

J. Scott Andrews
Commissioner Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

Patrick Quinton
Executive Director

This document represents the official meeting records of the May 23, 2012, Portland Development Commission (PDC) Board of Commissioners' 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=rPMHA8jVEok>.

1. Call to Order and Roll Call

Chair Scott Andrews called the meeting to order at approximately 8:03 a.m. Ms. Gina Wiedrick, Board recording secretary, called the Commission roll:

Chair Scott Andrews	PRESENT
Commissioner Aneshka Dickson	ABSENT [see note below]
Commissioner John Mohlis	PRESENT
Commissioner Steven Straus	PRESENT
Commissioner Charles Wilhoite	ABSENT [see note below]

Chair Andrews noted that Commissioner Dickson would join the meeting at 9:00 a.m., and Commissioner Wilhoite would join the meeting by telephone to participate in the action item to re-state the Intergovernmental Agreement with the Office of Management and Finance for the Veterans Memorial Coliseum, Resolution 6943.

2. Commissioner Reports

Chair Andrews

- Attended the Annual International Business Awards & Scholarship Dinner. The dinner has grown in the last four years from about 80 people to over 400; was pleased to sit next to the owner of Columbia Steel who received an award.
- Made presentations to City Council on both our budget and Portland State University (PSU) District, which was successful in being passed.
- Attended the annual Oregon Association of Minority Entrepreneurs (OAME) Lunch.
- Made a presentation in front of the Portland Business Alliance Central City Committee on the Veterans Memorial Coliseum project.
- Met with each City Commissioner twice for briefings.

Commissioner Straus

- Attended City Council discussion on the new urban renewal area for the PSU District and is excited that the resolution.

Commissioner Mohlis

- Pleased that the Education URA passed and looks forward to implementation of the plan and the job growth that will help to promote.
- Sat in on PDC's Labor Management Committee.

- The Statue Legislature is having interim committee hearings and he has been spending some time in Salem at them. The budget forecast came out yesterday; while it is not great, it appears that the State is catching its breath and moving forward so this is certainly good news for all of us and will help our efforts.

3. Executive Director Report

- The Education URA is a significant achievement; it is the first URA created in the Central City in over a decade. Appreciates everyone's support over the years, but specifically in the past few months. Internally acknowledged the great work of a great many people: Keith Witcosky's team, most of the work handled by Morgan Masterman; staff from Urban Development: Peter Englander, Lisa Abuaf, Chris Harder, Lew Bowers, and others; and from the finance side, Faye Brown's great team: Tony Barnes, Catherine Kaminski, and other folks.
- We are in the middle of presenting the budget to City Council; we presented the budget last week and we will return next week for their vote, and it will come back with any changes to this Board at the end of June. We held a public hearing with the other City bureaus last week at David Douglas High School to allow for public comment.
- May 3 spoke at the Software Association of Oregon (SAO) annual celebration; SAO is our main partner on our software work. We announced the beginning of Portland 100, our next initiative in entrepreneurship, to identify the most promising startup companies and provide them with assistance. We set up a board of leaders from the entrepreneurship community to identify the first seven companies: Athletepath, Chirpify, Cloudability, Gifttango, Meridian, Simple, and Vizify.
- May 8 attended Portland Business Alliance's (PBA) Annual Meeting along with Chair Andrews and other PDC staff; it was their tenth anniversary. We should recognize that in celebrating PBA's anniversary, we are recognizing Chair Andrews's work as well as others.
- May 10 presented to PBA's Leadership Portland Class; a program that cultivates the next generation of local leaders and gives them a crash course on what is going on in Portland.
- May 15 attended the Annual International Business Awards and Scholarship Dinner. The five companies that received awards were: Intel, Columbia Steel, Chris King Precision Components, DECK Monitoring, and ICTSI.
- On May 14 there was an announcement that Alaska Airlines was awarded one of the four open slots for Portland's first direct service to Reagan Airport (DCA).
- Tonight will participate in the grand opening of the Vestas building on Everett and 14th.
- In two weeks the Portland Seed Fund has its second "demo day"; they are on their second group of companies. They will showcase the eight companies and will invite investors from all over the region to come and hear their presentations. Ziba is hosting this event at their facility.
- Announced the new recording secretary and Senior Executive Assistant, Gina Wiedrick, who will support the Board, the Executive Director, and others on the seventh floor. She has been with PDC for four years, so this is an internal promotion; she supported the Business and Industry Division, and we are happy to promote from within. Chair Andrews and Commissioners Mohlis and Straus joined Executive Director Quinton in congratulating Ms. Wiedrick.

4. Meeting Minutes

Chair Andrews called for a motion to approve the April 30, 2012, board meeting minutes. Commissioner Mohlis moved and Commissioner Straus seconded the motion.

AYES: Andrews, Mohlis, Straus
NAYS: None

5. Public Comments for Items Not on Agenda

No public testimony was presented.

Meeting was adjourned for approximately three minutes to connect with Commissioner Wilhoite by phone. Meeting was called back to order at approximately 8:25 a.m. with Commissioner Wilhoite connected by phone.

REGULAR AGENDA

6. Action Item: Authorizing an Amended and Re-stated Intergovernmental Agreement (IGA) with the Office of Management & Finance (OMF) for the Veterans Memorial Coliseum Renovation

Chair Andrews started with his own comments; he has briefed City Council several times. There was a last minute change yesterday afternoon in the portion of the funding that was to come initially as a loan from PDC to OMF to close the gap on the project. In discussions yesterday it became apparent in the scope we were short so he asked staff to amend the IGA to cover the shortage.

Portland Development Commission staff presenting this item:

Mr. Kevin Brake, Senior Project Manager

Mr. Peter Englander, Central City Manager

This action will authorize the Executive Director to amend the Intergovernmental Agreement to modify the funding structure; it will increase PDC's maximum financing by \$800,000 and it will restructure PDC's contributions beyond the \$17.1 million grant. Specifically, the restructured financing calls for i) up to \$4.7 million of PDC's additional contributions to be in the form of an interest-bearing loan, repayable from the City's Spectator Fund and ii) a contingent obligation by PDC to grant up to \$2 million to pay for the capital costs of replacing the VMC heating and cooling system in the event that such replacements are necessary before a district energy system can be implemented for the Building. Chair Andrews pointed out the differences between this IGA and the one that was authorized in January 2012.

Doug Piper, President of the Portland WinterHawks Hockey Club; Chris Oxley, Vice President and General Manager for the Rose Quarter for the Portland Trailblazers; and Sandra McDonough, President of the PBA, all spoke in favor of this project.

The Chair and each commissioner thanked the guest speakers and expressed enthusiasm for moving forward with this project.

Chair Andrews asked to further clarify how we managed the risk on this and how we are using the contingency to make sure that we do not come up with a project that exceeds the resources that are available. Mr. Brake answered that we are carrying as part of the base project environmental remediation costs on all of the various items; there is also a contingency set aside for unforeseen environmental.

Commissioner Straus had four questions:

- (1) Who will pay the operating (energy) costs of the facility? Mr. Brake responded that the energy costs will be paid through the operating agreement held by Portland Arena Management.
- (2) Opportunities for philanthropy; is there a program started? Mr. Brake responded that we have been working closely with the veterans community; RACC 2 percent for art dollars are going into the memorial gardens, these gardens will cost more than we have budgeted but this is intentional to allow for fund raising later this year and early next year; and we're working with the WinterHawks and our partners to establish a framework and strategy for private donations.
- (3) What do we need to do to activate the community down there? Mr. Englander responded that we are focusing right now in solidifying that the upgrade does take place and that the space is something that will be useful to the community. However, having an active community is definitely important and we will continue to pursue.
- (4) A minor comment on the schematics: regarding the pagoda, plywood does not really do justice to what we are trying to do here. Mr. Brake responded that the Landmarks Commission also made a comment on the selection of this specific material and we already have an alternative.

Commissioner Mohlis did not have any specific questions; spoke briefly about the time and effort put in by many people to make it work, and wants the focus going forward to continue to explore ways to liven up that whole district on a consistent basis.

Commissioner Wilhoite did not have any specific questions. He thanked staff for a great job in explaining the additional risk, which in his mind this risk has been mitigated and is not an issue.

Chair Andrews called for a motion to approve Resolution 6943; Commissioner Straus moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Mohlis, Straus, Wilhoite
NAYS: None

Commissioner Wilhoite was excused at approximately 9:09 a.m. Chair Andrews called for a five-minute break; Commissioner Dickson joined the meeting during this time.

Meeting called back to order at approximately 9:16 a.m.

8. Action Item: Authorizing a Subrecipient Contract with Worksystems, Inc. for up to \$1.4 million to Implement Economic Opportunity Initiative Youth Workforce Development Services During FY 2012-13

Portland Development Commission staff presenting this item:

Ms. Kate Deane, Neighborhood Manager

This action will authorize the Executive Director to sign a Subrecipient Contract with Worksystems, Inc. (WSI) for up to \$1.4 million for the purpose of implementing and managing the Economic Opportunity Initiative (EOI) youth workforce development services during FY 2012-13. Such action will align two systems that were formerly implemented independently, create efficiencies for service providers, and build capacity for youth work experience opportunities.

Victoria Lebov, Family Employment Services Manager with Immigrant & Refugee Community Organization (IRCO); and Joe McFerrin, President and CEO of Portland OIC and the Rosemary Anderson High School, all spoke in favor of the alignment.

Commissioner Mohlis felt that the alignment is great and did not realize that the kids were being impacted by the inefficiency.

Commissioner Dickson asked four questions:

- (1) For the regular reporting of tracking and seeing the outcomes of this program, how often are we going to be working with one-another and seeing the results of this program collaborative? Ms. Deane responded that they will be meeting quarterly with WorkSystems about the system, but in reality it will probably be more frequent. We will receive results about service numbers and accomplishments on a quarterly basis.
- (2) With the service providers and the fund that we have available for those providers, is it going to be distributed equally between the providers? Ms. Deane responded that the base, the minimum amount that each provider will get is \$200,000, and each contractor may get slightly more than that depending on the population and geographic area that they are serving; these are factors that we will be taking into consideration.
- (3) We will be tracking those outcomes through the service providers as well? Ms. Deane responded, yes, we will track it as a system as a whole, what is happening in the city of Portland, and we can track it by individual provider. WorkSystems has an information management system that all of the providers are used to using, there are some amendments being made to it right now so that it accommodates the new system, but we do rely on them right now for that kind of reporting.
- (4) For the service providers who may not have been chosen this year, do we look at these every year, or after the program is done every three years? Ms. Deane responded that these are in place for three to five years and then we will do a new solicitation.

Commissioner Straus asked a question and made two comments:

- (1) Will the students be surveyed; will we get feedback from them? Ms. Deane responded that all providers do some level of customer service satisfaction; it is something that we have not

explicitly talked about, but we do want to ensure that the students that are being served are finding value in their services.

- (2) He stated that this is a perfect example how making an investment now can reduce the County's cost in the future by getting youth jobs, by getting them off the streets; this is a wonderful thing.
- (3) He stated that since Main Street and NPI Districts are also on the agenda, that this is a great opportunity to see if Worksystems and PDC could get together and help get some young people out on the streets to help clean up some of these neighborhoods. He asked WSI and PDC staff to look into program integration.

Chair Andrews pointed out that there are no TIF funds for this program, this is General Fund, and appreciated the oversight question being brought up.

Chair Andrews called for a motion to approve Resolution 6945; Commissioner Dickson moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus
NAYS: None

7. Action Item: Adopting Commercial Corridor Business Development Program Guidelines for the Neighborhood Prosperity Initiative and the Portland Main Street Program

Portland Development Commission staff presenting this item:
Ms. Kate Deane, Neighborhood Manager

This action will adopt a single set of guidelines for two PDC commercial district revitalization programs: the Neighborhood Prosperity Initiative and the Portland Main Street Program. This unified set of guidelines affirms the community-directed model that has been working under the Main Street program, amplifying it to now be known as the Commercial Corridor Business Development Program Guidelines (Guidelines). Adopting the Guidelines will allow PDC to:

- (1) Begin administering the NPI in six new urban renewal areas (42nd Avenue, 82nd Avenue and Division, Cully Boulevard, Division-Midway, Parkrose, and Rosewood) that were approved by the PDC Board of Commissioners on March 12, 2012 (Resolutions 6924 through 6931) and by Portland City Council on April 11, 2012;
- (2) Continue administering Main Street – established by the PDC Board of Commissioners in January 2010 (Resolution 6763) – in three existing districts (Alberta, Hillsdale, and St. Johns); and
- (3) Apply the Guidelines to future NPI or Main Street districts established through future Board and City Council actions.

Chair Andrews commented that we may receive questions concerning the different levels of funding and reporting for the two programs.

Commissioner Dickson commented that it would be good for the people in the NPI districts to learn from the more experienced people in the Main Street program. Ms. Deane responded that we have the ability to bring all the managers together; we have already sent staff from the NPI program to Alberta and St. Johns to learn from some of their experiences.

Chair Andrews called for a motion to approve Resolution 6944; Commissioner Mohlis moved and Commissioner Straus seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

9. Information Item: Update on the Film industry

Portland Development Commission staff presenting this item:

Shelley Midthun, Film & Video Coordinator

Chris Harder, Business & Industry Manager

The presentation introduced Board members to film industry city partners, community stakeholders and the wide variety of film and television projects happening in Portland. It provided an overview of the economic impacts of the industry in the Portland metro region, which is important and timely information given the record number of film, television and other commercial productions currently working in the region. These economic benefits extend to local businesses within the extensive industry supply chain and are a key component to the Film Office's alignment with the mission of the PDC. The presentation started with the showing of a video.

Vince Porter, Executive Director of the Governor's Office of Film & Television, spoke in support of PDC and the Film & Video Coordinator position; this is a great resource. In 2011, he stated that Oregon has seen an increase in the film industry activity, and there has been an increase in talent base and work, for example, for the drivers for the bigger productions.

David Cress, Producer of Portlandia, a Portland resident, spoke in support of the State and Portland's film and video offices. He stated that local companies are gaining a lot of experience which puts Portland in a competitive footing so local commercials and our digital media can be equivalent to what is being done in New York or Los Angeles. There is also a lot of work that gets done for charity; there are various ways for us to give back to the community and to also put money back into the community. The network hires a lot of local folks to populate the marketing efforts for the show: bloggers, photographers, and others.

Chair Andrews disclosed that his wife is on the Portland Art Museum Board, she is the liaison to the NW Film Center, and he had bid on a package to be on site in a future Portlandia filming. He also commented that it is great that the Mayor sees film as an economic development tool and that being housed at PDC is the right place for it.

Commissioner Straus commented that it is important to recognize the public relations benefits from shows like this and others. He mentioned that he works with a lot of studios down in Los Angeles and would love to help to bring some of their efforts up here. He asked if Portland needs a studio complex that would be a resource for additional filmmaking; would that be of interest. Mr. Cress responded that it has been a debate for some time; it would be nice to have but things are changing, we have smaller productions, it would have to be carefully thought out. Mr. Porter responded that if we were looking to big productions, like the Avengers, yes, but Portland is more for smaller productions, so he would be hesitant about creating something from the group up. He heard from the commercial companies about

the need for something, perhaps more middle ground that would allow us to go after the bigger commercial shoots.

Commissioner Dickson spoke in support of Ms. Midthun and her work, and asked if there are productions that we cannot support here or that we have had to turn away. Mr. Porter responded that there is a lot of interest in Oregon as a whole, but a lot of the bigger productions are tied to film incentives that over 40 states offer. Our program is limited to a certain amount of money and we have maxed it out. Considering the popularity of Portland, do you worry about there being too many other shows coming to Portland? Mr. Cress responded that it might; there are areas/municipalities that are being overshot that can create interesting responses from the government. For example, in New York, if too many permits are being issued for the same location then it is considered a blacked out area; we are not close to the danger of that. As more expertise are created then more and more will come, but he would actually like to see the film business double, triple, or quadruple; we do have the capacity to serve the industry.

Commissioner Mohlis asked if there is interest in other outlying areas around the state to do productions as well, specifically the rural areas. Mr. Porter responded that yes, there is. Ashland is the biggest pocket for independent films; it is a great little community and for a great price. If Portland is film friendly, the outlying areas are even more so. Right now producers are really interested in Portland. But the supply chain is not just from the Portland area, some come from other parts in Oregon. When Grimm needed some cabling, it was provided by a company in Bend who had to hire additional staff to meet the demand.

10. Action Item: Authorizing a Contract with Lawson Software, Inc. for up to \$900,000 for the Purchase of up to Five Years of Support and Maintenance

Portland Development Commission staff presenting this item:

Anne Price, Interim Chief Administrative Officer

Angela Gillette, IT Division Manager

Erin Poole, Business Systems Support Manager

This action will authorize the Executive Director to enter into a new Lawson Software Support Agreement with Lawson Software, Inc. for up to five years of support and maintenance of the financial software currently licensed from Lawson, for a negotiated five-year contract total of up to \$900,000.

Commissioner Straus said that we had talked about pulling payroll out of this accounting program and that looked forward to an analysis of potential advantages to that. He asked for staff to come back in a couple of months to discuss this.

Commissioner Dickson asked for clarification about the percentage charged and total per term.

Chair Andrews called for a motion to approve Resolution 6946; Commissioner Dickson moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

11. Election of Officers

The Chair explained that each commissioner is selected by the Mayor and goes through a vetting process and are approved by City Council; they sit for three-year terms, sometimes a little different if taking over the term of someone else, and then annually internally the commissioners elect officers for the following fiscal year.

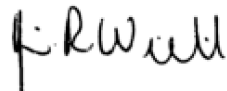
Commissioner Straus made the motion that for FY 2012-13 Chair Andrews be made the PDC Chair, that Commissioner Mohlis be nominated to continue to serve as Secretary, and that Commissioner Wilhoite continue to serve as Acting Secretary. Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus
NAYS: None

12. Adjourn

There being no further business, Chair Andrews adjourned the meeting at approximately 10:44 a.m.

Approved by Portland Development Commission on June 13, 2012



Gina Wiedrick, Recording Secretary