

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 August 15, 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=NhyIDhCrHss>.

1. Call to Order and Roll Call

Chair Andrews called the meeting to order at approximately 8:02 a.m. Ms. Gina Wiedrick, Board recording secretary, called the Commission roll:

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

Commissioner Mohlis participated in the meeting by phone.

2. Commissioner Reports

No reports given.

3. Executive Director Report

- At the beginning of July, the East Portland Enterprise Zone was approved by the State; it has previously come to the PDC Board, and in June went to City Council.
- On July 6, hosted a delegation of city leaders from Copenhagen, Denmark.
- On July 9, kicked off the new entrepreneurship initiative that is referred to as the Portland 100.
- On July 14, the Gibbs Street Pedestrian Bridge in South Waterfront opened; it spans I-5.
- On July 26, spoke on a panel as part of the Portland Business Journal's BizGrowth Summit, which generated an article in the Portland Business Journal this week about our desire to get money out the door.
- On August 13, Elemental Technologies hosted a mayoral forum focused on entrepreneurship, start ups, and the tech community.
- On August 7, emceed an event in which we announced the \$50,000 contribution from Chase Bank, the first corporate sponsor of the Neighborhood Prosperity Initiative; the money will go directly to the six districts.
- Highlighted recent nice articles:
 - July 9, Oregon Business Magazine featured the work we are doing with the minority entrepreneur community around connecting minority entrepreneurs in the tech sector;
 - July 13, The Oregonian [sic: Pearl District Magazine] reported on Shelley Midthun, PDC's staff that runs the Mayor's office of Film and Video;

- August 6, The Oregonian wrote about Jennifer Nolfi and Sue Bal, our Athletic & Outdoor team, out in Salt Lake City, and profiled the work that they do; there were 50 Oregon companies featured at the tradeshow; and
- August 9, Slate wrote an article on what is going on in the Portland economy titled “How Portland Got its Groove Back.”
- Tomorrow [August 16] will do an interview with TV Tokyo regarding economic development.
- Some upcoming events:
 - Tomorrow the PDC Leadership Team will be at an offsite retreat all day;
 - On August 21, the China Government Bank will be in town;
 - On August 23, some staff will participate in the Oregon Health & Sciences University’s (OHSU) Immersion Experience where they will get a better understanding of OHSU’s needs;
 - At the end of the month will be the unveiling of the MLK Gateway Heritage Markers; and
 - On September 27, Greater Portland will hold their fifth annual economic summit.
- Introduced new employees:
 - Mike Salisbury, the new Records Management & Policy Development Coordinator;
 - Kate Al-Sheikhly, the new Senior Administrative Coordinator in the Business & Industry Division; and
 - PDC is participating in the SummerWorks program and have three students: Khadijah Abdur-Rahim, Breona Bradford, and Rachel Shepard.

4. Meeting Minutes

Chair Andrews called for a motion to approve the June 27, 2012, board meeting minutes. Commissioner Wilhoite moved and Commissioner Straus seconded the motion.

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

5. Public Comments for Items Not on Agenda

Pearce Whitehead, Metropolitan Affairs Director, and officer of the Associated Students of Portland State University (PSU), and formerly vice-president of the student body. Spoke in favor of the new Education Urban Renewal Area (EDURA) and the need for a student representative on the advisory committee; a student would be an invaluable asset in the discussions and success of the region’s future.

Danielle Grondin, a senior at PSU studying Sociology, and the Food Systems Coordinator for the Sustainable Leadership Center at the Institute for Sustainable Solutions. Spoke in favor of the new EDURA and urged the PDC to accept a student representative in the Stewards Group; without their insight, experience, and wisdom the project cannot reach its full potential.

Marlon Holmes, a graduate student at PSU, formerly a non-traditional undergraduate student, and currently the vice-president of the Student Body. Asked the PDC to accept a student onto the Stewards Group of the EDURA to ensure that, having their voices heard, students are not displaced. Some people associate urban renewal programs with gentrification; having a student (resident) of the EDURA in the committees would be an added benefit to the success and development of the area.

Chair Andrews thanked the students for taking the time to testify and enjoyed their passion and interest. He stated that we are in the middle of reworking the policy for the urban renewal advisory committees; he cannot tell them that there will be a slot for a PSU student for certain, but this input is helpful and he expects several PSU students would apply. Chair Andrews asked if there is a timeframe set for creating a committee in this district. Executive Director Quinton answered that no, resources will not come online for at least another year, but this will allow for time to talk through these issues and what is more appropriate for this district.

Commissioners Wilhoite, Straus, and Mohlis thanked the students for coming and affirmed how important it is to hear from all generations.

REGULAR AGENDA

6. Hats-off Award

Chair Andrews, and Commissioners Straus and Wilhoite stood up to award Nixie Stark with a Hats-Off Award for the following:

- For diligent project follow-through and dedication to the organization, including exceeding the demands of clients for Storefront and DOS Letter Agreements;
- For identifying issues, providing thoughts and innovative ideas during Storefront meetings;
- For being able to depend on her to have answers to questions, or know where to find them at a moment's notice;
- For being an excellent collaborator who consistently identifies ways to streamline and improve process flow; and
- By doing all of the above, she serves as an example to others of how to embrace the Commission's Mission and Values.

7. Action Item: Authorizing the Executive Director to Execute an Agreement for Purchase and Sale of Property with RiverPlace Partners II to Convey 1.12 Acres of Real Property in the North Macadam Urban Renewal Area for \$5,250,000

Portland Development Commission staff presenting this item:

Ms. Lisa Abuaf, Central City Manager

With this action the Board will authorize the Executive Director to execute an Agreement for Purchase and Sale of Property between the PDC and RiverPlace Partners II (RPP II) for the conveyance of RiverPlace Parcel 8 (Property), a 1.12 acre PDC-owned parcel, to RPP II for the consideration of \$5,250,000. The Property is located in the North Macadam Urban Renewal Area at the northeast corner of the SW River Parkway and SW River Drive intersection.

This action reflects two key PDC interests: (1) to convey the property to RPP II at market rate to be developed without any PDC financial assistance since PDC's role in setting the framework for redevelopment of the Property and the RiverPlace neighborhood is largely complete; and (2) to support PDC's initiative of disposing of non-strategic properties. PDC is undertaking a comprehensive review of

its currently held real estate assets to identify those properties with revenue potential and non-strategic need, together with those properties PDC will continue to hold.

Ms. Abuaf asked her two guests to go up to the stand to answer questions.

Jack Onder, Onder Development. Has had discussions with the RiverPlace Planned Community Association and assured them that the hotel does want to be an active member of the Community Association, and to work with the community to build something that works for the neighborhood. There is some concern with regards to parking that may require a parking study to be done, but they do have some alternatives. There are some ingress and egress issues that have been raised and will need to be worked out.

Dike Dame, Williams & Dame Development. Have been working on this project since 1999 and now it looks like it will finally happen.

Chair Andrews asked that the citizens come up first and enter their comments before the commissioners ask their questions.

Tom Eggers, a private resident of The Strand. Spoke in favor of the project moving forward, of the development team chosen, and of the business that would occupy the site. He asked that adequate provision is made for a service bay/loading dock, that the trash access and egress is such that would minimize noise and enhance traffic flow and protect the neighborhood aesthetics, and keep all stakeholders in mind (owners, renters, and businesses).

Carolyn Whitney, resident of the east tower of The Strand. Stated that adequate parking is critical and if the hotel is solely dependent on existing parking, then it will have a serious impact on the residents and other commercial businesses in the area. She asked that PDC consider parking as a stipulation of the sale.

Bryce Stephens, managing agent for The Strand and RiverPlace Planned Community. Presented three points for the Commission to consider: (1) as part of the sales agreement, have the parking issue addressed, (2) in the purchase agreement have a requirement to join the RiverPlace Planned Community, and (3) throughout the design and review process ensure that there is public outreach. Also spoke in support of the development team.

Commissioner Straus asked when is parking an issue, on the weekend, all week long, what is driving the parking issues?

- Ms. Whitney responded that especially during the summer when people come to the esplanade that is a critical time both on weekends and during the week.
- Mr. Stephens agreed that the main use is during the summer and holidays and added that parking has been an issue since the 80s.
- Mr. Eggers added that seasonal events, like the Christmas ship, and special holiday activities that bring people into the area therefore this is not just a summer parking issue.

Chair Andrews asked Ms. Abuaf and the developers to return to the table. He thanked the development team for their persistence and expressed his excitement that this is the first time in his four years with the Commission that property is being sold at market without subsidies needed for development. Pointed out that many districts are in the process of winding down, we are beginning to understand what assets we have and ensuring they are used in the correct way. Chair Andrews appreciates the concerns of the citizens and would like to point out that this is a very public and City process that this has to go through; his sense is that the citizens want to make sure that we understand their concerns.

Chair Andrews commented that it was stated that there are a number of options with regards to parking and asked if there was a parking requirement as part of the project. Mr. Onder responded yes, and the study will bear that out. In addressing the citizens again, Chair Andrews stated that he is confident that the Planning Commission will take their concerns into consideration.

Commissioner Straus asked two questions and made one comment/suggestion:

- There is a limitation of going down only 12 feet below grade; is that related to environmental issues, and what would stop us from going deeper than that? Mr. Onder responded that at this time there is no plan for a basement, but if there was it would not go down further than 12 feet; anything below that would be their responsibility. The escrow of \$100,000 would cover any issues down to those 12 feet. Ms. Abuaf added that it has to do with capping: their design is predicated upon our representation of the cleanliness of the site and that is how we capped the environmental risks.
- Wanted to confirm that they have the ability to go below 12 feet if they choose but they would be responsible for any increased environmental costs below those 12 feet; is that correct? Ms. Abuaf and Messrs Onder and Williams responded yes.
- Once PDC sells the property it has no rights to ask for anything beyond what is being signed to, but it would be a good site for fabulous art work; perhaps the PDC could consider some investment back to art that could be matched by the developers. He hopes that this would be considered when the project moves forward.

Commissioner Wilhoite asked eight questions and made one comment:

- How did we determine this site did not have strategic value? Ms. Abuaf responded that it was from the uses PDC received inquiries on; they were either residential or hotel and we were looking at it from an economic development point of view as to how we could build them out. Executive Director Quinton added that the site has a great amount of value and is a building block for that neighborhood. The PDC does not have any specific plans for the site but it has tremendous value for the neighborhood and it is another step towards the development of that neighborhood; it is a strategic site, just not for PDC. Mr. Dame added that PDC owns the land directly south to this site and as this site is developed it will enhance the value of Parcel Three, where the substation is; this is also important.
- We had originally talked about this site being a hotel; had we decided on a hotel of a similar size, or did we not get that far? Mr. Onder responded that it was smaller.
- Regarding the 12-foot depth, is it contemplated that there could be underground parking? Mr. Onder responded that if they decide and the study shows that they need parking onsite then they would go down one level, which is that 12 feet.

- He assumes that the 80 spaces they are looking at is standard for that amount of rooms. Mr. Dame responded that the capture rate for a facility like this one is about 40 percent of the room count, which is 80. He does not think that the need would be that high due to the Streetcar stop immediately in front of the facility.
- Commented that there is a hotel nearby. Mr. Dame responded that it is a Residence Inn.
- How far is this hotel? Mr. Under responded that it is kitty-corner.
- One of the terms is that PDC has a repurchase option; price, how would that be established, assuming the worst? Ms. Abuaf responded that it is the purchase price that we would be paid if PDC were to turn around and sold it on the market on that day minus a certain number of costs that have been incurred; this is capped at the price that they are paying today.
- There is complexity around the issues of getting the funding and the project up and running, EB5 was mentioned; please provide a broad overview. Mr. Dame responded that the EB5 is a program run under the auspices of the Federal Government that provides an opportunity for people in foreign countries when they invest in targeted or non-targeted employment areas (\$500,000 or \$1,000,000 respectively) and it generates a certain number of jobs, it gives them access to a green card or visa for them, their spouse, and any children under the age of 21.
- Finished saying that that the issue before us is transparent: it is a parking issue. Everyone is excited about this opportunity but we still need to be aware of our constituents and partners and we have made it clear that this is at the forefront.

Commissioner Mohlis spoke in favor of the project.

Chair Andrews called for a motion to approve Resolution 6958; Commissioner Wilhoite moved and Commissioner Straus seconded the motion.

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

8. Action Item: Authorizing Negotiation of a Veterans Memorial Coliseum Operating Agreement and Agreement to Transfer Development Rights

Portland Development Commission staff presenting this item:

Mr. Peter Englander, Central City Manager

Mr. Kevin Brake, Sr. Project/Program Coordinator

With this action the Board will authorize the Executive Director to negotiate with the City of Portland Office of Management and Finance (OMF) regarding i) a conditional Operating Agreement whereby PDC would act as operator of Veterans Memorial Coliseum in the event the current operator, Portland Arena Management, ceases to operate the facility and ii) an agreement whereby OMF would transfer to PDC certain Development Rights to properties within the Rose Quarter.

Before PDC staff began their presentation, Chair Andrews provided an introduction by saying that he has been personally involved in this project for the past two years because he feels that this is a very important project for the city. This is a very complex agreement, with 13 individual contracts/licenses that are part of the negotiations. There had been some confusion around the context of the revenue

sharing which brought the negotiations to a halt. Much thought has gone into this, there have been precautions to cap the risk, and this is an opportunity for us to save the project and provide a potential future revenue stream for PDC. A lot of due diligence has been done.

During the presentation, Mr. Brake indicated that PDC has the option to terminate the operating agreement. Chair Andrews stated that he did not think that “terminate” was really the right term; we can close the building, not terminate the agreement. Chair Andrews later stated that Executive Director Quinton corrected him in that PDC can terminate the operating agreement if the Winterhawks did not renew their lease.

Chair Andrews also wanted to point out that the Winterhawks play about 10 games in the Rose Quarter; they have agreed that they could play all games in the Memorial Coliseum. This may not be necessary or the right decision, but it would generate more revenue.

Commissioner Wilhoite asked why we would not ask for that. Chair Andrews responded that it is within the deal. Commissioner Wilhoite asked about risk mitigation. Chair Andrews responded that it is addressed in the agreement.

Mr. Brake’s presentation went on to discuss Item 9 below:

9. Action Item: Authorizing Second Amendment to Legal Services Agreement for the Veterans Memorial Coliseum to Increase the Grant to the City of Portland to Cover the Cost of Such Legal Services, by \$235,310, for a New Total Grant Amount of \$610,000

With this action the Board will authorize the Second Amendment to Legal Services Agreement for the Veterans Memorial Coliseum to increase the maximum amount payable by PDC under the Legal Services Agreement by \$235,000, for a new maximum amount of \$610,000.

Chair Andrews did not formally bring forward this item, but wanted to remind everyone that the historic tax credit piece would provide an estimated additional \$2.6 to a maximum of \$4,000,000 more to the project beyond the \$31.5 million that we currently have. We expect that it will be successful and this delay has helped in getting that done but there are no guarantees. If we do get those done \$130,000 of this \$230,000 would be returned to us out of the proceeds of that deal. This would go a long ways to adding some of the fan-based improvements we would like to see made to the Memorial Coliseum.

Commissioner Wilhoite asked that if the public looks at this and wondered why the PDC would incur this cost, you are saying that the benefit is to us? Chair Andrews responded that the benefit is to the building, to the project; we have been responsible for all of the legal costs on behalf of the City on this project.

Mr. Brake concluded his presentation with information on next steps.

Chair Andrews stated that before he handed over for questions, he wanted to bring up that this transaction does not increase risk to the City or to public funds in the year 2018 or 2023. This is a classic business transaction where risk is being transferred from one party to the other and the reward is being

transferred from one party to the other. OMF is more interested in making sure they only had a loss of a maximum of \$375,000 a year and is willing to give up all of the up-side for that to happen. It is pretty rare that someone will exercise an option; it really sets up the framework for a negotiation and that negotiation has the opportunity to take the circumstances of the time into consideration. If we take this on, we will become an active partner in the management of the Coliseum. We will have the ability to reasonably approve any contracts that are signed, review financial statements and be a part of the process of setting budgets; PDC will have full knowledge of the operation and the pluses and minuses.

Mr. Brake added that they will bring back to the board a study that looks at the revenue opportunities going into the future, risk, market segments; we have done a lot of due diligence about the building and its position in the market.

Commissioner Wilhoite stated that the key is that the City and the public have made it clear that they are committed to keeping the Veterans Memorial Coliseum. The Board decided some time ago that if this is the case then we need to invest at a sufficient level to make it a viable asset. This is a creative approach to address the problem, our consideration is the risk that exposes the City and PDC which has been highlighted in the numbers presented today, while they are only estimates, they do provide a frame. He knows that Chair Andrews has been involved in this for a long time and trusts his judgment. This all boils down to risk and we have all the information we can have right now.

Commissioner Wilhoite felt that the public would want to know why when you are in a negotiation like this and you have three parties it looks like the public is picking up the legal. Is there anything else you could add to this? Chair Andrews responded that we are picking up the legal for the City side of it, but we are not picking it up for the Winterhawks. Commissioner Wilhoite reiterated that the Winterhawks are picking up their own costs in dealing with these negotiations and does not want the public to think that is the total for the consideration of that issue.

With regards to taking over operations, Commissioner Wilhoite wanted to be clear that PDC would not become operators of this facility and this had been made clear today. He further stated that we have committed to investing into the Memorial Coliseum, the risk has been contemplated, and we are going to have to see some forecast before we get to the final day of signing the documents. What can we expect timing wise? Chair Andrews responded that there are two consultant studies done of the operations of the Memorial Coliseum with a comparison of similar facilities around the United States. With the operating information we currently have and the Winterhawks projections we could hire a consultant to take a look at that and give us a range of worst-case/best-case analysis.

Commissioner Straus had two questions and a comment:

- Why did we have these last minute negotiations? Why was this not addressed months ago? Mr. Englander responded that there are a number of parties involved, they are expressing their interest around the table with some 20 people, and the communication were high and the clarity with which people were communicating and listening came to fruition when nearing closing of the deal. It became clear that all parties were not fully considering all elements on the table. The Portland Winterhawks wanted to make clear that they do not have what they need in order to put a \$10 million investment into this public building. This clarity came about as everyone realized how quickly this was moving towards City Council.

- Understands that we are not actually agreeing to this proposal but rather giving Executive Director Quinton approval to begin further negotiations, and those negotiations could be walking away from the table and not moving forward at all. Is that correct? Chair Andrews responded yes, that is correct. One of the controversies of putting this together was the signing of a binding term sheet, the binding piece being the financial pieces shown today, but if you look at the term sheet there are a lot of contingencies to it. When bringing this to the Board staff wanted us to know that it was not binding, but Chair Andrews fully expects the agreement, in terms of revenue sharing and operating loss, will not change. Chair Andrews pointed out that it is a complex document in terms of the operating agreement.
- Stated that it is an extremely complex document and he had to read it multiple times in order to understand what it is. He further added that the only economic development being generated is keeping lawyers busy: \$610,000 being spent on legal fees. This shows how protracted these negotiations are, how we do not just have a handshake agreement or general consensus about the vision of this. We may need to go back to the table and look for other people; the film industry is very interested in this building and was turned away. We love the Winterhawks, we appreciate their winning seasons, we appreciate their investment, but this has gone too far. This is where Executive Director Quinton needs to earn his pay and negotiate in the best interest of the City and the best interest to the PDC.

Commissioner Wilhoite asked, with this change and the potential for PDC taking over operation, what might the community expect as far as the use of the facility, and can we factor that in to the operating cost and the related bottom line results? If he was the community and he saw this type of change he would want to have access to that asset a little differently. It is going to be operated by PDC, a public entity, and it is owned by the City. This is something that we need to take into consideration when looking into potential performance for the facility. Chair Andrews responded that with this action nothing changes in terms of the potential operation. It is clear that there are some situations in which, in order to mitigate the risk, the access would not be there, but he fully expects that at that point in time when the City owns the facility there would be talks between the City and City Council about what they want and what they are willing to bring to the table in order to make that happen. This agreement does not change what the future use will be. There are 400,000 people who visit the Coliseum every year in its current condition; he recommends that the other commissioners take a tour and see how tired it really is.

Commissioner Straus added that he has been through it and he appreciates that, but when there is not a game there it feels like a wasteland; it is not being used in a way that is conducive to energizing that part of the city. That is an important part of the city that needs to be respected, it needs to be energized. Part of this agreement needs to be a commitment of who is going to energize this area; this cannot be a wasteland between games.

Chair Andrews pointed out that as part of this agreement it provides that PDC will get the development rights that once belonged to the Blazers; we would have the responsibility and the opportunity to do that development.

Commissioner Mohlis agreed that it is an extraordinarily complex deal and also dislikes last minute deals, but felt that we have invested a lot of time and effort into this and we just need to continue to push this forward and provide certainty in that area; he is in favor of moving this forward.

Chair Andrews called for a motion to approve Resolution 6959; Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion.

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

Chair Andrews called for a motion to approve Resolution 6960; Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion.

Chair Andrews asked if there were any further comments. Commissioner Straus stated his expectation that there would not be future requests.

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

At approximately 9:42 a.m. Chair Andrews excused Commissioner Mohlis and called for a five minute break. Commissioner Wilhoite excused himself for the remainder of the meeting.

At approximately 9:51 a.m. Chair Andrews called the meeting back to order.

10. Information Item: Economic Development Strategy 3-Year Status Report

Portland Development Commission staff presenting this item:
Ms. Kimberly Branam, Deputy Director – Strategy & Operations
Lew Bowers, Central City Division Manager
John Jackley, Neighborhood Division Manager
Jennifer Nolfi, Business & Industry Division Manager

Three years after the PDC Board of Commissioners endorsed the *Portland Economic Development Strategy: A Five-Year Plan for Promoting Job Creation and Economic Growth* – with the goal of creating 10,000 net new jobs by 2014 – deliberate investments have helped to create and retain an estimated 4,247 jobs in Portland. Multnomah County in the same period has seen a net increase of 16,500 jobs.

From the strategy's inception, PDC has worked proactively and collaboratively to nurture local business success. Numerous partners, including the Office of Mayor Sam Adams, City of Portland bureaus, the private sector, higher education and nonprofit organizations have joined together to implement the strategy. The impact of this collaboration is evident in the strong results achieved during the ongoing economic downturn.

Since the strategy was introduced, efforts have remained focused on maximizing the competitive environment for local businesses, urban innovation, and neighborhood vitality. Within these overlapping themes, new initiatives have been introduced to strengthen the strategy, including an

entrepreneurship action plan, an export strategy and the new Neighborhood Economic Development strategy. The creation of the new EDURA is another major accomplishment of the strategy.

Chair Andrews stated that we had someone in the audience who wanted to make a statement and asked that she approach the table.

Evelyn Murray works at No Limits Stickers, a graphic design company on NE Alberta. Ms. Murray noted that there are a lot of new buildings with businesses downstairs and housing above; zoning laws have changed since the gentrification and she felt whites were given precedent to live upstairs and have their business downstairs. Ms. Murray said that it is important to include the African-American community as PDC works to empower the next generation. She felt that this did not yet adequately include the African-American community. She said that African-Americans have moved to the east county, in Gresham, but the services are still in Portland for low income people; they do not have services out in Gresham. These plans do not include the blocks that were gentrified from the community. She said she heard wonderful things like urban vitality, future cities, the cutting edge and stated that it is critical to not cut out blacks and low income workers, as has been a painful past history of Oregon not to repeat. Ms. Murray added that the community is being referred to the Small Business Administration, but their funding was cut too, for example, before they had five computers, now they only have three.

Ms. Murray asked why there were no African-Americans on the Board. Chair Andrews answered that two of the five commissioners are African-American.

Chair Andrews asked presenting staff to come back to the table. He thanked them for their report and said he appreciates the updates on the work that PDC is doing. In his travels with Executive Director Quinton to Washington DC and participating in best practices tours, PDC's economic development strategy is seeing as being very successful and other regions are beginning to look at it; traded sector jobs and regional competitiveness industries have real strength. Chair Andrews added that he is proud of the work that the Neighborhood Division has done, in particular in focusing on issues as brought up by Ms. Murray. Although there is a long way to go he felt proud that PDC has led the way in terms of women and small business participation, PDC has raised the bar high for both the City and State organizations. He added that Executive Director Quinton has stated publicly that our economic development efforts in the past did not pay enough attention to the gentrification issue. He is proud of our staff and acknowledged that it is not easy work.

Commissioner Straus shared comments and made some recommendations:

- He stated that while he appreciates taking time to celebrate our successes, he thinks there is more work to be done. There are a lot of people still struggling, that do not have jobs, and a number of people that are underemployed; now is the time for us to double-down our efforts. Now that we are having some positive effects and the market is turning our way we need to have stronger and more renewed efforts. He wants to better understand the vision of the PDC over the next five years.
- He recommends that staff make sure that the vision for what the PDC is doing about bringing economic development is clear to everyone. He felt that what staff is doing is on the right path but he is looking at Executive Director Quinton to make sure that the vision is clearly presented.

- He stated the need for a stronger and closer relationship with the State of Oregon. He believes we have good relationships with the State but we need to strengthen those relationships. He recommends the two groups meet at least once a week; ideally PDC should have someone in their office and the State should have someone at PDC. Portland is the economic driver of the state of Oregon, we need to work together seamlessly at every aspect.
- He would like PDC to make an effort, specifically this is part of Executive Director Quinton's responsibility, to go out and thank those businesses that are creating the jobs in the community. There are a number of very large employers that have actually helped generate new jobs and the small entrepreneurs mentioned in the presentation. PDC needs to go out and thank Intel, Nike, OHSU, Standard Insurance, PSU, and many, many others. Because Nike is here we have all of these small spinoff apparel companies; and there are the small entrepreneurial companies that serve Intel. It is PDC's duty to go out and thank those businesses for being here, show our appreciation, and find out what the PDC and the City can do for them. He added that often people go out with their hand out asking them for contributions, asking them for help in our efforts here; we need to find out what their issues are and do they have any roadblocks we can help clear.
- He is very appreciative of our efforts of making the city of Portland the most sustainable and green city in the United States. He thinks PDC is on the right track but feels that we have to drive harder. He loves what PDC is doing but must put a lot more effort forward.

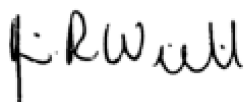
Executive Director Quinton stated that a lot of staff work has gone into this and the results do speak for themselves. With regards to Commissioner Straus' comments, PDC will deliver on that vision and he also shares the commissioner's sense of urgency and his ambition for what PDC should be doing. He further stated that we do not in any way think that our work is done. As Chair Andrews said, we are getting traction and momentum and we want to make sure that everyone understands this is a thoughtful strategy that we continue to refine and we want to continue working on it and keep prioritizing the resources. Executive Director Quinton agrees that we need a clear vision so the community can see where PDC is going. He appreciates the Board's support; all of this happens because they supported the work and have been consistent on their support of the strategy.

Chair Andrews will encourage the absent commissioners that if they have any questions they should get together with staff to go through this document and get updated.

11. Adjourn

There being no further business, Chair Andrews adjourned the meeting at approximately 10:30 a.m.

Approved by Portland Development Commission on September 12, 2012



Gina Wiedrick, Recording Secretary