

Investing in
Portland's Future



This document constitutes the official meeting record of the January 27, 2010, Portland Development Commission Board of Commissioner's meeting held at 222 NW Fifth Ave., Portland, OR 97209.

I. CALL TO ORDER AND ROLL CALL

Chair Scott Andrews called the meeting to order at approximately 8:07 a.m.

J. Scott Andrews
Commission Chair

Ms. Renee Castilla, acting as recording secretary for the Board, called the Commission roll:

Bertha Ferrán
Commissioner

Chair Scott Andrews	PRESENT
Commissioner Bertha Ferran	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Steven Straus	PRESENT (Arrived at (9:11 a.m.))
Commissioner Charles Wilhoite	PRESENT

John C. Mohlis
Commissioner

II. MEETING MINUTES

Steven Straus
Commissioner

Chair Andrews called for a motion to adopt the meeting minutes of January 13, 2010.

Charles A. Wilhoite
Commissioner

Commissioner Ferran moved and Commissioner Wilhoite seconded the motion to adopt the meeting minutes of January 13, 2010.

Sam Adams
Mayor

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

III. EXECUTIVE DIRECTOR REPORT

Bruce A. Warner
Executive Director

Executive Director Bruce Warner presented the Executive Director's Report. He highlighted the following:

- The PDC management team and staff are revising and modifying FY 2010-11 budget proposals. He said at the January 29, 2010 budget meeting, the Mayor will be in attendance. He assured the Board, PDC staff would be very mindful of the comments and directions given by the Board and the Mayor and would put together a budget that can be presented to the city and the Office of Management & Finance.
- He said he had the opportunity to attend the Portland Business Alliance board meeting. He said he was impressed with the retreat preparation, speakers, topics and dialogue with the Board. On the agenda was news about what's happening around the nation and impact politics will have over the remainder of the year. They heard from University of Oregon Professor Tim Dewey who spoke about the economy of the state of Oregon, the metropolitan region and the city of Portland. He said he heard sobering information on the level of pay Portlanders receive in comparison to other urban areas.



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Commissioner Wilhoite said he was also in attendance at the PBA retreat and said it would be important to focus on the economy, sustainability and social equity.

IV. PUBLIC COMMENTS



As there were no public comments, Chair Andrews moved to the next agenda item.

V. ANNUAL DIVERSITY IN CONTRACTING AND WORKFORCE TRAINING REPORT

Mr. John Jackley presented Report No. 10-10, titled, "Annual Diversity in Contracting and Workforce Training Report."

Mr. Jackley stated in order to keep the Board apprised of the results of PDC's Business and Workforce Equity Policy a report has been prepared providing information and analysis about results for Fiscal Year 2008/2009. Highlights of the report included:

- This year's M/W/ESB utilization total was \$35,504,251, equaling 35.2 percent of the \$100,981,127 in PDC funds expended for applicable projects, significantly above the 20 percent goal. These results include projects under the old Good Faith Effort program and the new Business and Workforce Equity Policy;
- The Workforce Training and Hiring Program (WTHP) goal of 20 percent apprentice hours' participation on PDC funded projects was surpassed again this year as 249,615 hours were worked by state registered apprentices, equaling 23 percent of the total project hours of 1,104,455. Of the total apprentice hours, 54,953 (22 percent) were worked by minorities and females. These hours were made up of 35,733 worked by minority males, 2,333 by minority females and 15,988 by non-minority females; and
- The M/W/ESB utilization on the South Waterfront project was \$36,708,650, equating to 12 percent of the project construction costs of \$305,843,165 and 165,837 apprentice hours equating to just over 24 percent of the total project hours of 690,541. Also, minorities and females worked 40 percent of the apprentice hours on the covered projects compared to 42 percent last year.

Mr. Harold Williams stated there has been a lot of progress with PDC and its efforts towards diversity in contracting and in the workforce. He said it was important to sustain the numbers and continue to have opportunities available to the minority community. He expressed his thanks to John Jackley and staff for their good work.

Ms. Gail Castillo representing the Hispanic Chamber expressed her thanks to the Board and Staff.

VI. CONTRACTING REVIEW DIVERSITY RESOLUTION

Mr. John Jackley presented Report No. 10-11, titled, "Contracting Review Diversity Resolution".

Mr. Jackley stated the board action resolves to include at least one minority panelist provided by the Alliance of Minority Chambers on the evaluation and selection panel for all for all PDC-owned contracts in excess of the formal solicitation thresholds for construction, goods and services and personal services that are not awarded on the basis of lowest responsible bidder and all development solicitation evaluations. The formal solicitation threshold for PDC-owned contracts is currently \$100,000.

Mr. Jackley said in the event a contract or developer evaluation and selection panel is comprised of 5 or fewer members, there shall be a minimum of one minority panelist provided by the Alliance; for panels of 6-8 members, there shall be a minimum of three minority panelists provided by the Alliance; and so on. The Alliance of Minority Chambers has agreed to work with

other Portland based minority business associations, including the Oregon Association of Minority Entrepreneurs and the National Association of Minority Contractors of Oregon, and will be responsible for providing a qualified list of minority panelists to the Portland Development Commission (PDC) within a reasonable timeframe. In addition, the Alliance of Minority Chambers will ensure that there is no potential panelist conflict of interest that the panelist understands that they are serving as a volunteer with no compensation and that the panelist will make a commitment to remain on the evaluation panel throughout the selection process.

Mr. Jackley stated details of commitments made by the Alliance of Minority Chambers and by PDC will be documented in a Memo of Understanding (MOU) developed by the Alliance and PDC's Professional Services Manager. It is anticipated that the MOU will be executed prior to implementation of the requirements on March 1, 2010. The City of Portland City Council adopted a similar Resolution on December 16, 2009 and, within the Resolution, stated that "the Portland Development Commission PDC staff has agreed to prepare this policy to be formally considered for adoption by the Portland Development Commission."

Mr. Roy Jay expressed his support of the resolution, provided brief background, and further expressed his thanks to the board and PDC staff for their support.

Chair Andrews called for a motion to adopt Resolution No. 6765, titled, "Adopt Policy to Include at Least One Minority Evaluator of Formal Solicitation Proposal Evaluation Committees."

Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6765.

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

VII. SMALL CONTRACTORS LOAN INSURANCE PROGRAM

Mr. Patrick Quinton and Mr. Fred Atiemo presented Report No. 10-12, titled, "Small Contractors Loan Insurance Program."

Mr. Patrick Quinton stated the action would approve a new financial product, the Small Contractors Loan Insurance Program (Program), as an additional tool to improve the Portland Development Commission's (PDC) ability to effectively support small contractors engaged in green development and energy efficiency projects. He said the Portland Economic Development Strategy (Strategy) adopted in 2009 by City Council identifies four traded sector industry clusters as having the highest potential for growth due to the concentration of firms in the city and the existence of critical elements to competitive advantage over other industries.

Mr. Quinton said the Clean Technology (Clean Tech) is one of the Strategy's target clusters, and green development and energy efficiency are two promising sectors within the Clean Tech cluster. Large-scale retrofit of existing building stock within the City of Portland is a priority for the Clean Tech cluster, and enhancing the technical and financial capacity of independent tradesman contractors is essential to that effort. The city's recently established Clean Energy Works Portland (CEWP) program provides financing to homeowners seeking to retrofit their homes, which will drive increasing business to small contractors capable of providing these services. In order to access business from this program and other rehabilitation work, contractors need working capital in the form of a revolving loan. Because PDC's Business

Finance Program has traditionally been used as gap financing for direct lending, the agency has been unable to meet the financing needs for these businesses.

Mr. Atiemo stated the adopted FY 2009-2010 PDC Budget includes \$483,000 in the Economic Development General Loan Fund (EDGLF), federal money for direct lending. Of that amount, \$150,000 shall be earmarked for the Program. In addition, PDC is pursuing a \$150,000 grant from the Northwest Area Foundation to provide an insurance pool for loans to higher risk contractors participating in the CEWP program. The combined insurance pool is expected to produce at least 6.5:1 leverage ratio from private lenders, resulting in \$2,000,000 in credit to small contractors over a five year period. Future funding will be programmed through the FY 2010-2011 and subsequent years, depending on the success of the product and availability of additional federal and other funds that can be used for this purpose.

Chair Andrews called for a motion to adopt Resolution No. 6766, titled, "Establish Small Contractors Loan Insurance Program and Adopt Program Guidelines.

Commission Straus moved and Commissioner Wilhoite seconded the motion to adopt Resolution No. 6766.

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

VIII. PDC'S 2009 SUSTAINABILITY REPORT AND 2010 SUSTAINABILITY PLAN

Ms. Erin Flynn and Ms. Cindy Bethell presented Report No. 10-13, titled, "PDC's 2009 Sustainability Report and 2010 Sustainability Plan."

Ms. Erin Flynn stated the 2009 Sustainability Report is PDC's second annual report. It covers the period from September 2008 to October 2009. The report focuses on the sustainability features of PDC programs and cites examples of how PDC is growing and enhancing Portland's sustainable urban environment by investing in green commercial and affordable housing development, green transportation options, business and community equity, sustainable industries and green jobs. The Report also highlights PDC's accomplishments in terms of the 2009 Sustainability Plan and reports statistics on PDC-assisted green building projects. The 2010 Sustainability Plan (Plan) is PDC's third since 2007, when the City Council began requiring plan submissions by all city bureaus and offices. Each year PDC's approach to developing this Plan has evolved, and for the first time Urban Development Department (UDD) division managers kicked off the planning process and provided advice on Plan development.

Ms. Bethell stated the Plan addresses 29 programs or projects organized under four goals. It identifies the development phase targeted for completion for UDD programs and projects. For non-UDD programs, specific project undertakings are listed for completion. The Plan also identifies related PDC plans, staff leads and partner organizations. Another new feature is a matrix of 21 sustainability indicators, and shows which indicators each project includes, while also displaying features that could potentially be added to the projects.

- Goal 1** - Improve the environment through innovative development practices;
- Goal 2** - Advance social equity and wealth creation by increasing opportunities for participation in a sustainable economy;
- Goal 3** - Building the most sustainable economy in the world; and

- Goal 4** - Continuously improve the sustainability of internal operations and organizational culture.

Chair Andrews stated the work PDC is doing to increase its level of sustainability is pushing the city's efforts overall.

IX. ADOPT PDC STRATEGIC PLAN 2010

Mr. Paul Slyman and Ms. Sharon Meross presented Report No. 10-14, titled, "Adopt PDC Strategic Plan 2010."

Ms. Meross stated the action adopts the Portland Development Commission Strategic Plan 2010, which will guide the Portland Development Commission's (PDC) business plans, activities and investments over the next five years. This action also adopts the following five (5) PDC Goals upon which the Strategic Plan 2010 is structured:

- Strong Economic Growth and Competitiveness;
- Sustainability and Social Equity;
- Healthy Neighborhoods;
- A Vibrant Central City; and
- Effective Stewardship over our Resources and Operations, and Employee Investment.

Ms. Meross stated within each of these goals are four desired outcomes PDC is working towards over the next five years. Key Actions showing the specific work needed to achieve the Strategic Plan are described below each outcome. She said the action delegates' authority to the Executive Director to revise and modify the Key actions as deemed necessary to achieve the five Goals set forth in the Strategic Plan. Each year the Executive Director shall provide the Board with an annual performance report that discusses PDC's work accomplished within each of the five goal areas, and inform the Board of any revisions or modifications made to the Key Actions. This action replaces the Strategic Plan adopted by the Board through Resolution 6593 on November 2007.

Commissioner Wilhoite stated he had a schedule conflict and needed to leave the meeting at 10:37 a.m.

Chair Andrews called for a motion to adopt Resolution No. 6767, titled, "Adopt PDC Strategic Plan 2010 Which Will Guide the Portland Development Commission's Business Plans and Investments from 2010 through 2014."

Commissioner Straus moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6767.

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

X. ENDORSEMENT OF RETAIL STRATEGY

Mr. Steven Shain presented Report No. 10-15, titled, "Endorsement of Retail Strategy."

Mr. Shain stated the action would formally endorse the 2009 *Portland Downtown Retail Strategy* (Retail Strategy) following City Council's acceptance of the Retail Strategy on December 9, 2009. As shown in the Project Summary, this strategy refers to the Downtown Retail Core, an area bounded by 2nd and 12th Avenues and Washington and Salmon Streets.

Mr. Shain said the Retail Core plays a significant economic role for the Central City and for the City of Portland in that its success relates to the retention and recruitment of new businesses, the retention of a significant office market in downtown, and the growth of the tourism market. The Retail Strategy supports the Central City as an economic driver for the City of Portland and is reflected in Portland's Economic Development Strategy Objective 2.2: Enhance the vitality and distinctiveness of the Central City to showcase our sustainable way of life and attract creative class talent.

Further, Mr. Shain stated the 2009 Retail Strategy has involved significant stakeholder outreach and the direct participation of a Downtown Vision Task Force (Task Force) that provided hands-on guidance in drafting the strategy. Building on the 2002 *Downtown Portland Retail Strategy* and the 2007 *Downtown Portland Retail Strategy Update*, this comprehensive strategy for the Retail Core describes how Morrison and Yamhill Streets serve as the signature streets for the Retail Core and describes how public and private stakeholders can work together to enhance and stimulate new investment for the signature streets. The Retail Strategy directly affects the PDC in that it will guide the implementation of existing Central City Urban Renewal Area (URA) funds, will provide input on the Central City URA discussion, and will provide further definition to the City of Portland's Economic Development Strategy.

Ms. Kimberly Schneider representing Mayor Sam Adams Office expressed strong support for the endorsement of the retail strategy.

Mr. Michael Kykundall representing the Portland Business Alliance expressed his support for Resolution No. 6768.

Chair Andrews called for a motion to adopt Resolution No. 6768, titled, "Endorsing the 2009 Portland Downtown Retail Strategy."

Commissioner Straus moved and Commissioner Ferran seconded the motion to adopt Resolution No. 6768.

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

XI. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 11:12 a.m.