

**SmartCentres Meeting with
Roseway, Madison South and Save Madison South
November 12, 2007
5:30-7:00pm**

Present: Denis O'Neill – Norris Beggs & Simpson, Tyler Whitmire- Roseway & Int'l Business District Association, Azmat Hussain- Save Madison South & Madison South Neighborhood Association, Chad Earnest –Roseway, Catherine Wilson-Roseway & Save Madison South, Amelia Palmer Hansen- Roseway, Craig Ferguson- Roseway & Save Madison South, Lois Cohen-Zetlin Strategic Communications, Andrew Sinclair-Smart Centres, David Shiffer-SmartCentres, Bob Ueland-Chair Central NE Neighbors & Hollywood Neighborhood Association, Bret Blount-Save Madison South, Steve Pfeiffer-Perkins Coie, Brent Sanford -SmartCentres, Carter Cummings-Save Madison South & Madison South, Craig Pering-Norris Beggs & Simpson, Jerry Johnson-Johnson & Gardner, Marc Butorac -Kittelson & Associates, Denise Correll-Roseway, Bill McLean-Save Madison South, Frank Walsh-Save Madison South & Madison South, Bill Barber-Central NE Neighbors, Ethan Spoo-Madison South, Steven Yett-Cully Neighborhood Association, Clayton Heizweig-Norris Beggs & Simpson, Kathleen Blevins – Roseway, Sean Batty-Roseway.

Agenda

Opening statements:

Neighborhood Groups

Frank Walsh read an opening statement on behalf of the neighborhood and business groups. He indicated the following:

That we are here representing the 5,000 households in the Madison South & Roseway neighborhoods, as well as Save Madison South, an organization which is backed by 2,300 community members who collectively opposed the original big box development. We are here to share the unique values of the neighborhood, and the greater community of Portland, and we are here to ensure that these values are honored in the development of the site at 82nd and Siskiyou.

We are greatly concerned about trust and integrity, as we meet with SmartCentres tonight. Because of the resistance to truly work with the community in the original application, we have little confidence that SmartCentres will work with us fully in whatever second efforts you are contemplating.

We have asked repeatedly and earnestly that this meeting be facilitated by a professional third party mediator, in an attempt to bridge the gap in trust built up over the last couple of years. Even though you have agreed to meet with us, we remain skeptical that your group can win back that trust. We don't want tonight's meeting to turn into a quasi-land use hearing, with SmartCentres' experts or consultants defending its position. What we need are answers, along with SmartCentres' values and motivation. Should SmartCentres be involved with the land at 82nd and Siskiyou, we need to see a plan that is radically different than the original application. And if this is not something that is a possibility from your perspective, then we would respectfully ask you to walk away from this development and pursue other more appropriate locations.

SmartCentres:

Andrew Sinclair indicated the following:

Thanks very much for hosting us and having us here. We are very interested in to hear what you guys have to say. We are hoping to walk away today from this meeting with some processes and comments that we can leave the meeting, and sit down and see what collectively maybe the consensus here that we could come up with. Overall, I hope that this isn't just one meeting, I hope that this is a series of meetings that we can carry forward, and hopefully we can come up with consensus on something that works; something that we can provide. And that ultimately, get something to work for everyone here. Obviously everyone in this room followed our application very closely. You know that we pulled the application. We decided that it was never our intention to go at odds with different elements in the neighborhoods, and we felt that there was some value in stepping back, and going back to really hear what you have to say, and once again, see if we could get something that really works.

One thing that we did want to touch on is we did bring our consultants team, who works with us, local Portland people, and I thought that it was important that we are all here. I live in Vancouver, British Columbia, that's where my office is, I am down here every week, but we all have local consultants and we all talk at length about this project and the other project we are working on down here. I thought it was important that they were here so that they respond to certain questions you guys might have, and also to take feedback as well, because they are the collective body who advises on these types of things. And I wasn't completely sure of the format for the agenda coming into this, so I didn't have set

statements, but I did want to touch quickly on what Frank said there. He said that you need to see plans radically different. I can say that we are here to listen to you guys, and to try and get some ideas to what that might ultimately look like. I don't think we are going to come to a complete consensus tonight but I think that we can certainly come up with something. Thanks so much for having us.

Neighborhood specifics:

The neighborhood group then provided specifics to respond to Lois Cohen's request to aid the developer with ideas. Here is the list as discussed:

1. Needs to be a sustainable/green type of development
2. Echoes Portland's character - representative of Portland and local values
 - a. Large piece of land- whatever goes in there will be very important and a lot of people will use it
 - b. Representative of the neighborhood and Portland at large
 - c. Local businesses
 - d. Mayor's VisionPDX plan – research and survey to identify Portland values which is going to impact development over the next 12 years. Starting point of a 3-year planning process that Portland will be doing under "Portland Plan". Intense effort with urban format exercise- critical to 82nd- could bring up the potential of 82nd Ave as a multi-level street. Possible street car, possible higher density. This could be the first main development to lead into this future vision. Please note a match between this conversation and the values listed in this document
 - e. Roseway Vision Plan- listed on the www.roseway.org website –under documents also has similar plans
3. Enhances neighborhood livability (and community)
 - a. Residential, homes, apartments, community
 - b. Neighborhood community in an urban development
4. Representative of neighborhood diversity
 - a. Diverse economically – Rocky Butte multi-million dollar homes, and starter homes
 - b. Ethnically diverse
 - c. Something representative of neighborhood diversity
 - d. How it manifests itself in development- example is Asian American shopping center accurately represents the diversity of the neighborhood. Many Asian-Americans patronize the site, as well as different age groups
5. Safety
 - a. Incorporate Portland focus on increasing safety around region- set standard with such a large development
 - b. This is a state designated high-crash corridor
 - c. Biggest skatepark across the street in addition to high school
6. Mixed use – highest possible mix of uses
 - a. Retail, (office- encourage smaller suite rentals), housing
 - b. Local business
 - c. Higher diversity of businesses
 - d. Smaller scale
 - e. Reduce impact of traffic from a large single use
 - f. Some trips from inside the site
7. Most contribution of family-wage jobs on the site
8. Respond to zoning around perimeter
 - a. EG2
9. Not as auto-centric
 - a. Less traffic volume (in-out, in-out)
 - b. Mix of uses
 - c. Integrate with mass transit as well as pedestrian and cyclists
 - d. Encouraging and embracing walking to every part of the site (in site, through site)
 - e. Two major MAX stops that this development would be between- 82nd and Parkrose- an opportunity to utilize that mass transit
10. Connectivity to light rail stops and also to 82nd and Sandy
 - a. Make it as pedestrian friendly – connectivity
 - b. Wider sidewalks at 82nd and Sandy to help people access the development
 - c. Many people get off on the right side which means people have to cross
 - d. Need to put out traffic islands for pedestrians
11. Maximization of public spaces or areas where neighbors can interact

- a. Parks, community centers, gardens, farmer's markets, neighborhood schools & their campuses
- b. Specifically enhance the neighborhood
- 12. Building that fits neighborhood
- 13. Take high school into consideration
 - a. Pedestrians and safety
 - b. Connect both sides of the street (underpass or overpass on 82nd) to avoid conflicts with pedestrians and traffic, and long signal lights
 - c. Whatever goes in there- students will use. Consider uses for students
- 14. Activate 82nd with pedestrians
 - a. Lots of people on sidewalks
 - b. Safe to cross
 - c. Front doors of businesses oriented to 82nd

Question and Answers:

Q: We'd like to know about SmartCentres' values and what they hope to achieve in the US market?

A: *Andrew Sinclair: We are developers. We develop shopping centers. And we develop shopping centers and each and every site is unique and we do our best to adapt to different marketplaces and areas around each site. (Clayton prompt: You also have a pretty good track record in places throughout Canada. You are certainly a developer with heart and sensitivity, you demonstrated that in a number of communities in which you have built shopping centers throughout Canada) Absolutely, thanks Clayton. We are a fairly large organization. We have developed a lot of shopping centers. One of the things that is very different with us as opposed to other developers, is that we are not only developers but also shopping center operators, so we look to stay in communities. We develop them, and as Clayton said, we like to participate in local charities, and all the rest, and I think it is safe to say that we donate a million dollars a year that we donate to different charities across Canada. And we are looking to expand that down in the states, and through developing in the states, then we are able to participate in those states.*

Q: Portland is a really unique place. Could you touch on a previous location where the community had such different ideals, and have you changed your development strategy as a result?

A: *David Schiffer: Just so I understand what you are asking; you are asking if there are there examples of where we have been before, where there has been some evolution of movement through what we have proposed through our realization from the sensitivities of the community. Absolutely. There have been numerous examples. I personally was not here through the first rounds of meetings that were arranged between a number of representatives of our company and some of you folks. It certainly gives me no pleasure to hear comments to the effect that somehow, some sense of trust has been eroded or we are lacking credibility. And though that, we are now getting questions of this nature, and clearly, you want to see what we have done in response to that. And that is very much our intention in this exercise. And I have to say, that anything that I have been involved previously of this sort, this is shaping up to be the most well-thought out selection of comments, more so than I was ever expecting to see. It is much neater than I thought it was going to be. I thought that we were going to be going in a lot of directions and in terms of, there seems to be some commonality in some of the voices we are hearing. Nevertheless, in terms of other communities, for us, we look at a market like Portland, and in the fact as much as you live here, you appreciate the ethic of what it is that is the collective mind of the citizens here. This is not something that cores out on our first visit here. It's not something we discover – it's something that happens over a period of time. Certainly, in terms of just driving certain areas of the city, observing the form of the city, you take cues from that, and certainly there are whole myriad of build forms and where you are, and certainly, we didn't think that what we proposed at first was somehow so at odds with the build form that we could perceive on the ground in that area. So that led us to develop a plan that clearly, from what we are hearing, did not embrace this, and now we are here now to see what we can do change that that. And in reference to other places where we have done the same thing, I would refer to my own neighborhood. Where I live in Toronto, just in a suburb just north of Toronto, we are in the midst of construction on a shopping plaza. Over quite a period of time, we concentrated meeting with the community, as well as the city leaders, the build form of that center is shaping up to be something that reflects, not all of but quite a number of comments that I am hearing tonight. So that there's some similarity in my mind, about connectivity and comparison, and I am seeing, in fact, some similarity to something pretty close to me as it is walking distance from my house. So, certainly that is one example, in that development, that I would like try to find you some assurance that that product would be used for and ultimately look like, because it seems to be shaping up very well in terms of people being impressed by it, they like what they are seeing, it's actually not just drawings, it's coming out of the ground, it's being built in accordance with the plans that were shown, and people seem to be excited about it. As well, there are other developments that are not out of the ground yet, they are just proposals at this point, that we are trying, in various ways to reflect the community and or to have sensitivity to the community, and that certainly that is something that has happened on a number of occasions. It seems that the more we*

play this game, the more we are in this business, the more we learn every time we do something like this. And certainly when we take on a project such as this, which, is as one you described, in a very urban environment, so it is something perhaps unique and different suburban tone, which certainly been a lion share of all shopping center development for the last 12 years anyway. And so now we are seeing some shift, and we are trying to find a creative way to bring flavor of a community to a shopping center development to make it more compatible. I am hoping that this going to be an exercise to define this.

Q: In one of the meetings set up with Sean Fujiki – he had mentioned that retail is one of your core competencies. Is it conceivable that you might partner with others – are we having a discussion here that you are willing to push your own envelope to include other uses? Do you have a track record or interest to partner with other developers with other core competencies?

A: David Schiffen: Our core competency has traditionally been retail. There has been the emergence of other uses combined with retail, in shopping centers that are fairly underdeveloped in our portfolio. That isn't to say that we are of the opinion you can grab every possible form of use and cobble it together and it's going to work somehow. It isn't necessarily going to work in this situation, but certainly I think that there are opportunities to include things that are not purely retail. Certainly we have examples of office that we are now incorporating in our retail buildings. In fact, in the place where I live, it will have a place of worship on the second floor in combination with retail on the ground floor, and other office uses and other mixes of uses of the community as well. I would certainly add that I am writing down everything I've heard here and am intrigued by it. The challenge is how does one come up with something that plays to the fact that there is a school across the street, and if the use has benefits or ties into that? So, the short answer is yes, we have started doing that. I wouldn't want to characterize it a core competency at this point. I think it's more of an evolution, something that is emerging, something I would like to see happen in some measure here, but I don't want to blow smoke either and suggest that somehow every idea can have a shot here, every single thing can be included pushed together in to some form of development that embraces absolutely everything. I think that would be maybe a little aggressive for this development.

Q: Why Portland?

A: Why not?

Q: Why not is not a clear enough answer for us- please answer the question.

Andrew Sinclair: I was not personally on the team when we came into Portland per se, but I can say that when we do look into an area, generally, we look for business opportunities. We look at the general area around the site, and if there is a piece of land that is surrounded by a lot of houses, and we felt that was an opportunity to develop this this state with some retail.

Clayton: The United States is a basically target, with the proximity BC regional office. Portland and Seattle are in proximity for ease of travel. They are spending a lot of time away from. The intriguing thing about Portland in the years I've been in this business is that this known as a supply-constrained market because of our land use laws, which I happen to believe in. It is very attractive for capital investment because of the price of increase is more challenge. And you come in and do things that are appropriate for the community. I truly believe that these folks want to do that. And do in-fill, which this is. And I am going to be really honest and I hope I don't hurt anyone's feelings but when we first started talking to SmartCentres and to the folks in the development community and to folks in elected office. A couple things came up. One, it needs to be upgraded. (82nd Avenue) and two, it is under-retailed. So they encouraged (all the folks we talked to), and emboldened SmartCentres to look very carefully. The third thing, which is a major challenge of this site, I am not going to mince my words about this, this is a challenge site, and that's the reason why it's sat there so long. It's been a landfill. It's got spongy soils, and it's got environmental problems that would probably prevent something . It can be developed, and might well, if that is that your choice, as it is currently zoned, for industrial. I think that the soils that are so challenged that the kind of industrial you'd get isn't probably the kind you'd want. From an Oregonian's, and knowing the area as well as you do, and seeing the area being developed over the last 35 years that I've been in business, I think, if I were in your shoes, I would definitely encourage a retail kind of environment could use, and cut down on trip distances you'll have to travel, and I think this is what you are kinda saying, it's question of what kind of retail is appropriate?

Q: I see your traffic engineer, your financial person, your land use attorney. Who is your local site designer?

A: Andrew Sinclair: We have not retained a specific local architect as yet, but what we have done is retained Peter Busby, who has worked out some initial schematics, and his office is based in Vancouver. The way this process has evolved, we are certainly very interested in retaining a local architect.

Steve Pfeiffer: I am a land use attorney and been in the public process side in a couple of ways as well. And I understand what you are saying tonight about the vision here and in the neighborhood. On the other hand, if you think about where we've been versus where we are going, there's very much a transition going on in this city and many others. I'm not sure it's entirely accurate to say that if you look on the ground in Portland today, and look at the way retail has developed that you could say and there in the grace, there are many concepts as we have talked about here. I was involved in Gresham Station, Bridgeport, redevelopment of Eastport Plaza and various places on the US side. They are all getting closer to this in the last 15 years, but in all honesty, I think we have to challenge ourselves- can we think of any individual center, retail or mixed use, in size, including those, which today looks like this. Not to say this isn't where we should be going, cuz I think this is where we should be going, we all believe, but I think it is a bit of a stretch if we walk into this town from anywhere such Canada or Iowa, I don't think what you'd see on the ground is this, I think there is a reason people would necessarily say, let's go develop like Gresham Station or redevelop in efforts that are underway as constrained as they are at Mall 205. My point is this: not that we should not aspire to this, and challenge SmartCentres to work this into it, I wouldn't have frozen them out of town because they came to town without that in mind. Because in all honesty, I challenge the group to name a center today, of any size, mixed use included, which does resemble these characteristics. We're trying to get there, and we are transitioning, but we really do have a bridge to meet, is my sense. It's not a negative, it's actually an aspiration that I personally share with you, I think that these folks will increase in their use as well, but that not been where we've exactly been the last 20 years, and where we've been because of the last 20 years that we are trying to go. And I think that this site can be attractive to capital investors as one of the best and if not only ways to collectively this neighborhood can achieve these. Don't fault them too quickly for not developing that out of the box, or saying that you are shocked that they didn't come to the table with this kind of development out of the box, because frankly, if Clayton or I or Marc or the rest of the them came to them and asked who are the five or six major retail developments accomplishing or defining the region today, even on the east side, well it would be Gresham Station, sure it is residential, Gresham station evolved into a mixed use. And those were independent parcels that took on a life of it's own over time. I'll let you guys decide if Gresham Station is a retail success. But I have my own sense. We planned Mall 205, we planned the old Hyster site/the old Fred Meyer site, we planned some of the other things. It's an opportunity, it's not a place to lay blame any more.

Q: Aren't all of these properties that you mentioned further from the city center that this?

A: Steve Pfeiffer: No, Mall 205, the old Hyster site. Frankly we don't have a lot of redevelopment potential in this city or retail sites of 20-25 acres.

Q: I understand that – this is closer- you can get out your measuring tape and walk it yourself. Mall 205 is further down the freeway and we fancy ourselves a pretty Portland specific neighborhood.

A: Steve Pfeiffer: But again, I guess would ask that you if you could point us to an example that we could replicate on the ground today to achieve these objectives.

Q: Again, we are not developers- we are just neighborhood folks and the question was posed as far as what are the specific objectives of the neighborhood, and that's what we've provided.

A: Steve Pfeiffer: I understand, and that's good. My only point is: You are cutting new cloth with this.

Q: I think that this is the right way to be going with this, you are right – this is something to aspire to. This is what is reflected in Portland's values. Andrew was saying when he came to table 'we do shopping centers.' That's fine, but when you look at Portland as a whole, it's not all shopping centers. And that's not what everybody's goal is.

Q: I am a little concerned about comments about the competencies; this is what I have heard a year ago, and I'm willing to participate and talk to you folks. To Mr. Pfeiffer, there probably isn't maybe a specific model of development that takes 240,000 sq feet of retail as a fundamental program element and that's your keystone development, and then all of a sudden it is an analog to the things you listed. The way that development has been done over the last decade, one core competency, low margin, rely on one thing, suburban model. I am not blind to what we are challenging you to do. My question was for me and this group: You said we are going to have a dialog going forward. The reason I asked the question about the site designer and about the program fundamentals is that we already had a dialog about the change that is going to happen from this plan, but are we going to have a continuing dialog about why what we put on the wall will doesn't work- because of the model, and if there's no model for that, we don't do it. Because I'm fine if with you guys just saying that this the best we can do, and we'll go have our hearings. Another year worth of having meetings with you, I'd just kinda like to start knowing what's on the table.

Q: I appreciate you guys coming to talk to us, and tell us what your plans are, and there's 40 different opinions in the room here, I would say. I would say that there are some consensus points that we can build on. One thing that is important to me personally in the development of this site and I think is a possibility and I don't know if it has been looked at is the incorporation of office on this site. I can't say that I know that there is a market for it but the Banfield developed some office down the road which I think is an indication of office can be developed on the site. Putting some office on the site, at least some office in incorporation with retail would be a pretty good idea because offices tend to operate 8am-5pm so the traffic impacts are limited to the peak hours, as opposed to retail which can stay open until 10pm, and also include after hour truck deliveries. The more office that you put on the site would be a potentially good solution for the neighborhood. I'll just throw that out there for a point of discussion so we can discuss a little more in the spirit of coming up with solutions for the site and not coming up with a closed dialog. If that is something that can happen on the site, - I guess that's the question- has that been looked at and is it off the table or on the table or somewhere between?

A: Andrew Sinclair: To be honest, we did hear that office space and we can see if there is a market for that and that could be incorporated. We need to assess the demand what there might be for that, and we hear you.

Q: Same question: but housing?

A: Clayton: From a livability aspect: The environmental issues are such that it would be detrimental to health to put housing on top of these kinds of soils.

Landfill contains radon and methane, and these are things to be concerned about.

Housing has been done before. I've done a lot of housing work including condo development. It is plausible to do housing right now, but not the condo market which will take years from now. But the condo market is more of an issue. But as far as marketing liability, there are some risk issues – it is possible. The market has fluctuated. It's plausible you may be able to see rental products –pretty limited market growth. Apartments don't work –it's tough, and the condo market is gone. Residential is tough to do right now from a market standpoint.

Is it safe to say then that the landfill issues make this that much more the challenging?

This is a tough market, and I'm afraid that this is one variable too many. But other people have done crazier stuff.

I am not hearing off the table or on... is that something you would be willing to consider?

David Schiften: It will probably going to be rental housing, but it's a possibility because of the sales issues and there's just the geotech costs. It had happened in some markets that are quite anemic. RiverPlace is on old sawdust pile. But that's some of the geotech expense. It'd be tough to sell key housing on a landfill with methane issues across the development, so basically it would be a higher density apartment product.

Insurance companies would be worried about carrying the risk.

So I qualify my comments: I am not saying all housing. I am just saying a contributory component.

David: The office is an interesting thing. You know better than me. The office market is kinda location specific if you are going to be in Class A.

Clayton: There are two types of people who in take place in that part of the market. Those who need space for prestigious reasons, such as address, quality of construction, and those who list convenience. My guess is that this would not be a prestigious type of market opportunity. It could be a convenient type of property. But pioneering is challenging for office space. The area of feasible

David: The big thing about office upstairs is that it is not a regional office location. It is possible to have office types that are located above retail space that are really neighborhood oriented, the same thing that retailers are looking for which could be medical offices or those types of use that would be in the neighborhood anyway. They want to use the same demographic resource as well. It could be professional office or people working out of their homes.

Q: So currently in the US, gas prices are 3.10 right now and possibly hit \$4 by this summer. This land, like I mentioned earlier, is between two high volume light rail stations. I looked at the original site plan in the application and saw 900 parking spaces in that application. Why is that gas prices go up and people tend

to drive less to mitigate that. Going back to the question of 'why' – we want to understand the thinking on the original application – why something that requires more driving when between two mass transit areas.

A: Andrew: I hear you- the proximity to the MAX rail- isn't route 72 going up and down 82nd? That is one of the heavily used transit lines in the system. People still rely on the automobile. That's a fact. We all know that.

But why not capitalize on the existing public transportation system?

A: Developers don't build parking just to build parking. It costs a lot of money. If you don't need it they would be happy to build something that they can make money on. This is coming back to talking to Andrew- we've done some ideas that shows that traditional parking ratios, additional buildable pads maintain the building that adds more density. You can't go back and redevelop the parking. Surface parking lots.

Tom: The capital markets do not look favorably on shopping centers that are under parked. If is so crowded that you cannot get in. The other balance is that how you can use that light rail. Some kind of product that you are carrying. But to go that distance is difficult. Another error is that you need that parking – the example is spillover into the neighborhood. Good example of this is Kennedy School – when they first built that, the neighbors said we don't need that much parking, but come to find out, people came from all over the place, and it spilled into the neighborhood. It's one of those things that you gotta develop it and work as time goes on, gas will go up and prices will go up but still you gotta carry those goods from point a to point b so that is a real balancing issue.

But doesn't that depend on the type of development that you put in there? If you put in a big box store for example, with aisles upon aisles of shelves upon shelves of stuff. So, that's the type of place where you aren't going to walk or ride your bike there, you actually need a mini van or SUV or the biggest thing you can find so you take that much stuff back. You basically are setting yourself up so you have to have all of those parking spots.

Can I ask another question –maybe this will clarify all of this. Considering what we know about SmartCentres and the general public and find out about current SmartCentres' development, you like retail and you like big parking lots. Why not Cascade Station? Why not down on Airport Way, where tons of stores are relocating to be in the newest greatest thing. There are empty open lots and open spaces, already an infrastructure built there, it's away from residential that caters to the auto-centric model.

Good question

It's two miles down the road, right near IKEA, and there's no landfill.

The land is not for sale- it's owned by Trammell Crow. All the commercial that is out there is already out there now.

I think it is a cultural thing that you are saying people have to go buy big things and that they have to have a car. In Japan, they don't have cars- they buy things and take it on the train.

The light rail is close relatively for commuting purposes, to walk or ride your bike down there- not a problem. But to carry groceries. Some of us who are very able, we might be able to carry two bags of groceries down that distance, but its not even pleasant, especially this time of year when it starts to rain. That distance has an impact, good bad or indifferent – that's how our current culture is working. The types of uses that Jerry and Andrew indicated...typically these kind of centers to get those other types of uses where you don't have the big bags and stuff, you need some kind of anchor tenant, be it some sort of bigger tenant that draws people in that so these smaller retails can survive the market. Be it grocery or household goods or whatever.

What about farmer's market, etc.?

You are talking about a cultural change. There are lifestyle centers that mirror a downtown with consolidated parking, like Bridgeport Village- where we pretend like it is a downtown. Which is fine. When we talk about cultural things, as Clayton pointed out, it is hard to get people here if it is under parked. But it gives you the chance to demonstrate the need for parking. You basically show the capital market to that you are getting by on the parking.

So you are saying that you want the ability to build enough parking to expand later? How is that possible- I am going back to the original proposal – you started with a 180,000 anchor tenant- what else could turn into or involve into?

I have been working on this project – but yeah, I am just kicking out some ideas and think that the intent of this-

I understand in theory, it makes sense that you build parking and plan to bloom it into something else down the road, but if the idea is to occupy this land so you can put in enough parking spaces to fuel the big box, because that is, for the lack of better term, the animal that you are trying to feed. All of a sudden if you cut off its food supply, what else are you going to put into that place? You can really cut off the parking supply.

This happens pretty regularly. People don't go out and buy more cars and start driving them because someone built a shopping center. The cars already exist. They are going somewhere already. They will burn more fuel driving further away from this area. To go to far-flung places to satisfy the shopping trips that people want satisfied. That's why you have a whole hierarchy of forms of retail in super-regional shopping centers, regional shopping centers, there are all of these categories that serve trade areas in their own way. It doesn't necessarily become any more transit-friendly and a model to suggest moving the center further away such as Cascade Station. It means that any one whose appetite for that form of shopping trip has to travel farther to get that shopping trip appetite satisfied. That's why generally, in any urban environment- you do end up with selections of various forms of shopping centers. Not just main streets, or boutiques or super regional malls but everything in between. It seems a bit of a natural order of things in terms of shopping hierarchy. And there are people who look for those various forms, and it doesn't necessarily satisfy their shopping trips.

Correct me if I am wrong, but at first glance, it looks like you are trying to put a suburban type of retail in an urban market. And I question – Portland is a different market- we have touched on that. We are the only major city in the US that actually kept its downtown- a lot of other major cities are going that way. The trend in retail- fastest growing market: farmer's markets. Why? There is going to be a pushback coming, with the news of the toxic products from China. The types of development you do are those that are a conduit for those Chinese goods- like most of the major shopping centers in the US. They are coming in to this country without being tested or no quality control. There is going to be a pushback. We want to know where our products come from. I think this is a trend, and maybe this huge development is coming at the tail end of a 50-60 year retail trend that has been suburbanized and that's the end of it. You know your job better than I do –I'm just throwing that out as what you see as the customer and the type of thing-

You talk about building shopping centers, that they are neighborhood-based, community-based, suburban based, whatever your hierarchy is - obviously the more focused you are with the community/neighborhood- and the more targeted the retail outlets should be, to your point. What is the hierarchy and how do we fit in that?

I'd like to assume that there would be some form of policing of our food supply that isn't going to involve municipal council into making land use decisions as to zoning bylaws to dictate, based on their emotions of what form of retail might be more likely to comply with healthy supply of food. There should be some level of government taking care of that issue other than municipal councils dealing with zoning issues.

Same as toxic toys- that scares me.

Sure, I would not want to leave it to municipal councils to try their best to tailor zoning bylaws to prevent certain types of forms toys stores out of fear that they might be more likely to carry the toxic toys than the non-toxic toys. I'd rather be at the level of policing the supply of the toys. This and every other country for that matter. That would be most appropriate to deal with that issue-

Q: The last big development in the neighborhood was Columbia Knoll senior housing. It occurs to me that this might be a good opportunity to get the modes split.

A: It's a viable development issue. We need to deal with the issues of the landfill. They have children around most of the time. It's a plausible development. We are looking at a site right now in Lents and we are working markets--

as a component if there is interest and satisfies some of the transportation needs and get people oriented, and is a nice nod to the diversity and age of the school across the site to be considerate. The other is even wackier- one of the higher level purposes of the employment job is the notion of land-producing jobs for the community- I wonder if there is an opportunity for not trade or warehouse-type of uses of industrial, but more small-suite craft industrial type, that will actually manufacture stuff. I certainly agree with you about not legislating trade issues through land use, but clearly, the way you develop the site, the size of your suite, your risk tolerance, the way you look at your rate of return, how long you wait for your rate of return, you could have a big influence on what is produced on that site. You can choose for it to be warehouses and shelves, or you take a chance with us to get it to be something that a local business person could afford to lease, and make something on site, and trade the big bags of stuff and trade it for a skateboard.

You know what I am thinking? You go into any tourist town in New England, you walk the street and around the corner is a Yankee craftsman making furniture, there's a guy blowing glass, these people are making money, there's a value-added product. Financially, are you guys willing to open the door to that direction? This one is obviously complex and more complicated development than your core competencies. Making something you can buy anywhere is one thing, but making something that is unique and serves the employment and is unique to the site.

You know who the producer is.

All we have is the original application which is a 185,00 sq foot big box and a few tiny things around there. How willing are you to move from such a major anchor-oriented concept?

I think that the concept of having something anchor a shopping center has been around for a long time, and solid model. It's something that we and any other developer rely on as far as some form of anchor. But then it becomes a question- really of proportions. All of this is something- the best I can say at this point – if everyone here is good with this- I'd like to take away what we have heard, start the process of retaining someone locally, getting some concepts. Maybe we can do a design charette- someone who can actually hear this. What possible structures might be able to accommodate this kind of input and then we retain someone who can move this around with all of you and see how some of this might take shape on this piece of property. And to what degree does that mean. There has to be give and take, there has to be an anchor- what does that mean? Including pedestrian connectivity. And a community feel to it. We are happy to work with you.

Timelines? I have gotten the impression that you are under strict timelines?

I am hopeful that this is not going to be a problem

How do you see the timelines? How long for the charettes? How long to go on for? We don't have an end date right now. Are you going to buy it? Or walk away?

I am sure that there will be some finite date by which things will be decided.

Do you have a retail space size beyond which you will not shrink down to? Where you will not go?

We haven't fully thought that out. It's more market driven than anything else. Whether we like it or don't like it- because of the demands of the consumer for cheaper prices, consumer stores get bigger- because they can deal with volume and don't necessarily have to buy a SUV full of stuff, they can buy a purse full of stuff. But it is increasingly disposal income for the American consumer.

Next steps:

- 1) Neighborhood group to coordinate getting names to Lois regarding local designers/architects
- 2) SmartCenters retain local architect and develop design charettes
- 3) Set another meeting – Dec 3 5:30pm at CNN (or location to be confirmed)
- 4) Discuss possible client mixes