

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: January 26, 2011
TO: Board of Commissioners
FROM: Bruce A. Warner, Acting Executive Director
SUBJECT: Report Number 11-01
Executive Director Report

BOARD ACTION REQUESTED

None – Information only

Administration Update/Management Issues

December saw a number of important events taking place including the groundbreaking for the FBI's new headquarters near Cascade Station in the Airport Way URA. PDC played an instrumental role in getting the project to this stage. More information about the project and the jobs expected can be found in the Business and Industry report below. My thanks to John Mohlis for helping represent PDC at the event.

Following on the success of the Athletic and Outdoor industry event in November, a software summit was held in December at City Hall and drew approximately 200 attendees connected to the software field. More information about this event can also be found in the Business and Industry report below. Staff worked very hard on putting together the myriad details surrounding the software summit as well as the complicated details of the FBI transaction - and their hard work is paying off.

Staff was involved in several projects during the holidays to help others less fortunate. A bake sale was organized with all proceeds going toward purchasing personal care items (shampoo, toothpaste, etc.) for men and women who will be using the Resource Access Center. Our annual staff-financed holiday breakfast also turned a profit with proceeds going to the Oregon Food Bank and canned food donations going to the Portland Police Sunshine Division. (Many thanks to John Mohlis for attending the breakfast to help dish out the food to staff.) We also have staff members working in the Lents community who dug into their own pockets to help finance Light Up Lents – a community-wide effort to decorate empty storefronts in Lents to show their development potential. My thanks to the staff for all the ways they try to connect with the populations and communities PDC serves.

This will be my final report to you as executive director of PDC. On December 6 I announced my retirement to the staff – with some of you in attendance. As you know, I have agreed to stay as “acting” executive director until April 1, 2011 to allow time for selection of a new executive director and to help provide leadership through the budget process. As I said to the staff, this has been one of the most rewarding jobs of my professional career. Since joining PDC in 2005,

we have, together, accomplished much. In both good and more challenging economic times, we have moved projects and programs forward to help create jobs and improve the lives of Portlanders. I could not have done this on my own and so I would like to express my appreciation to all the board members - past and present - who gave me their wise and knowledgeable counsel and who helped move PDC's important work forward. I save my final thanks for the staff of the Portland Development Commission who are both talented and dedicated and with whom it has been my privilege to work these past five years. I look forward to my retirement, but I will continue to follow your progress and feel a great sense of pride at having worked with each of you.

Notable projects and meetings I was involved in recently are:

- Attended monthly Bureau Directors lunch
- Attended 100th Anniversary of the Selling Building owned by Schlesinger Family
- Attended FBI headquarters groundbreaking (see Business & Industry Team update below)
- Attended Foster Corridor Directors Meeting at Bureau of Environmental Services
- Attended software industry summit (see B&I team updates below)
- Attended Portland Business Alliance board meeting
- Attended meeting of Mayor's economic cabinet
- Attended meeting at City Hall with Portland Housing Bureau regarding budget process
- Was interviewed by the Daily Journal of Commerce
- Additional meetings were held with all members of City Council and the PDC Board; Tom Hughes (Metro), Ray Leary and Jeff Sackett (Vanport project), Bob McKean (Albina Community Bank), and Tom Walsh.

Urban Development Dept.
Business & Industry Team

FBI Breaks Ground on New Headquarters—Mayor Sam Adams joined representatives of PDC, The Molasky Group, the U.S. General Services Administration (GSA) and the Federal Bureau of Investigation (FBI) to celebrate the December 1 groundbreaking for construction of the FBI's Portland headquarters at Cascade Station, near Portland International Airport. PDC's sale of the eight-acre parcel on Northeast Cascades Parkway to The Molasky Group, a Las Vegas developer that specializes in building facilities for lease to the government, cleared the way for the project to proceed. Given the challenges in today's real estate environment, it took innovative financing and a lot of patience and creativity to make the project happen. The \$60 million project, scheduled for completion in March 2012, will generate more than 600 direct construction jobs, and between 300-500 additional jobs through the related supply chain. In addition to the building investment, which will generate property taxes estimated to grow from approximately \$500,000 annually in 2012 to more than \$900,000 in 2030, sales proceeds from

the transaction will create revenue for the Airport Way Urban Renewal Area (URA) to support ongoing economic development programs in the URA, including small business loans for business expansions, remodeling and new construction. The Molasky Group will construct and own the four-story, 121,000 sq. ft. building, which will consolidate several local FBI offices and is designed to meet LEED Silver certification. The contractor is Skanska USA Building of Beaverton.

Software Community Spurs Action at December Event—Mayor Sam Adams and PDC staff joined more than 200 software business leaders and representatives of related nonprofit organizations and educational institutions gathered at City Hall on December 2 to unveil an industry-driven action plan that builds on Portland’s existing competitive strengths to grow regional software employment. The December 2 event featured remarks by Mayor Adams, Thompson Morrison of Fuse Insight and Gerald Baugh, software industry manager for PDC, followed by a question/answer session. The action plan emphasizes the building of a formal network for connecting mentors and mentees, establishing more direct channels to access financing, and technology development through the support of user groups. Input for the plan was based on the findings of a three-part software survey conducted over the past eight months.

The software community has been involved from the very start in helping to define a strategy for industry growth. The mayor’s office and PDC partnered with the Software Association of Oregon, high-tech PR and ad firm McClenahan Bruer, survey specialist Fuse Insight, and network service provider ViaWest on the software survey and action plan development. The metro-area software industry consists of more than 1,500 companies, with more than half of those based within the city of Portland. The city’s five-year economic development strategy identified software as an emerging and growing cluster of business in Portland, based on three factors: 1) a higher than average location of software companies as compared to the national average; 2) a higher annual wage of \$84,857 for software as compared to \$44,244 for all other Portland industry sectors; and 3) a fit with the available workforce and the start-up culture of Portland. More information on the industry action plan is available at www.softwarepdx.com

Clean Tech Symposium—PDC joined [Pivotal Leaders](#) along with Hillsboro Mayor Jerry Willey, Portland Mayor Sam Adams, Business Oregon and the City of Hillsboro to celebrate the Portland region’s Clean Tech industry at SolarWorld’s Hillsboro facility on December 10. The event included tours of the SolarWorld plant, followed by both mayors speaking on the regional economy. Bob Beisner, managing director of SolarWorld USA, discussed the regional integration of locally manufactured products. Keynote speaker Ron Pernick, managing director of Clean Edge, then presented findings from the first annual U.S. Clean Energy Leadership Index. The Index ranks all 50 states on their clean energy technology deployment, policy initiatives, and capital activities. Pernick discussed the global trends shaping clean tech markets and provided an overview of the new index and the rankings of the leading states. Oregon is positioned in the top tier of the index, and faces both opportunities and challenges in an increasingly competitive clean tech landscape.

Film and Video Annual Meeting—The annual Oregon Film Meeting was held December 17 at Lincoln Hall at Portland State University. The meeting and awards presentation drew a great crowd from the Portland film industry and from the Ashland, Eugene and Bend film offices, whose personnel joined via teleconference. Governor Kulongoski presented awards to industry leaders; and in turn, director Gus Van Sant, State Film Office head Vince Porter and Leverage producer Kearie Peak gave special thanks to Governor Kulongoski for his support of the film industry during his time in office. Following the meeting, the Oregon Media Production

Association, Shelley Midthun (mayor's film and video liaison at PDC) and the mayor's office co-hosted a Bollywood-themed holiday party at City Hall. The turnout was tremendous and everyone enjoyed a very festive evening.

PDC Sponsors National Small Wind Show—The National Small and Community Wind Show hosted by the American Wind Energy Association was held in Portland at the Oregon Convention Center December 7-9. PDC led the Pacific NW Wind Team to showcase the State of Oregon and Portland metro region at the conference. Partners on the team included Business Oregon, City of Gresham, Oregon Small Wind Energy Association, Renewable NW, Energy Trust of Oregon, PGE, Pacific Northwest Defense Council, Pacificorp, PDC, and Oregon Manufacturing Extension Partnership. The NW team volunteered at a booth to provide attendees with information on all of the regional resources available to assist them in establishing and growing a wind business here. The conference drew more than 1,000 attendees and in the exhibition hall more than 100 companies showcased their latest designs in wind turbines. Mayor Adams opened the General Session of the conference and encouraged companies to stop by the NW booth to learn about getting help to set up offices in the Portland region – which generated several leads for the team. Nearly a dozen meetings were pre-arranged with companies that are growing and looking for future locations and markets.

Urban Development Dept.

Neighborhood Team

92nd and Harold Mixed-Use Transit-Oriented Development Project (92H)—On December 7, PDC hosted the second joint Citizens Advisory Committee/Technical Advisory Committee meeting for the 92nd and Harold Mixed-Use Transit-Oriented Development Project (92H). At this meeting, which was attended by approximately 25 stakeholders, the development team led by Turtle Island Development, LLC presented four draft master planning schemes for 92H and the adjacent PDC-owned property known as the Bakery Blocks (which includes PDC-assisted Ararat Bakery). Each of the draft schemes provides for a mix of residential and commercial space, ranging from approximately 125 – 300 dwelling units and from 3,000 to 10,000 commercial square feet. Next steps are for the development team to review draft schemes, develop cost estimates for each scheme and for the team and PDC to co-host a public event in spring 2011 for the Lents community to weigh in on master planning options. One of the development team partners, Pacific Retirement Services, will likely be applying for funding from the Portland Housing Bureau for a 92H first phase affordable senior housing, mixed-use project on the northwest corner of the site (with a ground floor Loaves and Fishes café open to the public.)

Light Up Lents—The Lents Town Center Business Development Committee flipped the switch on “Light Up Lents” on Saturday, December 18 at Crossroads Plaza, on the northwest corner of 92nd Avenue and Foster Road. The community project was the idea of the Lents Town Center Business Development Committee, a PDC-sponsored group participating in the economic revival of the Lents Town Center. The committee wanted to draw positive attention to the town center, show development potential of the empty storefronts, and provide some holiday cheer. With the help of local artists, volunteers and children from Lents Elementary School, the group transformed three vacant storefronts in the town center into a celebration of light, art and the holiday season. The group raised more than \$800 in private donations (including personal donations from PDC staff) to decorate two privately-owned storefronts and used a \$500

contribution from PDC to decorate the storefront of a PDC-owned building. Light Up Lents will continue until January 15.

SE Works Job Center Opening—PDC staff attended a ribbon cutting on November 29 to dedicate new space for the SE Works Job Center, which was awarded the first Community Livability Grant (\$71K) in the Lents Town Center URA. The grant matched tenant improvement contributions from the landlord. The Economic Opportunity Initiative program also partners with SE Works on three different projects under their workforce development focus. The Job Center now occupies 8,200 sq. ft. of space – about 50 percent larger than the old location – with more than half of that dedicated to SE Works’ customers. The organization has helped more than 2,000 job-seeking clients since it moved into the new space in late October.

Classic Foods Expansion Complete—Classic Foods, a premier supplier of specialty foods to restaurants, hotels and institutions, has moved into its new location at 817 NE Madrona Street. The company, founded in 1984 with an initial investment of only \$1,006 has experienced considerable growth recently which led to the need for expansion and relocation. Founder and owner Jake Greenberg identified a blighted building located in the Dekum Triangle and requested PDC financial assistance for acquisition of the new 48,000 sq. ft. commercial building and equipment purchase. The new location is large enough to add a retail outlet store, complete with exhibition kitchen for promotional and educational purposes, which will be a major amenity for the up and coming Woodlawn neighborhood.

Urban Development Dept.

Central City Team

Storefront Grant Boosts Swimwear Shop - Popina Swimwear, which features locally-designed and manufactured retro-style swimwear, celebrated the holiday season with the installation of a sign announcing its Pearl District location, paid for with help from PDC’s Storefront Improvement Program. Security Signs installed the aqua-colored sign at Popina, 318 N.W. 11th St., in mid-December. A grant from PDC covered 75 percent of the \$12,000 project. Co-owners Will and Pamela Levenson, who opened Popina in the Alberta district in 2006, said they could not have purchased the sign without PDC assistance. The couple expanded to the 1,800 sq. ft. Pearl District location two months ago and now maintains two retail swimwear boutiques in Portland and sells wholesale to 40 accounts in thirteen states.

Urban Development Dept.

Cross Functional

OSC Schematic Design Kicks Off in December—Oregon Sustainability Center (OSC) project team, led by Gerding Edlen and including SERA Architects, GBD Architects and Skanska Construction, launched the schematic design phase for the building on December 6. The team held a week-long series of events to address three critical factors for the project design: tenant engagement, technical partnerships, and research and commercialization opportunities. The pre-committed tenants include Portland State University, Oregon State University, the Portland Bureau of Planning and Sustainability, and the Oregon Living Building Initiative, and a group of leading environmental organizations and firms led by the Oregon Environmental Council and Earth Advantage. Clean tech cluster companies explored the product and commercialization

opportunities that the Center will foster in such areas as solar power, energy management, water systems and green building materials. These opportunities encompass both technical capabilities that will contribute to the Center's performance, and the dovetailing of the Oregon University System's research agenda with private company interests.

PDC and the design team invited a broad range of technology companies to contribute to the schematic design process. Participation from local, regional and global companies has included Intel, Cisco, General Electric, Hewlett Packard, Sanyo, IBM, CertainTeed and others. To expand the partnership with the research community, the week culminated with a discussion between the project partners, representatives from U.S. Department of Energy (DOE) and researchers from the Lawrence Berkeley National Laboratory. The meeting focused on the schematic design process as well as the Oregon university system research agenda, and was convened by Oregon BEST.

The DOE announced in early December that the OSC will receive federally-funded technical assistance as part of the federal Commercial Building Initiative to connect building owners and operators with national labs. Lawrence Berkeley National Laboratory will coordinate the technical consulting services on architectural design, energy modeling and energy measurement to get the Center to net-zero. Schematic design of the Center, jointly funded by the PDC and OUS, will be complete in March 2011.

Communications and Business Equity

Professional Services Section

Contract Compliance

Disparity Study—Significant data has now been collected regarding the availability of minority-owned and women-owned construction and construction-related personal services firms within the Portland area. Marketplace conditions for these firms have been examined and a summary of anecdotal interviews has been provided. The full Disparity Study Report is anticipated to be completed in early 2011.

Functions Attended by Staff:

- Irvington Covenant CDC Advisory Team Meeting
- OAME AEPT meeting (architects, engineers, professional and technical)
- OAME Contractors Committee meeting
- OAME Business Afterhours
- First Friday Professionals Meeting at OAME
- Minority Business Opportunity Committee meeting
- Philippine American Chamber of Commerce monthly networking
- M/W/ESB legal summit hosted by HAP

Procurement

Personal Services, Materials and Other Services:

Responses were received and are being evaluated for:

- RFP #10-07, Loan and Grant Management Software

Contracts were executed with:

- National Development Council, Technical Assistance
- Income Property Management, Fairfield Hotel Property
- Shiels Oblatz Johnsen, BESC Relocation study

Amendments were executed for:

- Star Park (Block 49 Parking)
- ECONorthwest (Cost Benefit Study)
- OakTree Digital (Design Exchange Website)
- 2.ink Studio (MLK Gateway Project)
- ECO Northwest (Central City URA)
- OakTree Digital (Portland Business Portal Website)
- Ball Janik (Legal Services)

Flexible Services:

Responses were received and are being evaluated for:

- RFQ #10-11, IT Professional Temporary Services

Notices of Intent to Award were issued for the following:

- RFQ #10-05, Outreach Services, Meeting Facilitation Services and/or Event Planning Services (5 Contracts)
- RFQ #10-08, Relocation Services (2 Contracts)

Amendments were executed for:

- 207086 Amendment #2, Day CPM Services

Construction Services:

Bids were received and are being evaluated for:

- Gateway Center Temporary Parking Lot – Eleven bids were received, six of which were certified M/W/ESBs.

Contracts were executed with:

- Nelson Property, Commercial Building Inspection

Prevailing Wage—The Prevailing Wage Team is currently monitoring nine BOLI projects, six Davis-Bacon projects and three PDC Construction Wage projects. The Crisis and Assessment Treatment Center, formerly Hooper Detox Center, with construction of \$3.4 million, is a new project that will trigger BOLI wage requirements.

Lawson Financial System—Professional Services staff continues to assist with the Financial System Consolidation Design project, the TRIM project and testing for implementation of a Lawson Major Service Pack. The Major Services Pack is a combination of patches released by Lawson to fix various small design issues.

Public Participation

URAC Support—Public participation staff scheduled and provided notification of meetings, prepared agendas and materials and facilitated URAC meetings for the River District (meeting cancelled) and Central Eastside.

Additional URAC Support:

- Scheduled budget meetings for URAC members to discuss the 2011-12 budget
- Connected U of O graduate student with appropriate UDD staff for information on the Centennial Mills project
- Prepared a draft letter to Portland Public Schools from the URAC regarding a request for URAC representation on the Washington-Monroe Request for Information Committee.
- Scheduled a December meeting of the Vanport Public Advisory Committee. Determined the location, sent meeting notices, prepared calendar notices, prepared meeting materials and ordered refreshments.
- Organized the final meeting of the Gateway Park and Redevelopment Citizen Advisory Committee. Prepared final recommendations and next steps.
- Organized the final meeting of the Lents Park Master Plan. Prepared final recommendations and next steps.
- Prepared the logistics for the future Lents Town Center URAC meetings. The URAC will continue to meet in 2011 at Lent School.
- Prepared the materials and logistics for the second Lents Town Center URAC Budget Subcommittee meeting.
- Conducted a new URAC member orientation session with Seth Richardson.
- Planned the public participation component roll-out of the Lents Residential Street Improvement Project.
- Planned the public participation component and decision-making structure of the Foster-Lents Integration Partnership (FLIP) Project. Recommended the creation of a formal agreement that outlines roles, responsibilities, and decision-making mechanisms for the FLIP project.
- Assisted local volunteers from the Light-Up Lents project in decorating the empty storefront in the Architectural Ironworks Building in the Lents Town Center.
- Attended the FLIP project team meeting on December 21 and recommended that the project hire a consultant to help create a formal agreement. Will provide assistance to the team regarding the search for a consultant to undertake this task.
- Assisted with the editing of the audio files of the November 9 Lents Town Center URAC meeting.
- Prepared the logistics and agenda for the final meeting of the North Macadam URA Interim Housing Committee (IHC). Determined a permanent location for the North Macadam URAC meetings which will be held in the conference room in OHSU's Center for Health and Healing.
- Edited the IHC Recommendations Memorandum to be submitted to Portland Housing Bureau leadership, PDC leadership, and the North Macadam URAC members.
- Scheduled the Gateway PAC budget meeting, arranged logistics, finalized the agenda, and prepared meeting materials and arranged for a representative from Portland Housing Bureau to attend the meeting. Shared photos with consultants for use in their final report and presentation.
- Prepared an article on membership recruitment for the Gateway PAC briefing paper.

- Arranged for the final meeting of the Gateway Business Development Strategy Citizen Advisory Committee including logistics, notification and meeting materials.
- Reserved location for the 2011 River District URAC meetings here at PDC, and posted dates to IRA calendar (PDC Intranet) for public notice.

Public Participation

- Prepared three public meeting listings for The Oregonian.
- Continued working on the Public Involvement Advisory Commission sponsored by city's Office of Neighborhood Involvement.
- Continued working on a public participation strategic plan.
- Selected finalists from the RFP for Public Participation, Meeting Facilitation and Event Planning.
- Met with URA managers to gather input on possible revisions to the URAC Policy.
- Prepared for and hosted the United Way Diversity and Civic Engagement Workgroup meeting at PDC, on December 10.
- Organized the meetings between the Portland Business Alliance representatives and PDC Central City Fund Managers to discuss the Central City URA's budgets. The two meetings will take place in early January 2011.

Public Affairs Section

Web Stats

November 22 – December 22, 2010

PDC.us

Unique visitors: 12,783

Total visits: 17,257

New visitors: 60 percent

Average number of pages viewed: 3

Most popular pages: Main page, Jobs, RFPs, Contact, Doing Business with PDC

Twitter

Followers: 2,033 (80 new followers)

Tweets: 43 updates to followers this month

Facebook

- PDC's page:
 - Fans: 467 (17 new fans)
 - Events: 1 upcoming event listed
- N/NE Economic Development Initiative's page:
 - Fans: 327 (2 new fans)
- Portland Main Street Program's page:
 - Fans: 135 (5 new fans)
- Oregon Sustainability Center's page:
 - Fans: 39 (new page)

Video

Kenton Streetscape Improvements—This video runs just under three minutes and tells the story behind the redevelopment of the Kenton neighborhood and specifically Denver Avenue. PDC spent \$2.8 million in various improvements such as carved stone benches, street lighting, wider sidewalks, storm water planters, street trees and public art. The video also includes interviews with a local business owner and the director of the new Kenton library. (Video not yet released for viewing.)

Cleantech—This video highlights the city’s clean tech strategy as one of four key clusters with the potential to create jobs and economic growth. This video features interviews with Alan Sprout from Vigor Industrial, Nels Plough from Stack Metallurgical and Lori Luchak from Miles Fiberglass. This video was featured at the Cleantech Industry Pivotal Leaders event on December 10. Video can be viewed here: <http://www.youtube.com/watch?v=mc7rOW7vNIc>

Still to Come—December proved to be a month of preparation for the year ahead. Shooting has begun on several big projects; Neighborhood Economic Development Summit, The Community Livability Grant Program, State of Entrepreneurship and the State of Oregon Film and Video Annual Meeting. Each of these projects is connected to a specific segment of the city’s economic development strategy.

Other Public Affairs Work in October

Mayor’s talking points for small wind conference
News release: software summit
News release: OSC schematic design kick-off
News release and talking points on Bruce Warner retirement announcement
News release: OSC grant from Meyer Memorial Trust
Script and production: wind/clean tech video
Review quarterly update on economic development strategy
Produced Business & Industry team Hot Sheets
Scripting & scheduling for State of Entrepreneurship video
Strategic communications messaging
PDC.us content updates for URAs, projects
Completion of Kenton Streetscape video
Assisted with 20 media inquiries
3 issues of PDC People – internal newsletter
Coordinated 2 brown bag speakers
Coordinated annual Trillium Artisans sale at PDC and bake sale benefitting the Resource Access Center
Coordinated several staff morale building events: Annual Civil War lunch, all-staff holiday breakfast and holiday all-staff meeting. (Note, lunch and breakfast all paid for by individual staff.)
Coordinated two opportunities for staff to update their individual photos on IRA – PDC’s intranet
Coordinated staff and Commissioner tour of construction progress at the Resource Access Center
Produced video and PowerPoint show for end-of-year all-staff meeting