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This document constitutes the official meeting record of the May 11, 2011, 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 3:03 p.m.

Ms. Tracey Gemma, acting as recording secretary for the Board, called the Commission roll:

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

J. Scott Andrews
Commission Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

Chair Andrews began the meeting by stating he wanted to recognize the PDC employees who would be leaving the agency mid-month due to PDC's reduction in force. Chair Andrews acknowledged their work, stating it had helped PDC guide many projects to completion - projects that have been important in shaping the city - and all of these people should be proud of their contributions. Chair Andrews said he was proud of the work they have done and hoped everyone would join him in thanking them for their service to PDC, City of Portland and its citizens.

II. MEETING MINUTES

Chair Andrews called for a motion to adopt the meeting minutes of March 23, 2011, and April 13, 2011.

Commissioner Wilhoite moved and Commissioner Dickson seconded the motion to adopt the March 23, 2011, and April 13, 2011, meeting minutes.

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

III. EXECUTIVE DIRECTOR REPORT

PDC Executive Director, Patrick Quinton, announced he would be using this time during the Board meeting to provide a verbal Executive Director Report rather than providing a written report, so that the information would be current and reflective of recent happenings. During his report, he highlighted the following:

- Portland seed fund which the City and PDC had a significant role creating and the Board approved a \$500,000 investment formally opened April 19 and is accepting job applications now until June 6. At that time, they will be making final decisions on the initial investment round which will lead to a crop of new companies to grow employment in Portland.
- Oregon Sustainability Center is one of PDC's priority projects and it is moving forward with the schematic design just being completed. This is a significant milestone and the building design has changed significantly but it is a building that can be built. There is an open house this evening for the public and they will have a chance to look at it closely and provide more feedback.

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- Next week is a big week for PDC's business development efforts, as it is world trade week. The city, state and PDC are sponsoring a week-long set of activities designed to help local companies improve their export opportunities. Trade representatives will return to Portland and will meet with companies, giving them advice on markets for opportunities. The capstone of the week is the May 11 International Awards dinner. This presents an opportunity for the city to honor businesses that have demonstrated excellence in international trade. Those being honored are Vestas, Web Trends, Air Canada, Leatherman, and the Portland Timbers.
- A special pop-up retail store opened in April to showcase the electrical vehicle industry. The pop-up program, using vacant store fronts downtown, worked with a building owner at SW 5th and Alder (on transit mall) and they donated space. The technology and vehicles from some of the state's most prominent electrical vehicle companies will be showcased. It is not a space that can actually be entered but one could window shop and view local technology being featured

Mr. Quinton echoed sentiments the Chair made about the individuals leaving PDC. He said what has been most impressive, even more impressive than the years of service and value these employees have added to the organization, is the manner in which they continued to add value and do their job with incredible dedication during the past two months when they knew they were leaving the organization. This speaks to the commitment of these individuals.

Chair Andrews stated there were a few exciting grand openings taking place within the next month, with the completion of the Resource Access Center (now Bud Clark Commons) and also the Ramona (was Hooper Detox). Chair Andrews said many in the mental health industry are looking forward to these centers opening, as they provide valuable resources and care for those in need. Chair Andrews also stated the Oregon College of Oriental Medicine will be under construction soon. He said he believes these events are a good indicator the economy is healing.

Commissioner Dickson extended her gratitude to those leaving PDC and to the employees that remained and were now making up for the loss of those departing.

Commissioner Wilhoite stated he had been serving on PDC's Board for approximately six years and knows many of the individuals leaving the agency. He further stated the employees were very professional and the City owes them a lot of gratitude for their service and commitment.

Commissioner Straus stated he concurred with all of the comments being made about PDC staff and further added he would work hard to help those departing with new opportunities.

IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Ms. Maria Ordonez provided public testimony relative to the Neighborhood Economic Development Strategy. Ms. Ordonez stated she and her husband have used Hacienda to assist them with starting a small house cleaning business. Ms. Ordonez said the small business assistance, classes they attended, and tools they received have been really important to help them start and build a successful business. She said she would like places like Hacienda be able to continue supporting small businesses.

Chair Andrews stated he appreciated Ms. Ordonez's comments and said it was good to hear all of the positive remarks she made. He thanked her for her time.

V. CONSENT AGENDA

Chair Andrews called for a motion to adopt the consent agenda:

Resolution No. 6857, “Appoint Mr. Seth Richardson to the Lents Town Center Urban Renewal Advisory Committee.”

Resolution No. 6865, “Appoint Mr. Dan Jung to the Lents Town Center Urban Renewal Advisory Committee, Create New Alternate Position and Appoint Mr. Paul Cathcart.”

Resolution No. 6866, “First Amendment to FY 2010-11 Intergovernmental Service Level Agreement.”

Resolution No. 6867, “Amend Authorized Short-Term Interfund Borrowing.”

Resolution No. 6868, “Amend Relocation Policies and Procedures.”

Commissioner Wilhoite moved and Commissioner Dickson seconded the motion to adopt all items on the consent agenda.

AYES: Andrews, Dickson, Straus, Wilhoite

NAYS: None

VI. ENDORSE THE NEIGHBORHOOD ECONOMIC DEVELOPMENT STRATEGY

Chair Andrews introduced this item and announced Ms. Kimberly Branam, PDC Deputy Director for Strategy and Operations, would be delivering the presentation.

Ms. Branam stated she would be joined by Ms. Kate Deane, as Ms. Deane has served as the project manager for the Neighborhood Economic Development Strategy (NED). She went on to recognize Ms. Deane, Mr. Howard Cutler and Ms. Carol Herzberg for their great staff work on this project. Ms. Branam said the NED Strategy also acknowledges a host of partners that have been instrumental in developing this Strategy.

Ms. Branam stated they will be asking the Board to endorse the NED Strategy and to recommend City Council approve it as official city policy.

Ms. Kate Deane stated the change in recent PDC leadership, with Mr. Quinton as Executive Director, gave the Strategy a big boost. She further said she appreciated Ms. Branam’s leadership with respect to the Strategy.

Ms. Branam stated development of the Strategy began in May 2010, with the establishment of a Project Advisory Committee (PAC). The PAC included representation from the Interstate Corridor, Lents Town Center and Gateway Regional Center Urban Renewal Advisory Committees, the East Portland Action Plan, the Cully-Concordia Action Plan, as well as key city-wide community serving institutions. She stated the team also looked at several different cities to determine best practices and held a roundtable with national experts to help inform the Strategy work.

Ms. Branam stated as a result of this work, a public draft was developed and went out for comment. As a result of the research and feedback received, a process was developed with a balanced approach.

Ms. Branam said the NED is part of the overall City Economic Development Strategy (2009) and builds out the neighborhood and small business vitality component of that strategy. She said while the NED focuses on neighborhood business vitality, the NED’s work with small business is a great example, as there are traded sector businesses within a neighborhood. Ms. Branam said some may ask why there is a focus on neighborhoods when there is such a focus on employment and jobs. She said it is because we know neighborhoods are regional assets and are critical. Ms. Branam stated neighborhoods produce, retain and attract our regional workforce and are centers for employment, saying 46 percent of the city’s jobs are in neighborhoods. She stated the objective is helping businesses and individuals compete in the larger economy.

Ms. Branam communicated the goal of the Strategy is to foster economic opportunity and neighborhood vitality throughout Portland. The Strategy aims to connect people to living-wage jobs, support small business growth and grow vibrant commercial areas. She stated together with business and community partners, PDC and the City will work to achieve these three key objectives: Build local capacity to achieve economic development outcomes; drives neighborhood business growth; and aligns and coordinate resources to support neighborhood economic development.

Ms. Branam said the Strategy is intended to proactively support communities of color citywide and residents, businesses and organizations within “targeted neighborhoods” including neighborhoods and corridors that are experiencing lagging private investment and increased poverty; experiencing gentrification pressures; facing substantial change due to major public infrastructure improvements; and are at risk of losing ground to suburban or big box competitors.

Ms. Branam stated at the heart of the Strategy is a collaborative approach involving neighborhood residents, local businesses, community development organizations, financial institutions, foundations, business development organizations and other public entities working together. She further stated this Strategy alone will not achieve the objectives of the economic opportunity and neighborhood vitality. She said it will work in concert with implementation of the City of Portland’s Five-Year Economic Development Strategy and the Portland Plan.

Ms. Branam stated in order to guide implementation of the Strategy, PDC will convene a NED Leadership Group composed of public, private and philanthropic partners. She said PDC will work with partners to develop accountable metrics for each action item to include: job creation, new business starts, vacancy rates, hours of technical assistance provided, loans packaged, and other economic health indicators for Portland neighborhood business districts. Funding levels, community initiative, and partnership will be key determinants of the scale and timeline of its implementation.

Ms. Branam stated adequate resources are required for the Strategy to succeed and while existing resources can be used for some of the proposed actions in the Strategy, additional investment by public, private and non-profit sectors is needed to support the Strategy’s implementation.

Ms. Branam communicated PDC estimates the cost to implement the Strategy over the next five years to be \$129 million. Of that amount, she said approximately \$178 million will come from tax increment financing available for capital improvements in Interstate, Lents and Gateway Urban Renewal Areas. She said another \$23 million is anticipated being available to PDC in the form of City General Funds and Community Development Block Grant Funds to support ongoing neighborhood development programs. She said PDC estimates an additional \$28 million will need to be secured from new sources in order to advance new citywide work outlined in the Strategy for areas not currently in urban renewal and to fund work that is non-capital related. She further stated the City will work with public, private and non-profit partners to increase economic development funding.

Ms. Branam said the PAC met May 5, 2011, to review the finalized Strategy and they indicated their support of this document. She said following PDC Board approval, the Strategy will be forwarded to the Portland City Council for adoption May 25, 2011, as official city policy.

Chair Andrews stated the Board is in full support of expanding into neighborhoods instead of focusing on just big business. He further acknowledged the Mayor and City Council for support of the Strategy through General Fund dollars. Chair Andrews also applauded Ms. Branam saying she was the perfect person to be leading this effort.

Commissioner Wilhoite asked if the communities were already defined.

Ms. Branam responded by saying the communities had not yet been totally defined but will be key to the Strategy’s success.

Chair Andrews stated testimony is typically delivered first wanted to invite public testimony from Mr. Roger Anthony, speaking on behalf of Rose CDC, to testify.

Mr. Anthony said he was pleased to see the Strategy addresses areas within and outside of urban renewal boundaries. He said Rose CDC believes Lents cannot reach its potential without the help of the Strategy. Mr. Anthony stated he is pleased the Strategy shows the role organizations can play and they will do their part for east Portland.

Commissioner Straus said he appreciated the testimony and liked the idea of harnessing the neighborhoods to get all of the good energy together; he also suggested volunteer efforts around tree planting and painting to remove graffiti.

Commissioner Dickson stated this initiative is very near and dear to her heart and that people need to understand it is a process and they should not be discouraged if they do not see immediate progress.

Ms. Branam stated that through research they have found it takes about five to ten years to fully implement such a Strategy.

Ms. Dickson asked if PDC was going to work with other cities to determine best practices and what it takes to make public buy into this type of initiative.

Ms. Kate Deane answered by stating PDC had worked with other cities to determine best practices and said it takes time to mature but what is critical is for PDC to be at the table, as an equal partner, and broad-based involvement is critical to its success.

Commissioner Wilhoite stated it will take a coordinated effort and marketing campaign to communicate the benefits of what the Strategy aims to accomplish.

Commissioner Straus suggested a two-hour workshop is needed to get this effort kick-started.

Mr. Quinton stated the Strategy is a priority of PDC's leadership and the same strategic approach will be applied as it was with the broader Economic Development Strategy.

Chair Andrews said he wanted to remind the Board they are being asked to endorse and recommend to City Council the Strategy be adopted and budgets aligned to support the initiative. Chair Andrews then called for a motion to adopt Resolution No. 6869, titled, "Endorse the Neighborhood Economic Development Strategy."

Commissioner Wilhoite moved and Commissioner Dickson seconded the motion.

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

VII. ADOPT SMALL BUSINESS LOAN INSURANCE PROGRAM

Ms. Jennifer Nolfi introduced this item, stating the action to approve revisions to this program, adopted in 2010, will expand borrower eligibility in order to enhance PDC's Strategy to support neighborhoods and small businesses throughout the city.

Ms. Nolfi introduced Mr. Fred Atiemo and said he would be discussing the technical aspects of this program which started over a year ago and will explain why it is necessary to revisit the program and implement improvements.

Mr. Atiemo said the Board approved the Small Contractors Loan Insurance Program during 2010. He stated it was developed as a credit enhancement program aimed at providing partial insurance for lines of credit offered by private lenders. He said the goal at adoption was to support small construction contractors providing services in the Clean Tech Cluster.

Mr. Atiemo said to date, PDC has had only one loan approval through Albina Community Bank despite extensive marketing outreach efforts to a wide audience. He said contractors requested PDC establish a small contractors program to address the issue of a lack of working capital line of credit but all backed away from using the product.

Mr. Atiemo stated PDC had not been able to ascertain the exact reason(s) why the line of credit had not been accessed, but he speculated it was because of the "relationship banking" model adopted by banks, as a result of the current economic condition, made the program unpopular. Mr. Atiemo said to help PDC achieve its objective in supporting small businesses, staff is recommending changing the program name from Small Contractors Loan Insurance Program (SCLIP) to Small Business Loan Insurance Program (SBLIP) and expanding the eligible borrowing criteria of the program to make it a credit enhancement tool to cover working capital loans made by PDC leveraging partners to small businesses, including small construction contractors.

Mr. Atiemo went on to highlight the significant changes of the program, stating PDC is broadening the eligibility criteria to include all small businesses (businesses with less than 50 employees) and is authorizing the Executive Director to increase the dollar limit on insurance under the revised program for a participating lender from \$300,000 to an amount not to exceed \$500,000 (if warranted, and if funds are available).

Mr. Atiemo said the expansion of the program to include all small businesses in the city of Portland will help meet the financial needs of small businesses citywide.

Chair Andrews stated he liked this item on several different levels. He said staff looked at a new program and tweaked it, making it usable. He said he really appreciates the leveraging aspect of it and how it supports the banking industry, while PDC uses fewer dollars, takes less risks, and provides more money to the community.

Commissioner Dickson stated this was a good program and appreciated staff making the necessary improvements. She said she was glad it was being expanded to assist more people.

Commissioners Straus and Wilhoite echoed the positive comments that were made about the program and staff.

Chair Andrews called for a motion to adopt Resolution No. 6870, titled, “Adopt Small Business Loan Insurance Program.

Commissioner Dickson moved and Commissioner Wilhoite seconded the motion.

AYES: Andrews, Dickson, Straus, Wilhoite

NAYS: None

VIII. ADOPT MINOR AMENDMENT TO INTERSTATE CORRIDOR UBRAN RENEWAL AREA PLAN

AUTHORIZE EXECUTIVE DIRECTOR TO ACQUIRE NELSON PROPERTY IN KENTON

Ms. Sara King stated Commissioners and Executive Director Quinton would be hearing about two resolutions, one authorizing the adoption of the Seventh Amendment to the Interstate Corridor Urban Renewal Area Plan (the Amendment) to acquire certain real property in the Interstate Corridor Urban Renewal Area (ICURA) and one to authorize the purchase of certain real property and improvements located in the Kenton neighborhood of the ICURA.

Ms. King said this is an opportunity for strategic acquisition. She said PDC has been working in Kenton since at least 2005 to revitalize this business district and this site was identified as an anchor commercial site in the Kenton Economic Development/Redevelopment Strategy. She said all area plans and strategies call for increasing employees and housing units to strengthen the business area. She said PDC believes this is appropriate for job creation/generation, as it increases employment in this neighborhood, accessible by light rail.

Ms. King said the Kenton Business District in the northern part of Interstate Corridor URA has a small town feel. The downtown is a historic commercial district which is across the street from the MAX station, adjacent to a residential site owned by Tri-Met. She said it houses a new library and the post office is located one block away, with the Kenton Park nearby. She said it is also adjacent to new and planned residential development, with I-5 access.

Ms. King stated PDC investments in Kenton include a \$30 million Interstate Max Line, \$3 million streetscape, \$422,000 in Community Livability Grants, and business assistance in the form of storefront grants, business loans and DOS grants. She further stated other changes in the community include a new library branch and private sector investment.

Ms. King introduced Ms. Carol Herzberg, PDC Senior Project/Program Coordinator, and said she would lead the Board through some of the specifics related to this property and acquisition.

Ms. Herzberg stated this is a fairly complex project, with two adjacent sites, called the Denver and Argyle sites. Each contains two different tax lots, and are unique in character. The entire assemblage is under a single ownership. She said there were three owners, all siblings, and the property had been inherited from their father, Victor Nelson, who founded and ran a manufacturing business there.

Ms. Herzberg stated PDC signed a Purchase and Sale Agreement or “PSA” with the Nelsons in December 2010 for \$3,825,000. She said due diligence had discovered deferred maintenance, but the property was basically in good condition. She noted there was some soil contamination and the seller provided an environmental writedown for \$168,000, making the final price \$3,657,000.

Ms. Herzberg went on to describe the Denver Site located at 8411 N. Denver, saying it was a large, one-acre site with a multi-story building that contained storage yards. She said it was and is currently a manufacturing space with supplemental office space. She said it had a bow truss roof with old growth timber, generous ceiling heights and roll-up doors.

Ms. Herzberg said the location had good ambience for creative class businesses, in fact the most recent tenant was FigurePlant, which designs/fabricates props and scenery for the advertising and film industries. The building currently occupies five tenants and the Nelsons plan to vacate their space upon the sale, leaving two vacant spaces within the building.

Ms. Herzberg said the immediate plans are to fix it up and retenant the property and PDC has been having discussions with internal staff about potential cluster-industry tenants who may be interested in locating there. She said the building and adjacent 8419 Denver have flexible zoning that allows for commercial and residential uses.

Ms. Herzberg spoke about the other property located at 8419 N. Denver. She said this building is about 800 square feet and is the smallest building on the property. It sits at the very visible intersection of Denver Avenue, Argyle and Interstate. She noted it is now vacant, with the most recent use being a drive-thru coffee shop. Historically this property was a gas station and ESA has decommissioned the tanks but the ESA found some residual soil contamination from fuel islands extends under the building. She said for safety reasons, the plan to address the contamination will occur as soon as possible and then the property's future use will be determined.

Ms. Herzberg then discussed the Argyle Site, located at 2221 N. Argyle. She said this location houses a single tenant, Spartek, which employs 40 individuals. She said it is a cluster business, with advanced manufacturing that specializes in building and retrofitting plywood presses. She said the current lease expires November 2011 but Spartek has indicated they want to remain in the facility. She said PDC wants to retain them, as they are a valuable economic development asset. She said there is a large grade change from the building to the adjacent lot, with the adjacent lot being temporarily used for storage. She said the long-term plan is to help realize a new Argyle connector.

Ms. Herzberg spoke about some opportunities for the new Argyle connector, sharing a preliminary design for new Argyle connector proposed by ODOT, which would run through the vacant Argyle lot. She said the connector planning is not yet funded. She said the current road where the Argyle property is located functions as an unofficial highway on-ramp for truck traffic passing thru the neighborhood from Columbia to I-5. She said the new Argyle impact will divert thru traffic behind and below the Nelson property, with the current Argyle becoming more of a local road. She said PDC will work with ODOT and PDOT to implement.

Ms. Herzberg described opportunities for renovation and reuse of the 8411 N. Denver location, showing photos of similar properties which had recently been renovated in the area. One such business, the Bamboo Craftsman Company, recently moved across the street from the property. The company designs, manufacture and sells bamboo furniture, fences and garden items and is converting an old auto salvage building into a retail, design and manufacturing shop and, replacing the wreckage yard, with a nursery where the firm will grow its own bamboo. She said a former Kenton bowling alley now houses Disjecta artists gallery and studio space.

Ms. Herzberg said the next steps include continuing current leases and supplementing the vacant space, creating jobs in the neighborhood. An immediate plan is to visually benefit the neighborhood by painting and fixing up the buildings and cleaning the 8411 lot. She noted that a Master Development Strategy, in conjunction with Tri-Met, is being developed and will draw on the market analysis and NED and Kenton strategies to establish direction and community priorities. She said the Strategy will guide programming, phasing, and long-term disposition of the site, as well as continuing to work on the new Argyle connector.

Chair Andrews stated he was amazed at the transformation that has occurred in on Denver Avenue and in that area generally within the past year. He said a lot of good things are happening and said that property is interesting for a variety of reasons. He said development could have the ability to overwhelm that neighborhood and so being able to figure out just the right development for that area

is very important. He further stated this work is a great example of supporting our cluster strategy with a high tech company.

Commissioner Wilhoite thanked them for the presentation and said it provided a lot of insight on both short and long-term plans for both pieces of property.

Commissioner Straus gave kudos to Ms. King and Ms. Herzberg and said he appreciated their help in making this property viable to PDC and its citizens. He pointed to a picture of the new Denver Streetscape and commented that though he realized that it was not possible on this project, undergrounding the utilities there would have made the street even more attractive.

Commissioner Dickson thanked Ms. King and Ms. Herzberg for their efforts and stated she is aware of and appreciates Ms. Herzberg's involvement and commitment to the Kenton area. She said clearly Kenton is a neighborhood that takes a lot of pride in its community.

Commissioner Dickson asked how the neighbors were responding to the changes and Ms. King responded by saying they have had several conversations with the URACs and they are excited about these buildings and also keeping the Nelson legacy alive. Ms. King further stated they like the idea of public ownership so citizens have ownership and control over what transpires in their area.

Commissioner Dickson asked how long Spartek could stay and also asked what the plans are for the little corner store. She asked if that store was one of the 2 vacancies Ms. Herzberg had previously mentioned.

Ms. Herzberg said Spartek has a three-year extension which is followed by a three-year option renewal. She went on to say the 2 vacancies were in the 8411 N. Denver building and that the corner store is an additional vacancy but first needs to have environmental cleanup done before determining its future use.

Chair Andrews called for a motion to first adopt Resolution No. 6871, titled, "Adopt Minor Amendment to Interstate Corridor Urban Renewal Area Plan" and the second to adopt Resolution No. 6872, titled, "Authorize Executive Director to Acquire Nelson Property in Kenton."

Commissioner Straus moved and Commissioner Wilhoite seconded the motion.

AYES: Andrews, Dickson, Straus, Wilhoite

NAYS: None

IX. APPROVE THE EIGHTEENTH AMENDMENT TO THE OREGON CONVENTION CENTER URBAN RENEWAL PLAN

APPROVE THE NINETEENTH AMENDMENT TO THE OREGON CONVENTION CENTER URBAN RENEWAL PLAN

Chair Andrews stated before hearing about this item, Commissioners Straus and Dickson were going to declare a potential conflict of interest on this matter.

Commissioner Straus stated he was President of Glumac and Glumac has had an ongoing business relationship with Boora Architects which has performed architectural services on the Veterans Memorial Coliseum (VMC). He said Glumac presently has no contract or agreement with regard to the Memorial Coliseum. Commissioner Straus stated on advice from Counsel, since this action will not directly result in funding for any project in which Glumac will benefit, declares his interest and will participate in the matter.

Commissioner Straus further stated if in the future this Board considers any matter that will result in direct funding for the Memorial Coliseum, he will consult with Counsel and will recuse himself from participating in such action, depending on the facts at that time.

Commissioner Dickson stated she wished to declare a potential conflict of interest on this matter. Commissioner Dickson stated she was Vice President of Colas Construction. She stated Colas Construction also had business discussions with Portland Arena Management, the company that operates the Rose Garden and Memorial Coliseum. Commissioner Dickson stated Colas Construction has no contract or agreement with regard to the Memorial Coliseum and said on advice from Counsel, since this action will not directly result in funding for any project in which Colas Construction will benefit, declares her interest and will participate in the matter.

Commissioner Dickson further stated if in the future this Board considers any matter that will result in direct funding for the Memorial Coliseum, she will consult with Counsel and will recuse herself from participating in such action, depending on the facts at that time.

Mr. Lew Bowers stated the Board would be looking at two amendments, with the 18th amendment being a technical one and the 19th amendment dealing with public building findings to allow Tax Increment Financing (TIF) to be spend on the Veterans Memorial Coliseum. Mr. Bowers stated the 19th amendment would be going before City Council in the June timeframe for final approval.

Mr. Bowers stated the Oregon Convention Center Urban Renewal Area (OCCURA) Plan was adopted by City Council in May 1989 and the boundary was amended in 1993, in response to the adoption of the Albina Community Plan to include NE Martin Luther King, Jr. Boulevard from Russell Street to Rosa Parks Way. He said the plans goals include maximizing regional job generation and targeting jobs to North and Northeast Portland residents.

Mr. Bowers stated the Mayor established a Rose Quarter Stakeholder Advisory Committee made up of 30 members from a broad cross-section of the community and 15 meetings were held where a variety of options for VMC, as well as design ideas for the overall Rose Quarter, were vetted.

Mr. Bowers explained the Rose Quarter Stakeholder Advisory Committee issued a statement supporting the preservation of the VMC as an inspiring, community-focused, multi-purpose facility with improved flexibility to accommodate a multiplicity of events for public and private purposes, at a variety of scales and uses including, without limitation: sports, entertainment, arts and culture in a manner that honors Veterans, respects the cultural heritage of the African American neighborhood that was previously in this location, integrates education, showcases innovation in sustainability, and demonstrates a triple bottom line of social, environmental and economic equity in a way that is consistent with its status as a National Register historic property.

Mr. Bowers stated on April 14, 2010, City Council adopted recommendations from the Rose Quarter Stakeholder Advisory Committee for the VMC. He said this formed the basis for discussion on future use of the facility.

Mr. Bowers explained state urban renewal law requires public building findings be included in the urban renewal plan which explain “how the building serves or benefits the urban renewal area.” He said the Nineteenth Amendment adds these findings to the Plan, allowing for funds to be expended on the VMC, while the Eighteenth Amendment clarifies the amendment process language of the OCCURA plan.

Chair Andrews, referencing an attachment to the Board Report, asked what the 20th amendment to the OCC was. Mr. Robert Alexander stated two additional amendments, the 20th Amendment to OCC and the Amended and Restated Interstate Corridor URA Plan, will be presented to the Board for consideration in June, in order to implement recommendations from the N/NE Community Advisory Committee, expanding the Interstate Corridor URA along Martin Luther King Jr. Blvd., Alberta St, Killingsworth St, Lombard St, and into the St. Johns Town Center.

Chair Andrews stated he has been very involved in this and the overall Rose Quarter topic. He said a lot of progress has been made since the decision to renovate Memorial Coliseum was made. He said he believes many are pleased with the decision and that this effort is moving forward.

Commissioner Dickson asked when this item would be going to City Council.

Mr. Lew Bowers said it will go to City Council June 22.

Chair Andrews stated he believes the Mayor and City Commissioners are supportive of this effort and does not envision experiencing any issues.

Commissioner Straus said he had taken a trip to Los Angeles to visit LA Live, a major sporting event center and what he learned was venues have to be scheduled to keep the area active. He said it is important for community events to keep taking place so the area can be energized and is a place people will want to come and enjoy.

Commissioner Wilhoite stated this effort has come a long way and at the end of the day, economic vitality is key and starts with this area, with the Memorial Coliseum getting it started.

Mr. Bowers said we do see this as a catalytic investment which will stimulate more growth for that entire area.

Chair Andrews called for a motion to adopt Resolution No. 6873, titled, “Approve the Eighteenth Amendment to the Oregon Convention Center Urban Renewal Plan” and Resolution No. 6874, “Approve the Nineteenth Amendment to the Oregon Convention Center Urban Renewal Plan.”

Commissioner Wilhoite moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Straus, Wilhoite

NAYS: None

X. FISCAL YEAR 2010-11 BUDGET AMENDMENT NO. 3

Ms. Julie Cody stated this action will formally amend the current fiscal year (FY) 2010-11 Adopted Budget for the third time this year by appropriating an additional \$350,000 in General Fund revenue that was appropriated by City Council in the last City of Portland budget amendment; makes specific adjustments to URA projects and programs based on project timing to recognize updated project and program timing and synchronizes to the FY 2011-12 Proposed Budget, and final appropriation adjustments were made to avert any appropriation over-expenditures that are forecast by year-end.

Ms. Cody introduced Mr. Tony Barnes and said he would highlight the specific changes.

Mr. Barnes stated in sum, the FY 2010-11 Budget Amendment No. 3 decreases the total PDC budget from \$274,157,706 in the FY 2010-11 Revised 2 Budget to \$269,304,285 including transfers, contingency and reserves. He said this excludes transfers and contingency total budgeted expenditures decreases from \$214,360,026 to \$188,837,038.

Mr. Barnes said the primary purpose of the FY 2010-11 Budget Amendment No. 3 is to establish budget appropriations for project and program expenditures that were not specifically known when recommending the FY 2010-11 Revised 2 Budget in December.

Mr. Barnes stated State Budget Law allows the governing body of a municipal government (referring to the PDC Board) to approve supplemental budgets after the beginning of the fiscal year in cases where updated resource and expenditure estimates are received and expenditure appropriations must be increased to accommodate the change. He said many of the changes included in FY 2010-11 Budget Amendment No. 3 do not require action by the Governing Body per ORS 294.480, however, the changes are included to represent a complete picture of the total budget amendment and all changes required to inform updates to the FY 2011-12 Proposed Budget.

Chair Andrews asked if the Enterprise Zone reserve had increased funds and said if so, this is good news.

Mr. Quinton responded by stating PDC experienced two significant payments from Enterprise Zone application fees which will flow into workforce training and business development, saying this was a nice, positive outcome. Mr. Quinton said the Enterprise Zone activity is directly tied to the economy.

Commissioner Dickson stated as a new Commissioner, she was new to the process and asked in terms of projects, what it does to the budget when it takes a project longer to occur than forecasted.

Mr. Barnes responded by saying in this instance, PDC will reforecast the budget to continue building interest on the funds.

Commissioner Dickson stated it is a challenging job and thanked the staff for their hard work and dedication.

Commissioner Wilhoite stated he appreciated the financial and accounting clarity.

Chair Andrews called for a motion to adopt Resolution No. 6875, titled, "FY 2010-11 Budget Amendment No. 3."

Commissioner Wilhoite moved and Commissioner Straus seconded the motion.

AYES: Andrews, Dickson, Straus, Wilhoite

NAYS: None

XI. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 5:18 p.m.

Respectfully submitted,

Approved by the Portland Development Commission June 8, 2011.



Recording Secretary