MINUTES OF THE SPECIAL TELEPHONIC MEETING
OF THE EXECUTIVE COMMITTEE
STATE BOARD OF HIGHER EDUCATION (#786)
MAY 15, 2007

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1. **Call to Order/Roll Call/Welcome**

Chair Henry Lorenzen called the special telephonic meeting of the Executive Committee of the Board of Higher Education to order at 12:32 p.m. Board members present included Directors Don Blair, Henry Lorenzen, Howard Sohn, and Tony Van Vliet. Director Gretchen Schuette was absent due to a business conflict.

The following Chancellor’s Office staff were present: Chancellor George Pernsteiner, Ryan Hagemann, Jay Kenton, Ben Rawlins, and Marcia Stuart.

Others present included Vice President Lindsay Desrochers and Dee Wendler, Portland State University.

2. **Action Item**

   a. PSU, Academic and Student Recreation Center (PCAT Redevelopment)

**BOARD DOCKET:**

*Background and Summary:*

PSU has previously received approval (July 2006) from the State Board of Higher Education for construction of PSU’s new Academic and Student Recreation Center including a state limitation of $64.5 million with the addition of the Portland City archives. The facility is currently in design and preparations for construction are underway. The facility will be located on the Urban Plaza southern border (formerly the PCAT building) across from the College of Urban and Public Affairs, PSU’s Urban Center. It is a mixed use facility with academic/classroom space; student recreation space; offices for the Chancellor; and space for the City of Portland archives. Additionally, ground floor retail is planned as required in the University District Master Plan and by the City. The facility is on a fast track construction schedule and should be open in late 2009 or early 2010. PSU is now requesting approval for a retail lease with Pacific Coast Restaurants, Inc., as the anchor retail tenant.

PSU has developed a retail strategy for the Academic and Recreation Center that entails 22,500 sq ft of retail space, all on the ground floor. Major components of the retail will open on the Plaza looking north. Over the past six months the University has solicited proposals from prospective retailers wishing to locate in the Academic and Recreation Center. The goal of the retail plan is to create a vibrant synergistic level of retail services on the Urban Plaza that serves...
the busy lives of thousands of students, faculty, staff, guests to the University, and the public as they come and go from the busiest transit hub in the central City. Some retail services currently are located on the Plaza (the PSU bookstore, Seattle’s Best Coffee, and Pizzicato). In seeking an anchor tenant for the new facility, the University wanted a high quality restaurant that would be thematically connected to Portland State. To determine needs, the University conducted focus groups with faculty, students, staff, and campus neighbors to determine dining and entertainment desires. The restaurant will serve the many and diverse needs of the University for daytime and evening dining; a place where PSU faculty and staff could host guests and faculty recruits to the campus; a place to hold small events with dining; and a place where students could gather for dining, as well.

PSU now wishes to establish a long-term relationship with Pacific Coast Restaurants, Inc., (PCR) as the anchor retail tenant for the project. Established in 1980, PCR is a Portland, Oregon-based, privately held restaurant company with a proven track record of success. The firm has a solid financial history and currently owns and operates 27 restaurants in Oregon, Washington, and California. PCR is a well established Pacific Northwest business, whose signature restaurants include Stanfords, Newport Bay and Newport Seafood Grills, Portland City Grill, and Henry’s 12th Street Tavern in the Pearl District. PSU’s long-term partnership with PCR will enhance the retail focus of the Urban Plaza, complementing existing tenants and integrating with the Plaza’s distinction as a destination site and transportation hub.

PSU now seeks Board approval to enter into a lease with Pacific Coast Restaurants, Inc., as the anchor retail tenant for the facility.

**Staff Recommendation to the Board:**
Staff recommended that the Executive Committee of the OUS Board approve the lease between Portland State University and Pacific Coast Restaurants.

**COMMITTEE DISCUSSION AND ACTION:**

President Lorenzen called upon Vice Chancellor Jay Kenton to present the item. Following a brief presentation and discussion, Director Lorenzen called for a motion to approve the lease. Director Don Blair made the motion and Director Howard Sohn seconded; Board Secretary Hagemann led a roll call vote. Those voting in favor included Directors Don Blair, Henry Lorenzen, Howard Sohn, and Tony Van Vliet. Those voting in opposition or abstaining: none. The motion was adopted.

3. **ADJOURNMENT**

With no further business offered, Chair Lorenzen adjourned the meeting at 12:35 p.m.