

**Tom Kelly**  
Chair

**Aneshka Dickson**  
Commissioner

**Mark Edlen**  
Commissioner

**John C. Mohlis**  
Commissioner

**Charles A. Wilhoite**  
Commissioner

**Charlie Hales**  
Mayor

**Patrick Quinton**  
Executive Director

This document represents the official meeting record of the February 11, 2015, Portland Development Commission (PDC) Board of Commissioners (Board) Meeting held at 222 NW Fifth Ave., Portland, OR 97209. The full video recording of this meeting can be found at <https://www.youtube.com/watch?v=zJooCf-Gijs>.

## 1. Call to Order and Roll Call

Chair Tom Kelly called the meeting to order at approximately 3:05 p.m. Ms. Gina Wiedrick, PDC Board recording secretary, called the PDC Board roll:

Chair Tom Kelly	PRESENT
Commissioner Aneshka Dickson	PRESENT
Commissioner Mark Edlen	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Charles Wilhoite	ABSENT

## 2. Commissioner Reports

### Commissioner Edlen

- On February 8 – 10, participated in the Houston Best Practices trip.
- On January 26, went on a PDC properties tour in the Interstate Corridor Urban Renewal Area (URA) with PDC staff.

### Chair Kelly

- On January 26, attended a briefing with Mayor's office.
- On January 30, attended the Mayor's State of the City speech.
- On February 10, attended an Oregon League of Minority Voters program where PDC's Chris Harder and Lisa Abuaf and former PDC Chair John Russell were part of the panel.

## 3. Executive Director Quinton Report

- On February 8 – 10, participated in the Houston Best Practices trip.
- On January 28, announced the four teams to move forward with negotiations and timelines for several PDC-owned properties in the Lents Town Center URA. There were nine responses to the request for information; the four teams selected are: Palindrome Communities, Williams & Dame, Rose CDC, and Asian Health & Services Center/REACH CDC collaboration.
- On February 9, PDC staff joined Mayor Charlie Hales at the Topping Off Ceremony at Hassalo on Eight in the Lloyd District.
- On January 30, attended the Mayor's State of the City speech.
- On February 9, PDC released its 50 percent draft of the 2015-2020 Strategic Plan. There will be an open house on Wednesday, February 25, at PDC, and a second one on Wednesday, March 4, at the Immigrant & Refugee Community Organization in the Gateway Regional Center URA. For review of the Strategic Plan and to provide input online go to <http://www.pdc.us/strategic-plan.aspx>.
- On January 21, attended the premiere of the Tech Town II video. To watch the video go to <http://www.techtownportland.com/>.

- On February 2, students moved into the Pacific Northwest College of Art (PNCA) building on NW Broadway; the official grand opening will be held March 5.
- On February 11, the Jade District released *The Jade Journal* which was written and published by students at Harrison Park Elementary; copies are available throughout the Jade District.
- On February 4, PDC and the Columbia River Economic Development Council launched a financial assistance program for local clean tech companies seeking product certification services; February 18 is the first deadline. For more information contact Pam Neal at [nealp@pdc.us](mailto:nealp@pdc.us).
- The 2015 Portland Athletic & Outdoor Peer to Peer program is accepting applications; the deadline is February 13. For more information go to <http://aoportland.com/explore/peer-to-peer-application/>.
- On January 27 and 29, PDC hosted two free business seminars regarding access to capital (one in the Lents Town Center URA, and the second one in the Gateway Regional Center URA). For more information and upcoming seminars go to: [http://www.pdc.us/news-and-events/news-releases/news-detail/15-01-29/Business\\_seminars\\_kick\\_off\\_in\\_Lents\\_and\\_Gateway.aspx](http://www.pdc.us/news-and-events/news-releases/news-detail/15-01-29/Business_seminars_kick_off_in_Lents_and_Gateway.aspx)
- On February 24, Venture PDX, the company that moved into the space in the Lents Town Center URA vacated by Assurety NW, will be hosting a networking event.
- On May 18, the Oregon International Business Awards and Consular Corps Scholarship Gala will take place. Nominations for the awards are open until March 6. For more information go to [http://www.pdc.us/news-and-events/articles/articles-detail/15-02-05/Nominate\\_a\\_leader\\_in\\_international\\_trade\\_Submissions\\_due\\_Friday\\_March\\_6.aspx](http://www.pdc.us/news-and-events/articles/articles-detail/15-02-05/Nominate_a_leader_in_international_trade_Submissions_due_Friday_March_6.aspx).
- PDC is hiring a new Neighborhood Manager; the application deadline is February 12. For more information go to <http://agency.governmentjobs.com/pdc/default.cfm>.
- Highlighted one promotion:
  - Alyson Schwieger, Real Estate Transaction Coordinator, in the Real Estate Department; formerly Policy Coordinator, in the Opportunities Cooperative Department.

Chair Kelly noted a change in the agenda, stating that the PDC Board will not be going into Executive Session.

#### **4. Meeting Minutes**

Chair Kelly called for a motion to approve the October 29, 2014, PDC Board meeting minutes.

Commissioner Edlen noted a typo on page five, sixth bullet down; it is not \$240,000,000. The correct number is \$240,000 per year.

Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

AYES: Dickson, Edlen, Kelly, Mohlis  
NAYS: None

#### **5. Public Comment for Items Not on Agenda**

No public testimony was presented.

## CONSENT AGENDA

**6. Action Item: Resolution 7098 – Authorizing the Execution of a Deed for Right-of-Way Purposes for the Real Property located at SW 5th Avenue and Montgomery Street and within the South Park Blocks Urban Renewal Area to the City of Portland**

With this action, the PDC Board will authorize the granting of a Deed for Right-of-Way Purposes from PDC to the City of Portland (City) Bureau of Transportation (PBOT) for the real property located within the South Park Blocks URA and referred to as the Portland State University (PSU) Carpool Lot.

With this action, PDC's granting of a Deed for Right-of-Way Purposes for the PSU Carpool Lot will remove any responsibility for PDC to operate and maintain this portion of the property.

**7. Action Item: Resolution 7099 – Authorizing a \$100,000 Grant to Greater Portland Inc**

With this action, the PDC Board will authorize the Executive Director to execute a Grant Agreement providing Greater Portland Inc (GPI) an amount not to exceed \$100,000 for regional business recruitment, marketing, and export coordination. This is the fourth year that PDC has provided a grant to GPI. Since the PDC Executive Director serves on the GPI Board of Directors, this action is being presented to the PDC Board for approval to avoid any perception of conflict of interest.

**8. Action Item: Resolution 7100 – Approving a Two-Year Lease of the Old Town Lofts Commercial Space in the Downtown Waterfront Urban Renewal Area**

With this action, the PDC Board will authorize a two-year master lease (Lease) with Oregon Storyboard (OSB) for approximately 4,000 square feet (SF) of ground floor space owned and operated by PDC at 411 NW Flanders Street in the Downtown Waterfront URA. The leased space will be used as office and business incubator for OSB staff and partners.

While the Lease is for a term of less than five years and such leases are generally within the PDC Executive Director's authority to execute, the Executive Director serves on the OSB Board of Directors so this action is being presented to the PDC Board for approval to avoid any perception of conflict of interest.

Chair Kelly called for a motion to approve Resolutions 7098 – 7100; Commissioner Edlen moved and Commissioner Mohlis seconded the motion.

AYES: Dickson, Edlen, Kelly, Mohlis  
NAYS: None

## REGULAR AGENDA

**9. Action Item: Resolution 7101 – Authorizing an Intergovernmental Agreement with the Portland Bureau of Transportation for Construction of the Killingsworth Street Improvement Project Phase II in the Interstate Corridor Urban Renewal Area; Providing Funding in an Amount Not to Exceed \$3,000,000**

PDC staff presenting this item:  
*Sue Lewis, Project/Program Coordinator*

With this action, the PDC Board will authorize the Executive Director to enter into an Intergovernmental Agreement between PDC and PBOT providing funding in an amount not to exceed \$3,000,000 for the construction of Killingsworth Street Improvement Project Phase II (Project) between N. Commercial Street and NE Martin Luther King, Jr. Boulevard. The Project is entirely within the Interstate Corridor URA and will include the following work:

- Constructing approximately a half-mile new sidewalk, replacing existing substandard sidewalk
- Installing approximately 53 pedestrian-scale ‘historic’ design streetlights
- Enhancing the pedestrian environment by:
  - Improving transit stops
  - Slowing traffic by narrowing vehicle lanes and widening sidewalks
  - Improving crossings at key locations
- Upgrading approximately 63 American Disabilities Act curb ramps
- Planting up to 33 deciduous trees
- Constructing curbs, driveways, and bio-swales

Following a construction bid and award phase in early 2015, construction is anticipated to begin in May 2015 and be completed by December 2015.

Commissioner Dickson asked who is managing the contracting aspect. Ms. Lewis responded that PBOT will be managing it, and they will have a construction manager on site and an inspector who will liaise with the local businesses.

Chair Kelly called for a motion to approve Resolution 7101; Commissioner Mohlis moved and Commissioner Edlen seconded the motion.

AYES: Dickson, Edlen, Kelly, Mohlis  
NAYS: None

**10. Action Item: Resolution 7102 – Recommending to Portland City Council Adoption of a New Enterprise Zone Policy**

PDC staff presenting this item:  
*Chris Harder, Economic Development Manager*  
*Andy Reed, Sr. Business Development Coordinator*

With this action, the PDC Board will recommend that the Portland City Council (City Council) adopt a new and updated City Enterprise Zone (E-Zone) Policy (proposed Policy) for the Portland E-Zone and the East Portland E-Zone policies and combine them into a single Portland E-Zone and Electronic Commerce proposed Policy. PDC is requesting changes to the proposed Policy to more closely align with current agency strategy and priorities, including the 2011 Neighborhood Economic Development (NED) Strategy, the Portland Comprehensive Plan Update, and the draft PDC 2015-2020 Strategic Plan.

Commissioner Mohlis stated that he would like for PDC staff to come back at a later date and provide more statistics on numbers of jobs, categories, and other data on the program.

Commissioner Dickson would like an update on the impact on small businesses, PDC's Equity Policy, who has access to the program, and any other specifics PDC staff can provide.

Commissioner Edlen asked the following questions:

- Are there any other areas of flexibility? Mr. Reed responded that coming from a policy that is very prescriptive and dictates to the letter how funds can be spent, the updates will give PDC staff more latitude and freedom while still working within the Oregon statutes that govern. Mr. Harder added that on the community contributions side, PDC is recommending the NED Leadership Group to help in making more strategic investments.
- Are there any negative aspects the PDC Board should be aware of? Mr. Reed responded no, these changes have been a long time in coming and PDC staff has spent a lot of time with the community on how best to make improvements.

Chair Kelly asked how the diversity goals play out. Mr. Harder responded that PDC staff is aligning the program with PDC's Equity Policy; the community contributions heavily targets underrepresented populations. Mr. Reed added that PDC cannot tell businesses who they can hire, but the training fund can be targeted to certain populations and working with businesses on plans to increase their diverse hiring.

Chair Kelly called for a motion to approve Resolution 7102; Commissioner Mohlis moved and Commissioner Edlen seconded the motion.

AYES: Dickson, Edlen, Kelly, Mohlis

NAYS: None

#### **11. Information Item: Update on Real Property Disposition Process and Real Property Portfolio**

PDC staff presenting this item:

*Jina Bjelland, Director, Real Estate & Lending*

*Bruce Wood, Real Estate & Construction Manager*

The purpose of this report is to provide the PDC Board an update on PDC's Real Property Disposition Administrative Policy and a briefing on the status of PDC-owned properties in the Real Property Portfolio. The report and the discussion will focus on: (1) the current real property disposition process, (2) the rationale for various solicitations, and (3) how PDC categorizes real estate assets.

Commissioner Edlen asked the following questions:

- With regards to the Old Town Lofts commercial space, will the OSB lease fill up the space? Ms. Bjelland responded yes, it is just 4,000 SF of space on the ground floor.
- With regards to the RiverPlace Garage, does PDC own the entire parking? Ms. Bjelland responded yes, it is a very small garage; there is a lot of parking in the area, but PDC only owns this small garage particularly for the retail tenants.
- In the North Macadam URA, does PDC own the Lot 3 land under the substation? Ms. Bjelland responded yes.
- Is PNCA listed because of the loan with PDC? Executive Director Quinton responded that no, PDC owns the building. Ms. Bjelland added that there is a requirement for public ownership.

Commissioner Dickson asked if PDC can use different disposition methods in considering one transaction. Ms. Bjelland responded that with the existing policy, PDC does not have to accept to move forward with any offers and can put an end to the solicitation process and proceed with any other disposition methods.

Commissioner Edlen asked the following questions:

- Are there any restraints we put on uses of the property? Ms. Bjelland responded that if there is a strategic goal for a property, then it will be specifically highlighted in the solicitation process PDC uses.
- Do the majority of our property dispositions come with restraints? Ms. Bjelland responded that most properties come with some level of requirements, but if PDC does not have one, then PDC staff generally can direct market.

Chair Kelly asked, with the different ways of marketing, is there a set of criteria for each one? Ms. Bjelland responded that there is a strategy or plan for each property that considers the market, the neighborhood, and what is happening to determine the best marketing approach. Executive Director Quinton added that the more prescriptive, the more likely PDC will go with a request for proposal (RFP); if price is the deciding factor, then direct marketing is the way to go.

Commissioner Edlen asked the following questions:

- At Cascade Station, PDC has an option with a developer that is working on it. Mr. Wood responded that PDC is working with a developer (the developer approached PDC), but the project has not been presented to the Financial Investment Committee yet.
- Historically, has PDC worked much directly with a developer? Ms. Bjelland responded no, Cascade Station has been listed with a broker for years and has had little activity.
- How much is PDC's activity limited because it does not have enough staff to handle all of these properties? Ms. Bjelland responded that PDC staff is working strategically through PDC's portfolio but nothing strategic is being neglected because of that. Executive Director Quinton responded that yes, PDC staff cannot work on all of the properties at once; staff constraints prevents PDC from moving forward with as many properties as it would want to at one time.
- Why would PDC not find a developer and have them go market the property? Ms. Bjelland responded that the PDC staff conversation was to provide an opportunity for a developer to do this on one site, but still have other sites available for strategic recruitments. Executive Director Quinton added that if PDC were to tie up all of the properties with one developer, it would have to go through an RFP process and detail what PDC would like to strategically accomplish in those sites.
- Is PDC marketing to the brokerage community as well? Mr. Wood responded that yes, PDC staff does attend sales meetings at brokerage houses and make presentations on its activities.

For the Metro Auto Wholesale West Lot, Commissioners Edlen and Dickson suggested that a PDC sign be placed on the property.

Mr. Wood stated that Block R, located across from PNCA, is a valuable parcel, but the area is in transition and staff is considering a parking garage.

Commissioner Edlen asked the following questions:

- Are there any program objectives, given the challenges of Old Town/Chinatown? Ms. Bjelland responded that parking is one of the solutions PDC has to address area objectives.
- Beyond that, does PDC want housing or office? Ms. Bjelland stated that there will be future conversations on the use of this property.
- Does PDC staff ever pull in architects for ideas? Ms. Bjelland responded that PDC staff does work with architects frequently for massing, suggestions, and ideas.

Executive Director Quinton suggested that the log be updated to state that Block R property is on hold. Chair Kelly agreed that a temporary hold is appropriate until a future conversation can be had.

Commissioner Mohlis asked when the parking study will be completed. Mr. Wood responded that it is quite a process and possibly still needs another year. Executive Director Quinton added that PDC has had information studies done on the need of parking and the data suggests that there is a parking deficit in Old Town/Chinatown.

With regards to the property on SW 3rd Avenue and Oak Street, Commissioner Edlen asked what the two proposals received by PDC staff were for. Mr. Wood responded that they were residential, with one of them specifically for student housing. Chair Kelly recommended that PDC sit on it for six months and then call a broker. Commissioner Edlen recommended that PDC proceed with a broker. Commissioner Dickson asked if PDC staff continues to receive calls of interest. Ms. Bjelland responded yes. Mr. Wood added that the challenge is that there is no incentive to work on this property. Executive Director Quinton added that if PDC does work with a broker, then PDC will have to offer a minimum brokerage fee to make it worth their efforts.

Mr. Wood stated that One Waterfront North and South is located by the Broadway Bridge, part in the River District URA and part in the Downtown URA, with the challenge being its proximity to the bridge. There has been interest from Jim Winkler (adjacent property owner) for a garage and affordable housing. Chair Kelly recommended that PDC directly negotiate with Mr. Winkler and if that does not work then list the property. Out of respect for what has been done up until now, it was agreed to work for 90 days to negotiate something with Mr. Winkler before listing it. Ms. Bjelland asked how important is it to have affordable housing put on top of the parking garage. Chair Kelly responded that the PDC Board encourages affordable housing. Mr. Wood asked about the cost of value. Commissioner Edlen responded that the PDC Board would need to know what the options are.

### **13. Adjourn**

There being no further business, Chair Kelly adjourned the meeting at approximately 5:02 p.m.

Approved by the Portland Development Commission on April 8, 2015

