

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 May 13, 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=DHeT7RE6pQc>.

1. Call to Order and Roll Call

Chair Tom Kelly called the meeting to order at approximately 2:35 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 [see note below]
Commissioner John Mohlis	ABSENT [see note below]
Commissioner Charles Wilhoite	PRESENT

Commissioner Edlen participated by phone.

Commissioner Mohlis joined the meeting at approximately 3:11 p.m.

2. Commissioner Reports

Commissioner Edlen

- On April 23, attended the Oregonians Against Discrimination lunch.
- On April 11, attended the Portland Opportunities Industrialization Center's Work Connections Breakfast.
- On April 9, participated in a tour of De La Salle High School.
- On April 29, attended a De La Salle High School meeting.
- On April 22, participated in a meeting with PDC and Beam Development staff.

Chair Kelly

- On May 6, along with Executive Director Patrick Quinton, presented PDC's 2015-2020 Strategic Plan (Strategic Plan) to the Portland City Council (City Council).
- On May 13, along with Executive Director Quinton, presented PDC's Fiscal Year (FY) 2015-16 Proposed Budget to City Council.
- On May 6, along with Executive Director Quinton and PDC staff, did a tour of the currently under construction Society Hotel in Old Town/Chinatown.
- On April 10, attended the Portland Mercado Grand Opening celebration in the Lents Town Center Urban Renewal Area (URA).

3. Executive Director Quinton Report

- On April 15, the Port of Portland awarded Commissioner Mohlis the Compass Award.
- On April 29, the Portland Metropolitan Association of Realtors awarded Commissioner Edlen and his wife the 2015 Portland First Citizens Award.
- On May 6, presented PDC's Strategic Plan to City Council.

- On May 13, presented PDC's FY 2015-16 Proposed Budget to City Council; the public hearing will be held on May 20 at 6:30 p.m.
- The Request for Proposal for the Redevelopment of RiverPlace Parcel 3 is open through May 29, 2015; for more information go to http://vmw.pdc.us/login/download_nologin.asp?i=1165.
- On April 17, along with partner Micro Enterprise Services of Oregon (MESO), launched the Mini-Micro Revolving Loan Fund Pilot program.
- On May 12, PDC hosted a Doing Business with China seminar.
- On April 10, attended the Portland Mercado Grand Opening celebration in the Lents Town Center URA.
- On April 22, PDC participated in the Urban League of Portland's (Urban League) Career Fair.
- On April 15, the Urban League announced its new Chief Executive Officer, Nkenge Harmon Johnson.
- On May 7, met with Michael Alexander and Nkenge Johnson.
- On May 8, attended an Urban League event in honor of Michael Alexander.
- On May 7, PDC staff attended the Asian Pacific American Network of Oregon's (APANO) Voices of Change celebration in its newly opened community center.
- On May 6, toured the APANO building.
- On April 24, Portland Parks & Recreation, Hacienda Community Development Corporation, and the Cully Association of Neighbors opened K^hunamokwst Park, Cully neighborhood's first park.
- On May 2, 3, and 5, PDC sponsored and participated in the Portland-Guadalajara Sister Association's annual Cinco de Mayo event. John Jackley, Communications & Social Equity Director, spoke at the naturalization ceremony.
- On April 28, at the National Business Incubation Association Conference presented the Incubator of the Year Award to the Portland State University Business Accelerator.
- On April 20, Under Armour announced its plans to move into the YMCA building on SW 4th Avenue.
- On April 22, PDC staff attended the opening of Aruba Network's new, completely wireless, space in the Block 300 Building.
- On April 24, Mizuno USA announced plans to expand its Portland operations.
- On April 22, there is a great profile in *Fast Company* of Portland's own Wildfang.
- On April 10, WeWork announced that it will be moving into the U.S. Customs House building.
- On April 24, PDC staff returned from another successful trip of local Athletic & Outdoor companies interested in expanding their work in Japan.
- On May 15, will be going on a test ride of the new MAX Orange Line, which is slated to open in September.
- On June 11, the Portland Streetcar will take its first ride over the Tilikum Crossing.
- The Oregon Story Board is accepting applications for its 2015 class; the deadline is May 17. For more information go to <http://www.oregonstoryboard.org/accelerator/>.
- On May 18, attending the Celebrate Trade: Oregon International Business Awards & Consular Corps Scholarship Gala.
- On April 23, PDC held a Bring Your Kid to Work day; the Wattles Boys and Girls Club participated as partners in the event.
- Introduced new employee:
 - Selena Colson, HR Generalist in the Legal Department.

4. Meeting Minutes

Chair Kelly called for a motion to approve the April 8, 2015, PDC Board meeting minutes. Commissioner Dickson moved and Commissioner Wilhoite seconded the motion.

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

5. Public Comment for Items Not on Agenda

Chair Kelly called forward guests to testify.

Carolyn Anderson. Ms. Anderson expressed enthusiasm for the opportunities offered to the community through MESO and other similar programs and hopes to participate in some of these in the future. She expressed concern over the reports and effects of gentrification in Portland and is dismayed by the apparent lack of straightforwardness in reporting by PDC and the Portland Housing Bureau (PHB); she hopes that the bureaus will be more transparent in how they do business and how they affect the lives of the African American community, people of color, and low-income households.

REGULAR AGENDA

6. Action Item: Resolution 7109 – Adopting the Portland Development Commission 2015-2020 Strategic Plan

PDC staff presenting this item:
Patrick Quinton, Executive Director

With this action, the PDC Board will formally adopt the PDC 2015-2020 Strategic Plan (Strategic Plan). The Strategic Plan will set PDC's course of action over the next five years, guiding the annual budget, work priorities, and staffing.

Commissioner Mohlis arrived at approximately 3:11 p.m.

Chair Kelly called forward guests to testify.

Tricia Ryan, Chief Operating Officer at [Worksystems, Inc.](#) (WSI). Ms. Ryan spoke in favor of the Strategic Plan and committed that WSI would continue to do its part in support of the Strategic Plan. She was a member of the Strategic Plan Steering Committee and witnessed the amount of effort involved in taking multiple viewpoints, the discussion of Portland's most pressing issues, and the final product of a shared vision. Ms. Ryan stated that the Strategic Plan acknowledges that it will require a network of partners working towards shared outcomes.

Tom Kilbane, Market Leader for the Portland office of [Urban Renaissance Group](#), past chair and board member of the Overlook Neighborhood Association, and member of the Strategic Plan Steering Committee. Mr. Kilbane commended PDC staff and leadership for its audacious goals but noted that its success will require the support and participation of City of Portland (City) agencies and will require strong leadership and cooperation. He stated that he would like to see PDC staff develop work plans that lay out more specific objectives for key catalyst projects such as the U.S. Post office, Zidell Yards, and the Rose Quarter.

Commissioner Wilhoite asked for a summary of the change in perspective from the previous plan. Executive Director Quinton responded (1) this Strategic Plan makes it imperative that any time PDC is making a substantial investment, there must be an explicit public/community benefit; and (2) this

Strategic Plan is more narrowly focused on companies that are creating job opportunities for communities of color, for low-income neighborhoods, creating middle income jobs, and prioritizing PDC's work around entrepreneurship and small business development. This means that PDC will be able to say no to some projects that it has done historically because now PDC needs to be more strategic with its limited resources.

Commissioner Dickson asked if, assuming the PDC Board approves this resolution, PDC staff would begin implementation in the next month. Executive Director Quinton responded yes, and the budget for FY 2015-16 will be structured along the objectives of the Strategic Plan.

Commissioner Mohlis expressed concern over the goals of raising the middle class and jobs for people that are in poverty and reality.

Chair Kelly called for a motion to approve Resolution 7109; Commissioner Wilhoite moved and Commissioner Edlen seconded the motion.

AYES: Dickson, Edlen, Kelly, Mohlis, Wilhoite

NAYS: None

7. Information Item: Update on the Portland Development Commission Business and Workforce Equity Programs

PDC staff presenting this item:

John Jackley, Director, Communications & Social Equity

Patricia Weekley, Equity Coordinator

The purpose of this item is to brief the PDC Board on approaches to closing disparity gaps and achieving equity goals, ongoing challenges, utilization goals in contracting and workforce, lessons learned, and upcoming changes.

Commissioner Dickson asked the following questions:

- How is PDC tracking the numbers on a project-by-project basis? Ms. Weekley responded that the tracking is done on a project-by-project basis based on ethnicity, certification status, and whether or not it is a direct bid or a development agreement or an intergovernmental agreement.
- What projects are being included in the tally to explain that PDC has met the 24 percent Minority, Women, and Emerging Small Business (MWESB) utilization rate, is it all projects that PDC has been involved in or only those which PDC has funded? Ms. Weekley responded that it is all of the projects that PDC has funded, either through a sponsorship or direct bid.
- With regards to the compliance software program, if certain information is provided at the onset of a project and then there are changes in scope or a certain MWESB firm is no longer being used, is that information available? Mr. Jackley responded that it will be; PDC does not have that information yet as it has not had the software available. Ms. Weekley added that right now that information is available through City partners but there is a possibility of error in reporting and verification as to whether the MWESB firm originally contracted did indeed participate in the work.
- Concerned that some of the numbers might be higher than they really are. Mr. Jackley responded that this is a challenging aspect of the business; approval of contracting plans is

based on what the prime contractor provides PDC staff and it would be disturbing to find out afterwards that a certified firm had been removed from a large scope of that project. With the ability to monitor this data real-time, PDC can stop that practice.

Commissioner Wilhoite asked the following questions:

- Is there data available as far back as 2009 to where the PDC Board could have a sense as to what the numbers were then and what they are now in the aggregate and allocated according to specialization? Mr. Jackley responded that yes, that information is available.
- Requested periodic updates that shows what PDC has done and is doing since the 2008-09 crisis to improve the circumstances and what will be PDC's contribution to MWESB participants. Mr. Jackley responded that even in the lean years PDC's partners have met Equity Policy goals, although the dollar volume shrunk significantly. During the current strong real estate market PDC staff is aggressively ensuring that MWESB firms are not left behind. PDC staff is committed and are experts and they know how to make results happen.

Commissioner Mohlis asked if the software mentioned would track both subcontracting packages and apprenticeship hours. Ms. Weekley responded yes.

Commissioner Edlen asked what happens with the apprentices and smaller firms when a project is finished; what is their future. Mr. Jackley responded that PDC staff has seen good results in that area, where there is extended work over an extended period of time, but PDC does not track the numbers because workers will go from a PDC project to other projects in the region or the state. Commissioner Mohlis added that the Bureau of Labor & Industries (BOLI) in the Apprenticeship & Training division specifically tracks each registered apprentice in every program; they perform audits of all of the programs; and the programs have to file an affirmative action program and have to set goals for recruitment, retention, and graduation for apprentices, women, and people of color. Mr. Jackley stated that for all projects that fall under the Equity Policy, subcontractors have to be signatory to a BOLI approved training program.

Commissioner Dickson excused herself from the meeting at approximately 4:02 p.m.

10. Action Item: Resolution 7113 – Adopting Revisions to the Portland Development Commission Green Building Policy

PDC staff presenting this item:

Amy Nagy, Business Development Coordinator

With this action, the PDC Board will formally adopt an update to PDC's Green Building Policy (Policy). The Policy sets a standard for the quality of construction with regard to environmental performance for certain PDC projects. Generally, the Policy is applicable to construction projects on real estate sold by PDC or other construction projects that receive substantial PDC financial support. The PDC Board adopted the original Policy in 2001 and amended it in 2005 and 2010 to create additional flexibility for small- and medium-size projects.

The current proposed changes to the Policy include a lower investment threshold, the addition of PDC-owned and leased buildings and parking structures, an increase in certification level from Leadership in Energy and Environmental Design (LEED) Silver to LEED and Earth Advantage Gold, a decrease in square

footage in both new construction/renovation and tenant improvement project types, and process improvements in the administrative procedures.

Chair Kelly called forward guests to testify.

Alan Scott, Director at [YR&G](#) and Director Fellow at [American Institute of Architects Portland](#). Mr. Scott spoke in support of the Policy changes, stating that projects can always do more but it is also important to make sure that they do not fall short.

Commissioner Edlen stated that he would like for PDC and the City to raise the bar and be in a leadership position, and the public process could play a viable role in moving forward.

Commissioner Wilhoite asked what the added cost of increased green investment is. Ms. Nagy responded that at the front end of a project there is additional cost, but the savings are seen on the back end (energy and water conservation) and in the long-term (reducing carbon footprint). Mr. Scott added that the flexibility is an important element of controlling costs and maximizing benefits in a green building project, as each project is different and has different requirements and opportunities.

Chair Kelly called for a motion to approve Resolution 7113; Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion.

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

11. Information Item – Update on the Portland Development Commission’s Office Lease and Future Space Needs

PDC staff presenting this item:

Jina Bjelland, Director, Real Estate & Lending

John Jackley, Director, Communications & Social Equity

The purpose of this item is for PDC staff to facilitate an open conversation with the PDC Board on PDC’s short- and long-term office space needs. The intention of the session is three-fold:

- 1) Provide an update on PDC’s current lease agreement at the Mason Ehrman building;
- 2) Share current office space needs; and
- 3) Seek PDC Board feedback and direction on releasing a Request for Information (RFI) that will inform PDC’s options.

Commissioner Edlen asked whether the RFI would include PDC-owned sites. Mr. Jackley responded yes.

Chair Kelly stated that the PDC Board concurs that this is a good path to take and directed PDC staff to proceed.

At approximately 4:25 p.m. Chair Kelly adjourned the PDC Board meeting and convened the PDC Board Audit Committee.

12. Action Item: Resolution 7114 – Approving the Extension of the Independent Auditor and Audit Scope, Schedule, and Fees for Fiscal Year 2014-15

PDC staff presenting this item:

Catherine Kaminski, Accounting Manager

With this action, the PDC Board acting as PDC’s Board Audit Committee (Audit Committee) will approve the contract extension of Moss Adams, LLP (Moss Adams), as PDC’s independent financial auditor. The charter for the Audit Committee, which was approved by the PDC Board through Resolution No. 6150 on June 9, 2004, requires that the Audit Committee “approve the independent auditor” and “review and approve the audit scope, schedule, and fee.”

This action accomplishes two priorities: i.) Extends the Moss Adams audit scope, schedule, and fee for one year as negotiated by the City Auditor’s Office and authorized by City Council through Ordinance No. 187107 on May 6, 2015; and ii.) Delegates the authority to approve future extensions under this approved contract to the PDC Executive Director.

Commissioner Wilhoite stated that the PDC Board has been pleased with the relationship with Moss Adams and the audits have gone smoothly, and asked what has been written into the contract for increase in fees. Ms. Kaminski responded that there is a slight increase every year, with this year an additional 10 percent increase for the implementation of the Governmental Accounting Standards Board 68 Accounting & Financial Reporting for Pensions standards (new standard requiring changes to PDC’s pension disclosures). Executive Director Quinton responded that there is additional work required for Moss Adams to report accurately on PDC’s Public Employees Retirement System liability.

Chair Kelly called for a motion to approve Resolution 7114; Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion.

AYES: Edlen, Kelly, Mohlis, Wilhoite

NAYS: None

At approximately 4:28 p.m. Chair Kelly adjourned the PDC Board Audit Committee and convened the Local Contract Review Board (LCRB).

13. Action Item: Resolution 7115 – Adopting Findings in Support of and Exempting the Nelson Parking Lot Improvement Project from Low-Bid Solicitation

PDC staff presenting this item:

Jina Bjelland, Director, Real Estate & Lending

Elise Hendrickson, Construction Services Coordinator

With this action, the PDC Board, serving in its capacity as PDC’s LCRB, will adopt a resolution in support of an exemption from the general rule of low-bid solicitation for the Nelson Parking Lot Improvement 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.

ORS 279C.335 and PDC’s LCRB Administrative 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 to the agency.

A Best Value Guaranteed Maximum Price contract solicitation is proposed as an alternative to low-bid contracting for the Project.

Commissioners Mohlis stated that it was mentioned that there would be various check-ins to make sure that the contractor submitted a good bid that would not be coming back for change orders; he would like to make sure that this is tightly monitored.

Commissioner Wilhoite asked that staff think about this and provide an answer in the coming weeks: how does PDC define favoritism or substantive cost savings.

Chair Kelly called for a motion to approve Resolution 7115; Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion.

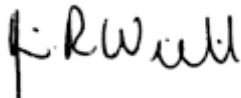
AYES: Edlen, Kelly, Mohlis, Wilhoite
NAYS: None

Chair Kelly adjourned the LCRB meeting at approximately 4:36 p.m.

12. Adjourn

There being no further business, Chair Kelly adjourned the PDC Board meeting at approximately 4:36 p.m.

Approved by the Portland Development Commission on June 24, 2015



Gina Wiedrick, Recording Secretary