

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 7194**

**ADOPTING AN UPDATED FINANCIAL INVESTMENT POLICY AND  
PROCESS FOR INTERNAL REVIEW AND APPROVAL OF FINANCIAL  
INVESTMENTS**

**WHEREAS**, the Portland Development Commission (“PDC”) Board of Commissioners (“Board”) by separate actions, approves guidelines for the administration of a variety of financial assistance programs consistent with the 2015-2020 PDC Strategic Plan (“Strategic Plan”);

**WHEREAS**, in making financial investments, it is prudent business practice to thoroughly review proposed projects to minimize risk, maximize public benefits, and allow for the repayment of invested public funds and a financial return on that investment; and as such, the PDC Board desires to update the formal internal review process to assist the PDC Board and Executive Director in making financial investment decisions;

**WHEREAS**, on March 13, 2013, through Resolution No. 6993, the PDC Board adopted an Updated Financial Investment Policy and Process for Internal Review and Approval of Financial Investments;

**WHEREAS**, the financial resources used to accomplish PDC’s projects and programs have traditionally come from tax increment financing (“TIF”);

**WHEREAS**, PDC’s legacy urban renewal areas (URAs) are scheduled to sunset within the next ten years, severely limiting PDC’s ability to access new TIF;

**WHEREAS**, TIF, as governed by Oregon Revised Statutes Chapter 457, limits the use of TIF geographically and only for investment in and support of physical improvements to real estate;

**WHEREAS**, the Strategic Plan requires funding for activities other than those that are TIF eligible; and

**WHEREAS**, the PDC Board wishes to use remaining assets within current URAs and other financial tools to transition PDC to funding sources with eligible uses that are consistent with the Strategic Plan while continuing to achieve the goals of each URA plan.

**NOW, THEREFORE, BE IT RESOLVED**, that the PDC Board adopts the following financial investment principles:

1. When investing public resources to achieve its Strategic Plan, PDC will apply sound financial guidelines and accountable and transparent processes.
2. In general, all investments should seek public benefits and result in asset ownership or a financial return of and on capital.
3. Investment should have a leverage target that maximizes the percentage of non-PDC resources in a project.
4. Grants and infrastructure expenditures should be limited to annual PDC-wide budgets that are consistent with PDC's long-term plan for financial sustainability.
5. Any forgiveness of loan principal will be considered a grant and count against the current or following fiscal year budget established for grants.

**BE IT FURTHER RESOLVED**, that the PDC Board directs the Executive Director to establish an internal Financial Investment Committee ("FIC") with a minimum of three members to be appointed by the Executive Director in consultation with the PDC Board Chair;

**BE IT FURTHER RESOLVED**, that FIC shall have the following responsibilities to review for recommendation:

1. Loans and grants for any financial assistance programs where approval has not been delegated by the Executive Director;
2. Loan modifications where approval has not been delegated by the Executive Director;
3. New and revised financial assistance guidelines;
4. PDC debt financings;
5. Acquisition, disposition, and long-term (greater than two years) leasing of real property;
6. Acquisition of real property collateral (by foreclosure, deed in lieu of foreclosure, or voluntary transfer); for purpose of future sale to apply against outstanding obligations; and
7. Additional responsibilities delegated by the PDC Board and/or the Executive Director.

**BE IT FURTHER RESOLVED**, that the Executive Director may approve any loan exception to adopted loan guidelines except (1) for the maximum loan amount, and (2) any reduction in the repayment obligation of the borrower of more than \$500,000;

**BE IT FURTHER RESOLVED**, that prior to FIC recommending approval of financial assistance that includes exceptions to adopted guidelines, FIC will verify through appropriate due diligence that program objectives are not jeopardized and any exception is necessary to meet agency objectives and goals;

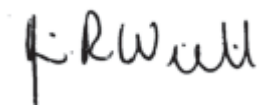
**BE IT FURTHER RESOLVED**, that on a quarterly basis the Chief Financial Officer shall provide to the PDC Board a comprehensive report of all financial assistance requests approved by the Executive Director or other delegates during the quarter, including an explanation of all requests approved with exceptions to program guidelines;

**BE IT FURTHER RESOLVED**, that the PDC Board hereby delegates authority to the Executive Director to approve and update the FIC Charter and FIC Procedures as needed to implement the Financial Investment Policy and Process for Internal Review and Approval of Financial Investments;

**BE IT FURTHER RESOLVED**, that Resolution No. 6993 is hereby replaced in its entirety; and;

**BE IT FURTHER RESOLVED**, that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on June 8, 2016

A handwritten signature in black ink, appearing to read "Gina Wiedrick". The signature is written in a cursive, somewhat stylized font.

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Gina Wiedrick, Recording Secretary

**RESOLUTION NO. 7187**

**RESOLUTION TITLE:**

ADOPTING THE ANNUAL BUDGET OF THE PORTLAND DEVELOPMENT COMMISSION FOR THE FISCAL YEAR BEGINNING JULY 1, 2016, AND ENDING JUNE 30, 2017; AND MAKING APPROPRIATIONS

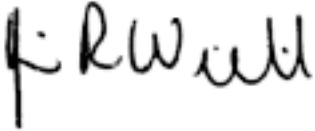
Adopted by the Portland Development Commission on June 8, 2016

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Gustavo Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

**CERTIFICATION**

**The undersigned hereby certifies that:**

*The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.*

	<b>Date:</b>  June 9, 2016
<b>Gina Wiedrick, Recording Secretary</b>	