

Tom Kelly
Chair

Gustavo J. Cruz, Jr.
Commissioner

Mark Edlen
Commissioner

Alisha Moreland-Capua
Commissioner

William Myers
Commissioner

Ted Wheeler
Mayor

Kimberly Branam
Executive Director

This document represents the official meeting record of the April 12, 2017 Portland Development Commission (PDC) Board of Commissioners (Board) meeting held at 222 NW 5th Avenue, Portland Oregon 97209. The full video recording of this meeting can be found at: <https://www.youtube.com/watch?v=bbr25hZwaZM>

1. Call to Order and Roll Call

Chair Kelly called the meeting to order at approximately 3:05 p.m. Pam Micek, PDC Board recording secretary, called the PDC Board roll:

Chair Tom Kelly	PRESENT
Commissioner Alisha Moreland-Capua	ABSENT
Commissioner Gustavo Cruz	PRESENT
Commissioner Mark Edlen	ABSENT
Commissioner William Myers	PRESENT

2. Commissioner Reports

Commissioner Cruz

- Attended the Daily Journal of Commerce Newsmakers Luncheon on March 16, 2017.
- Attended the Northwest District Association Board meeting on March 20, 2017.
- Attended the Hispanic Metropolitan Chamber Board meeting on March 21, 2017.
- Attended the Portland Center Stage Board meeting on March 22, 2017.
- Attended the State of the City address on March 24, 2017.
- Attended the NW Portland Parking Stakeholder Advisory Committee meeting on April 4, 2017.
- Attended the Metropolitan Youth Symphony Gala on April 7, 2017.

Commissioner Myers

- Attended the Port of Portland's Gateway to the Globe event on February 22, 2017.
- Attended the Daily Journal of Commerce Newsmakers Luncheon on March 16, 2017.
- Attended the State of the City address on March 24, 2017.
- Attended the Portland Community Reinvestment Initiative Gala on March 25, 2017.
- Attended the Portland Opportunities Industrialization Center breakfast on April 6, 2017.
- Attended the Construction Apprenticeship & Workforce Solutions breakfast on April 12, 2017.

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Chair Kelly

- Testified before Portland City Council regarding PDC's Budget on March 21, 2017.
- Testified before Portland City Council regarding Centennial Mills on March 22, 2017.
- Attended the State of the City address on March 24, 2017.
- Attended the Broadway Corridor Owner's Representative Team orientation meeting on April 10, 2017.

3. Executive Director Report

- Presented at Portland City Council regarding the Centennial Mills site on March 22, 2017.
- PDC hosted the third North/Northeast Community Development Initiative meeting, March 23, 2017 at New Song Community Center.
- PDC, along with Mayor Ted Wheeler, presented the Tech Town Diversity Pledge Annual Report event, March 31, 2017 at City Hall.
- Attended the Reach Now Portland event on April 5, 2017.
- Attended the Portland Opportunities Industrialization Center event on April 6, 2017.
- Attended and presented at the joint Neighborhood Economic Development Leadership Group/Central City Budget Advisory Committee meeting on April 7, 2017 and presented an update on PDC's 2017/18 Requested Budget and on PDC's communications strategy.
- Attended the Construction Apprenticeship & Workforce Solutions event April 12, 2017.
- Will serve as a judge at the Oregon New Venture Championship on April 13, 2017.
- Attending the Women of Influence luncheon on April 20, 2017.
- Attending the Asian Health and Service Center groundbreaking in Lents on April 22, 2017.
- As part of Design Week Portland Festival 2017, presenting at the Green Loop event on April 24, 2017.
- Attending the NAYA Early College Academy Luncheon on April 26, 2017

4. Meeting Minutes

Chair Kelly called for a motion to approve the March 8, 2017 PDC Board meeting minutes. Commissioner Cruz moved and Commissioner Myers seconded the motion.

AYES: Kelly, Cruz, Myers
NAYS: None

5. Public Comment for Items Not on Agenda

Anthony Jordan, Portlanders for Parking Reform. Mr. Jordan shared concerns about PDC investing in structured parking at the Block 33 site.

REGULAR AGENDA

6. Action Item: Resolution 7230 – Approving Revision No. 2 to the Fiscal Year 2016/17 PDC Adopted Budget.

PDC Staff presenting this item:
Tony Barnes, Budget Officer

With this action, the PDC Board will formally amend the current fiscal year (FY) 2016-17 Revised PDC Budget for the second time in the following ways:

- (1) Adjust project and program expenditures based on updated estimates of year-end activity including updated staff time, property development, or property management expense.

- (2) Move appropriations for the Convention Center Garage construction from the Business Management Fund to the Oregon Convention Center Urban Renewal Area fund and remove related interfund loan assumptions.
- (3) Adjust the Portland Housing Bureau (PHB) Set Aside Budget based on updated estimates of year-end actual expenditures from PHB and move funds into the FY 2016-17 Proposed Budget.
- (4) Include updated revenue assumptions based on revised loan proceed, tax increment debt proceeds, and land sale timing.
- (5) Update lending program budgets in certain funds based upon year-to-date and estimated activity.

In summary, FY 2016-17 Budget Amendment No. 2 decreases the total PDC budget from \$581,253,828 in the FY 2016-17 Revised Budget to \$557,776,071 including Transfers, Contingency, and Reserves. Excluding Transfers and Contingency, total budgeted expenditures decrease from \$344,579,996 to \$311,377,131.

Chair Kelly called for a motion to approve Resolution 7221; Commissioner Cruz moved and Commissioner Myers seconded the motion.

AYES: Cruz, Kelly, Myers
 NAYS: None

7. Information Item: Update on Fiscal Year 2017/18 Budget Process

PDC Staff presenting this item:

Tony Barnes, Budget Officer

Mr. Barnes provided an overview of the budget development process which began in November 2016 with the creation of draft work plans for Fiscal Year (FY) 2017-18. From November 2016 through January 2017, staff created draft expenditure budgets and revenue forecasts that were reviewed by the PDC Board during the FY 2017-18 Budget Work Session on January 18, 2017.

In order to solicit feedback on the draft budget, PDC staff convened an approximately 20-member Budget Advisory Committee (Committee) with stakeholders representing a broad cross-section of the community. The Committee met three times since December 2016 to discuss the FY 2017-18 draft work plans and to review the draft General Fund and Urban Renewal Area budgets; their feedback was included in a letter to the PDC Board and City Council in the FY 2017-18 Requested Budget that was submitted in early February.

PDC staff has also conducted broader stakeholder review of the FY 2017-18 Requested Urban Renewal Area budgets, meeting with business associations, neighborhood groups, and other community organizations.

Since its release in early February, the Requested Budget was reviewed by the City Budget Office (CBO). PDC participated in a City Budget Work Session on March 21, 2017, which focused on PDC's recommended decision packages for General Fund cuts and additions. Staff has also been refining PDC's draft Long-Term Business Plan (Business Plan), with anticipation of completion in summer 2017. One element of the refinement has been to align PDC's FY 2017-18 Requested Budget and Forecast with specific investment categories being identified in the Business Plan and supporting model.

Staff will update the Proposed Budget into the FY 2017-18 Requested Budget by making the following changes:

- 1) Update resources and expenditure appropriations being removed from the FY 2016-17 Revised Budget; and
- 2) Update PDC's General Fund resources and expenditures to reflect the Mayor's Proposed Budget decisions. Decisions will not be released by the Mayor's Office until April 28, 2017 and are therefore unknown at this time.

Following City Council approval of the FY 2017-18 Requested Budget on May 17, 2017, the budget will be submitted to the Tax Supervising and Conservation Commission (TSCC) to review and determine compliance with local budget law. Final changes approved by City Council will be presented along with final recommended changes for the PDC Board to adopt following the TSCC hearing with the PDC Board on June 14, 2017.

Chair Kelly asked whether staff expected to see any changes from Mayor Wheeler's office.

Executive Director Branam shared that she didn't anticipate a five percent reduction and would be meeting with Mayor Wheeler and his staff the following week to answer any questions they may have. Executive Director Branam stated that she anticipates a two percent reduction.

At approximately 3:37 p.m. Chair Kelly adjourned the PDC Board meeting and convened the Local Contract Review Board.

CONVENE LOCAL CONTRACT REVIEW BOARD

8. Action Item: Resolution 7231 – Adopting Findings of and Exempting the Engine House No. 2 Rehabilitation Project from Low-Bid Solicitation

PDC Staff Presenting this item:

Eric Jacobson, Project Manager

With this action, the PDC Board serving in its capacity as PDC's Local Contract Review Board (LCRB), will adopt a resolution in support of an exemption from the general rule of low-bid solicitation for the Engine House No. 2 Rehabilitation Project (Project). If approved, the resolution will exempt the Project from the low-bid solicitation requirements in accordance with Oregon Revised Statutes (ORS) 279C.335(2). The LCRB's resolution will allow PDC staff to issue a Request for Proposals to solicit the service of a Construction Management/General Contractor (CM/GC).

ORS 279C.335(2) and PDC's LCRB Administrative Rules (LCRB Rules) provide that the LCRB may exempt certain public contracts from the low-bid process upon the LCRB making the following findings:

1. It is unlikely that such exemption will encourage favoritism in the awarding of a public contract or substantially diminish competition for the contract; and
2. The awarding of public contract under the exemption will result in substantial cost savings and other substantial benefits to the contracting agency.

Renovating this vacant PDC-owned Property will be a significant step in implementing the Old Town/Chinatown Five-Year Action Plan as it will attract private investment, rehabilitate a vacate, underused historic building at a high-visibility neighborhood gateway, improve safety, and create opportunities for small businesses to locate in the neighborhood.

Mr. Jacobson reviewed the processes which led to the conclusion that hiring a CM/GC was the best solution due to the financial impact and scope of work. Mr. Jacobson noted that a private contractor would need to bring in additional contractors to deal with the unstable subsurface and unsafe building conditions. The benefits to the CM/GC approach are that they will help with the design up front and guarantee a maximum price. This will eliminate wasting resources on designs that are not feasible or exceed the budget.

Chair Kelly expressed concerns regarding the sequencing and financing of the National Register of Historic Places designation.

Mr. Jacobson explained that an Architecture Preservation Specialist would be hired to help with the process and provided a detailed explanation of the three-step process. The first step would be to determine if the building is eligible for National Register of Historic Places designation. The second step is to propose the renovation or rehabilitation project which the National Park Service (NPS) must approve in order to move forward. Step three involves carrying out the approved renovation plan. Finally, evidence of the completed project must be provided to the NPS at which point the building gets designated on the National Register of Historic Places. Only after the designation are tax credits made available. As a result, PDC may have to offer a bridge loan for the value of the historic tax credits before construction begins. The loan would be repaid after the project is complete.

Chair Kelly noted that renovating the building will be a complex and potentially expensive undertaking and he fully supported an exemption of low-bid solicitation.

Chair Kelly called for a motion to approve Resolution 7231; Commissioner Cuz moved and Commissioner Myers seconded the motion.

AYES: Cruz, Kelly, Myers
NAYS: None

At approximately 3:53 p.m. Chair Kelly adjourned the Local Contract Review Board and convened the PDC Meeting.

CONVENE PDC MEETING

9. Information Item: Update on negotiations with the VOZ Workers Education Project

PDC Staff and others presenting this item:

Mayra Arreola, Director Social Equity, Policy and Communications

Paul Riek, Deputy Director, VOZ Workers' Rights Education Project

Romeo Sosa, Executive Director, VOZ Workers' Rights Education Project

Francisco Aguirre, President, VOZ Workers' Rights Education Project

Ms. Arreola described how in the last month PDC and VOZ Workers' Rights Education Project (VOZ) have made a lot of progress. They met in-person five times and identified the key issues that may have led up to the less than beneficial relationship. VOZ's primary concern was how the business plan was created and how the deliverables were not very clear. PDC and VOZ are identifying ways to create clearer communications between the two agencies including providing information in both Spanish and

English. PDC provided a draft Letter of Intent (LOI) and is waiting to receive feedback from VOZ at their next meeting.

Mr. Sosa thanked the PDC team for all of the time they have spent working with VOZ and expressed that working on the LOI had been a learning experience. He stated that PDC and VOZ function differently and they are working through that. Mr. Sosa stated that VOZ is still looking for a permanent building to be located at their current location on Martin Luther King, Jr. Boulevard. The location is important for access to public transportation, proximity to street corners and visibility.

Mr. Aguirre thanked Ms. Arreola and PDC Project Manager Damian Crowder for the wonderful job they have been doing. He expressed that their expertise was needed. Mr. Aguirre also reminded the PDC Board that a car had recently crashed into their current space and the day laborers have had to wait outside in the rain while waiting for work.

Mr. Riek stated that there has been a lot of progress since the last PDC Board Meeting in March and that VOZ and PDC worked together on a special authority grant. VOZ is assembling a team to carry out a survey of both employers and employees regarding a needs assessment for the building. The survey will inform the technical feasibility team as well as strategic planning to make decisions on how to proceed. Mr. Riek emphasized that VOZ is broadening its funding base and that the day laborers themselves have started raising money for a capital campaign fund.

Chair Kelly asked if there was a timeline for the LOI.

Ms. Arreola responded that PDC and VOZ would be meeting again in the next two weeks and after having received VOZ's feedback on the LOI, they hope to determine a timeline. Ms. Arreola stated that she should have a timeline for the PDC Board at the next meeting on May 10, 2017.

10. Information Item: Update on the PDC Communications Strategy

PDC Staff presenting this item:

*Mayra Arreola, Director Social Equity, Policy and Communications
Shawn Uhlman, Public Affairs Manager*

Mr. Uhlman provided an update on the communications plan and brand strategy that was originally shared with the PDC Board at its retreat on December 14, 2016. He reminded the Board that the need for strategic communications was born out of two things. The first of which was the adoption of the PDC 2015-2020 Strategic Plan, and the second was the direction and guidance that the PDC Board and the Executive Director had given them. It was clear that the work PDC was doing and who PDC the agency is, was not being reflected accurately in PDC's messaging.

Staff issued a Request for Proposals was in October 2016 for a strategic communications consultant. Five responses were received and ultimately the team of Weinstein PR/Brink Communications was selected. Concurrently, PDC began working with DHM Research to complete polling. Within four weeks, DHM Research had conducted focus groups, completed on-line surveys and one-on-one telephone surveys. The end results were that the perception of whom and what PDC does did not align with the work PDC is currently doing.

Ms. Arreola stated that it is not just about changing the words but also our behavior at PDC. Ms. Arreola continued by reviewing the recommendations from the consulting firms, the action plan and timeline for each recommendation. She stated that staff and leadership were engaged for input and feedback.

Ms. Arreola informed the PDC Board that two hundred additional telephone surveys were completed and a second round of one-on-one interviews with stakeholders as well as engagement with different advisory committee groups. Ms. Arreola continued by reviewing next-steps which include ongoing evaluations of the plan.

Commissioner Myers requested the opportunity to brainstorm around one of the four key messages, "Growing Family-Wage Jobs". He would like the value of bringing opportunities to people who are entering the work force, especially in underserved communities, communicated clearly.

Chair Kelly wanted confirmation that the commissioners would receive additional training around the messaging so that they are well prepared to speak to it. He expressed his concerns that a name change could deflect from the actual message of what PDC does. The chair then inquired as to whether the communications plan would be presented at the May 10, 2017 Board Meeting.

Ms. Arreola confirmed that at the May 10, 2017 Board Meeting, staff would bring the finalized communication strategy and key messaging as well as a proposed name, logo, and branding.

Commissioner Cruz inquired as to how the plan would be rolled out.

Mr. Uhlman stated that the roll out would include traditional and social media, an updated website, and personal connections.

Ms. Arreola informed the PDC Board that her department is putting together a tool kit for the PDC Board so that they will be comfortable sharing the information. She is also planning multiple speaking engagements to allow for questions.

Chair Kelly recommended that staff contact previous commissioners and stakeholders in advance of the May PDC Board meeting. He added that PDC is a changed agency and is not the same agency as it was in the past.

11. Adjourn

There being no further business, Chair Kelly adjourned the PDC Board meeting at approximately 4:40 p.m.

Approved by the Portland Development Commission on May 12, 2017



Pam Micek, Recording Secretary