward it to City Council for their consideration as soon as possible

BE IT FURTHER RESOLVED that the Bureaus of Environmental Services, Parks and Recreation and the Portland Development Commission are charged with the lead responsibility to commence the additional planning, preliminary design, preliminary engineering, engineering feasibility, cost estimating and financial feasibility work called for in the MOU relating to the proposed parks and open space public improvements

BE IT FURTHER RESOLVED that a Management Team shall be established comprised of a representative of the Bureau of Environmental Services, the Bureau of Parks and Recreation and the Portland Development Commission to oversee the above-referenced parks and open space planning and design, together with a Steering Committee made up of other key area stakeholders, and return to City Council with an organizational structure and recommended budget and sources of funds when the proposed development agreement is submitted

BE IT FURTHER RESOLVED that the Council reaffirms its commitment to the River District Development Plan and directs the respective City Bureaus to proceed with implementation of that Plan consistent with their respective capital budgets and operating programs

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately

Adopted by the Council
Mayor Vera Katz
PDC SBA hds
March 6, 1997

MAR 12 1997

BARBARA CLARK
Auditor of the City of Portland
By *Britta Olson*
Deputy

307

Agenda No

RESOLUTION NO.

35592

Title

As Amended

Approve the Memorandum of Understanding (MOU) with Hoyt Street Properties, LLC (HSP) authorize the Portland Development Commission to prepare a Development Agreement with HSP and direct the respective City Bureaus to undertake certain activities related to the MOU (Resolution)

INTRODUCED BY	DATE FILED
Mayor Vera Katz	MAR 6 1997
NOTED BY COMMISSIONER	Barbara Clark Auditor of the City of Portland
Affairs	By <u>Ray Kershner</u> Deputy
Finance and Administration <i>uk</i>	For Meeting of _____
Safety	
Utilities	
Works	
BUREAU APPROVAL	ACTION TAKEN
Bureau Portland Development Commission	MAR 12 1997 CONTINUED TO MAR 12 1997 2 P.M.
Prepared by Date	
S. Bruce Allen 3.5.97	
Budget Impact Review	
___ Completed <u>y</u> Not Required	
Bureau Head Janet S. Burreson <i>Janet S. Burreson</i>	

AGENDA		FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS		
				YEAS	NAYS
Consent	Regular <input checked="" type="checkbox"/>	Hales	Hales	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NOTED BY		Kafoury	Kafoury	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
City Attorney		Lindberg	Francesconi Lindberg	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
City Auditor		Sten	Sten	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
City Engineer		Katz	Katz	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>