

NORTHWEST NEIGHBORHOOD CULTURAL CENTER BOARD MEETING

Final Minutes of May 8, 2017

Directors Present: Elizabeth Aaby, Dan Anderson, Ginger Burke, Don Genasci, Alisha Hanks, Bill Harris, Roger Jennings, Dan Volkmer, Bill Welch, George Wright

Director Not Present: Gordon Allen

I. Call to Order

Elizabeth called the meeting to order at 6:16 PM.

II. Public Comment

Former Secretary of NNCC presents 3 loose-leafed notebooks of records for archives. Ginger Burke accepted on behalf of the Board.

Scott Kerman is parent of 3 children who have been involved with the NWCTS. Present at annual meeting. Appreciates theater's outreach to guests with special needs.

Deirdre Atkinson, associated with NNCC building, is grateful for stewardship NWCTS has given to the building during its tenancy.

III. Doug Zenn, Zenn Associates

Dan Volkmer [DV] introduces Doug Zenn, a local professional with 20 years experience building partnerships in decision-making. Mr. Zenn is present in response to Bill Welch's motion at the previous meeting to explore hiring a mediator to facilitate board function. Mr. Zenn will observe at no charge and will share recommendations re: how to improve our processes.

IV. Mark Sherman, Mark Sherman Consulting

NWCTS fundraiser. 29 years experience in Portland. Itemized his recent projects ranging in revenue from \$5M to over \$20M. Specializes in organizations who are running their first capital campaign. Began professional career with Bill Naito and developed relationship with Bing Sheldon and NWCTS from there.

First key concern: capital campaign cannot begin in earnest until NWCTS has site control.

NWCTS can presently begin testing depth of donor pool through private conversations. Names of potential donors will remain confidential at this point. Disclosure would be outside the scope of best practices.

So far there is very high commitment to preserving the building and preserving art space in our community.

General sense is that \$5M is an achievable goal.

NWCTS has 14 community leaders who will give to the campaign and will help raise funds from others.

NWCTS Board has 100% commitment to participating financially in the campaign.

In his professional opinion the campaign is viable and likely to succeed and the response surpassed his expectation.

Bill Welch [BW] asked whether Mr. Sherman is comfortable with a \$15M campaign. Mr. Sherman. Mr. Sherman has explored only a \$5M campaign and must defer to architects re: higher cost/budgetary evaluations. Mr. Sherman will commit to \$5M only. He is not prepared to address whether \$10-15M is feasible.

Elizabeth Aaby [EA] asked for a time frame. Mr. Sherman replied an optimal time frame would be 2 years and a drop-dead time frame would be 5 years.

DV asked whether Mr. Sherman had been involved in a campaign where the campaign beneficiary received title to the property. Mr. Sherman has been involved in a campaign where a 3rd party held title conditioned upon fundraising. He reiterated his concern that the NWCTS cannot run a successful campaign without assurances that the property is within its control. From an investor's perspective, NWCTS must provide assurances to investors that once resources are invested ownership is not in question.

Dan Anderson [DA] asked if Mr. Sherman would be willing to provide a complete list of all clients in the past decade and their contact information for purposes of the Board's due diligence re: his fundraising experience. Mr. Sherman offered to provide references. DA insisted it be a complete list and not a handpicked list. Mr. Sherman said he's never been asked that question. EA advised she is satisfied with Mr. Sherman's offer of references and if DA would like more the Board will need to one on that request.

Carolyn Sheldon advises NWCTS did its own due diligence re: Mr. Sherman's qualification to run this campaign. NWCTS received only positive feedback. She reiterated the NWCTS Board's 100% commitment to the campaign and quantified its informal pledges at \$200K+.

Carolyn Sheldon requested a reminder of the mission statement. Alisha Hanks [AH] read the mission statement.

Carolyn Sheldon emphasized NWCTS is presenting costs forecasts rather than estimates. Estimates can be prepared only after design documents have been prepared which will require resources raised in a capital campaign. All professionals on this team have worked with this building for years.

**V. Bill Bailey, Managing Partner, Waterleaf
Brian Hjelte, Associate Partner, Waterleaf
Kevin McCormick, Miller Consulting Engineers
Bob Able, H & A Construction**

Waterleaf has significant experience with the NNCC and has overseen the life-safety improvements at NNCC over the past years. Waterleaf has recently updated the building report as a basis for the scope of work in Exhibit B.

[For the following minutes please reference the attached document entitled “Northwest Neighborhood Cultural Center Rehabilitation Plan, April 20, 2017,” also referred to as “Exhibit B.”]

Brian Hjelte addressed scope of work, referencing Exhibit B pages 6-10.

Kevin McCormick addressed the structural rehabilitation plan, referencing Exhibit B pages 11-12.

Bob Able addressed the costs associated with the rehabilitation plan. He has not included inflation in his forecasted figures. It may be 5% but won't be as high as 10% per year.

Carolyn Sheldon & Judy Kafoury added that ownership of the building is essential with regard to application for grant money.

Kevin McCormick added that a magnitude 8 earthquake on the coast would probably equate to a magnitude 6.5 here in Portland. This is the degree of earthquake to which the rehabilitation is designed.

In conclusion, Phases I and II must be completed in order to achieve both life safety and preservation goals.

VI. Treasurer's Report

Roger Jennings [RJ] reported as of May 1 NNCC had \$64,329 in the bank, \$80,976 in CDs and, with this month's rent, total resources of \$147,708. \$0 expenditures this month.

Motion: GW moved to accept the Treasurer's Report as stated.
Second: Ginger Burke [GB]
Vote: Motion passed unanimously

VII. Home Tour Update

DV reported tour postponed to September 10, 2017. More information to come at the July board meeting.

VIII. New Business

DV voiced his desire for all board members to express their positions with regard to the NNCC structure. He stated he stands for preservation of the Beaux Arts structure, of the building as cultural and educational center and of the NWCTS as its owner. The original intent of the founders was to preserve this building. He emphasized the economic benefits to the surrounding community from the patrons who visit the historic structure. He also emphasized the higher degree of skill required of the craftsmen who work on historic buildings and how that standard benefits the skilled community.

Bill Harris [BH] expressed his appreciation of DV's position and confirmed his preference is for preservation and for use of the building in a way that truly enriches the community.

RJ stated that he agrees with DV.

Alisha Hanks [AH] stated that she is for preservation and expressed how important historic buildings are to a community. She wants preservation to be the primary goal of all board members.

Bill Welch [BW] stated that he believes all board members are in favor of preservation.

GW expressed that if the NWCTS doesn't raise the money it will have to go elsewhere and NNCC will be responsible for preserving the building itself.

DV expressed the best way to preserve the building is to work with the NWCTS toward a mutually agreeable solution to preservation. EA expressed her desire to set the NWCTS up for success so we can ensure the building's preservation.

DA asked that there be an opportunity for board members to participate in drafting the meeting agenda. DA also raised concerns re:state notice requirements. EA expressed her belief that following consultation with board counsel the Board complied with notice requirements. DA read the notice requirements. DV proposed notice in the Examiner and volunteered to handle it. EA asked DV to post in the Examiner and he agreed to do it.

IX. Minutes

GB circulated meeting minutes from the 3/13/2017 meeting the preceding week. Audio recordings of each meeting will be preserved.

DA proposed to strike “and emphasized the clear intent of preservation” because the word “preservation” does not appear in the referenced document. RJ is comfortable striking those words.

Motion: DA moved to strike the words “and emphasized the clear intent of preservation”

Second: GW

Vote: Motion passed unanimously

Motion: GB moved to pass the minutes as amended

Second: GW

Vote: Motion passed unanimously

Motion: GB moved to establish a NNCC

Second: BH

Vote: Motion passed unanimously

X. New Business

RJ shared previously distributed copies of media re:the history of the NNCC acquisition of the property. [see attached] RJ believes they demonstrate the clear intent to preserve the building. Discussion ensued re:the period of time the NNCC was liable for taxes. RJ raised concern about who will care for the building if the NWCTS is not the owner. BW proposed that potentially a developer could purchase it with a covenant requiring preservation. EA stopped discussion emphasizing focus on our current efforts with one of Portland’s premiere property law attorneys, Steve Janik. EA proposed a meeting with Janik to discuss details. Carolyn Sheldon suggests we continue our collaborative work on the term sheet. EA would like to move the process forward

DA asked to have the term sheet provided to any NNCC member who requests it. EA stated it should remain private until the completed and signed term sheet is available. DA suggested the Board is continuing to conceal the term sheet. DV stated there are terms and conditions currently in the term sheet that current board members do not agree with and want to

refine. That is part of the basis of not releasing the term sheet as currently drafted. Once there is consensus it should be posted on the website.

Motion: DA moves to provide any requesting NNCC member a copy of the document or its successor

Second: DG

Vote: motion did not pass

III. Adjournment

EA will schedule an executive session with Steve Janik.

Next meeting is 7/10/2017.

The meeting was adjourned at 8:49 pm.

Dated: July 10, 2017

Respectfully submitted,

Ginger Burke, Secretary

NNCC Board of Directors

Approved: July 29, 2017