

J. Scott Andrews
Commissioner 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 August 20, 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=lflijyKH1-wk&feature=c4-overview&list=UU5XKnmpwO4bSn0JNszjhSRw>.

1. Call to Order and Roll Call

Chair Scott Andrews called the meeting to order at approximately 3:03 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	PRESENT
Commissioner Charles Wilhoite	ABSENT

2. Commissioner Reports

Chair Andrews

- Pointed out the reserved sign on the chair usually occupied by longtime and recently-deceased Portland reporter Lee Perlman, who attended most of the Board meetings.
- On July 28, attended the Lents Streetscape Grand Opening; City of Portland (City) Commissioner Steve Novick cut his first ribbon.
- Mentioned Commissioner Straus' birthday of the previous week.
- Spoke of Commissioner Dickson's reappointment to the Board on July 3. She is the mother of three boys and the chief financial officer and one of the partners of Colas Construction. There are a lot of demands on her time and he appreciates her continued service to the Board and the city of Portland. She brings a great perspective to the Board from a small business standpoint and has been a great leader on the Neighborhood Prosperity Initiative and Main Street Program.

Commissioner Dickson

- Spoke regarding the past three years and the challenges faced by the Board, and the support and leadership of the other members on the Board. She feels that the work in the neighborhoods and in small business development is especially important and that PDC must be the leader in equity and make the city stand out from all others. She is honored to be reappointed by Mayor Charlie Hales and Portland City Council (City Council) to a second term. Expressed her gratitude for the leadership of Chair Andrews and Executive Director Patrick Quinton, and the contributions by the Board to the work and mission of PDC. As a long-time Portlander, she appreciates the opportunity to serve in a leadership position with an agency that makes a real difference in the lives of Portland residents every day. She admitted to having some reservations to a second term and when she met with Mayor Hales to talk about a possible reappointment, one of the key items they discussed was her ability to juggle her various demands, both at home and at work. She is proud of the projects PDC has completed, the partnerships that were forged, and the initiatives addressed during some very difficult economic conditions.

3. Executive Director Report

- Executive Director Quinton congratulated Commissioner Dickson on her reappointment and expressed his pleasure at having her on the Board.
- Spoke of Lee Perlman and his dedication to his job and to covering community events for Portland. He last saw Mr. Perlman at the Dawson Park Summer Concert; Mr. Perlman was a resident of the Boise/Elliott neighborhood and was very proud and happy to know of the contributions that were being made to the park. He hopes others will follow Mr. Perlman's example and continue to cover the little stories that make up so much of what goes on in the city.
- On July 26, issued a notice of intent to issue a contract for Dawson Park to [R&R General Contractors](#), a minority-owned firm that also did the construction work on The Fields Park. It is estimated there will be 89 percent minority business owned participation in the construction work. PDC also hired an outside project manager at inici Group, Inc., Patti Miles, an African-American woman who grew up in the neighborhood. Construction will begin after the summer season is over and will be complete in late spring/early summer 2014.
- On July 12, San Francisco-based tech firm, Tilde, announced plans to move their office to Portland.
- On July 15, along with Mayor Hales, attended the Ajinomoto expansion grand opening.
- On July 18, Mozilla announced it is expanding its Portland presence.
- On July 19, Pensole Academy, the athletic and outdoor design school located in Old Town, graduated its first class.
- On July 23, the seven new startups in the third class of the Portland Incubator Experiment (PIE), which was funded by Wieden+Kennedy, were announced (six of which are from Oregon).
- On August 15, attended PIElette demo day at Self Enhancement, Inc. (SEI), headquarters. Eight high school students attended SEI's abbreviated entrepreneurship class and presented their business plans at the demo day.
- On August 1, PDC-supported Orox Leather opened its Old Town storefront. <http://www.pdc.us/news-and-events/all-news/all-news-detail/13-09-03/Family-owned-Orox-Leather-celebrates-grand-opening.aspx>
- On August 2, released the small business development output for this past fiscal year (FY). The Economic Opportunity Initiative and Small Business Development Programs assisted more than 450 businesses, primarily located in East Portland or owned by a person of color (60 percent). On August 17, *The Oregonian* printed a story regarding one company that moved from Portland to Beaverton due to the City's taxes. The conclusions from that editorial are not supported by the facts PDC staff see every day in terms of companies that are starting or growing here, both the companies that receive headlines and the 450 small business that are thriving in Portland.
- On July 28, emceed the Lents Entryway event, which Chair Andrews already mentioned and featured Commissioner Novick.
- On July 18, participated in the *Portland Business Journal's* Manufacturing Roundtable.
- On August 10, attended the first annual Latino Network's Noche Bella event.
- On August 20, will attend the Athletic and Outdoor Young Professionals Kickoff event. The event will feature Jeremy Moon, the founder and president of Icebreaker, which has its North American headquarters in Portland.
- On September 7, will speak at the TechFest Northwest, which is being held September 6 – 8.
- On September 17, attending the American Asset Trust groundbreaking event in the Lloyd District.
- On July 10, it was announced that Portland will host the 2014 Major League Soccer All-Start game.
- Reminded viewers to submit nominations for the Neighborhood Economic Development Leadership Group. PDC is phasing out its Urban Renewal Area committees and this is an opportunity to have

representation from Interstate, Lents, and Gateway in the Leadership Group. Deadline for submissions is Tuesday, September 3 at 5:00 p.m. Go to <http://www.pdc.us/nedleadership>.

- The request for interest on Block 8L is open until Monday, September 30. This is a three-quarter block parcel between NW Naito Parkway and NW First Avenue and between NW Couch and NW Davis streets in Old Town/Chinatown.
- Highlighted two new limited-term employee hires and one employee changing responsibilities:
 - Courtney Cohn, Budget Analyst working in the Financial Planning Team;
 - Faramarz Khozouiee, Accountant III working with the Accounting Team; and
 - Katherine Krajnak, Senior Business Development Coordinator working for the Business & Industry Division; her former duties were within the Central City Division.

4. Meeting Minutes

Chair Andrews called for a motion to approve the June 26, 2013, Board meeting minutes with the following amendment:

- Page 4, paragraph six starting with “Commissioner Wilhoite felt that PDC is,” at the end of the paragraph add the following: “He also reminded the Board that this provision was included in the recently Board-adopted Equity Policy.”

Commissioner Dickson moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Dickson, Mohlis

NAYS: None

ABSTAIN: Straus

5. Public Comment for Items Not on Agenda

No public testimony was presented.

6. CONSENT AGENDA

A. Action Item: Authorizing Execution of Fiscal Year 2013-14 Intergovernmental Service Level Agreement General Fund Special Appropriations with the City of Portland to Provide Funding of \$4,777,437 to the Portland Development Commission for Implementing Economic Development Activities on a Citywide Basis

With this action the Board will authorize an intergovernmental agreement (IGA) with the City through the City Budget Office to transfer \$4,777,437 to PDC to fund certain economic development activities including neighborhood economic development and traded sector job creation and retention on a citywide basis. These activities have been budgeted for in the FY 2013-14 Adopted PDC Budget. The General Fund Special Appropriations were adopted as part of both PDC’s and the City’s budgets. The IGA is scheduled for City Council approval in August 2013.

This IGA, which has been authorized each of the past six years, allows for the transfer of general fund dollars to support PDC’s economic development activities listed above. Prior to FY 2008-09, such transfers occurred without an IGA.

- B. Action Item: Approving the Proposed First Amendment to the Cully Boulevard Neighborhood Prosperity Initiative Urban Renewal Plan Adding 1.43 Acres to the Plan Area; Approving the Proposed First Amendment to the Rosewood Neighborhood Prosperity Initiative Urban Renewal Plan Adding 0.05 Acres to the Plan Area; and Approving the First Amendment to the Division-Midway Neighborhood Prosperity Initiative Urban Renewal Plan Adding 0.39 Acres to the Plan Area**

With this action the Board will adopt minor amendments to three Neighborhood Prosperity Initiative Urban Renewal Plans by correcting technical errors in legal descriptions.

Chair Andrews called for a motion to approve Resolutions 7016, 7017, 7018, and 7019; Commissioner Straus moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

REGULAR AGENDA

- 7. Action Item: Authorizing an Amendment to the Intergovernmental Agreement with the Portland Bureau of Planning and Sustainability and Portland Bureau of Transportation in an Amount Not to Exceed \$1,194,231 for the Central City 2035 Plan**

PDC staff and others presenting this item:

Lew Bowers, Central City Division Manager

Susan Anderson, Director, Bureau of Planning and Sustainability

Karl Lisle, Sr. Planner, Bureau of Planning and Sustainability

With this action the Board will authorize the Executive Director to amend the IGA adopted by resolution no. 6937 on June 13, 2012, between PDC, the Bureau of Planning and Sustainability (BPS), and the Bureau of Transportation (PBOT) to continue efforts culminating in the Central City 2035 plan (the Plan). The proposed amendment is to extend the IGA one additional year to September 30, 2014, and increase the budget by \$294,231 to primarily fund West Quadrant planning. The proposed amendment would provide \$244,231 to BPS to fund Central City 2035 planning for the West and Southeast Quadrants and \$50,000 to PBOT for revisions to the Central City Transportation Management Plan.

Ms. Anderson gave an overview of the agreement between PDC and BPS focused on accelerating and completing the Plan. She stated that the City is still using the 1988 plan, along with a mish-mash of rules that have been tacked on over the years; the new Plan would allow PDC to have clear and consistent rules on zoning, parking, height limits, and far more. To push the process along quickly, the funding in the IGA is being leveraged with City general funds and Metro funds. She added that the Planning and Sustainability Committee would like to meet with the Board in a joint work session to work together and talk through some of the big ideas for the Central City, and hear each other's perspectives on specific zoning and code changes.

Chair Andrews asked what the finish date is for the Southeast Quadrant. Ms. Anderson responded that the southeast plan should be completed by fall 2014 and then they will have to go back to the concept

plan; City Council adopted it by resolution only to allow a chance for review and make any changes necessary and adopt it all as one package soon after.

Commissioner Straus made the following statements and questions:

- In discussions last year regarding zoning changes, there might be some income that would come to the City in terms of bonuses, like if a parcel is zoned for a four-story it could be rezoned to ten-story, and asked if the Plan will cover this aspect and what the goals are. Ms. Anderson responded that it is a possibility but has not seen it except in a few areas and she does not see money coming into the City as a result of up-zoning. Mr. Lisle added that the notion of completely rewriting the existing bonus and transfer system is part of the implementation phase of work; between mid-2014 and mid-2015 when BPS rewrites the Plan's zoning code section they will look at the 18 – 19 bonus programs and assess opportunities to readjust those to achieve the current key priorities.
- His vote is predicated upon this one concept; he sees this as a very important revenue source for the City. If the City will have to provide more services (utilities, transportation, etc.) for the higher-density areas, then the land owners whose properties used to be zoned for two stories and now are zoned for 10 or 20 stories should be willing to contribute. Ms. Anderson responded that they would look at any windfalls that happen and try to capture it whether in money or in some form of benefit to the City.
- Will this study make recommendations for what the new program will be, or will it be in a later study? Mr. Lisle responded that the quadrant plans set the general directions but not specifics of the new bonus program; that will be part of the implementation work. Chair Andrews added that BPS will take these plans and then do the specific zoning review. Ms. Anderson added that one of the reasons they held off doing the zoning review in the Central City, is that at the same time they are working on a comprehensive plan for the entire city and they are making zoning changes and they want them to collide at the end together to be consistent.
- He would like this to be part of the discussion today and not four years from now. A land owner needs to be able to make assessments right now for the future; the sooner they have that information or at least some potential direction that will take place, it would benefit the City and the landowners impacted by these changes.

Chair Andrews called for a motion to approve Resolution 7020; Commissioner Dickson moved and Commissioner Straus seconded the motion.

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

At approximately 3:52 p.m. Chair Andrews called for a recess. At approximately 3:57 p.m. Chair Andrews called the meeting back to order.

8. Action Item: Authorizing the Executive Director to Execute the Collective Bargaining Agreement between the Portland Development Commission and American Federation of State, County and Municipal Employees, Council 75, Local 3769

PDC staff presenting this item:

Jeff Fish, Human Resources Director

Robert Smith, President, American Federation of State, County and Municipal Employees Local 3769

With this action the Board will authorize execution of the successor collective bargaining agreement (CBA) between PDC and American Federation of State, County and Municipal Employees, Council 75, Local 3769. The CBA sets forth the terms of employment for PDC's represented employees and sets forth the wages and salaries for the period between August 2013 and June 2016.

Chair Andrews stated that in 2013 the Board took a look at the declining revenues and came to the difficult conclusion that PDC needed to make a 30 percent cut in traditional overhead. He expressed the Board's hope that staff and leadership's work with the mayor can stabilize the organization at this level and move forward.

Commissioner Straus commended staff on adding the merit bonus as he sees this as an important incentive to drive staff to work at the very highest levels and added that he looks forward to hearing about management training programs to have equitable annual reviews in the future.

Commissioner Mohlis asked if the Labor Management Committee (LMC) met in the interim, between the last agreement and this one. Mr. Fish responded that the LMC meets regularly. Commissioner Mohlis added that he hopes it helped to facilitate a successful bargaining agreement and that they will continue to meet so that they can continue to strengthen their trust in each other and work out any problems along the way rather than wait three years.

Executive Director Quinton thanked everyone for their hard work and commitment and added that everyone recognized that as PDC downsizes and tries to reach a stabilized point, everyone shares collective responsibility in making that happen and that the way this deal was done reflects that. He added that he appreciates everyone's willingness to share in that responsibility.

Chair Andrews called for a motion to approve Resolution 7021; Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

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

9. CONVENE EXECUTIVE SESSION

At approximately 4:21 p.m. Chair Andrews made the following statement: "The PDC will now meet in executive session for the purpose of consulting with legal counsel concerning legal rights and duties regarding current litigation. The executive session is held pursuant to ORS 192.660(2)(h). Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision may be made in the executive session. At the end of the executive session we will return to open session and welcome the audience back into the room."

ADJOURN EXECUTIVE SESSION

At approximately 4:37 p.m. Chair Andrews adjourned the Executive Session and called the Regular Session back to order.

10. Action Item: Executive Session: Held Pursuant to Oregon Revised Statutes 192.660 (2)(h) to Discuss Current Litigation and Consider Approval of Settlement Agreement

PDC staff presenting this item:
Eric Iverson, General Counsel

With this action the Board will authorize the Executive Director to enter into a settlement agreement with Brown Contracting, Inc., pursuant to terms described in Executive Session.

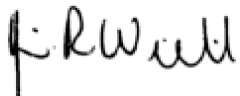
Chair Andrews called for a motion to approve Resolution 7022; Commissioner Dickson moved and Commissioner Straus seconded the motion.

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

11. Adjourn

There being no further business, Chair Andrews adjourned the meeting at approximately 4:38 p.m.

Approved by Portland Development Commission on October 8, 2013



Gina Wiedrick, Recording Secretary