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J. Scott Andrews  
Commission Chair

Aneshka Dickson  
Commissioner

John C. Mohlis  
Commissioner

Steven Straus  
Commissioner

Charles A. Wilhoite  
Commissioner

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Mayor

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This document constitutes the official meeting record of the March 12, 2012, Portland Development Commission (PDC) Board of Commissioner’s Meeting held at 222 NW Fifth Ave., Portland, OR 97209. The full video recording of this meeting can be found at <http://www.youtube.com/watch?v=fcHmYzObBUY&list=UUuXKnmpwO4bSn0JNszjhSRw&index=2&feature=plcp>.

I. CALL TO ORDER AND ROLL CALL

Chair Scott Andrews called the meeting to order at approximately 8:05 a.m.

Ms. Emily Swensen, acting as Board recording secretary, called the Commission roll:

Chair Scott Andrews	PRESENT
Commissioner Aneshka Dickson	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Steven Straus	ABSENT
Commissioner Charles Wilhoite	ABSENT

II. COMMISSIONER REPORTS

Chair Andrews

Expressed disappointment that the Oregon Sustainability Center did not receive state funding in spite of project’s low financial risk, but was pleased to have reached agreement regarding creation of Education District around Portland State University. Looking forward to bringing that to the Board in April. Also noted that Langley Investment Properties has announced 750-apartment complex in the Lloyd District. \$250 million project, all privately financed, will be a great addition to Lloyd Center.

Commissioner Dickson

Attended Fields Park groundbreaking, a very positive, well-attended event. Also toured some of the NPI districts, which will be discussed later in the agenda. Noted that PDC staffer Dana DeKlyen has done a wonderful job and is positively received in the districts. Met with Rosewood steering committee, which was very welcoming. She is thrilled to be moving forward with these districts.

Commissioner Mohlis

Gave opening remarks at recent advanced manufacturing cluster group meeting, which is putting a plan in place to better coordinate research and development efforts to grow member industries. Reinforces PDC commitment to boost high-wage manufacturing jobs, especially those focused on increasing exports. Ties into everything PDC is doing and is another way we will work our way out of this recession. Also met with a group last week to review proposals for Centennial Mills project, with an eye to tying that project to cluster industries.

III. EXECUTIVE DIRECTOR REPORT

- On February 27 PDC launched a major website update that is much more user-friendly.
- Joined Commissioner Dickson at Fields Park groundbreaking; very pleased to see that event paired with new movement and direction for Centennial Mills project.
- Joined Heather Hoell, executive director of Venture Portland, the Mayor and others for Venture Portland’s annual summit and strategic planning session.

- Presented at The Portland-Vancouver Connector Project Capstone Event. The project is designed to bring together leaders from all different sectors across the region so they can define issues and solutions to focus on to improve Portland and Vancouver.
- Very pleased that KEEN announced purchase of new headquarters building at NW 13th and Glisan. Looking forward to KEEN continuing as one of Portland's signature companies and anchor of athletic and outdoor clusters for a very long time.
- PDC is offering Parcel 8 for sale, a full city block in RiverPlace across from a streetcar stop and a major hotel. It is a very attractive location and he expects it to generate a lot of interest.
- PDC issued new two requests for proposals. The first is for the Youth Workforce Development program in partnership with Worksystems, Inc. Responses are due on April 6. PDC also issued a new round of Community Livability Grants in the Lents and Interstate Corridor urban renewal areas to renovate or upgrade community facilities. Responses are due April 11.
- On March 2 Mayor Sam Adams gave his last State of the City speech. Both the Neighborhood Prosperity Initiative districts and the new PSU Education urban renewal area were featured prominently. Other key projects included the Lloyd super-block development and a new brand for the eastside entrepreneurial district. The brand name is Produce Row and it will focus on the entrepreneurial activity going on there. It's creating a lot of excitement.
- Mayor also announced a new partnership with OHSU and PSU around their commercialization activities, to which PDC will dedicate funding support. The Portland Seed Fund also announced its new round of eight companies. Based on success of the last eight, he expects great things. Mayor announced new partnership with Craft3, a nonprofit business lender that will lend \$1.5 million primarily to east Portland and outer northeast neighborhoods. Will greatly expand PDC's dollars there.
- In July 2009 City Council adopted economic development strategy, pledging to create over 10,000 jobs in 5 years. At the halfway mark Multnomah County has increased employment by over 12,000 jobs. Work isn't done; unemployment remains high, but to be at this point less than 3 years into the strategy shows the trajectory that the Portland economy is on.
- New hires: Lynne Romito joins the Information Technology department as a business systems analyst; she will be working on a number of systems implementations, including Portfol, our CRM, and the loan servicing system. Jina Bjelland is our new Real Estate and Loan Servicing Manager. Jina brings considerable real estate and banking/credit experience.

Commissioner Andrews expanded on the Parcel 8 sale. It's unusual for PDC to sell property, but it may happen more often as we deal with the closing of several urban renewal districts. PDC has the responsibility to work to get the highest and best price for each while also taking steps to ensure that catalyzing development takes place as intended.

#### IV. MEETING MINUTES

Chair Andrews called for a motion to approve the February 22, 2012, Meeting Minutes. Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis

NAYS: None

#### V. PUBLIC TESTIMONY

Those providing public testimony during this time:

*No public testimony was presented.*

V. APPROVE SIX NEIGHBORHOOD URAS AND RECOMMEND ADOPTION TO CITY COUNCIL; APPROVE IGA WITH CITY; APPROVE IGA WITH CITY OF PORTLAND AND MULTNOMAH COUNTY

Portland Development Commission staff and others presenting this item:

*Ms. Kimberly Branam, Deputy Director, Strategy and Operations*

*Mr. John Jackley, Business and Social Equity Director & Neighborhood Division Manager*

Those providing testimony on this item:

*Mr. Jeff Cogen, Multnomah County Chairman*

*Mr. Peter Parisot, Director of Economic Development, City of Portland*

*Mr. Rey España, Director of Community Development, Native American Youth and Family Center*

*Heather Hoell, Executive Director, Venture Portland*

*Nancy Chapin, 82<sup>nd</sup> Avenue of Roses Business Association staff and volunteer*

*Moe Farhoud, Rosewood neighborhood business owner*

*Robert Granger, Cully and 42<sup>nd</sup> Avenue neighborhood association volunteer*

*Jerome Funchess, Rosewood neighborhood volunteer*

Six neighborhood commercial corridors are proposed as new urban renewal areas. Each small district will be managed by locally-formed nonprofits and will be community-driven and directed. These districts are one of the core components of the Neighborhood Economic Development Strategy, and their creation will mark a significant achievement in strategy implementation.

The six Neighborhood Prosperity Initiative (NPI) districts are: 42nd Avenue, Cully Boulevard, Parkrose, Rosewood, Division-Midway, and 82<sup>nd</sup> Avenue and Division (collectively, the NPI Districts). They were prioritized based on five criteria: capacity of business/community organizations; concentrations of locally-owned businesses; concentrations of minority-owned and/or serving businesses; designation of commercial zoning and commercial uses along corridors; and demographic factors of poverty, household incomes below median family income, and declining commercial investment.

Six of the resolutions before the Board will approve each of the draft Urban Renewal Area (URA) Plans and their corresponding draft URA Technical Reports, as well as directing staff to seek recommendation from the Planning and Sustainability Commission and approval from the Portland City Council. The seventh resolution that is part of this item will authorize an Intergovernmental Agreement (IGA) with the City of Portland Office of Management and Finance (OMF) related to the issuance and administration of debt for the six new urban renewal areas. The eighth resolution that is part of this item will authorize IGAs with the City and Multnomah County related to the portion of tax increment revenues to be shared from the new urban renewal areas.

As part of the Board presentation, staff provided additional information about the overall structure of the Districts and how they fit within the context of the NPI.

All testimony on the matter was supportive of the initiative and urged the Board's approval of all eight resolutions. Chair Jeff Cogen noted the County's partnership with PDC on the NPI districts and PDC's responsiveness to County issues. He said these districts were focused, targeted and will benefit local businesses.

Board discussion and/or requested follow-up relative to this item:

- Chair Andrews congratulated staff and thanked both the County and City for innovative thinking and coordination that have taken place. The programs will have a great effect on these neighborhoods.
- Chair Andrews, who attended the kick-off event announcing the six neighborhoods, said he had never seen so much enthusiasm, which has turned into remarkable cohesion and action. He asked why these six neighborhoods were chosen. Ms. Branam said they best met the selection criteria listed above, adding that

it was also important that potential districts desired to be involved and could achieve the significant commitment needed to take the myriad actions required. Chair Andrews asked why the districts are the size they are, and Ms. Branam said the size was based on PDC's assessment within the Main Street model of a community's capacity to achieve investment of projected funds in the relatively short timeline. Chair Andrews acknowledged a comment in testimony that the amount of money that will be raised is not huge relative to other urban renewal areas, but said it is nonetheless significant and will leverage a variety of additional sources of funds.

- Commissioner Dickson thanked everyone who testified. She appreciates how community-based this initiative is and how clearly it is based upon the voices of the community. PDC is assisting, but the communities are deciding how it will work and how the money will improve their neighborhoods.
- Commissioner Mohlis thanked everyone at the City, County and PDC, as well as the many PDC staff who have been involved with this initiative. He also thanked everyone from the community who testified and who are stepping up to make their communities a better place.

Mr. Quinton thanked and congratulated staff for doing so much in such a short period of time.

Chair Andrews called for a motion to approve Resolutions 6924, 6925, 6926, 6927, 6928, 6929, 6930 and 6931; Commissioner Dickson moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Dickson, Mohlis  
NAYS: None

#### VI. AUTHORIZE DISPOSITION OF CRESCENT AND EASTBANK PROPERTIES AND RELATED AGREEMENTS

Portland Development Commission staff presenting this item:

*Mr. Lew Bowers, Central City Division Manager*

*Mr. Eric Jacobson, Senior Project/Program Coordinator*

*Ms. Trang Lam, Senior Project/Program Coordinator*

Those providing testimony on this item:

*No testimony was provided.*

These actions will mark the completion of the Portland Development Commission's (PDC) role in the revitalization of the Eastbank Esplanade, which has been an important part of the long-term vision for the Central City. These remnant PDC-owned and -controlled parcels will be transferred to other entities to manage and maintain. The properties are located in the Central Eastside Urban Renewal Area, adjacent to the Oregon Museum of Science and Industry (OMSI) and generally bounded by SE Taylor Street to the north, the Willamette River to the west and the Marquam Bridge to the south.

These actions will authorize the Executive Director to execute two Agreements for the disposition of PDC-owned and -controlled properties along the Vera Katz Eastbank Esplanade:

- 1) Repurchase Agreement between the Portland Development Commission and OMSI for the conveyance of a 1.82-acre PDC-owned parcel (Crescent Property) to OMSI for the consideration of \$425,000; and
- 2) Assignment and Assumption Agreement between the PDC and Portland Parks and Recreation (Parks) for the transfer of multiple PDC-controlled properties and personal properties, including two docks, (Eastbank Property) for zero dollars for management of the assets in perpetuity.

The actions mark the completion of PDC's role in Eastbank revitalization along the Willamette River and resolve ownership of the remnant parcels.

Board discussion and/or requested follow-up relative to this item:

- Chair Andrews said that in his role on the Financial Investment Committee he is very familiar with these two items. He pointed out that the action taken today will bring PDC's role in the Eastbank Esplanade to closure. He said it has been a very successful project and that we should take a moment to celebrate. He said this action will save PDC a considerable amount of time, money and effort in terms of management, and that he is glad to see the parcel return to active use by OMSI.

Chair Andrews called for motion to approve Resolutions 6922 and 6923; Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Mohlis, Dickson

NAYS: None

Chair Andrews announced a walk-on agenda item regarding an active construction project that requires action to be taken prior to the next scheduled board meeting.

VII. AUTHORIZE INCREASE IN PUBLIC IMPROVEMENT CONTRACT FOR KING GATEWAY AND HERITAGE MARKERS PROJECT IN THE OREGON CONVENTION CENTER URA

Portland Development Commission staff presenting this item:

*Mr. John Jackley, Business and Social Equity Director & Neighborhood Division Manager*

*Mr. David Obern, Construction and Environmental Services Manager*

*Ms. Irene Bowers, Senior Project Manager*

Those providing testimony on this item:

*No testimony was provided.*

This construction project was originally approved in June 2011. Today's request will authorize a \$100,000 increase in the expenditure authority of the Executive Director so that PDC can complete the project. A public improvement contract was executed and in late 2011, work was started to complete the new plaza, heritage markers, lighting and landscaping. During the course of work contract matters, several unforeseen site conditions (unsuitable subsurface soils, unforeseen utilities, issues with storm drain connection) and changed permit requirements resulted in project costs beyond the established budget.

Board discussion and/or requested follow-up relative to this item:

- Chair Andrews asked when the project is expected to be completed. Mr. Obern answered late May to early June.

Chair Andrews called for motion to approve Resolution 6932; Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Mohlis, Dickson

NAYS: None

VIII. ADJOURN

There being no further business, Chair Andrews adjourned the meeting.

**Adopted by the Portland Development Commission on April 11, 2012.**

A handwritten signature in cursive script that reads "Emily Swensen". The signature is written in black ink and is positioned above a horizontal line.

Emily Swensen, Recording Secretary