

J. Scott Andrews
Commissioner Chair

Aneshka Dickson
Commissioner

Tom Kelly
Commissioner

John C. Mohlis
Commissioner

Charles A. Wilhoite
Commissioner

Charlie Hales
Mayor

Patrick Quinton
Executive Director

This document represents the official meeting record of the February 12, 2014, 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=aMb-kYy2gBQ&list=UUsXKnmpwO4bSn0JNszihSRw&feature=c4-overview>.

1. Call to Order and Roll Call

Chair Scott Andrews called the meeting to order at approximately 3:05 p.m. Ms. Gina Wiedrick, Board recording secretary, called the Board roll:

Chair Scott Andrews	PRESENT
Commissioner Aneshka Dickson	PRESENT
Commissioner Tom Kelly	PRESENT
Commissioner John Mohlis	ABSENT
Commissioner Charles Wilhoite	PRESENT

2. Commissioner Reports

Chair Andrews

- On January 24, attended the Portland Business Alliance Board retreat.
- On January 31, participated in a tour of the new light rail bridge.
- In the last several weeks, attended briefings with City of Portland (City) commissioners.
- On February 10, attended the Urban Land Institute Rose Fellowship dinner.

Commissioner Wilhoite

- On January 24, attended the Portland Business Alliance Board retreat.

Commissioner Kelly

- On February 12, received a briefing by PDC staff on the Lents Town Center Urban Renewal Area (URA).

Commissioner Dickson

- On January 24, attended the Portland Business Alliance Board retreat.

3. Executive Director Patrick Quinton Report

- Gave an update on the Majestic Realty Company and Trader Joe's development, expressed his disappointment in the outcome, and urged the public to submit any constructive ideas they have for the development of the site.
- Joined the Oregon Story board, which is a joint effort by the Oregon Film Office and the Portland Incubator Experience to create digital media incubators to generate more economic activity. On January 17, attended the first board meeting.
- On January 20, attended and spoke at The Skanner Foundation 28th Annual Martin Luther King, Jr. breakfast.

- On January 22, participated in the Smart City (a consortium of Japanese businesses) Memorandum of Understanding signing event as part of the We Build Green Cities work.
- On January 24, Jama Software announced their move to a new downtown headquarters.
- On January 30, City Commissioner Fritz announced plans to build two new parks in East Portland, including one in the Gateway Regional Center URA.
- On February 4, visited the Rosewood Initiative and discussed how PDC can continue to support their efforts; they are one of PDC's Neighborhood Prosperity Initiative districts. Encouraged everyone to watch the time lapse of the mural painting at <http://rosewoodinitiative.org/>.
- On January 31, the *Portland Business Journal* printed a story on the strength of Vestas and the rebound of the wind sector.
- On February 7, Portland-based Viewpoint Construction Software (also known as Coaxis) announced its purchase of Pennsylvania-based Maxwell Systems.
- On February 10, PDC announced the results of the request for information for PDC-owned properties in the Lents Town Center URA: (1) the Belmont Goats will likely relocate to the property on SE 93rd Avenue and Woodstock Boulevard; (2) awarded the use of a property on 88th Avenue and SE Foster Road to two other proposals, Propel Studio Architecture and ROSE Community Development, for interim use on the same site; and (3) working on negotiation of a third proposal, a development project that will hopefully move forward in another year.
- Portland is one of four cities selected by the Urban Land Institute to participate in a year-long study of the challenges and successes faced. This week the group is meeting at the Eastside Exchange in Portland and is reviewing a land use challenge that staff proposed. The four cities participating are Portland, Memphis, Indianapolis, and Honolulu. Executive Director Quinton is scheduled to go to Indianapolis February 25 – 28.
- The new request for proposal (RFP) for The Grove Hotel is now out and available for review. The deadline for submissions is Monday, March 10, at 5:00 p.m. The RFP can be found at http://www.pdc.us/news-and-events/all-news/all-news-detail/14-02-06/RFP_for_redevelopment_of_the_Grove_Hotel_property.aspx.
- On February 21, the Metropolitan Contractor Improvement Partnership is hosting the Disadvantaged, Minority, Women, and Emerging Small Business subcontractor trade show at the Oregon Convention Center.
- On February 27, PDC is holding event “include. innovate. invest. Portland” to kickoff activities around promoting diversity in the technology sector and entrepreneurship. The event is hosted by Puppet Labs.
- Introduced two new employees and highlighted one promotion:
 - Kay Little, Business Finance Officer in the Real Estate & Lending Department;
 - Bob Betcone, Assistant General Counsel in the Legal Department; and
 - Bruce Wood, promoted to Real Estate Development & Construction Manager in the Real Estate & Lending Department.

4. Meeting Minutes

Chair Andrews postponed voting on the January 9, 2014, Board meeting minutes to the next Board meeting.

Chair Andrews called for a motion to approve the January 23, 2014, budget work session minutes. Commissioner Wilhoite moved and Commissioner Kelly seconded the motion.

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

5. Public Comment for Items Not on Agenda

No public testimony was presented.

REGULAR AGENDA

6. Action Item: Authorizing the Disposition of 0.59 Acres of Real Property in the River District Urban Renewal Area to Pearl Hotel Investors, LLC, for \$142,000

Portland Development Commission staff presenting this item:
Patrick Quinton, Executive Director
Bruce Wood, Real Estate Development & Construction Manager

With this action the Board will authorize the Executive Director to execute a Purchase and Sale Agreement (PSA) between PDC and Pearl Hotel Investors, LLC (PHI), for the conveyance of Station Place Lot 7 (Property), a 0.59-acre PDC-owned parcel, for \$142,000, the appraised fair market value of the property. PHI is purchasing the property in “as is” condition. The full execution of the PSA will be contingent upon confirmation of a separate agreement between PHI and the City, approved by City Council, that will result in PHI providing to the City at least \$800,000 in funds to assist with finding a new location for Right To Dream Too (R2D2), a non-profit organization currently providing a rest area at NW 4th Avenue and W. Burnside Street.

Chair Andrews stated that PDC does need to be involved in helping R2D2, adding that he is satisfied with the structure of the deal and that the City will get full benefit.

Commissioner Wilhoite stated that historically PDC has been asked to play a significant role in helping to solve development challenges and issues that affect all members of the community, adding that he is happy to see PDC play a valuable role in making this happen and hopes that it will reach a satisfactory resolution for all involved.

Commissioner Dickson asked for confirmation that there is no other use that this lot could be used for rather than parking. Mr. Wood responded that the City is required to use the space only for monthly parking.

Chair Andrews called for a motion to approve Resolution 7039; Commissioner Wilhoite moved and Commissioner Kelly seconded the motion.

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

7. Action Item: Authorizing One or More Agreements with Tyler Technologies, Inc., for a Sum Not to Exceed \$1,320,000 to License, Implement, Support, and Provide up to Five Years of Maintenance of Microsoft Dynamics AX 2012

PDC staff presenting this item:

Faye Brown, Chief Financial Officer

Dan Spero, Professional Services Manager

With this action the Board will authorize the Executive Director to negotiate and execute one or more agreements with Tyler Technologies, Inc. (Tyler), to license, implement, support, and provide up to five years of maintenance of Microsoft Dynamics AX 2012 (the Software), for a sum not to exceed \$1,320,000.

Commissioner Wilhoite asked for an explanation of the difference between hosted and on-premise services. Ms. Brown responded that PDC currently maintains servers on-site, in this building but with a hosted solution PDC would access the products through a web portal, with all products located on Tyler's servers, adding that PDC hopes to ultimately move in that direction as it is an expense to maintain a large server infrastructure.

Commissioner Wilhoite noted that there is a significant price difference between the two options. Ms. Brown responded that enterprise resource planning implementation in a hosted environment is fairly new to the market and PDC staff would like to make sure that the implementation works well and that financial processes and reporting needs are met before moving to the hosted environment.

Chair Andrews asked if, when checking references, any of the businesses had been using Lawson before moving to this product. Ms. Brown responded that four references were checked, all were migrating from different programs but none had been in Lawson before, and all migrated to the same version that PDC is proposing to do. They all indicated that migration was difficult, but that Tyler was great to work with, and when asked if there were any surprises, they said no, only surprises were with their own internal processes.

Chair Andrews cautioned staff that with regards to the contract, to make sure that there is enough support for the implementation. Ms. Brown responded that PDC's General Counsel has referred staff to work with outside counsel who deals typically with these types of technological agreements. She added that after the contract is negotiated, staff will come back to the Board requesting a budget amendment at which time they will also provide an update to these negotiations.

Commissioner Dickson asked the following questions:

- Does PDC have the necessary staff to handle the transition and continue with the usual functions and reporting? Ms. Brown responded that staff has put a lot of thought into this, and Executive Director Quinton has authorized staff back-fill for the department.
- With regards to support, how does the Software's cost compare with Lawson? Ms. Brown responded that the maintenance fees for Tyler for year one is \$93,605, escalating by five percent each year. For Lawson, also taking into consideration that PDC has an additional staff to support it, in year one it is \$261,000, increasing every year by five percent for the software itself and two percent to keep the support staff.
- Has PDC staff reached out to outside accountants to ensure that the Software meets their reporting needs as well? Ms. Brown responded that staff has met with Moss Adams to weigh in

on the front-end, and to provide guidance as to when else throughout the process they need to touch-base. Moss Adams also performs a yearly information technology (IT) audit, and ideally Moss Adams would perform the IT audit separate from the financial audit so that if any corrections are needed they can be addresses without holding up the financial audit.

Commissioner Kelly asked the following questions:

- Does PDC staff have any experience with these migrations? Ms. Brown responded staff involved in this migration was also involved in the two prior Lawson upgrades and implementations. She added that when they looked at vendors, they specifically looked at those who had a lot of experience with the program, as well as experience working on migrations with government agencies.
- Does Tyler have an office in Portland? Ms. Brown responded no, they are based in Texas. She added that no local vendors responded to PDC's solicitation.

Commissioner Wilhoite asked the following questions:

- With regards to scoring the vendors, how does PDC staff take into account equity? Mr. Spero responded that overall PDC's equity policies are most effective when dealing with local vendors who have a vested interest in the health and well-being of the community. In going through the solicitation process, it was determined that with the scope of the work it was not possible to segment the work in a way to parcel out the work to various vendors to advance PDC equity goals. That said, equity still remains at the forefront of contracting activities.
- Is equity built into PDC's scoring model? Is there a place in the forms for vendors to identify themselves as small business, minority-owned, or women-owned? Mr. Spero responded that normally responders would, but not in this case because none of them would qualify because businesses have to be incorporated in Oregon to receive credits. Otherwise it is built into all of PDC's RFPs.
- Asked for confirmation that equity scoring is always taken into consideration. Mr. Spero responded absolutely.

Chair Andrews wanted to clarify that, in reading the resolution, he does not see that PDC staff has to come back to the Board for approval. Executive Director Quinton responded that there will be a line item added to the revised budget that the Board will be approving.

Commissioner Dickson asked if the dollar amount can go up. Executive Director Quinton responded that no, it cannot go up without staff coming back to the Board to authorize an increase, but he hopes that this will not be necessary.

Chair Andrews called for a motion to approve Resolution 7040; Commissioner Wilhoite moved and Commissioner Dickson seconded the motion.


AYES: Andrews, Dickson, Kelly, Wilhoite

NAYS: None

8. Adjourn

There being no further business, Chair Andrews adjourned the meeting at approximately 4:18 p.m.

Approved by Portland Development Commission on March 12, 2014



Gina Wiedrick, Recording Secretary