

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** March 23, 2011  
**TO:** Board of Commissioners  
**FROM:** Patrick Quinton, Executive Director  
**SUBJECT:** Report Number 11-15  
Executive Director Report

### **BOARD ACTION REQUESTED**

None – Information only

### **Administration Update/Management Issues**

I would like to thank Commissioners Mohlis and Colas-Dickson who both attended the Skanner's annual Martin Luther King, Jr. Breakfast held January 17 at the Oregon Convention Center. As a platinum level sponsor, PDC had two tables at the breakfast and John Jackley sat at the head dias. The breakfast is an important MLK Day event and was attended by both of Oregon's senators as well as representatives from Metro, Multnomah County, Mayor Adams, and other key civic and business leaders.

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Notable January projects and meetings I was involved in are:

- Attended monthly Bureau Directors lunch
- Participated in interview with Mary Kitch of Oregonian editorial board
- Attended Planning and Development Directors meeting

**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**

**Advanced Manufacturing Cluster Meetings**—Like the other clusters, the work with the Advanced Manufacturing industry has involved research, convening sessions and business leadership input. PDC staff has conducted several recent meetings to advance this work, including a gathering of nearly 20 large employers on February 15 and a similar get-together with small employers on February 24. In January, two separate meetings were conducted with groups of mid-size employers. Staff will gather the

comments and input from these facilitated meetings to develop a “top ten” list of issues and opportunities; pull together a working group of representatives from the different employer groups; and move ahead with the development of an action plan for the cluster.

**Finance Programs Assist Small Business**—Nearly twenty small businesses across the city of Portland share at least one common trait: in the past six months they’ve received a loan from PDC that’s helped them cover project costs related to growth and expansion. In turn, those companies are preserving and creating jobs for Portland residents. Local brewing startups and family-owned coffee roasters join custom bike wheel crafters and software development wizards on PDC’s roster of assisted businesses. PDC’s business finance clients in fiscal year 2010/11 represent the city’s strategic industry clusters, high-growth and entrepreneurial entities, and small businesses that serve the local community and contribute to Portland’s reputation for distinctive, healthy neighborhoods. As of January 31, 2011, PDC had provided \$2.6 million in financing to 16 businesses this fiscal year, attracting a projected \$20.9 million in private investment and generating an estimated 194 jobs to be retained or created over the next two years. More than 48 percent of the PDC funds went to companies in the targeted industry clusters of software, athletic & outdoor, clean tech and advanced manufacturing - cornerstones of the city’s strategic goals for job growth and economic development.

**PDC-Supported NW Connector Leads to Business Expansion**—A buyer/supplier database developed by the Pacific Northwest Defense Coalition (PNDC) and supported by PDC has led to a significant win for a Portland company. The Northwest Connector is unique in its ability to link buyers and sellers by using a wide range of descriptive elements about a company’s capabilities, processes, applied technologies, proprietary products, machinery, facilities, customer base, and certifications. With a PDC investment of \$30,000, PDC invested not only in the Connector but also in our cluster businesses, encouraging their participation in a database that is highly effective at identifying detailed aspects of businesses and their products and thereby enhancing opportunities for regional, national and international exposure to purchasers. PDC’s Business & Industry staff have worked closely with PNDC to include our cluster businesses into the Connector. We paid special attention to the firms that attended the Windpower 2010 trade show last year, and promoted the database on PDC web sites, at cluster events and various national trade shows. PDC’s investment paid off this month for Portland-based Vigor Industrial. Applied Filter Technologies (AFT), a fast growing clean energy company in Bothell, WA, used the Connector to find a local manufacturer for the company’s fast-growing line of biogas filtration systems. After generating a list of qualified vendors using the Connector, AFT solicited proposals from several regional manufacturers – eventually choosing Vigor Industrial to construct their systems. Vigor is currently under contract to do an estimated \$750k worth of work and expects that there will be a recurring revenue stream from AFT projects that will be in the multiple millions of dollars on an annual basis. The project has created one new Project Management position and will retain or create 10 skilled labor positions over the next four months.

**Urban Development Dept  
Neighborhood Team**

**Main Street Districts Work Plans**—The city's Main Street districts took a big step forward in January when they worked with the National Trust Main Street Center trainer to develop their work plans for the next 12-18 months. Included in those plans are the projects they will accomplish by the end of this fiscal year. Each district operates with a board, an executive director, and four committees: Organization, Design, Economic Restructuring and Promotion. Committee members work simultaneously on implementing multiple projects in order to meet the goals set by the board. All three of our districts - Alberta, St. Johns, and Hillsdale - report that each of their committees has close to 20 members who are actively engaged. When you add the 8-10 volunteer board members that most districts have, each Main Street district has 80 to 100 volunteers engaged with its program!

One change has just occurred in Hillsdale where the executive director decided the 'fit' just wasn't right and opted to leave the position. The Hillsdale Main Street board didn't skip a beat, however, and PDC staff forwarded the names of several interim manager candidates. The board members stepped up, took on more responsibilities and had their interim director in place the next week.

**East/Southeast Team Presents at East Portland Chamber of Commerce**—On February 16, PDC staff Bernie Kerosky and Justin Douglas attended and presented at the Governmental Affairs Committee meeting of the East Portland Chamber of Commerce (EPCC). The EPCC, which has approximately 100 members, represents and advocates for businesses from 82<sup>nd</sup> Avenue east to Gresham. Bernie and Justin discussed PDC's role in economic development and small business assistance. In addition to PDC staff, business owners who are on the Lents URAC and Gateway PAC also spoke, testifying to the much-improved relationship between PDC and east Portland businesses and communities. Staff will likely be attending an EPCC meeting in March to discuss PDC's role in economic development outside urban renewal areas.

**Grocery RFI**—The Mayor's office has requested that PDC and the Bureau of Planning and Sustainability jointly issue a Request for Interest (RFI) from grocers and developers to potentially locate new stores in underserved areas of Portland. Studies have shown that neighborhoods lacking access to full-service grocery stores - ones that offer a full range of healthy foods - have higher rates of obesity and other health problems than those that have access to full-service stores. The mayor mentioned this initiative in his February 18 State of the City speech. The RFI issue date has not yet been determined.

**Urban Development Dept  
Central City Team**

**Crystal Hotel Loan Closing**—At the end of February, PDC's Business Finance team closed a Commercial Property Redevelopment loan and Storefront grant for the Crystal Hotel, an urban innovation project driven by McMenamins, Inc. A vacant, blighted building at SW 12<sup>th</sup> and Burnside will be converted into a 51-unit hotel styled as an "urban Edgefield." It will complement the nearby McMenamins-owned Ringlers Annex and Crystal Ballroom, and further activate the surrounding area along West Burnside.

**Globe Hotel / Oregon College of Oriental Medicine (OCOM) Transaction Closing**—After four years of intense negotiations and financial market turmoil, OCOM and Beam Development are closing on the transaction to renovate the Globe Hotel for OCOM's new campus headquarters in Old Town Chinatown (OTCT). OCOM is a nationally renowned Oriental medicine college that has been based in Gateway for more than 25 years. A delay in Congressional approval of the New Markets Tax Credit (NMTC) program in late 2010 (which the project will use) pushed back the date for closing, which is now slated for March 31, 2011. PDC's financial participation in the \$16.1 million project is \$5.479 million, \$2.5 million of which will be payable to PDC upon the sale of OCOM's existing property in Gateway. The remainder of PDC's loans will remain in the financing structure for seven years to satisfy NMTC requirements.

The renovation of the Globe Hotel will create approximately 110 full-time construction jobs during the 12-month construction period. Once complete, the relocation of OCOM will bring approximately 50 full-time and 80 part-time visiting faculty, staff and administrative jobs into OTCT; the college's employment is expected to grow to 60 full-time and 95 part-time jobs within five years. OCOM will attract approximately 265 full-time graduate-level students into OTCT, and expects to increase the student body to more than 360 students within five years. The new facility will also allow OCOM to expand its program offerings. OCOM's current clinic facility in Gateway accommodates approximately 24,000 annual patient visits. With an expanded clinic facility and central city location, OCOM anticipates significant increase in annual patient visits, and plans to increase provision of valuable healthcare services to several social service providers in the immediate area and greater urban community.

Urban Development Dept.

Cross Functional

**Classic Foods Celebrates Renovation With Ribbon-Cutting**—Northeast Portland's Classic Foods, a PDC loan and Storefront grant client, completed its renovation of a 1932 art deco building in the Woodlawn neighborhood in December 2010 and gathered hundreds of employees and supporters to celebrate on February 7. The company is a wholesale gourmet food manufacturer offering rare spices, sauces, house-made pastas and other dry goods, and artisanal meats and cheeses to more than 500 restaurants in the Pacific Northwest. The project allows Classic Foods to expand its product line and serve a greater geographical area. The renovation included gutting the building down to its concrete exterior walls, demolishing the existing street frontage addition, removing old, rickety mezzanines, and replacing the roof, mechanical systems, HVAC, windows,

electrical and plumbing systems. The façade was restored to its original art deco design. Classic Foods' new home will achieve a LEED Platinum level of sustainability with high efficiency mechanical systems, new low-e window systems, skylights in the storage areas to reduce electrical consumption, energy efficient heating and cooling systems, recycling and reuse of existing building materials, zero VOC paints and floor coverings.

The business moved from cramped space in the Central Eastside to the new location at 817 NE Madrona Street. PDC assembled a comprehensive package of assistance to advance the Classic Foods project, including EDA and Hatfield loan funds for tenant improvements and equipment purchase, a grant from the Storefront Improvement Program, and connections with state programs and the BEST Business Center for energy and green improvements. The Woodlawn neighborhood has welcomed owner Jake Greenberg with open arms, noting both the significant impact of the company's move in terms of neighborhood vibrancy and job creation, and also his personal commitment to community service and social responsibility. PDC's work with Classic Foods represents the solid collaboration across several PDC departments to achieve neighborhood goals beyond the confines of an urban renewal area.

## **Communications and Business Equity**

### **Professional Services Section**

#### **Contract Compliance**

**Disparity Study**—Staff completed the Disparity Study draft review and forwarded comments to consultants at BBC. The updated chapters are anticipated to be sent from BBC to PDC the first week in March. The final draft version of the Disparity Study will be shared with the Advisory Group chaired by Commissioner Fish in early April. PDC's Board will be provided information regarding the Study prior to sharing it with the Advisory Group. A plan has been drafted to solicit public comment through April.

**Annual Diversity in Contracting and Workforce Report**—The Report is in final draft and is anticipated to be presented to the PDC Board at the second meeting in March.

#### **Functions Attended by Staff:**

- DWCC Steering Committee
- Irvington Covenant CDC Advisory Team meeting
- OAME AEPT meeting
- OAME Contractors Committee meeting
- Minority Business Opportunity Committee meeting
- Philippine American Chamber of Commerce meeting

#### **Procurement**

#### **Personal Services, Materials and Other Services:**

Solicitations were issued for:

- RFP 10-21, IT Analysis
- RFP 10-22, AWEA Windpower 2011 Booth

Responses were received and are being evaluated for:

- RFP 10-19, FLIP

Contracts were executed with:

- PIDC – Licensing Agreement
- PIDC – Support/Maintenance Agreement
- The Amy VanCamp Experience – PDC Survey

Amendments were executed for:

- 209159, Global Compliance – HR Training
- 209173, Mayer/Reed – Gateway Park Design
- 210082, ADE – Gateway Business Strategy
- 210029, POICI – EOI (Employment Opportunity Initiative)
- 210067, Hispanic – EOI
- 209038, Outside In – EOI
- 210024, Worksystems, Inc. – EOI
- 210092, Project Management Associates – Lawson Tax Factory Programming

#### Flexible Services:

Responses were received and are being evaluated for:

- RFQ #10-14, Environmental Services

Contracts were executed with:

- Epic Land Solutions (Relocation Services)

Amendments were executed for:

- 207107 – Flowing Solutions, Amendment #2
- 209067 – Merryman Barnes Architect, Amendment #2
- 206080 – Garvey Schubert Barer, Amendment #4

#### Construction Services:

Solicitations are pending for:

- Repair of 13 Sidewalks

Contracts were executed with:

- Gateway Center Temporary Parking Lot

Contracts Closed / NTP:

- Portland Excavating, Inc. 310007

**Local Contract Review Board Rules**—An update to the LCRB Rules has been drafted to incorporate legislative changes and contracting efficiencies. Staff is working with Legal to review the Rules for legal sufficiency. The Rules are anticipated to go to the PDC Board in late March.

**Prevailing Wage**—The Prevailing Wage Team is currently monitoring eleven BOLI projects, four Davis-Bacon projects and one PDC Construction Wage project. The repair of 13 sidewalks project with construction estimate of \$60,000 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 Lawson ESP/TaxFactory/SQL2008 testing has been completed
- Staff is working to add all Flexible Services solicitation and contract files into TRIM

**Surplus Property**—Negotiations were completed to sell the modular furniture on the second floor to Portland State University. The furniture is to be moved by PSU in March.

#### **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 and Central Eastside.

#### **Additional URAC Support**

- Advised the co-chairs of the River District URAC on the quorum requirements for URAC meeting
- Sent follow-up emails to Central Eastside URAC members and interested parties regarding the PDC budget calendar, the Portland Public Schools meeting on the Washington-Monroe site and the Central Eastside Parking Study open house.
- Researched meeting space for the Central Eastside and River District URACs.
- Began the process of refining the URAC database reports to readily make available information such as past/present URAC members, membership rosters, chair/co-chair, terms, and the status of present/past applicants, membership terms, contact information and uniform membership rosters.
- Prepared documents to appoint three new Gateway PAC members.
- Prepared orientation materials for new members and an article on the new members for the Gateway Update newsletter.
- Updated distribution lists for the Gateway Education Subcommittee and interested parties.
- Working with Gateway PAC co-chairs to strategically recruit members of the community for the three vacant committee positions.
- Working with Public Affairs staff to create a new template for the Gateway URA Update newsletter.
- Emailed communications to the Gateway PAC and interest parties, Lents Town Center URAC and North Macadam URAC related to community budget forums; East Portland Microenterprise Resource Workshop; Mayor Sam Adams' State of the City 2011 Address; Portland Main Street; and news related to new PDC Executive Director.

- Assisted Gateway team members with final edits to the Gateway Business Development Strategy.
- Coordinated efforts with Urban Development Department (UDD) staff to organize the quarterly meeting of the Oregon Convention Center URAC.
- Prepared documents to appoint new members to the Lents Town Center and North Macadam URACs.
- Provided orientation training and materials for a new North Macadam URAC member and alternate.
- Reviewed the membership status of several Lents Town Center URAC members and determined a course of action regarding lack of attendance.
- Attended the Foster-Lents Integration Partnership (FLIP) team meeting.
- Organized the Lents Town Center Business Development Strategy CAC meeting.
- Developed a plan to explore the redevelopment possibilities of the PCC-owned parcels in the college's SE 82<sup>nd</sup> Avenue campus location.
- Attended the FLIP Consulting Services RFP Pre-Proposal meeting on February 10, and answered questions regarding public participation from representatives of potential responders to the solicitation.
- Discussed the public participation component of the FLIP project with UDD staff.
- Participated in the North Macadam inter-bureau workgroup meeting.

#### **Public Participation**

- Continued to participate in the Public Involvement Commission through the Office of Neighborhood Involvement.
- Prepared two public meeting listings for The Oregonian.
- Contacted all URAC chairs and or co-chairs asking for input on the Urban Renewal Advisory Committee Policy.
- Developed first draft of analysis of potential changes to the URAC Policy.
- Began preparations for a meeting with the SE Uplift Board regarding neighborhood involvement in urban renewal areas.
- Reviewed the history of the Martin Luther King Jr. Blvd Gateway and Historic Markers Project with consultant assigned to the project and Identified remaining public participation efforts.
- Signed up for Opt In, a new electronic outreach tool being tested by METRO to see if it would be an appropriate tool for PDC to use.
- Responded to request from Richard Ellmyer to talk with PDC staff about providing loans to home businesses.
- Continued to update and manage the PDC photo archives.
- Created and presented a PowerPoint presentation on urban renewal activities for the Powellhurst-Gilbert Neighborhood Association.
- Provided a Portland State University Master's in Urban Planning student with information on urban renewal.

## **Public Affairs Section**

### **Web Stats**

February 1 – 28, 2011

#### **PDC.us**

Unique visitors: 12,462

Total visits: 16,592

New visitors: 62 percent

Average number of pages viewed: 3

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

Pdc.us edits/new pages: 62

IRA edits/new pages: 44

**PDC.us redesign**—Phase I content finalized and submitted for development of web pages. In the process of organizing and tagging documents for online resource library.

**GlobalPortland.com**—New pages on Portland4biz.com highlighting international business development.

**Research and Commercialization cluster**—New page on pdxeconomicdevelopment.com for the new cluster

#### **Twitter**

Followers: 2,300 (170 new followers)

Tweets: 26 updates to followers this month

#### **Facebook**

- PDC's page:  
Fans: 513 (23 new fans)
- N/NE Economic Development Initiative's page:  
Fans: 321 (0 new fans)
- Portland Main Street Program's page:  
Fans: 142 (4 new fans)
- Oregon Sustainability Center's page:  
Fans: 130 (36 new fans)

**Other Public Affairs Work in January**

Wrote content for Research & Commercialization cluster web page  
Wrote and created one-pager for R&C cluster  
Edited and proofed multiple versions of NED Action Plan  
Edited and revised URA pages for website redesign  
Set up interviews and filming of Oregon Consular Corps scholarship reception  
Scripting and interviews for Community Livability Grant video  
Scripting and interviews for State of Entrepreneurship video  
Edited and produced February editions of the B&I Hot Sheet  
Develop content for one-pager about clusters (mayor's request)  
Additional scripting/interview for Neighborhood Economic Development video  
Assisted with 24 media inquiries  
4 issues of *PDC People* – employee newsletter  
2 brown bags held; one rescheduled due to inclement weather day  
Staff tour of Architectural Heritage Center organized to view S. Auditorium URA  
retrospective  
A public affairs staff member continues to serve on the Collective Bargaining Agreement  
negotiation team

**ATTACHMENTS:**

A. South Waterfront Workforce Diversity Report

**CC:** P. Quinton  
E. Iverson  
J. Cody  
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J. Jackley  
L. Bowers  
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