

**J. Scott Andrews**  
Commission Chair

**Aneshka Dickson**  
Commissioner

**John C. Mohlis**  
Commissioner

**Steven Straus**  
Commissioner

**Charles A. Wilhoite**  
Commissioner

**Charlie Hales**  
Mayor

**Patrick Quinton**  
Executive Director

This document represents the official meeting record of the March 13, 2013, Portland Development Commission (PDC) Board of Commissioners (Board) 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=ksEUVGfAUU>.

## 1. Call to Order and Roll Call

Chair Scott Andrews called the meeting to order at approximately 4:00 p.m. Ms. Gina Wiedrick, Board recording secretary, called the Board roll:

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

## 2. Commissioner Reports

### Chair Andrews

- Attended several meetings regarding the Veterans Memorial Coliseum, including an update with the Mayor's Office.
- Attended several meetings regarding projects to provide direction.
- Attended a meeting with Portland State University staff looking at a couple of potential improvements in the Education Urban Renewal Area.

### Commissioner Mohlis

- Spending a lot of time in Salem for the State of Oregon's Legislative Session.

## 3. Executive Director Report

- On February 20, along with Chair Andrews, attended the Portland City Council Budget Work Session and presented PDC's General Fund request; additional presentations to City Council will occur in April and May.
- On February 14, PDC launched [Startup PDX Challenge](#), deadline to submit application is April 4. The startups that are selected will receive a \$10,000 working capital grant, free rent for a year, as well as services from the various sponsors listed on the website.
- On February 20, Microsoft Research and America 21 project announced three pilot cities for the Activate Local Community Initiative: Chicago, Cambridge, and Portland.
- On March 5, participated in the Saving America's Black Boys Summit by invitation from America 21 as part of the South-by-Southwest Conference in Austin, Texas. PDC took three local companies to speak on a panel.
- On February 1, *The Wall Street Journal* had a section on entrepreneurship and several articles were about Portland and why should businesses be here.
- PDC and Worksystems, Inc. (WSI) have been collaborating on two Requests for Proposals currently up on WSI's website, <http://www.worksystems.org>; will provide an update at the April Board Meeting.

- In January, the Brookings Institute listed PDC's Export Plan Initiative as a top ten metro innovation.
- On February 3 – 6, along with Greater Portland, Inc. and other local businesses, PDC staff Sue Bal attended the ISPO Conference in Germany representing the athletic and outdoor cluster.
- On January 11 – 12, travelled to Juneau, Alaska, and spoke at the 2013 Innovation Summit.
- On February 28, PDC held an open house for the Foster Lents Integration Partnership.
- OTAK announced they are relocating their Lake Oswego office to Portland.
- On February 6, Schnitzer Steel announced they are moving their headquarters to the KOIN Tower in downtown Portland.
- On March 1, along with Mayor Charlie Hales, attended the Snow Peak grand opening.
- On March 19, staff will be attending the 2013 NW Youth Careers Expo; PDC is one of the sponsors.
- On April 9 – 12, along with Commissioner Wilhoite, will be participating in the Best Practices Trip to Atlanta, Georgia.
- On April 16 – 17, will participate in a Portland 100 visit to Silicon Valley where PDC will take a few entrepreneurs to meet with investors.
- On April 25, will attend the 2013 Oregon Technology Awards sponsored by the Technology Association of Oregon.
- PDC and partners are preparing for the May 14 Mayor's International Business Awards and Scholarship Dinner.
- Introduced new employees:
  - Bruce Wood, Sr. Project Program Coordinator in the Central City Division; and
  - Damian Crowder, Sr. Project Program Coordinator in the Central City Division.

#### **4. Meeting Minutes**

Chair Andrews called for a motion to approve the January 9, 2013, Board meeting minutes and the January 23, 2013, Budget Work Session minutes. Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis  
NAYS: None  
ABSTAIN: Wilhoite

#### **5. Public Comment for Items Not on Agenda**

Michael Gaeta, President, Oregon College of Oriental Medicine (OCOM), presented the Board with a plaque and expressed his gratitude and appreciation for the support provided by PDC for the new OCOM facility in Old Town Chinatown.

#### **REGULAR AGENDA**

#### **6. Information Item: Update on the Clean Technology Cluster Strategy**

PDC staff presenting this item:

*Mr. Chris Harder, Interim Business & Industry Division Manager*

*Ms. Lisa Abuaf, Central City Manager*

Since the adoption of the 2009 Economic Development Strategy, PDC has worked to implement action items outlined in the strategy, including supporting the clean technology cluster as one of four key areas of opportunity to grow traded sector jobs in Portland. PDC's initial clean technology strategy took a sub-sector focus with the establishment of in-depth industry knowledge and partnerships within three key areas: renewables (with a particular focus on solar and wind), electric vehicles, and green development. That initial focus led to the following successful outcomes:

- Diversifying Portland's regional manufacturing expertise into the renewable energy supply chain;
- Assisting with the launch of Drive Oregon to represent firms involved with the development and production of both electric vehicles and energy storage technologies;
- Retaining and recruiting major renewable energy firm headquarters and expansions;
- Expanding demand for energy efficiency products and services through co-investment in Clean Energy Works Oregon; and
- Growing opportunities for Portland firms to innovate through demonstration projects like Portland State University's Electric Avenue and the Portland Sustainability Institute's EcoDistrict approach.

This updated clean technology cluster strategy is a natural evolution of PDC's work to date; a demonstration of PDC tools that can assist industry (such as supply chain and pilot project activity); and an acknowledgement of significant market shifts that have changed industry dynamics. Such shifts include the growth and subsequent contraction of incentives and private venture capital; the rise of corporate and non-institutional capital investors; and the significant rise of new global competition concurrent with new global opportunities for market expansion.

In response to these changes and through discussion with industry partners, PDC has developed an updated clean technology strategy. While there is relative consensus across industry regarding likely growth market opportunities (such as in energy efficiency), the goals and initiatives outlined in the updated strategy are cross-industry action items intended to guide PDC's near term investments, priorities, and partnerships in a continued effort to advance Portland's clean technology economy.

Chair Andrews called forward guests to testify.

Bryce Yonker, Director of Business Development, [Clean Edge Inc.](#) Mr. Yonker spoke about market trends in clean technology (particularly solar and wind), Portland's national leadership in the field, and his firm's work with PDC on the updated strategy.

Dave Kalez, Managing Director of Cleantech Investment Banking, [Pacific Crest Securities](#). Mr. Kalez provided some insight on areas in the clean tech sector that he felt were a good fit for the Pacific Northwest. He also touched on opportunities and challenges in the market and offered his thoughts on how the City can best support the growth of the local clean technology cluster.

Chair Andrews directed his question to Mr. Yonker, asking his thoughts are on the demand over the next few years for the various clean technology sectors. Mr. Yonker responded that renewables have been on a rocky trend that will continue, there is a lot of volatility in wind, and added that in his opinion the solar sector will be more resilient.

Commissioner Wilhoite asked how people are responding to the failures in the technology industry. Mr. Yonker responded that in a competitive market, it is inevitable that there will be consolidations and we will continue to see some failures in the startups that have not yet proven their product. Mr. Kalez added that venture capital firms and equity investors are not interested in investing in companies that rely heavily on government incentives, but rather are looking for businesses that are capital-efficient.

Commissioner Mohlis directed his questions to Mr. Kalez, confirming that he advises finance companies but does not finance projects. Mr. Kalez responded yes. Commissioner Mohlis stated that there is a science, technology, engineering, and math (STEM) task force that the governor appointed about one year ago and there is legislation in the Legislature that will direct more funding to the high schools to address the shortages of scientists and engineers.

Dick Sheehy, Director of Site Selection, [CH2M Hill](#). Mr. Sheehy spoke of industry trends that he felt were relevant to the Portland market, why CH2M Hill chose to have an office location in Portland, and some of the opportunities and challenges for his firm's business in Portland.

Greg Semler, President and CEO, [Lucid Energy](#). Mr. Semler spoke about his experience in being an entrepreneur in Portland, his firm's work on installing their technology in the City's gravity-fed water infrastructure system, and his positive experience working with the various City bureaus.

Commissioner Dickson asked if the Portland brand important for businesses moving here. Mr. Semler responded that branding is important and added that when he travels he sees that Portland is recognized as being a leader in smart use of resources, and Portland should continue to push it and get more big companies to move here. Mr. Sheehy added that he helps businesses to relocate and one thing they look at is livability and quality of life; Portland's strong reputation for both helps in relocation decisions.

**7. Action Item: Approving the Intergovernmental Agreement Portland Union Station Tracks and Building PE/NEPA between the Portland Development Commission and the Oregon Department of Transportation**

PDC staff presenting this item:

*Ms. Sarah Harpole, Sr. Project/Program Coordinator*

With this action the Board will authorize the Executive Director to execute the *Intergovernmental Agreement Portland Union Station Tracks and Building PE/NEPA* (IGA) between PDC and the Oregon Department of Transportation (ODOT).

The IGA will provide funding for the completion of preliminary engineering/design (PE) and environmental review (NEPA) for the improvements included in the Board packet. These improvements include seismic/structural upgrades, Americans with Disabilities Act improvements, new mechanical systems, electrical service, fire detection and protection systems, and track and platform upgrades. This scope of work will help PDC better assess the design, cost, and preferred phasing of the improvements. Commissioner Wilhoite confirmed that PDC staff has greater control over how the funding will be administered to meet PDC equity goals, and is confident that the disadvantaged business enterprise (DBE) issue has been addressed. He added that the investments being contemplated at the station are investments that are needed regardless, and it is better to do them now than later.

Commissioner Mohlis asked if this would get PDC to preliminary design work at approximately 60 percent, and if that is a good place to be with the type of investment being made. Mr. David Obern, Construction and Environmental Services Manager, responded yes.

Chair Andrews called for a motion to approve Resolution 6991; Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion.

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

#### **8. Action Item: Adopting the Portland Development Commission EB-5 Partnership Program**

PDC staff presenting this item:  
*Mr. Peter Englander, Central City Manager*

With this action the Board will adopt PDC's EB-5 Partnership Program (Program), allowing PDC to serve as the lead designated agency for EB-5 related investments and activities in Portland.

Adopting the Program will:

- (1) Implement City Council Resolution No. 36981, which named PDC as the City's designated lead agency for all locally controlled decisions regarding the federal EB-5 Program;
- (2) Authorize the Executive Director to enter PDC into formal partnership agreements with EB-5 Regional Centers to provide services for EB-5 investments and projects; and
- (3) Result in revenue-generating opportunities contributing to the financial sustainability of the agency.

Chair Andrews called forward guests to testify.

Stephen Ying, [Oregon Commission on Asian and Pacific Islander Affairs](#). Mr. Ying spoke in favor of the federal EB-5 program and commented on its effectiveness in bringing investments into the United States. He also addressed the Chinese-speaking viewers stating that this partnership is an opportunity for them to invest in a beautiful and dynamic city and urged them to consider Portland for their investment.

Marvin Kau, Vice President for Project Development, [American United Development Group](#). Mr. Kau spoke in favor of the Program stating that PDC would be a valuable partner in their EB-5 projects and added that he is confident that the partnership will help to attract foreign investment that will lead to job creation for Portlanders.

Commissioner Wilhoite asked the following questions:

- The public would want to know what the biggest risk is to PDC by taking on this type of partnership. Mr. Englander responded that one of the biggest risks is in making sure that staff can manage Program-eligible projects that have a significant amount of time between initial investment and return to the EB-5 investor.
- Are there certain industries that are more attracted to this type of investment than others? Mr. Englander responded that much of the EB-5 investment to date has been in the hospitality and the senior assisted living industries because of the number of jobs those projects create, but he is confident that PDC can broaden into other industries.

Commissioner Dickson asked the following questions:

- Regarding the targeted employment areas, do all municipalities have this within their programs, or is that something unique to Portland? Mr. Englander responded that it is something that is done nationwide but the methodology being used was created by the State of Oregon (but anyone could use it).
- Does Minnesota own their own Regional Centers; are any other municipalities registered as Regional Centers? Mr. Englander responded yes, and there are partnerships that other municipalities have created, including Texas, Vermont, and Philadelphia.

Chair Andrews asked what is the time schedule for implementation. Mr. Englander responded that staff has been putting together term sheets with Regional Centers and added that with the Board's approval they are hoping to execute agreements very soon.

Chair Andrews called for a motion to approve Resolution 6992; Commissioner Wilhoite moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis, Wilhoite

NAYS: None

**9. Action Item: Adopting an Updated Financial Investment Policy and Process for Internal Review and Approval of Financial Investments**

PDC staff presenting this item:

*Ms. Faye Brown, Chief Financial Officer*

With this action the Board will adopt the following Financial Investment Policy to guide future PDC financial investments:

When investing public resources to achieve its strategic plan, PDC will apply sound financial guidelines and accountable and transparent processes.

This action will also provide specificity as to the Executive Director's approval; change the minimum number of required Financial Investment Committee (FIC) members, outline FIC's responsibilities for review and recommendation, further clarify the quarterly comprehensive report of all financial assistance requests, and allow the Executive Director to approve and update the FIC Charter and Procedures.

Chair Andrews stated that PDC is not changing metrics but rather looking at them in a different way. Executive Director Quinton added that staff has spent a lot of time thinking through what the metrics should be for the PDC Strategic Plan and they continue to evaluate how to measure public satisfaction. He further added that staff could present to the Board in the future a report on metrics.

Chair Andrews called for a motion to approve Resolution 6993; Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion.

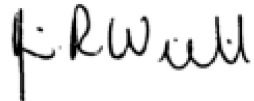
AYES: Andrews, Dickson, Mohlis, Wilhoite

NAYS: None

**10. Adjourn**

There being no further business, Chair Andrews adjourned the meeting at approximately 5:57 p.m.

**Approved by Portland Development Commission on** April 9, 2013



---

Gina Wiedrick, Recording Secretary