

**NORTHWEST NEIGHBORHOOD CULTURAL CENTER
BOARD MEETING**

FINAL Minutes of January 8, 2018

Directors Present: Elizabeth Aaby, Gordy Allen, Dan Anderson, Ginger Burke, Bill Harris, Roger Jennings, Bill Welch, George Wright

Directors Not Present: Don Genasci

I. Call to Order

Elizabeth called the meeting to order at 6:15 PM

II. Public Comment

Roger Vrillakis requested a copy of the current term sheet. Elizabeth stated it will be available to the public as soon as the board approves it which will hopefully be tonight.

III. Treasurer's Report

Roger Jennings presented the Treasurer's report attached.

IV. Meeting Minutes

Ginger presented the minutes for 11/13/2017 for acceptance.

Motion: Ginger Burke moves to accept 11/13/2017 meeting minutes as drafted

Second: George Wright

Dan Anderson objected stating he never received a copy and has had no opportunity to inspect or review. Ginger Burke stated he was on the distribution list.

Motion: Dan Anderson moves to vote on acceptance at a later date

Second: Bill Harris

Vote: Motion passed unanimously

V. Membership Applications

6 applicants were presented by Dan Anderson with a recommendation to accept. 4 applicants were presented with a recommendation to reject.

Motion: Bill Welch moved to accept the recommendations of the committee
Second: Roger Harris
Vote: Motion passed unanimously

VI. Website Committee Update

Dan Anderson reported on regaining control of the website and costs associated with ongoing maintenance. Website is now nccpdx.com. We have full access and control but nobody yet has complete understanding of how to update. Easy fix is to hire web host to update for us. Costs range from \$50/hr-\$75/hr for updating the website on an ongoing basis.

Discussion ensued about conveniences of allowing people to apply for membership online. Costs would be \$100-200. Board would still need to verify residency.

Motion: Dan Anderson moved to direct canvas host to proceed with establishing online membership applications.
Second: Bill Harris
Vote: Motion passed unanimously

VII. Architect for NNCC

Dan Volkmer reported it is a challenge to find an architect willing and capable of acting on behalf of the NNCC board in reviewing proposed plans presented by NWCT's architects/ engineers. Brian Emerick was flattered by the invitation but declined. Peter Meijer (consulted with Waterleaf on this project early on) is an option. Elizabeth believes Brian recommended a few others the committee will pursue.

VIII. Term Sheet

The Term Sheet (v11) was circulated at the last meeting at Steve Janik's office. Elizabeth reported there were no motions at that meeting to modify the Term Sheet (v11).

Dan Anderson's position is that the current term sheet is incomplete and did not incorporate all the terms discussed at the meeting with Steve Janik. Elizabeth reiterated that Steve Janik incorporated only those matters voted on, which were none. Dan Anderson insisted Steve Janik incorporated some items discussed but not all suggested. Dan Anderson suggested we consider agreeing upon a set of principles and then discuss how to implement the principles. He presented two documents entitled "Principles for a Preservation Deal for the Cultural Center" and "Motions Relative to a Proposed Terms Sheet Intended to Implement Principles for a Preservation Deal for the Cultural Center," both dated January 6, 2018.

Ginger Burke asked Dan Anderson whether item 5 includes prohibition of the sale of air rights above the parking lot. Dan Anderson confirmed his intent was to exclude the sale of air rights that

Dan Volkmer agreed that our transaction should be based on sound principles. He also pointed out that this is a transaction involving negotiation.

Motion: Dan Volkmer proposed approval of the Term Sheet (v11) PLUS a prohibition of the following terms, all of which will trigger reverter if they occur within the 50 year covenant period:

- attempt to remove the property from national or city landmark status
- application for demolition
- board waiver of seismic upgrades

Elizabeth presented the language proposed by Steve Janik to prohibit a future board's unilateral waiver of the seismic upgrades:

[added to Section 11.2 at the end] "In the event of a breach of Buyer's obligation under Section 10.2.18, the Board of Seller may not modify Section 10.2.18 nor waive the non-compliance with Section 10.2.18 and the reversion of the Building to Seller, unless such modification or waiver has been approved at a duly called special meeting of Seller's member by the affirmative approval of such action by two-thirds of the members present at such a special meeting, called solely for the purpose of considering such action."

and that the board call for a special meeting to present a Purchase and Sale Agreement drafted based on the Term Sheet, as modified, for a vote.

Second: George Wright

Gordy asked whether there would be a provision requiring fundraising benchmarks.

Dan Volkmer agrees to table his motion while we discuss Dan Anderson's motions.

Dan Anderson presented his motions contained in the document entitled "Motions Relative to a Proposed Terms Sheet Intended to Implement Principles for a Preservation Deal for the Cultural Center."

Motion #1: The Term Sheet shall require a design which supports economically feasible restoration to service after suffering a design basis earthquake

Second: Gordy Allen

Vote:
yes 3
no 5
abstention 1

Motion failed.

Motion #2: The exhibits to the terms sheet shall include a description of the Rehabilitation work which is sufficiently detailed and precise to allow the NNCC membership to clearly understand the work to be accomplished.

Second: George Wright

Discussion. Currently the “Scope of Work” is the description of work. Dan Anderson believes the current term sheet does not sufficiently describe the work to be done.

Vote: yes 3
no 6

Motion failed

Motion #3: The terms sheet shall include two or more fundraising progress benchmarks and a date by which the fundraising activity must be completed. The progress benchmarks shall be separated in time by at least two years. Failure to timely meet progress benchmarks shall result in automatic reversion of title to NNCC.

Second: Gordy Allen.

Vote: yes 3
no 6

Motion failed.

Motion #4: The terms sheet shall prohibit NNCC’s board from waiving any material buyer performance obligation including those relating to fundraising and to timely completion of all Rehabilitation Work as that work is specified in the Purchase and Sale Agreement without an approving vote of the NNCC membership as provided in Sec. 6.4 of NNCC’s Bylaws.

Second: Gordy Allen

Vote: yes 3
no 6

Motion failed.

Motion #5: The terms sheet shall require that the entire economic value of the property, including the parking lot and all transferrable development rights, be retained by the NWCTS and preserved for the contingent benefit of NNCC and the neighborhoods until all Rehabilitation Work shall have been completed.

Second: [no second]

Vote: yes 4
no 5

Motion failed.

Motion #6: There terms sheet shall replace each use of the term “commercially reasonable” as a performance standard or modifier with less ambiguous and more specific and focused standards.

Second: Gordy Allen seconds.

Bill Harris moves to table
Bill Welch

Vote: 3 yes
6 no

Motion failed.

Vote: yes 3
no 6

Motion failed.

Motion #7: The terms sheet shall name the NWDA or some other similar, long standing neighborhood based entity to serve as the substitute Reverter Party. It shall be a Seller Pre-Condition to closing that the entity so named shall have accepted this role. The terms sheet shall not name the City of Portland as the substitute Reverter Party.

Second: Gordy Allen.

Dan Anderson referenced the 2017 “near identical letters of support” for the transaction received from the members of City Council “which clearly took a side in matters relating the disposition of this building.” He suggested it was not a good idea for the city, as a substitute Reverter Party, to have made “such a systematic and overt display of bias going forward in these matters...” He asserted someone likely solicited them because they all have substantially the same wording. Lengthy discussion ensued about the Reverter Party and whether the City of Portland should be the substitute Reverter Party in the contract. Stephen Kafoury acknowledged he solicited the letters of support received in 2017 from members of City Council.

Vote: yes 3
no 6

Motion failed.

Motion #8: The terms sheet shall state that the breach of any obligation in Section 10.2 shall trigger a reverter under Section 11.2 or, in the alternative, the terms sheet shall state the legal remedy available for breaches which do not trigger reversion.

Second: Gordy Allen.

Vote: yes 3
no 6

Motion failed.

Motion #9: The curing provisions to which the reference is made in Section 11.2 shall be drafted and attached to the terms sheet as Exhibit C.

Second: Gordy Allen

Vote: yes 3
no 6

Motion failed.

Motion #10: Mark Sherman shall be made available for extended conversations with any NNCC Board members who wish to participate.

Second: Gordy Allen

Vote: yes 3
no 6

Motion failed.

IX. MEETING DATES

Motion: Dan Volkmer proposed the NNCC Board approve the Term Sheet received January 2nd plus the three additional covenants discussed earlier:
attempt to remove the property from national or city landmark status w/in covenant period triggers reverter
application for demolition w/in covenant period triggers reverter
attempted board waiver of seismic upgrades w/in covenant period triggers reverter, with specific language proposed by Steve Janik as follows: “In the event of a breach of Buyer’s obligation under Section 10.2.18, the Board of Seller may not modify Section 10.2.18 nor waive the non-compliance with Section 10.2.18 and the reversion of the Building to Seller, unless such modification or waiver has been approved at a duly called special meeting of Seller’s member by the affirmative approval of such action by two-thirds of the members present at such a special meeting, called solely for the purpose of considering such action.”

and that we call for a Special Meeting to present these terms, in the form of a Purchase and Sale Agreement which the attorneys will prepare, to the membership for an up or down vote

Second: Ginger Burke

Bill Harris asked why the covenant is only 50 years and not 100 years and proposed a friendly amendment to Dan Anderson’s motion above. Dan Anderson accepted the friendly amendment, requiring that the covenant now be 100 years. NWCT representatives in the audience indicate they are in support of the 100 year covenant period.

Dan Anderson began discussion of his document entitled “Notes on Draft Terms Sheet Distributed 1-2-18.” He suggested we work through each of these proposed problems with the terms sheet. Limited discussion about some of the provisions.

Vote: yes 6
no 3

Motion passed.

The SPECIAL MEETING to dispose of the property requires 30 days notice in a neighborhood publication. Unclear whether we will be able to meet with an architect we hire prior to the Special Meeting. We will publish notice in the February 3rd issue of NW Examiner. Must be minimum of 30 days and a maximum of 60 days from notice.

Motion: Dan Anderson moved that the annual meeting precede the special meeting.

Second: Gordy Allen

Vote: yes 3

no 6

Motion failed.

Considering holding the SPECIAL MEETING the week of the 16th of April and the ANNUAL MEETING the week of the 23rd of April. Elizabeth to check with professionals re: availability for the SPECIAL MEETING. Dates will be set following consultation with professional presenters.

Bill Harris raised concerns re:publishing term sheet before it is FINAL. Board agreed we need to publish it (in its edited format with the changes voted on tonight) with Gordy's suggestion that it list the caveat that it is not the Purchase and Sale Agreement and that there may be some slight changes in its final form.

Executive Session 1/25 8:30 am

approve letter to membership

invite Mark Sherman

hire architect

X. NEW BUSINESS

Alisha announced that she is resigning because she is moving to Denver, CO. She proposed Susanna Duke as her replacement. She stated Susanna is in favor and willing.

Motion: Alisha nominated Susanna Duke to replace her on the board.

Second:

Vote: yes 7

no 2

Motion passed.

Elizabeth announced she is stepping down effective immediately as President. She stated Dan Volkmer has agreed to serve as interim President if Elizabeth serves as Vice President.

Motion: Bill Harris nominated Dan Volkmer as the new President.

Second: George seconds.

Motion: Elizabeth Aaby called the question to end discussion

Second: Ginger Burke

Vote: yes 7
abstain 2

Vote: Motion to elect Dan Volkmer as President passed unanimously.

Motion: Ginger Burke nominated Elizabeth Aaby to serve as Vice President.

Second: Dan Volkmer.

Discussion around a more balanced executive board. Dan Anderson agreed to serve as Vice President. Dan Volkmer indicated he had no objection.

Vote: yes 7
abstain 2

Motion passed.

The meeting was adjourned at 9:55 PM.

Dated: January 8, 2018

Respectfully submitted,

Ginger Burke, Secretary

NNCC Board of Directors

Approved: January 25, 2018

[EXHIBIT 1 - NNCC ARCHITECT SCOPE OF WORK]

Elizabeth,

A scope of work for an architect acting as a client representative might be

During the design and design development phases the clients architect will:

- 1. Become familiar with drawings and Ideas presented to the Board by the architects of record.**
- 2. Become familiar with historic preservation and post seismic event resiliency.**
- 3. Discuss with Board any issues or items that need reviewing with architects of record.**
- 4. Employ and brief a structural engineer.**
- 5. Meet with architects of record to discuss client (Boards) questions &/or issues.**
- 6. Report and discuss with Board the discussions with architects of record.**
- 7. If there are disagreements with the work of the architects of record, the Board will convey these disagreements.**
- 8. The architect will periodically (bimonthly) discuss the progress of the project and any issues with the architect of record and the Board.**
- 9. At the end of the Design Development phase the clients architect will provide the Board a summary of ideas and issues considered and outcomes.**
- 10. At the end of the Contract Documents phase the clients architect will review the drawings for consistency with what has been agreed during the design phases and will report any significant changes to the Board.**

I trust that this is what you are looking for.

**Best,
Don**