

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: February 11, 2009
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 09-16
Executive Director Report

BOARD ACTION REQUESTED

None – Information only

Administration Update/Management Issues

In January 2009 I took some vacation through the 16th and I would like to thank John Jackley for serving as Acting Executive Director while I was gone. John did a great job of managing the agency and dealing with the myriad issues while I was away.

I met with PDC union leaders Alan Stubbs, Art Hendricks and AFSCME representative James Hester regarding formation of the new Labor Management Committee (LMC) at PDC. It was a good discussion and the represented and non-represented staff serving on the LMC have my full support. The group is planning on holding their first meeting sometime in February. I will attend that first meeting to let the group know I consider them an important and integral problem-solving committee here at PDC. They will be empowered with the ability to suggest ways for the agency to operate more smoothly and will help iron out any wrinkles to the labor contract should they arise.

I would like to let the Board know that our Public Affairs staff worked closely with Mayor Sam Adams' office on two events in January. First, staff worked on messaging and logistics of the announcement of the Mayor's economic stimulus package on January 13 at City Hall. Second, staff helped with the Council's *Give Help, Get Help Choose Local* campaign launch on January 15 at the Oregon Food Bank. In both cases our public affairs staff helped with event staging, location, and event promotion. Both events garnered significant media attention due in part to the efforts of our staff. I anticipate a close relationship between our public affairs department and the Mayor's office under Sam Adams' leadership. The Mayor has made it clear how much he appreciates their knowledge, professionalism, and assistance.

Notable projects and meetings I was involved in recently are:

- Spoke by phone with Dean Marriott regarding the Healthy Rivers Initiative
- Spoke by phone with J. Isaac regarding the Central City and N/NE Study
- Attended S. Waterfront North District Partnership Director’s Briefing with PDOT
- Attended Small Business Alliance Board retreat
- Attended S. Waterfront North District Update meeting
- Attended Construction Apprenticeship and Workforce Solutions, Inc. annual review
- Met with staff regarding the Grant Warehouse status
- Attended Future of Urban Renewal Steering Committee meeting

Additional November meetings were held with all members of City Council and the PDC Board, Susan Anderson (Dir. of Planning and Sustainable Development), Ken Rust and Erin Flynn.

Attachment A to this report is the regular monthly update of combined journey and apprentice workforce diversity hours worked for PDC and City of Portland South Waterfront projects. The information presented is fiscal year-to-date.

Urban Development Dept.

Business & Industry Team

Financial Assistance Survey—Survey results: The staff of the Business Finance Team continue to demonstrate a thorough and helpful knowledge of the financial products offered. Clients report the staff have been “patient”, “wonderful”, and “very knowledgeable.” This knowledge translates to \$1,882,760 in financial assistance provided throughout the Portland community in this fiscal year (through January 12, 2009) to 19 businesses; with nine of them receiving more than one financial product for assistance. This money leveraged \$5,813,590 in private investment. According to the survey, 81 percent of the projects would not have moved forward without the financial assistance provided by PDC. Among the businesses closing loans with PDC in January were Featherlite, Queen Bee, Ulicious Smokehouse & Grill, and Ruby Receptionist.

Biotech Economic Analysis—An EcoNorthwest report on the bioscience industry, released January 22 and commissioned by the Oregon Bioscience Association, shows biotechnology, life sciences and medical research contribute billions of dollars in direct revenue to Oregon’s economy, and local biotech workers earn higher wages. The industry’s first comprehensive economic analysis shows the sector contributed nearly \$3.5 billion in direct revenue, more than 13,630 jobs and \$800 million in biotech workers’ personal income to the state economy in 2007. This is three times greater than the economic impact of the local wine industry, two times greater the number of jobs of the agriculture and forestry support industry, and a top 25 percent ranking in industry-based, average wages, in 2007. Bioscience/technology is a focus cluster for PDC’s Business and Industry team; the new report will be an important tool to inform our work to heighten Portland’s international visibility as a competitive destination for bioscience firms.

Outdoor Retailer Event—PDC staff attendance at Outdoor Retailer January 22-25 garnered several promising leads for business recruitment, as well as connections to jump-start PDC’s assistance to local small activewear firms needing to comply with the Consumer Product Safety Improvement Act (CPSIA), scheduled to go into effect February 10, 2009. The CPSIA requires certified lead testing, with third-party testing requirements scheduled to go into effect in August. Local businesses are concerned about the current lack of certified lead testing facilities in the Northwest. The Outdoor Retailer event also provides opportunities to connect with existing Oregon companies and new firms launching at the show. At a major industry meeting with activewear companies from across the country, PDC was recognized for its catalytic support of the Outdoor Product Environmental Leadership Standard project, which encompasses the development of a family of environmental leadership standards for outdoor products, and the organization structure for their operation through an open, balanced, multi-stakeholder consensus process.

Urban Development Dept.
Neighborhood Team

Storefront survey Results—PDC’s Storefront Improvement Program received 22 survey responses in the first half of the '08-09 fiscal year. All (100 percent) of the respondents indicated the program met their expectations and they would use the program again. In addition, all respondents responded with excellent or very good ratings for both service and staff knowledge. Progress on notable Storefront grant recipients in January include the opening of two new restaurants: Ping at NW 4th and Couch, and the Davis Street Tavern at NW 5th and Davis. Rhythm Traders is nearing completion in the Oregon Convention Center URA. The owner used a combination of PDC assistance programs, including the Storefront grant, to improve a building he purchased on Martin Luther King Jr. Blvd. and will relocate his business there. The store has one of the largest drum selections in the Northwest, features an on-site repair facility, a studio for drum classes, and offices for wholesale and mail order sales.

City Council Approves 92H Zone Change—Lents Town Center URA—On January 14, the Portland City Council unanimously approved an application for a zone change and comprehensive plan map amendment to the PDC-owned property at SE 92nd Avenue and Harold Street (92H) in the Lents Town Center Urban Renewal Area. This four-acre site has historically been home to the Wattles Boys and Girls Club, and the Lents Little League, which is moving to new facilities in Lents Park. It is located just north of the historic Lents Town Center and adjacent to the future SE Foster Road/Lents Town Center MAX Station.

Previously zoned R2a (Low Density Multifamily Residential), these four parcels will be re-zoned to EXd (Central Design Employment with Design Overlay). Unlike the prior zoning classification, EXd will allow for higher-density, mixed-use development and is seen as very favorable by the development community. Redevelopment of the 92H site is a crucial piece in the revitalization of the Lents Town Center.

A Request for Qualifications (RFQ) will likely be released in early February, seeking development teams with the capability, experience, and commitment to making 92H a successful project. Submittals will likely be due at the end of March and a development team will be selected from a competitive pool by May.

Staff Presents at East Portland Chamber of Commerce—Gateway Regional Center URA—On January 21, PDC staff members Dana DeKlyen and Justin Douglas successfully presented, “Business Assistance in East Portland” to the East Portland Chamber of Commerce. The presentation focused on programs geared toward small businesses, including PDC’s Storefront Improvement Program grant, Development Opportunity Services grant, Commercial Property Redevelopment loan, and other business finance programs.

Chamber of Commerce members were interested in what PDC can do within the next 60 days to prioritize business assistance in East Portland; how East Portland might benefit from the economic stimulus packages under the new mayoral and presidential administrations; the kind of information required for loan applications; and how PDC determines the interest rate on the loan programs. Staff encouraged attendees to contact PDC with any and all questions.

Lents volunteer Ed Kerns Receives Award For Music And Art From Etown—Lents Town Center URA—Ed Kerns, founder of the Lents Springwater Habitat Restoration Project, received the E-chievement Award from Etown, a weekly music program that features top musical artists and provides a platform to discuss environmental and community issues, as well as highlight achievements of people making a difference in their community. Since the project’s inception in 1995, Ed has coordinated more than 95 plantings with 40,000 plus native trees and shrubs planted with volunteer assistance from more than 4,000 kids and 2,000 adults along the Springwater Trail in the Lents neighborhood. PDC has worked closely with Ed and provided funds for the project since 2001. We recently awarded a new \$60,000 four-year grant to assist with the clean-up of a seven block section between SE 97th Street and SE 103rd Street.

The Etown E-chievment Awards Program, which featured recording artist Sarah McLachlan, aired on January 24 on Oregon Public Broadcasting and can be heard on-line at <http://www.etown.org/awards.past.php>. To learn more about the habitat restoration project and volunteer opportunities, check out <http://www.lentsspringwaterproject.org>

Urban Development Dept.

Central City Team

NE Martin Luther King, Jr. Gateway and Heritage Markers Project—Oregon Convention Center URA—On January 5, the King Gateway project received a \$100,000 grant from the Bureau of Environmental Services (BES) *One Percent for Green* program, which was adopted by the Portland City Council in April 2007 to help fund targeted construction projects within the city's right-of-way.

The project's Concept Master Plan calls for two vegetative landforms bordering NE Grand Avenue at NE Schuyler, creating a gateway into the North/Northeast neighborhoods. The eastern landform would be bermed and planted with either native grasses or other native plant material. The smaller landform on the western side of NE Grand Avenue would form a stormwater cluster of native plant material including grasses, rushes, sedges and trees, similar to other BES facilities in the city, capturing stormwater run-off from NE Grand Avenue. Signage would inform pedestrians of the facility and how it functions.

This intersection is highly visible with more than 25,000 vehicles passing by each day, creating an ideal location for a prominent stormwater facility and to educate the public on stormwater management. PDC continues to work with the community on the design of the gateway and collection of stories and images for the heritage markers which will be installed along NE Martin Luther King, Jr. Blvd.

Housing Update

Housing Development Finance Section

Upshur Apartments—PDC owns simple fee interest in the land beneath the Upshur House Apartments, located at 2650 NW Upshur Street. In December 1979, PDC approved Resolution No. 2799 authorizing the Commission to enter a 60-year land lease with Walsh Development with the stipulation that Walsh develop affordable housing on the site. Upshur House, LTD and PDC entered in to the lease in February 1980 and there are approximately 31 years left on the term.

Upshur House Apartments is an expiring Section 8 project and Northwest Housing Alternatives (NHA) has entered in to a Memo of Understanding to purchase the improvements in order to preserve affordable housing in an underserved area of Northwest Portland. The project is planned to be rehabilitated in 2010 using Low Income Housing Tax Credits equity, and NHA will pursue an extension of the Section 8 contract at that time.

Request for Proposals—The RFP process focused squarely on the City of Portland's *Ten Year Plan to End Homelessness* policy target. On January 13, 2009 the RFP Executive Funding Committee consisting of Will White of the Bureau of Housing and Community Development, Komi Kalevor of PDC, Mary Li of Multnomah County, and Katie Such with the Housing Authority of Portland awarded funding to six housing projects. A total of \$5.4 million in available funds and 16 Project-based Section 8 (PBS8) vouchers have been reserved for the following projects:

- Villa de Suenos: 6706 NE Killingsworth Avenue, awarded four PBS8 vouchers
- Sacred Heart Villa: 3911 SE Milwaukie Avenue, awarded \$3,465,000 in capital funding and 12 PBS8 vouchers
- CSI: 55 NE 148th Avenue, awarded \$215,000 in capital funding
- Rose Wood: 4810 NE Sandy Blvd., awarded \$937,000 in capital funding
- Kehillah Housing: 6125 SW Boundary St, awarded \$275,000 in capital funding
- Rockwood Building: NE 181st St, awarded \$511,333 in capital funding

Asset Management

Web Portal—Housing's Asset Management section successfully rolled out the new PDC web portal. Asset Management will also be working with PDC's Information Technology department on Phase II and expansion of this tool to ensure an even more efficient and streamlined reporting process for our borrowers and property managers. Asset Management will be utilizing this reporting system for the collecting of regulatory compliance reports and financial reporting data for the City's/PDC affordable housing projects. Currently Asset Management is collecting and evaluating data on 294 projects which represents approximately 10,000 housing units of which 8,754 are regulated affordable housing at or below 80 percent of area median family income. PDC total loan portfolio is approximately \$348,999,513 (exclusive of grants) and Housing's portion represents \$208,337,350 of that number.

Housing Policy Planning and Development

Cambrian Park Acquisition/Rehab—In December, PDC closed on an approximately \$1.3 million dollar loan to ROSE Community Development Corp. for the acquisition and rehabilitation of the Cambrian Park Apartments in the Lents URA. This property, located near SE 76th and Steele, was identified as a target property for revitalization. The mix of 50 percent and 30 percent median family income units helps preserve affordability in an area that is showing signs of gentrification, and helps meet the TIF Set Aside and URA Plan goals. It is the first rental housing project funded in the URA in nine years, and only the second project in the life of the district.

Pardee Commons—PDC acquired the Pardee Commons site located at SE Pardee St. and SE 122nd Ave. in 2004 for the purpose of developing family-oriented affordable homeownership units. In 2008 the developer, Cityhouse Builders, began construction on ten homes on the 17,000 square foot site. Cityhouse in conjunction with the Portland Community Land Trust (PCLT), will market the units to be affordable for families making 70 percent or less of area median family income. Cityhouse expects to be substantially completed with construction in spring 2009. PCLT will hold and enforce an agreement that will ensure that all homes will remain affordable in perpetuity.

Neighborhood Housing Program

Housing Co-Director Appointment—With the announcement of the formation of the new Housing Bureau under Commissioner Fish, some personnel changes are taking place in NHP. Shelly Haack and Komi Kalevor will serve as the Co-Directors of Housing, with Shelly focusing on operational matters and Komi focusing on production. Javier Mena has moved into the NHP Manager role on an interim basis.

HAP Homes Acquisition—As part of the Housing Authority of Portland (HAP) home acquisition, staff reappraised the remaining 11 properties which are located in the Lents URA. Due to market changes, staff is renegotiating its acquisition price with HAP and could potentially acquire six more of these properties in the future.

Communications and Business Equity

Business Equity Section

Business and Workforce Equity –The amendment to the Business and Workforce Equity Policy, the amendment to the Construction Wage policy and the 2007/08 Diversity in Contracting Report documents were presented at the January 29^h Board meeting. The Workforce Diversity Oversight Committee will begin quarterly meetings beginning in February or March 2009.

The Responses to the Disparity Study RFP have been reviewed, three interviews have been held, a firm has been selected and a notice of intent to award will be going out shortly.

PDC Sponsored Events:

Communications and Business Equity staff attended the following Community gatherings:

- January 9 OAME Contractors Meeting
- January 9 OAME First Friday Professional Meeting
- January 12 African American Chamber Meeting
- January 21 Philippine Chamber Meeting
- January 28 Native American Chamber Meeting
- January 29 Government Leaders Roundtable
- January 30 OAME Coffee and Issues

Purchasing and Contracting—Two Prevailing Wage training sessions covering BOLI, Davis Bacon, and PDC Construction Wage requirements were presented by the Construction Procurement Team. Approximately 25 PDC project management staff members attended.

Public Participation Section

- Public Participation Staff completed the International Association for Public Participation's certification program for public participation professionals.
- Staff developed public participation plans for the N/NE Economic Development Initiative, One Waterfront Pedestrian Bridge, Martin Luther King Jr. Blvd. Gateway and Heritage Markers Project Phase II, and spring and summer outreach efforts in the Lents Town Center Urban Renewal Area.
- Public Participation staff attended seven URAC meetings and facilitated discussions about the 2009-10 budget.
- Staff identified which members of each URAC have terms that will expire in June of 2009. Staff prepared a process for re-nomination of current members for a second and final term or nomination of new members and notified the affected members and appointing organizations.
- Public Participation staff met with staff from procurement services to plan an open house (February 5) for the Cultural Liaison and Developer-Contractor MWESB Support Services flexible service contractors. The open house will give PDC staff the opportunity to meet the contractors and learn about opportunities to utilize their services.
- Staff prepared materials for the PDC booth at the Chinese New Year Celebration at the Oregon Convention Center and recruited PDC-wide staff to participate in the event.
- Public Participation staff prepared Commission documents to add four new members to the Interstate Corridor Urban Renewal Advisory Committee, and one new member each to the Central Eastside, North Macadam and Lents Town Center Urban Renewal Advisory Committees.
- Staff prepared press packets of 114 articles for the January 14, 2009 Commission meeting and 48 articles for the February 11, 2009 Commission meeting.
- Staff worked with ROSE Community Development Corp. staff to evaluate the annual Lents Community Resource Fair event and determine its future. After careful consideration, staff decided to discontinue the event due to diminishing attendance and interest, and increased cost. Staff decided to strengthen PDC's outreach and community presence and other events in east Portland instead of organizing the resource fair.

- Public Participation staff participated in the planning and design of the presentation of the Foster-Woodstock Couplet Study undertaken by a variety of consultants. This presentation was made by the consultants to the Lents Town Center URAC on January 13, 2009.

Public Affairs Section

January Web Statistics

Dec. 26, 2008– Jan. 25, 2009:

Unique visitors: 17,689 (*up 20% from last month*)

Total visits: 24,042

New visitors: 61%

Returning visitors: 39%

Average number of pages viewed: 3

Most popular pages:

- Main page
- PDC jobs
- RFPs
- Housing services: Homebuyers
- Contracting opportunities with PDC
- RFP # 08-23 – Sustainability Center
This RFP brought a lot of new traffic to our site this month.

Video Production in December

- The Sustainability Report video promotes a year-long study made by PDC's Cindy Bethell and drives people to the website created for the report. The video features a host of sustainable industries PDC has helped and a testimonial from Nathaniel Hartley, an African American lathe and plaster carpenter who credits PDC's M/W/ESB program and green building requirements for his business's success.
- Latino Housing Initiative (LHI), is the next video in a series of nine for the Operation HOME project, whose goal is to close the minority homeownership gap in Portland by June 2015. This video is subtitled in Spanish and features Dory Van Bockle who's not only a PDC Housing employee, but also one of LHI's founding board members.
- With PDC's assistance, the Dawson Park gazebo was carefully removed and rebuilt in summer 2008. This video shows the partnerships, planning and work that went into preserving a piece of NE Portland History. Harold Williams Sr., a 50-year resident of the neighborhood, shares his thoughts about the project and thanks PDC for helping to save this cultural landmark.

- PDC Spotlight is the name of the new 30-minute television show we're producing in partnership with the North/Northeast Media Training Center. The goal of the show is to share information about PDC projects, programs and partners. We'll be sharing the stories of PDC staff, community leaders and business owners. The program will be shot on location at local businesses and places around the city where PDC's been involved in its transformation. The first show is set to air mid-February.
- PDX Lounge is a new video that is underway and is a collaborative effort between PDC and the Office of Sustainable Development. This video explains the PDX Lounge concept which is to create a destination for sustainable industry leaders to network and discuss the importance of working toward a more economically and ecologically sustainable future for all Portland businesses.
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Other Public Affairs Work in December

- Brown bag speaker series featured five speakers in January
- Ninety-day internal blog trial continues
- Wrapped up consultant efforts surrounding the 50th Anniversary campaign. Final report will be received soon.
- Worked with communications staff from other city bureaus on messaging and logistics of City Council economic stimulus package. Press event was held Tuesday, January 13 at City Hall. Four TV, three radio and at least six print media outlets attended the event.
- Worked with communications staff from other city bureaus on messaging and logistics of City Council *Give Help, Get Help, Choose Local* campaign. Event was held Thursday, January 15 at Oregon Food Bank. Two TV, one radio and four print media outlets attended the event.
- Will continue to meet with communications staff from other bureaus to identify ways to sustain the Give/Get/Choose campaign
- Responded to 21 media inquiries
- Working with Public Involvement and Contracting on RFP for media training consultant
- Continuing work with PDC internal Transition Team
- Working with Housing Department liaison to Transition Team (Shelly Haack) on identifying tools and techniques to communicate with staff
- Distributed four issues of PDC People – internal newsletter
- Assisted visiting professor Tomio Yoshikawa from University of Hiroshima with a better understanding of PDC, urban renewal, and tax increment financing. Dr. Yoshikawa and his associate Mr. Saito met with Bob Alexander
- Assisted with preparation for January 28 all-staff meeting and prepared remarks for Bruce in honoring four employees with Years of Service awards
- Helped Human Resources promote the January 30 blood drive

ATTACHMENTS:

A. South Waterfront Workforce Diversity Report

CC: B. Warner, Executive Director
J. Rawls, Internal Affairs
D. Elott, Acting General Counsel
J. Cody, CFO, Director, Central Services
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