

# PORTLAND DEVELOPMENT COMMISSION

## Annual Performance Report FY 2009-10



## ABOUT THE PORTLAND DEVELOPMENT COMMISSION

Created by Portland voters in 1958, PDC plays a major role in making Portland one of America's most livable cities. As Portland's urban renewal and economic development agency, PDC is pursuing an aggressive strategy to create the most sustainable economy in the world, by connecting people and resources to achieve the city's vision of healthy neighborhoods, a vibrant central city, a strong regional economy, and quality jobs and housing for all.

### PDC BOARD OF COMMISSIONERS

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John C. Mohlis, Commission Secretary  
Aneshka Colas-Dickson, Commissioner  
Steven Straus, Commissioner  
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### PDC MISSION

To bring together resources to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant central city, a strong regional economy, and quality jobs and housing for all.

### PDC VALUES

Excellence and innovation  
Stewardship  
Diversity  
Collaboration and teamwork  
Leadership

## ACCOMPLISHMENTS AT A GLANCE

More than half of PDC's business financing went to industry clusters targeted in the City's Economic Development Strategy – helping to support and create almost 500 jobs.

PDC provided more than a hundred million dollars to the community last fiscal year: \$10 million for business and commercial development support; \$20 million for public infrastructure and social service facilities; and \$82 million for housing through the Portland Housing Bureau.

PDC and the Portland Housing Bureau leveraged more than \$110 million dollars through its business, development and housing investments.

In all but one of PDC's urban renewal areas, assessed value of real property (per acre) grew faster than the rest of the city's assessed value growth (per acre).

PDC assisted 12 of the 37 development projects that were LEED certified in FY 2009-10.

PDC continues to exceed its 20 percent target for the amount of its construction funding contracts awarded to minority, women and emerging small businesses.

Portland residents continue to rate their neighborhood livability very high.

## **PDC ANNUAL PERFORMANCE REPORT 2009-10**

The Portland Development Commission's (PDC's) FY 2010-2014 Strategic Plan, adopted by the Board in 2010, guides our performance around five key goals:

- Strong Economic Growth and Competitiveness
- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Effective Stewardship over our Resources and Operations, and Employee Investment

Since the plan's adoption, our Board is provided each year with an annual performance report which highlights our progress. I am pleased to present you with this report, highlighting accomplishments over the past year.

Along with performance metrics for each of our goals, key accomplishments are identified within each section. A data table at the end of this report quantifies our financial investments and urban development accomplishments in serving Portland residents and businesses.

The reorganization of PDC's operating departments, the formation of the new Portland Housing Bureau, and the city's adoption of a five-year Economic Development Strategy, for which PDC is a primary driver, continue to provide context for the deployment of our time and budget resources.

Much as it did in the previous year, the global economic downturn presented both the challenge and the opportunity to refocus PDC's work on job creation and economic development. The urgent need for targeted financial assistance, strategic partnerships and a sharpened focus on projects that advance economic goals for our city are cornerstones of our efforts.

We have had an entire year to fully integrate into our new organizational structure and respond to current economic challenges. Recessionary pressures have forced a shift in focus from large, single developer projects toward smaller, sustainable rehabilitation projects, master planning with opportunities for a variety of developers to participate on specific parcels, and infrastructure and public projects such as transportation and parks. Correspondingly, the measures of success we use will continue to evolve and align with our new direction.

Thank you so much to all the PDC employees who contributed to the accomplishments described in this report and to all of PDC's public and private partners who share in the planning, financing and construction of our investments. I am confident PDC is well positioned to help Portland build the most sustainable economy in the world, and to ensure it is characterized by a robust economic growth, a vibrant central city, and dynamic and prosperous neighborhoods.



A handwritten signature in black ink, appearing to read 'Bruce Warner', with a stylized flourish at the end.

*Bruce Warner*  
*Executive Director*



# STRONG ECONOMIC GROWTH and COMPETITIVENESS

## PHOTOS:

Bottom left:  
"Lace" cutting  
at LaCrosse  
Footwear's  
Danner® boot  
production  
facility grand  
opening.  
LaCrosse is  
expected to grow  
50 jobs in the  
next two years.

Right middle:  
Oregon  
companies at  
the Windpower  
2010 trade  
show. PDC  
provided  
financial  
assistance to  
five clean tech  
companies last  
year.

The driving force for PDC's economic development work in 2009-10 can be summarized in one word: jobs. The city's Economic Development Strategy, launched in July 2009, is ambitious in its target of growing employment in the city by 10,000 in five years, and emphatic in its call for community collaboration and the assembly of resources, both public and private, to retain and create jobs for Portland. Results of a public poll conducted by PDC in February 2010 confirmed that emphasis, noting that Portland citizens consistently ranked job creation as a top PDC priority.

The city's Economic Development Strategy called out a narrow list of industry clusters as critical to the city's current and future economic health. As a result, PDC focuses its business development efforts on improving the competitive

environment for companies in those four traded sectors: activewear, clean technology, advanced manufacturing and software. Two initiatives in particular demonstrate the significant results of such strategic focus, while a third element of our economic development focus was cross-industry in nature, strengthening the city's capacity to grow and invest in entrepreneurial cluster companies.

## LACROSSE FOOTWEAR EXPANSION

PDC's work with LaCrosse Footwear exemplifies the public-private collaboration that supports jobs in the key industries identified in the city's Economic Development Strategy. A leading company in Portland's activewear cluster, Lacrosse has hand-crafted its Danner® brand boots in the region since 1933. LaCrosse received considerable help from PDC with its Airport Way expansion,

including a \$487 thousand loan to the developer of the new production site, introductions to regional and state partners, information on state incentive programs, and a complex, non-traditional transaction for a parking lot easement that enabled the company to proceed with construction. This storied company's investment in our community, assisted by PDC and other public partners, will expand the city's employment base by as many as 250 high-wage manufacturing jobs. The





## PDC FINANCIAL ASSISTANCE TO BUSINESSES IN FY 2009-10

	\$ Loans / Grants awarded, millions	Businesses assisted	Supported jobs retained / to create* *after two years
<b>Targeted industry cluster:</b>			
Activewear .....	\$0.9	5	244 / 78
Advanced Manufacturing.....	<\$0.1	2	6 / 0
Clean Tech.& Sustainable Services.....	\$0.6	5	68 / 27
Software .....	\$0.6	3	32 / 29
<b>High Growth, non-cluster.....</b>	<b>\$0.0</b>	<b>0</b>	<b>0 / 0</b>
<b>Community Economic Development.....</b>	<b>\$1.3</b>	<b>17</b>	<b>235 / 126</b>
<b>Total .....</b>	<b>\$3.4</b>	<b>32</b>	<b>585 / 260</b>



### JOB CREATION:

PDC expects that its direct financing to businesses last year will create 260 jobs in the next two years. These jobs help attain the 10,000 jobs goal that is at the heart of Portland Economic Development Strategy.

first boot made at the new facility rolled off the assembly line in September 2010, when the company celebrated the completion of the \$6 million project. PDC's work with the LaCrosse expansion specifically complements the Strategic Plan and the city's Economic Development Strategy by supporting a key cluster company with the capacity to create new jobs, while maximizing the opportunity to develop unutilized PDC-owned land.

### WINDPOWER 2010

In May 2010, PDC marshaled the forces of a public-private delegation to showcase the Portland region at the nation's biggest energy show. Twenty-eight delegates from public and private entities partnered to present the region's manufacturing expertise at the American Wind Energy Association's Windpower 2010, held in Dallas May 23-26. More than 20,000 people attended the show, which drew 1,500 exhibitors from around the globe – including the Portland region's own booth, "The Pacific Northwest Wind Team, Your Supplier Connection," where potential customers could visit with delegation companies and discuss business opportunities.

The delegation included many well-established manufacturing firms, eager to showcase their capabilities and identify potential opportunities to diversify into the wind industry, and develop regional partnerships among industry suppliers, government and associations.

In the months of planning that led up to the event, we reached a greater understanding of where the Portland region stands with respect to supplying, and growing, the wind business – and that understanding has informed the collaborative efforts of PDC, other public agencies and private associations to develop appropriate programs, market research and networking opportunities for regional companies.

While the overall goal for the Windpower team was to spark business development and growth of a regional supply chain, the effort had a powerful ancillary benefit: the sense of teamwork that the business participants gained by networking among themselves and learning about each other's operations. More tangible benefits are apparent in the post-event survey, which revealed that at least half of the participants received at-show sales orders, and each business generated an average

### CLUSTER BUSINESSES:

While PDC provides a great deal of assistance to community-based businesses, we also focus our efforts to help four industries thrive in the Northwest: Activewear, Clean Technology, Advanced Manufacturing, and Software. Last year, more than half of PDC's financial assistance went to businesses in these four clusters.

of nine leads for future sales. What's more, participants predicted increased sales of between \$250,000 and \$1.2 million for the next year – results that connect directly with the strategic goal of building business competitiveness.

## ENTREPRENEURIAL DEVELOPMENT PROGRAM

Improving the environment for entrepreneurs and promising young firms is critical to meeting the ambitious job creation goals of the city's Economic Development Strategy. The strategy specifically calls for a focus on the region's entrepreneurial businesses as rich sources for organic economic growth. Beginning in early 2010, PDC launched an innovative entrepreneurial development initiative, asserting a leadership role in making Portland a better place to start and grow a business.

- As a participant in Angel Oregon 2010, an annual investment competition and conference that invests in one launch-stage company and one seed-stage company, PDC invested \$21,000 in the same companies on the same terms as the angel fund but as debt rather than as a purchase of stock in the company. PDC's Angel Oregon involvement sent a strong message to

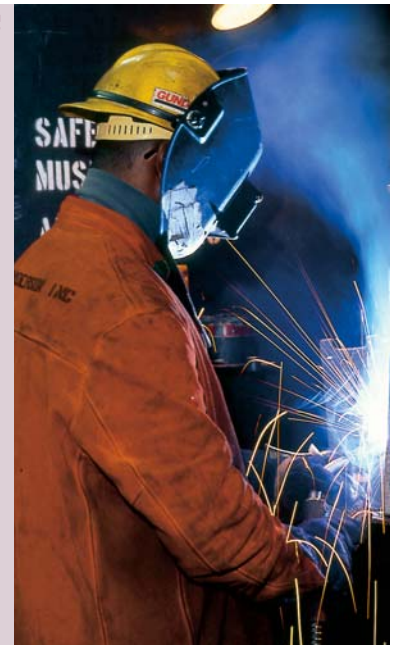
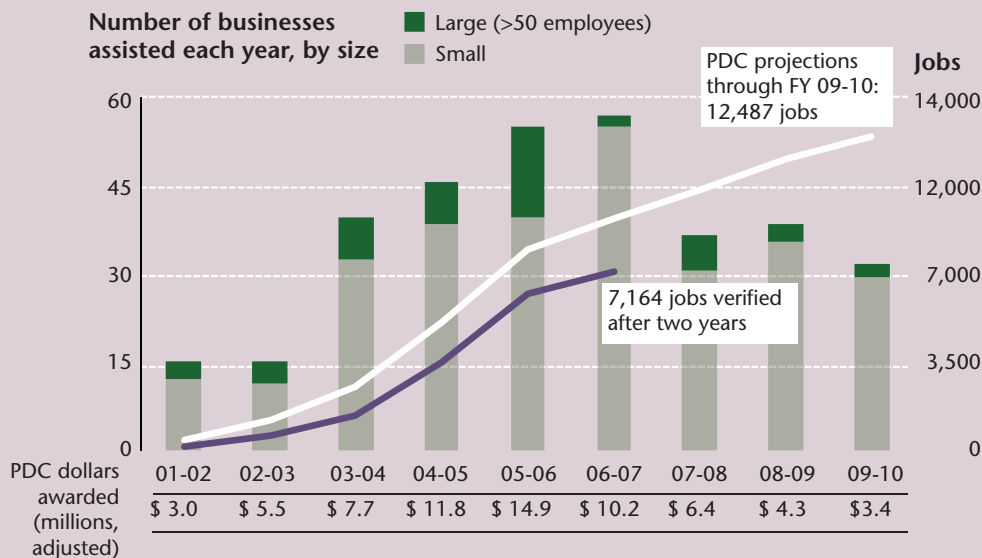
both the entrepreneurial and investment communities that PDC and the city are committed to improving the environment for locally grown companies with significant job creation potential.

- PDC became a presenting sponsor of Pivotal Leaders, a community-nominated and peer-selected network of top prospective clean technology business leaders in the Northwest launched by Pivotal Investments. By identifying and establishing a business network of entrepreneurial talent in Oregon, Washington, Idaho and British Columbia, Pivotal Leaders seeks to stimulate investment and expand resources – both human and financial – to build the sustainable economy in the Northwest.
- PDC's partnership with Portland Ten provided grant funding for an entrepreneurial development organization with a mission of improving the success rate of Portland's early stage startups. The PDC support helped expand the organization's 12-week, intensive boot camp for start-ups, which sought to assist ten Portland startup companies to reach \$1 million in revenue by October 2010.

### THE MAJORITY OF BUSINESSES FUNDED BY PDC ARE SMALL:

Over the past nine years, PDC has provided more than \$67 million in loans and grants to businesses. Eighty-six percent of these businesses employ 50 or fewer. Small businesses retain and create jobs that stay in the community. Of the thousands of jobs PDC projects at the time it funds a business, verification after two years shows that 81 percent of these jobs are realized.

### BUSINESSES RECEIVING FINANCIAL ASSISTANCE FROM PDC by size of business and cumulative number of jobs supported (projected and verified)



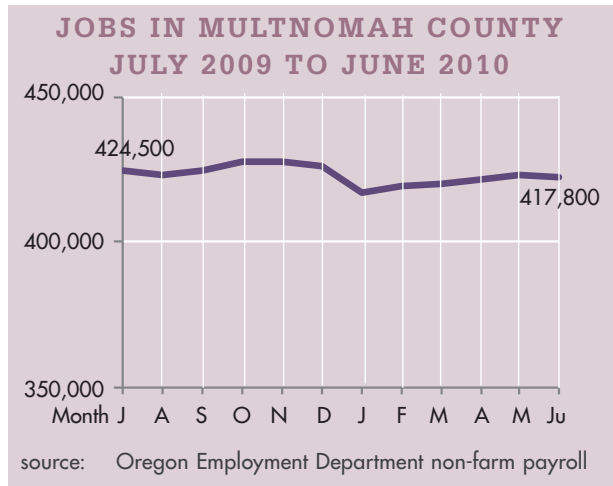


- At year's end, working closely with Mayor Sam Adams and the city of Portland, PDC began work on the creation of the Portland Seed Fund, a proposed new investment fund with a mission of investing solely in early stage businesses in Portland and the surrounding region. The initial \$500,000 in capital for the Fund will come from the City of Portland through an investment intermediary, a to-be-formed non-profit organization led by a board of directors with extensive start-up management and investment experience. The Seed Fund rounds out PDC's entrepreneurial support, builds the opportunity to fill the most critical gap in funding for growing companies, and will increase both the job creation prospects for start-up firms and the pipeline of viable companies for later stage investors.

- PDC's support of start-up endeavors extended to physical projects as well, with PSU's wet lab project a notable example. Construction began in March at PSU's Business Accelerator to create up to six new private labs plus common lab space, to address company requirements for access to direct ventilation, water and specialized piped utilities. The wet lab space was made possible as the result of a partnership between the PDC, Oregon Health & Science University (OHSU) and Portland State University (PSU), with input from the Oregon Bioscience Association (OBA). PDC provided funding to assist with the project, which created immediate construction jobs and was expected to ease the shortage of wet lab space in the metro area as a factor that influences companies to establish themselves outside of Portland and Oregon.

**PHOTO:**

The PSU Business Accelerator in southwest Portland will be home to new wet lab space that will serve small, young start-up companies.

**JOBS:**

Employment in Multnomah County decreased by one percent last fiscal year. Multnomah County fared similarly to the rest of Oregon, where job loss was half a percent over this same period.

**LIVING WAGE JOBS:**

PDC supports businesses that pay well. An analysis of 157 businesses funded by PDC over the past five years showed that almost two-thirds of these businesses paid average wages of 200 percent above minimum wage (that's \$35,000 per year and higher). Half of those businesses paid annual wages of more than \$79,000.

# SUSTAINABILITY and SOCIAL EQUITY

The goal of a sustainable economy reaches far beyond Portland's healthy roster of green buildings and green practices. The concept of social equity, and an economy that sustains every corner of the community, is the foundation of PDC's work towards this strategic goal. Policies and programs are developed to center on public benefits and value for Portland - the positive outcomes for citizens and the community.

PDC's investment in affordable housing is distinguished by a firm commitment to creating and maintaining sustainability and social equity across the city. While 2009-10 saw the shift of PDC's housing work into the newly-created Portland Housing Bureau, the Commission continues to work with a wide variety of organizations to ensure that Portlanders can afford to buy or rent a home here.

Innovative approaches to support small businesses; the deployment of PDC's unique position as a convener of diverse communities; and a strong commitment to workplace diversity were exemplified by three key initiatives this past year.

## GREEN BUILDING AND BEYOND

Last fiscal year was a banner year for Leadership in Energy and Environmental Design (LEED) certified buildings in Portland. The United States Green Building Council certified thirty-seven buildings – bringing Portland's LEED certified building count to more than one hundred. Since LEED certification began, PDC has been a leader in requiring LEED, and other environmentally beneficial design features in the projects it funds. Shaver Green affordable housing on Martin Luther King Jr. Boulevard, the Courtyard Marriott hotel in downtown Portland and the ARDEA apartments in South Waterfront are just three of the twelve projects assisted by PDC that were certified last year.

In addition to large development projects, PDC also supports innovative programs to incent homeowners and businesses to incorporate green and energy savings features into their homes and workplaces. In June, PDC allocated \$3.5 million in the Interstate Corridor and Lents Town Center urban renewal areas for residential energy retrofits administered by the city of Portland Clean Energy Works Program (CEWP). The CEWP seeks to cut energy costs for residents, create green jobs and reduce carbon emissions by retrofitting 500 homes in the Portland area. PDC's own Green Features Grant Program, initiated last year in the Interstate Corridor urban renewal area, provides up to \$50,000 of direct funding to businesses for physical building improvements that create more sustainable business practices. Last year eight businesses received awards for projects ranging from solar panel installations to rain water harvesting systems.



Finally, Portland is participating in the Living Building Challenge through its pursuit towards the first mixed-use, high-density, net zero energy, water and wastewater building in the world. See page 17 of this report for more detail about the PDC's participation in the development of the Oregon Sustainability Center.

### SMALL CONTRACTORS LOAN INSURANCE PROGRAM

The Portland Economic Development Strategy's emphasis on growing the clean technology industry, and the city's recently-established Clean Energy Works Portland (CEWP) program, both served as impetus for the Small Contractors Loan Insurance Program (SCLIP), launched in February 2010. This new small business assistance program is a credit enhancement program designed to help create jobs, with an emphasis on the clean technology industry. The SCLIP provides partial insurance for lines of credit offered by private lenders to independent construction contractors, particularly those specializing in energy efficiency and green development projects in the city of Portland. PDC will guarantee half of the credit line provided by a bank or lender, up to \$25,000, in the first year, with the insurance percentage declining over time. Albina Community Bank was the first lender to sign on to the program, recognizing the need to offer user-friendly financial products to help small businesses grow and prosper.

#### LEED:

Since 2001, PDC has required that projects receiving at least \$300,000 in PDC funds be LEED certified. Additionally, many of our development agreements require at minimum LEED certification.

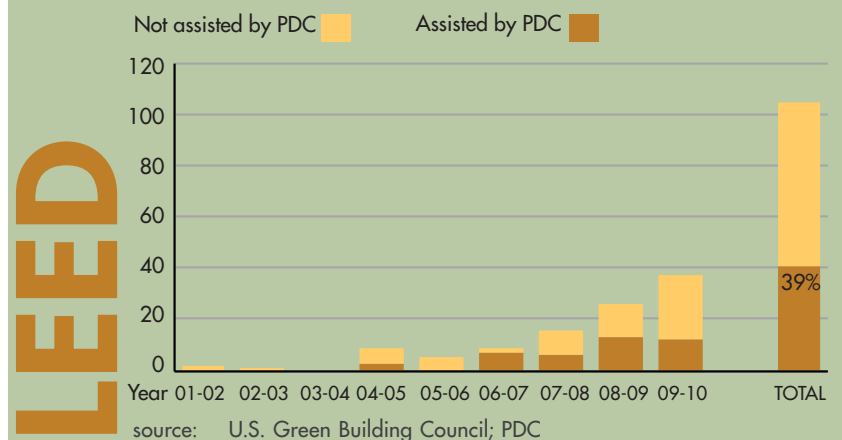
As a result, PDC has contributed to more than one third of the LEED certified buildings in Portland.

#### PHOTO:

Mercy Corp Headquarters, certified LEED Platinum in October 2009.

Small contractors, most notably minority-owned business enterprises, had identified a gap in the small business lending market as the primary hindrance to their participation in CEWP and to sustained growth. Access to working capital in the form of a revolving loan for small, independent contractors will finally address the difficulty faced by minority and small, locally-owned construction firms trying to obtain credit in the traditional market. This furthers the Commission's goal to provide Portland's diverse communities with equal access to income and wealth building opportunities. The new program also includes technical assistance to help contractors deal with the demands of managing multiple projects in the CEWP program.

### LEED CERTIFIED BUILDINGS IN PORTLAND



## COMMUNITY ADVICE IN NORTH/ NORTHEAST PORTLAND

The North/Northeast Economic Development Initiative presented a significant opportunity to promote social equity among historically underserved communities in the most diverse urban renewal areas of the city. The communities of north/northeast Portland have experienced some negative impacts of past urban renewal efforts and deserve equal access to housing, services, recreation, and moreover, to share in the promise of prosperity for the entire City of Portland. To this end, PDC brought together a Community Advisory Committee of traditionally underrepresented communities, representatives from neighborhood associations, higher education, businesses and the unions to support a common vision of more jobs and more resources for residents and small businesses in north and northeast Portland.

After months of public involvement, the 21-member CAC voted in May 2010 to approve eight separate recommendations regarding policy issues and boundary adjustments for the Interstate Corridor Urban Renewal Area (ICURA) and Oregon Convention Center Urban Renewal Area (OCC URA). The adopted recommendations included policy issues dealing with prioritization of investment in the two URAs, the establishment of a Community Benefits Agreement for the Rose Quarter development,

five URA boundary adjustment recommendations and recommendations for the Portland Housing Bureau.

## SUPPORTING MINORITY/WOMEN/ EMERGING SMALL BUSINESS (MWESB)

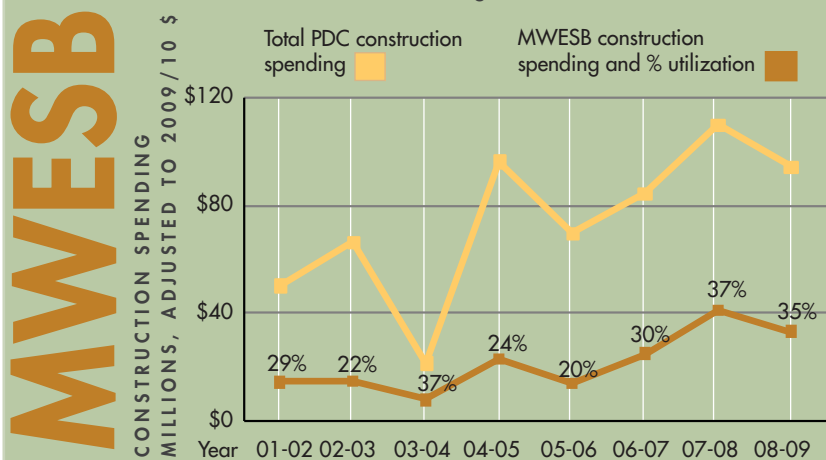
PDC recognizes that people of color in the community bring diverse perspectives and experience, and provide valuable input to the PDC contract award process. Accordingly, PDC followed the lead of City Council and adopted a policy to include at least one minority evaluator on formal solicitation proposal evaluation committees. Beginning in March 2010, at least one person of color from the private sector has participated on PDC evaluation panels for responses to Requests for Proposals and Requests for Qualifications. Each evaluator was vetted by the Alliance of Minority Chambers and received advance training on the evaluation procedures.

In its ongoing effort to enhance the Business & Workforce Equity policy, the Commission formally adopted a Prompt Payment Requirement in 2010. This new effort will make it easier for small contractors to get paid for completed work.

While total construction and personal services spending slowed in the face of recessionary pressures, PDC continued to seek diverse and inclusive participation on PDC-assisted projects. Minority, women, and emerging small businesses

### MINORITY, WOMEN AND EMERGING SMALL BUSINESSES

Spending on PDC-funded construction projects and percent utilization compared to 20% target.



### PDC'S 20 PERCENT MWESB UTILIZATION TARGET HAS BEEN MET OR EXCEEDED OVER THE PAST NINE YEARS

Twenty percent of PDC's construction contracts must be used by minority, women and emerging small businesses. PDC often exceeds this target. At 35 percent utilization in FY 2008-09, \$33.3 million was utilized by MWESB contractors. PDC's annual Business and Equity program report will be released in December 2010.

### HOUSING ACCOMPLISHMENTS BY HOUSING TYPE AS DIRECTED BY PDC RESOLUTION 5963 (FY 2001-02 to FY 2009-10)

	FY 09-10 production	9-year total	2011 Goal	% met
<b>NEW HOUSING UNITS</b>				
Rentals (0 to 60% MFI)	256	4,176	6,400	65%
PDC loans & grants	256	2,302		
other incentives	0	1,874		
Rentals (61%+ MFI)	16	1,782	4,500	40%
PDC loans & grants	16	409		
other incentives	0	1,373		
Home ownership units	189	4,851	3,000	162%
PDC loans & grants	0	351		
other incentives	189	4,500		
<b>EXISTING HOUSING UNITS</b>				
Owner-occupied repairs	109	1,562	1,600	98%
PDC loans & grants	109	1,527		
other incentives	0	35		
Rental rehab. (0 to 60% MFI)	436	2,208	1,500	147%
PDC loans & grants	397	2,163		
other incentives	39	45		
<b>ASSISTANCE TO FIRST TIME HOMEBUYERS</b>				
	338	1,960	3,000	65%
PDC loans & grants	54	269		
other incentives	284	1,691		
<b>TOTALS</b>	<b>1,344</b>	<b>16,539</b>	<b>20,000</b>	<b>83%</b>
PDC loans & grants	832	7,021		
other incentives	512	9,518		

Includes loans and grants to construct, rehabilitate and purchase housing, and other incentives to support housing development and preservation. Other incentives include limited property tax abatements, and system development charge and development fee waivers. Units receiving more than one type of subsidy are only counted once.



(MWESBs) received more than 35 percent of all PDC construction contract expenditures for fiscal year 2008-2009. MWESB firms received more than \$33 million of the \$94 million expended by PDC.

In addition to the dollars spent on projects, the workforce diversity policies PDC implemented have produced numbers not previously seen on large-scale construction projects in Portland. Minority and female workers represented 21 percent of all hours worked on projects which received some level of PDC funding. In the South Waterfront, 40 percent of apprentice hours were worked by women or people of color.

### HOUSING

FY 2010 marked a year of transition for the Portland Development Commission Housing Department. In January 2009, the Portland City Council set in motion the process to form the Portland Housing Bureau, to create a single agency to implement the City's comprehensive housing policy and address the continuum of housing needs in the city. PHB combines the resources, staff and investments formerly comprising the Bureau of Housing and Community Development and the PDC Housing Department.

During the transition year, both PDC and PHB staff worked collaboratively to ensure continuity of the city's investments in affordable housing developments. With the goal of providing housing opportunities to low-income families and individuals, PDC and PHB leadership focused on delivering public value by creating homes for people priced out of the private housing market.

As of July 1, 2010, the transition is complete. PHB now manages the 30% Tax Increment Financing (TIF) set-aside to develop, preserve and rehabilitate affordable housing throughout the city.

In November 2009, PDC and PHB broke ground on the Resource Access Center (RAC), the centerpiece of the city's 10-Year Plan to End Homelessness. Slated for completion in summer 2011, the RAC, located in the River District Urban Renewal Area, will deliver 130 housing units for Portland's most vulnerable, including those who are chronically homeless and suffering from myriad medical conditions. Also part of the RAC is a day center that will provide comprehensive services and information resources for people experiencing homelessness.

### HOUSING:

In addition to the monumental work on the Resource Access Center, the Portland Housing Bureau continues to provide funding and administer incentives that preserve and develop housing options for all residents of Portland. Over the past nine years, tax increment, general fund and federal grants helped finance the rehabilitation and development of more than 16,000 housing units.

### PHOTO:

Construction of the day center of the Resource Access Center (RAC). Located in the River District Urban Renewal District, the RAC when completed next summer will be central in helping Portland end homelessness. The project is pursuing LEED Gold certification.



# HEALTHY NEIGHBORHOODS

## LIVABILITY:

Overall, eighty-eight percent of Portland residents rate their neighborhood livability “good” or “very good.” In Outer Southeast Portland, residents rate their livability the lowest (only 70 percent say “good” and “very good”). Ratings in North Portland, at 85 percent “good” and “very good” have increased over the past five years.

Source: City Auditor 2009 Resident Survey.

PDC's work to build vibrant neighborhoods is marked by innovation and incubation, transition and transformation, small projects and partnerships that generate large and lasting effects. A wider sidewalk, a safer street, a group of businesses banding together for a common cause: these are the sparks that ignite neighborhood building and livability as Portland's premier assets.

## PORTLAND MAIN STREET PROGRAM

Portland's reputation is built on its distinctive neighborhoods, and the Portland Main Street program, launched in January 2010, was designed to capitalize on those unique community assets. The naming of three inaugural Main Street districts in June 2010 - St. John's Main Streets Coalition, NE Alberta Main Street Program and Hillsdale Community Foundation - was the culmination of a months-long process that engaged neighborhood and business groups along with interested citizens to revitalize Portland's commercial districts. The Main Street program's emphasis on local, volunteer-driven, incremental change is closely tied to the city's economic development goals.

The program is a proven model developed by the National Trust for Historic Preservation's Main Street Center, known as the “Four Point Approach,” which focuses on organization, promotion, design, and economic restructuring of neighborhood business districts. Portland's program adds emphasis on sustainability to the National Trust's four points.

Each selected district will receive considerable financial and technical assistance and intensive training. The goal is for each new Main Street organization to embrace and promote its district's unique assets, while also capitalizing on the abilities of residents, business owners, and volunteers who work and live in the business district.



## PHOTO:

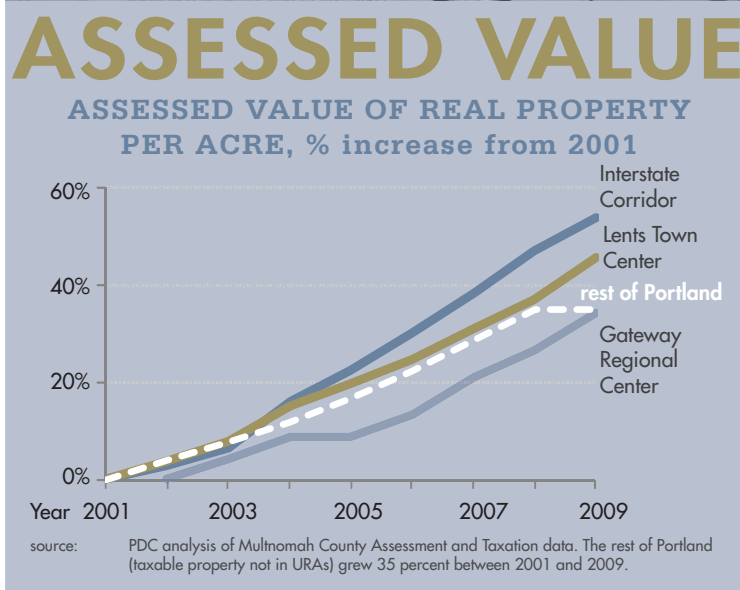
Mayor Sam Adams presents funding to the inaugural Portland Main Street districts: St. John's, NE Alberta, and Hillsdale.

## FOSTER/WOODSTOCK STREETScape ENHANCEMENT

The goal of the \$4.5 million Foster/Woodstock Streetscape Enhancement project is to improve the character of the public right-of-way, by widening sidewalks, improving pedestrian and cyclist safety and adding on-street parking to enhance development opportunities in Lents. This multi-year project encompasses core elements of neighborhood vibrancy: a safe and welcoming entry, pedestrian-oriented connections to the town center, and a visual community identity.

The geographic focus of the project is SE Foster and SE Woodstock between SE 88th and the I-205 freeway, SE 92nd between SE Woodstock and SE Harold Street. Special treatment will be given to SE Ramona due to its status as a gateway into the town center from the MAX Green line. Similarly, the eastern and western entries to the SE Foster / SE Woodstock couplet will be enhanced to announce the transition into the core business district of the Lents Town Center.

PDC's 2009-10 the work on Foster/Woodstock project provided the foundation for future execution: building consensus, fostering decision-making and sifting through the processes that readied the project for design engineering and construction phases in 2010 and 2011. The Lents URAC and Citizens Advisory Committee reached consensus on project focus and design; the PDC Board concurred with URAC on design focus and approved an investment of \$1.85 million for design, project management and property acquisition; PDC acquired the Bauske property, approximately .21 acres located on the NE corner of SE Foster and SE 88th; and the CAC reached consensus on the design of both Ramona Street and the gateway triangles on east and west entries to the Foster/Woodstock couplet.



### ASSESSED VALUE PER ACRE:

Urban renewal investments ultimately result in increased property values – which in turn contribute to the tax base which generates income for the city, county and other taxing jurisdictions.

Over the past nine years, the assessed value of real property in the Interstate Corridor and Lents Town Center urban renewal areas has grown faster than the rest of Portland. The Gateway Regional Center urban renewal area's assessed value has accelerated in the past three years and now matches the growth of the rest of Portland.

### PHOTO:

Opening of the Green Line MAX / Ramona Street Fair. PDC provided more than \$60 million over the past nine years for transportation and street improvements in neighborhood URAs.

## ACCESS TO SERVICES:

"Twenty minute neighborhoods" mean that people can find shopping, recreation and transit services within a twenty minute walk from their residence. While walking distance to transit and access to parks and open spaces are rated very high by Portland residents, access to shopping and other services receive lower ratings, particularly in north and east Portland.

Through storefront and development opportunity grants, direct assistance to community businesses, and commercial redevelopment, PDC invests to improve accessibility in four urban renewal areas within north and east Portland neighborhoods: Interstate Corridor, Gateway Regional Corridor, Oregon Convention Center and Lents Town Center

Source: City Auditor 2009 Resident Survey.

## PHOTO:

The streetscape improvements in downtown Kenton included curved stone benches, created by local sculptor Mauricio Saldaña, and installed at the corners of the business district blocks.

## DOWNTOWN KENTON

Over the past year, Kenton has been the "little neighborhood that could," drawing together a diverse community of businesses and residents to create an inspiring new neighborhood story. Faced with the challenges of street closures and traffic detours to accommodate new streetscape construction, the neighborhood banded together to generate local promotions, a Third Thursday art walk, and its first annual street fair, a celebration of the diverse communities that comprise this historic area, its local history and future achievements.



The first phase of streetscape improvements was completed in March 2010 along the four-and-one-half block stretch of North Denver Avenue from North Interstate Avenue to North Watts Street. The completed makeover included widened sidewalks with patterned accents, new street trees, street level pedestrian lighting, carved stone benches, storm-water treatment planters, and public art.

In 2010-11, the street will be repaved with concrete as Phase II of the project. PDC is funding both phases of this \$2.85 million overhaul of the street and adjacent sidewalks.

The Kenton Neighborhood Association received funding through the PDC Community Livability Grant Program to spruce up the now historically recognized Paul Bunyan statue. The \$13,317 grant funding was used to refurbish the statue and protect it from graffiti damage. Paul was built in 1959 for Oregon's Centennial Celebration and is now listed on the National Register of Historic Places. He stands at the intersection of Denver and Interstate Avenues and serves as the gateway to the business district.



## COMMUNITY LIVABILITY GRANTS

The Community Livability Grant Program, administered by PDC, began in the Interstate Corridor URA in 2006 and has awarded almost \$1 million to a variety of projects. Based on the program's success and neighborhood impact, PDC announced the expansion of the grants to the Lents Town Center URA in May 2010. Awards can fund projects that involve physical improvements to community facilities, open spaces or historic/cultural preservation. The program invests in assets that improve livability for residents and enhance the unique nature of the Interstate Corridor and now the Lents Town Center neighborhoods.



### PHOTOS:

ABOVE: The new max GREEN line travels through the Lents Urban Renewal district, connecting residents of outer southeast neighborhoods to downtown Portland and Clackamas.

BELOW: A Community Livability grant helped renovate the iconic Paul Bunyan statue in the Kenton neighborhood.



Grant amounts have ranged from \$5,000 to more than \$100,000, and have supported such projects as:

- a wheelchair ramp for a community medical center;
- installation of a reclaimed wood floor and commercial kitchen infrastructure to enhance community meeting space;
- storefront improvements for a music center;
- heating, electrical upgrades, and new doors to create artist and gallery space;
- a new furnace and energy saving improvements for a childcare center;
- expansion of a youth learning center using recycled materials;
- new shade trees and benches at Humboldt School; and
- construction of garden sheds to serve two community gardens.

Historic/cultural preservation projects funded include:

- renovation of the Paul Bunyan statue in Kenton;
- repair of monuments and general improvements at the Historic Columbian Cemetery; and
- efficiency improvements at two historic buildings used as community space and performing arts space, including acoustic upgrades, a solar heating project, and storm water management.

# ACCOMPLISHMENTS IN NEIGHBORHOODS OUTSIDE OF THE CENTRAL CITY

## BUSINESS FINANCE

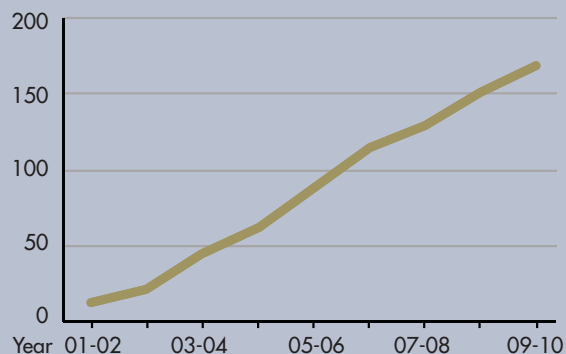
Financing to help businesses grow

### PDC BUSINESS FINANCE LOANS AND GRANTS

	FY 2009-10 \$ loans/grants millions	businesses assisted	2001-02 to 2009-10 \$ loans/grants millions, adjusted
<b>Neighborhood URA:</b>			
GATEWAY REGIONAL CTR. ...	\$0.0	0	\$1.5
LENTS TOWN CENTER.....	\$0.6	4	\$5.5
INTERSTATE CORRIDOR.....	\$0.2	6	\$8.8
OREGON CONVENT. CTR. ...	\$0.5*	5*	\$9.6*
<b>Citywide excluding URAs .....</b>	<b>\$0.4</b>	<b>2</b>	<b>\$4.7</b>
<b>Totals .....</b>	<b>\$1.7</b>	<b>17</b>	<b>\$30.1</b>

\* Data includes only the Martin Luther King Boulevard portion.  
Cumulative years prior to 08-09 include all areas of Oregon Convention Center.

### NEIGHBORHOOD BUSINESSES ASSISTED, cumulative since 2001-02



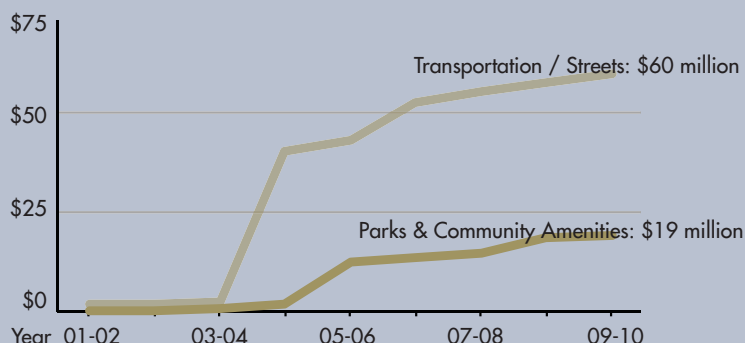
## INFRASTRUCTURE

Funds disbursed through intergovernmental agreements for the construction of public assets

### PDC INVESTMENT FY 2001-02 to 2009-10

	millions \$	% of total URA spending
<b>Neighborhood URA:</b>		
GATEWAY REGIONAL CTR. .	\$17.4	56%
LENTS TOWN CENTER.....	\$15.3	22%
INTERSTATE CORRIDOR.....	\$46.2	75%
<b>Nine-year total .....</b>	<b>\$78.9</b>	

### PDC SPENDING ON PUBLIC INFRASTRUCTURE IN NEIGHBORHOODS, cumulative since 2001-02 millions adjusted FY 09-10 \$



## STOREFRONT IMPROVEMENT

Facade, signage, lighting and other sustainable exterior improvements for businesses

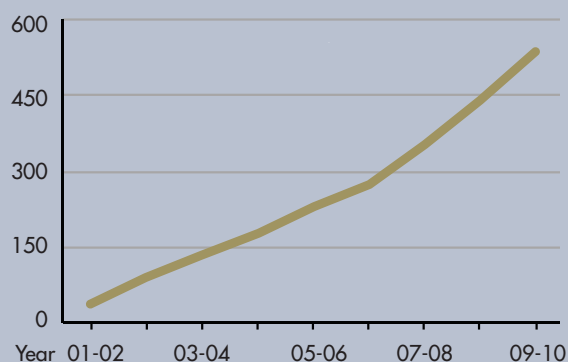
### PDC STOREFRONT GRANTS FY 2009-10

	grants** millions	# of new projects	2001-02 to 2009-10 grants millions, adjusted
<b>Neighborhood URA:</b>			
GATEWAY REGIONAL CTR. ...	\$0.1	6	\$0.5
LENTS TOWN CENTER.....	\$0.3	16	\$1.5
INTERSTATE CORRIDOR.....	\$0.6	32	\$2.9
OREGON CONVENT. CTR. ...	\$0.1*	13*	\$1.6*
<b>Citywide excluding URAs .....</b>	<b>\$0.4</b>	<b>32</b>	<b>\$2.2</b>
<b>Totals .....</b>	<b>\$1.5</b>	<b>99</b>	<b>\$8.7</b>

\* Data includes only the Martin Luther King Boulevard portion.  
Cumulative years prior to 08-09 include all areas of Oregon Convention Center.

\*\*Includes Signage & Lighting grants.

### NEIGHBORHOOD STOREFRONT IMPROVEMENT PROJECTS, cumulative since 2001-02



## COMMERCIAL REDEVELOPMENT

Pre-development and construction funding to assist in the development of commercial properties

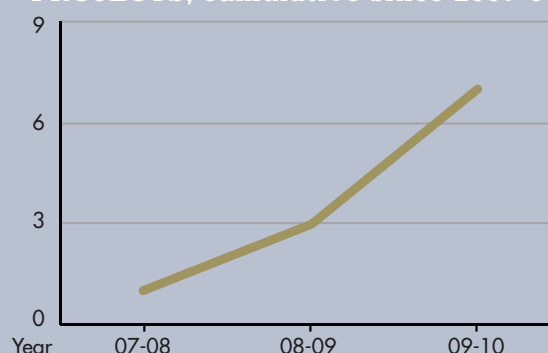
### PDC COMMERCIAL REDEVELOPMENT LOANS

	FY 2009-10 Commercial ReDev. projects loans** \$ millions assisted	2007-08 to 2009-10 loans \$ millions, adjusted
<b>Neighborhood URA:</b>		
GATEWAY REGIONAL CTR. ...	\$0.0 0	\$0.0
LENTS TOWN CENTER.....	\$0.2 1	\$0.2
INTERSTATE CORRIDOR.....	\$1.5 4	\$1.8
OREGON CONVENT. CTR. ...	\$0.1* 0*	\$0.7*
<b>Totals .....</b>	<b>\$1.8 5</b>	<b>\$2.7</b>

\* Includes only the Martin Luther King Boulevard portion.

\*\*Includes predevelopment and construction loans.

### NEIGHBORHOOD COMMERCIAL REDEVELOPMENT PROJECTS, cumulative since 2007-08



## DEVELOPMENT OPPORTUNITY SERVICES (DOS)

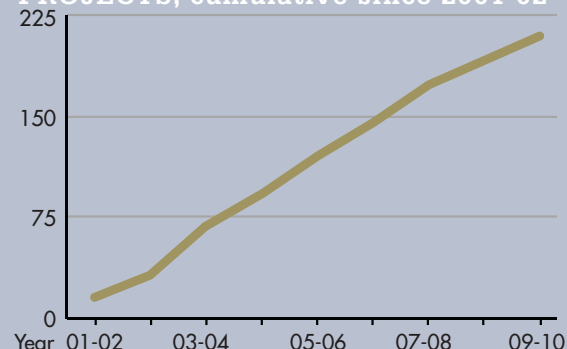
Small grants to help property owners and developers explore the development potential of selected sites

### PDC DOS GRANTS

	FY 2009-10 DOS grants projects	2001-02 to 2009-10 grants, \$ adjusted
<b>Neighborhood URA:</b>		
GATEWAY REGIONAL CTR. ...	\$36,000 0	\$152,000
LENTS TOWN CENTER.....	\$24,000 1	\$261,000
INTERSTATE CORRIDOR.....	\$72,400 11	\$1,215,000
OREGON CONVENT. CTR. ...	\$12,000* 1*	\$482,000*
<b>Totals .....</b>	<b>\$144,400 13</b>	<b>\$2,110,000</b>

\* Data includes only the Martin Luther King Boulevard portion. Cumulative years prior to 08-09 include all areas of Oregon Convention Center.

### NEIGHBORHOOD DOS GRANT PROJECTS, cumulative since 2001-02





# A VIBRANT CENTRAL CITY

## URBAN VITALITY:

How is the City doing in making downtown a good place for recreation, shopping, working and living?

Sixty-six percent of Portland residents say "good" or "very good," up four percentage points from 2006.

PDC's investments in the central city create a mix of urban uses that catalyze downtown and keeps downtown a good place to shop, live, work and recreate.

Source: City Auditor 2009 Resident Survey.

Portland's central city plays a critical role as the heart of the region's economic growth and success. Its unique position as a shared, collective neighborhood for both Portlanders and visitors creates rich opportunities to showcase the city's urban economic assets.

## THE TRANSIT MALL

In 2007-2009, TriMet and its partners built a new 8.3-mile light rail line that expanded the popular regional rail system into Clackamas County. The expansion of light rail was a critical part of a growing transportation system that will be needed to accommodate an expected one million new residents in the region by 2030. The I-205/Portland Mall MAX Light Rail Project connected Clackamas County, one of the region's fastest growing areas, with Portland State University (PSU), the No. 1 destination in our transit system.

PDC's investment in the project, less than 10% of the total cost of building the new light rail line on the downtown transit mall, addressed the long term economic benefits of the expansion, enlivening the area for retail businesses, pedestrians, cyclists and cars and supporting the walkable urbanism that is a hallmark of Portland's central city.

PDC worked closely with Tri-Met and the Portland Mall Management Group on a block-by-block effort to evaluate, inspire and implement changes to storefronts along the mall, leveraging significant private investment that resulted in coordinated improvements and beautification along 117 blocks within the central city.

Opened in September 2009, the revitalized downtown transit mall underscores the importance of PDC's work in the central city to enhance the downtown experience and invest strategically in urban infrastructure.



## PHOTO:

The MAX Green Line connects Southeast Portland neighborhoods along Interstate 205, introduced light rail into Clackamas County and revitalized Portland's downtown transit mall to Portland State University.

## PARTNERSHIP WITH PORTLAND STATE UNIVERSITY

Portland's central city is anchored by higher education, and is home to Oregon's largest university student body. In 2009-10, PDC forged stronger bonds with PSU to align strategic planning and development activities, resulting in key projects which integrate PSU's interests in academic program development, research, technical assistance and community outreach, and campus development with city and regional objectives for economic development, higher education, and sustainability.

PDC contributed both land and a \$2 million investment in the LEED Gold Portland State University Student Recreation Center and Graduate School of Social Work, which opened in December 2009. The center represents a \$70 million investment by PSU, completes the Urban Center plaza and provides an urban gateway to the campus. As a further expression of the city's partnership with the university, the City of Portland Archives and Record Center is now located at the Rec Center building, facilitating their integration into PSU academic uses and programming.

The Portland State University Economic Development Strategy, completed in July 2009, and Framework Plan, completed in May 2010, detail PSU activities to support the city's economic development plans and position PSU as a leader in sustainable development. The EcoDistrict concept is a signature element of green building on the PSU campus.

The SW Montgomery Green Street project, a partnership between PDC, PSU and the Portland Bureau of Environmental Services (BES), brings the EcoDistrict concept to life and meshes city goals with PSU's sustainability activities. The nine-block

design area, from SW 11th Avenue to SW 2nd Avenue, demonstrates how in even the most urban conditions, downtown streets can be retrofitted to manage stormwater runoff while simultaneously creating vibrant pedestrian spaces. The completed construction at Broadway to Park and the Urban



Center Plaza builds dramatically upon the long-term efforts advanced by the city, PSU, private developers, and businesses over the past four decades. The strategic convergence of these elements will successfully activate the neighborhood, enhance the pedestrian experience, foster sustainability, and further build a community culture.

PDC's goals for a vibrant central city converge in the Oregon Sustainability Center, a 150,000 square foot building in pursuit of the Living Building Challenge, envisioned as the first mixed-use, high-density, net zero energy, water and wastewater building in the world. The



OSC represents Portland's leadership in innovation and entrepreneurship; its partnerships with education and workforce institutions to ensure regional competitiveness; and its commitment to developing the next generation of green building practices that will drive job creation.

With the completion of the OSC Feasibility Study, refinement of program, cost, and research/commercialization components, and business partnerships under way with Intel, SolarWorld, and GE, the project will move forward with schematic design in 2010-11.

### PHOTO:

ABOVE: Downtown Portland is anchored by Portland State University, the state's largest university student body.

## RETAIL OCCUPANCY:

Retail vacancy rates are one indicator of a vibrant central city. From a low of 7 percent in the 2nd quarter of 2008, retail vacancy rates in the central city steadily climbed to almost 11 percent two years later, reflective of the economic downturn.

Source: Norris, Beggs & Simpson

### PHOTO:

TOP: The Oregon Sustainability Center is envisioned as a model for the world's built environments, and a physical, intellectual and inspirational headquarters for Oregon's green economy.

## CENTRAL CITY BUSINESSES:

Businesses in the Central City contribute about 37 percent of all business income taxes collected by the City of Portland. In 2008, this was approximately \$22.3 million.

Source: PDC analysis of 2009 business income tax data.

## CENTRAL EASTSIDE

Portland's central city extends well beyond downtown; the Central Eastside Urban Renewal Area (CES URA) is also a vital element of the area and a target for strategic investment. Two CES transportation projects received critical PDC support, offering opportunities to leverage and enhance Portland's reputation for livability and accessibility. Both the East Burnside-Couch Couplet and Portland Streetcar Loop in the CES URA will improve access and traffic flow and create a more inviting pedestrian environment along the commercial corridors.

To help business prepare for future opportunities as a result of the projects, the CES URA moved its Storefront Improvement Program boundary and created the Development Opportunity Services Program boundary along the alignment of the two projects.

Construction of the East Burnside-Couch Couplet began in August 2009 and is on schedule for completion in October 2010. The couplet project is constructed on existing roadways from NE 14th Avenue to the Burnside Bridge, creating a one-way couplet system between Northeast 3rd Avenue and Northeast 14th Avenue; reduced traffic conflicts between autos and bicycles with a striped bike lane on East Burnside from Martin Luther King Jr. Boulevard to Northeast 13th Avenue and on Northeast Couch Street between Northeast 6th Ave and the Burnside Bridge; significantly improved pedestrian safety by providing curb extensions to narrow pedestrian crossing distances across Burnside Street, and traffic signals at every full intersection along both Burnside and Couch. In addition the project is assembling two new city blocks for potential redevelopment at Northeast Sandy Boulevard and Northeast 14th Avenue; and provides improved access to businesses with left turns at all intersections and new on-street parking spaces on Burnside.

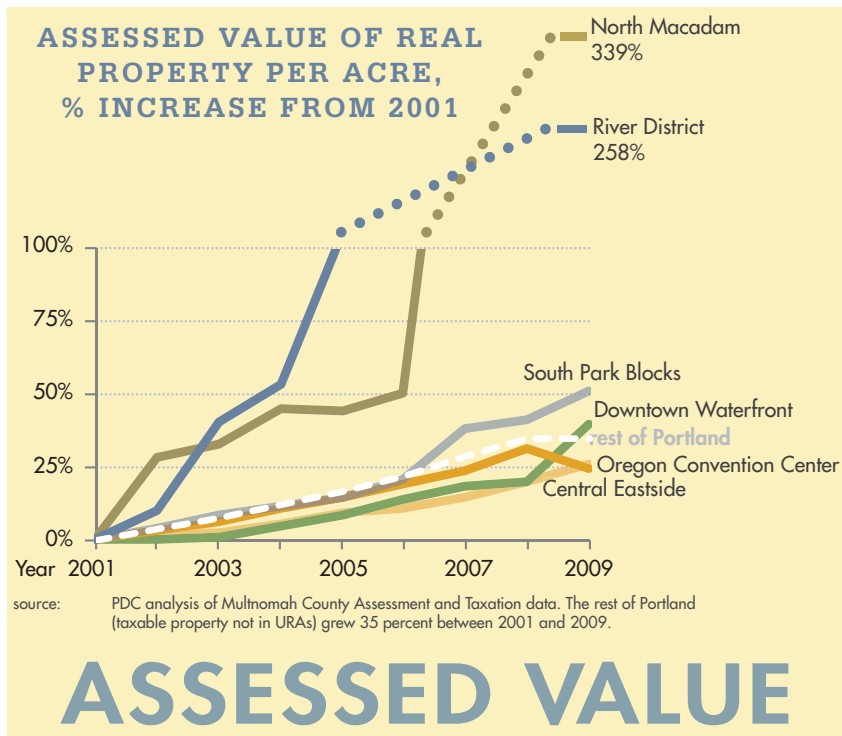
The Portland Streetcar Loop is a 3.3 mile extension of the existing streetcar from the Pearl District, across the Broadway Bridge, through both the CES and Oregon Convention Center (OCC) URAs. Project construction started in fall 2009 and completion is anticipated in spring 2012.



### PHOTO:

The Portland Streetcar on NW Lovejoy in Portland's Pearl District. Over the past nine years, PDC has invested more than \$98 million in transportation and street improvements in the Central City.





### ASSESSED VALUE PER ACRE:

Urban renewal investments ultimately result in increased property values – which in turn contribute to the tax base which generates income for the city, county and other taxing jurisdictions.

The growth of assessed value of real property in the six Central City urban renewal areas varies. Since 2001, North Macadam and River District have experienced phenomenal growth. Other urban renewal areas have experienced growth similar to the rest of Portland (35 percent). Tax exempted properties in downtown and different types of zoning impact assessed value.

### PHOTO:

The Portland State University Student Recreation Center and Graduate School of Social Work.





# PDC ACCOMPLISHMENTS IN THE CENTRAL CITY

## BUSINESS FINANCE

Financing to help businesses grow

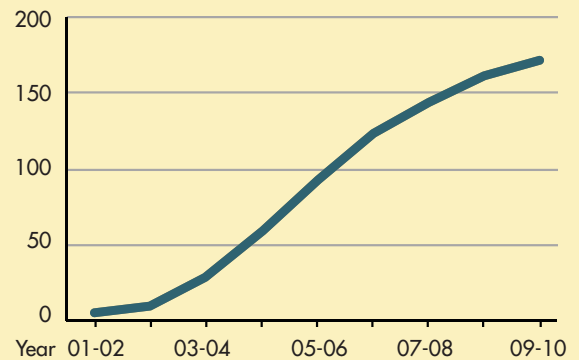
### PDC BUSINESS FINANCE LOANS AND GRANTS

	FY 2009-10	2001-02 to 2009-10
	\$ loans/grants millions	\$ loans/grants millions, adjusted
<b>CENTRAL CITY URA:</b>		
DOWNTOWN WATERFRONT..	\$0.0	\$7.1
NORTH MACADAM.....	\$0.0	\$0.4
RIVER DISTRICT .....	\$0.0	\$6.2
SOUTH PARK BLOCKS.....	<\$0.1	\$4.2
CENTRAL EASTSIDE .....	\$1.0	\$10.9
OREGON CONVENT. CTR. ...	\$0.0*	\$8.6*
<b>Totals .....</b>	<b>\$1.0</b>	<b>\$37.4</b>

\* Data includes only the Lloyd Center portion.

Cumulative years prior to 08-09 include all areas of Oregon Convention Center.

### CENTRAL CITY BUSINESSES ASSISTED, cumulative since 2001-02



## INFRASTRUCTURE

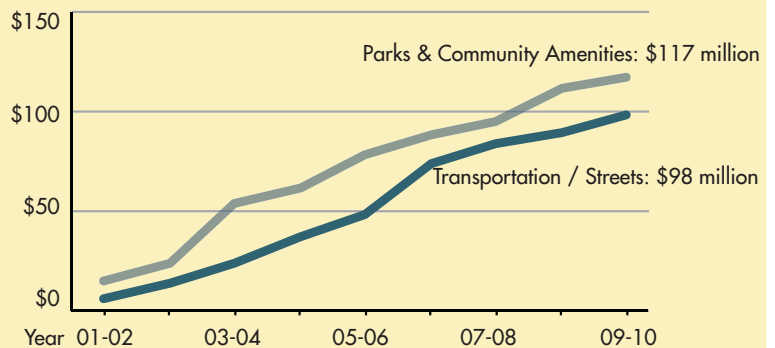
Funds disbursed through intergovernmental agreements for the construction of public assets

### PDC INVESTMENT

#### FY 2001-02 to 2009-10

	millions \$	% of total URA spending
<b>Central City URA:</b>		
DOWNTOWN WATERFRONT..	\$60.6	32%
NORTH MACADAM.....	\$45.2	44%
RIVER DISTRICT .....	\$58.4	30%
SOUTH PARK BLOCKS.....	\$13.3	18%
CENTRAL EASTSIDE .....	\$18.6	28%
OREGON CONVENT. CTR. .	\$19.4	18%
<b>Nine-year total .....</b>	<b>\$215.5</b>	

### PDC SPENDING ON PUBLIC INFRASTRUCTURE IN CENTRAL CITY, cumulative since 2001-02 millions adjusted FY 09-10 \$



## STOREFRONT IMPROVEMENT

Facade, signage, lighting and other sustainable exterior improvements for businesses

### PDC STOREFRONT GRANTS

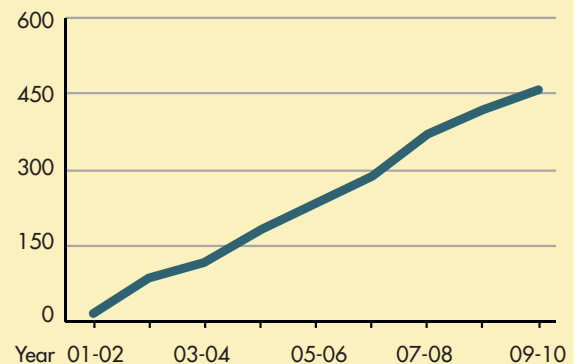
	FY 2009-10	2001-02 to 2009-10
	grants** millions	grants millions, adjusted
<b>Central City URA:</b>		
DOWNTOWN WATERFRONT..	<\$0.1	\$1.9
NORTH MACADAM.....	n/a	n/a
RIVER DISTRICT .....	\$0.3	\$1.5
SOUTH PARK BLOCKS.....	\$0.1	\$1.3
CENTRAL EASTSIDE .....	\$0.1	\$1.3
OREGON CONVENT. CTR. ...	\$0.0*	\$1.4*
<b>Totals .....</b>	<b>\$0.6</b>	<b>\$7.4</b>

\* Data includes only the Lloyd Center portion.

Cumulative years prior to 08-09 include all areas of Oregon Convention Center.

\*\*Includes Signage & Lighting grants.

### CENTRAL CITY STOREFRONT IMPROVEMENT PROJECTS, cumulative since 2001-02



## COMMERCIAL REDEVELOPMENT

Pre-development and construction funding to assist in the development of commercial properties

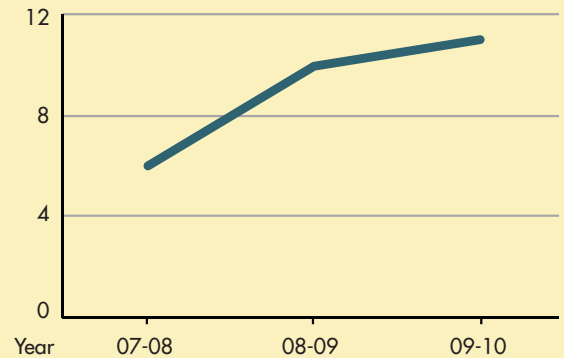
### PDC COMMERCIAL REDEVELOPMENT LOANS

	FY 2009-10 Commercial ReDev. loans** \$ millions	projects assisted	2007-08 to 2009-10 loans \$ millions, adjusted
<b>Neighborhood URA:</b>			
DOWNTOWN WATERFRONT..	\$0.0	0	\$2.8
NORTH MACADAM.....	\$0.0	0	\$0.0
RIVER DISTRICT .....	\$0.2	1	\$1.9
SOUTH PARK BLOCKS .....	\$0.0	0	\$0.0
CENTRAL EASTSIDE .....	\$0.0	0	\$0.0
OREGON CONVENT. CTR. ....	\$0.0*	0*	\$0.5*
<b>Totals .....</b>	<b>\$0.2</b>	<b>1</b>	<b>\$5.2</b>

\* Includes only the Lloyd Center portion.

\*\*Includes predevelopment and construction loans.

### CENTRAL CITY COMMERCIAL REDEVELOPMENT PROJECTS, cumulative since 2007-08



## DEVELOPMENT OPPORTUNITY SERVICES (DOS)

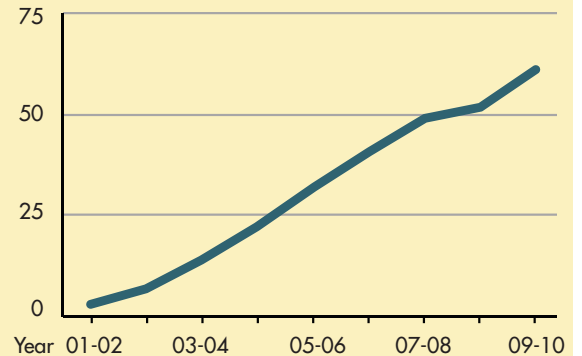
Small grants to help property owners and developers explore the development potential of selected sites

### PDC DOS GRANTS FY 2009-10 2001-02 to 2009-10

	DOS grants	projects	grants, \$ adjusted
<b>Neighborhood URA:</b>			
DOWNTOWN WATERFRONT..	\$12,000	1	\$97,746
NORTH MACADAM.....	\$0	0	\$0
RIVER DISTRICT .....	\$56,530	5	\$101,826
SOUTH PARK BLOCKS .....	\$12,000	1	\$31,869
CENTRAL EASTSIDE .....	\$20,000	1	\$46,868
OREGON CONVENT. CTR. ....	\$12,000*	1*	\$470,235*
<b>Totals .....</b>	<b>\$112,530</b>	<b>9</b>	<b>\$748,544</b>

\* Data includes only the Martin Luther King Boulevard portion. Cumulative years prior to 08-09 include all areas of Oregon Convention Center.

### CENTRAL CITY DOS GRANT PROJECTS, cumulative since 2001-02



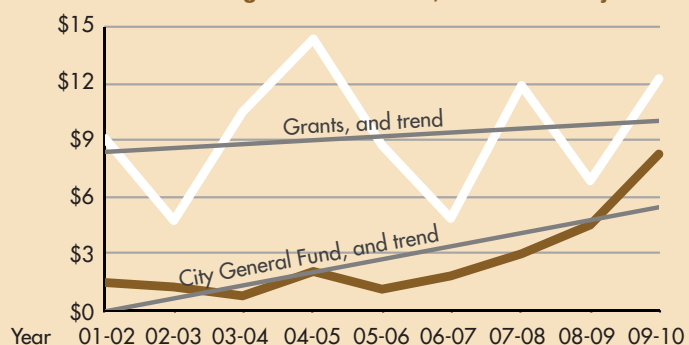
# EFFECTIVE STEWARDSHIP and EMPLOYEE INVESTMENT

Both the people of PDC and the public we serve are at the center of initiatives to fulfill this strategic goal. The application of best practices in PDC's strategic planning and business processes moves in tandem with continuous improvement in employee training and leadership development to foster effectiveness, efficiency, and productivity at every level of the agency.

## PDC SOURCES OF REVENUE:

As a percentage of total revenue, tax increment funds made up 72 percent of available funds last year. The fund balances from FY 2008-09 affect the amount of TIF debt proceeds drawn during the year. Grants and City General Fund increased last year due to increased funding in federal grants for the Economic Opportunity Initiative program, federal grants for housing, and General Fund to support the Portland's Economic Development Strategy and Main Street Program. Income from the management of PDC-owned properties contributes most of the revenue in the "charges, interest and miscellaneous" category.

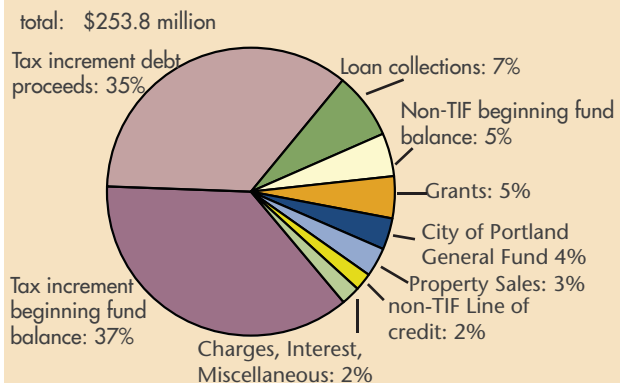
**Trends in Grant and General Fund Revenue, FY 2001-02 through FY 2009-10, millions adjusted**



## HOUSING TRANSITION

Collaboration and partnership were integral to the successful transition of PDC's housing work to the newly formed Portland Housing Bureau. Throughout FY 2009-10, PDC coordinated extensive planning and discussion to reach agreement on project and program budgets and specific support services to be provided to PHB. PDC's extensive, cross-division work on this transition demonstrated all elements of our desired outcomes for governance, incorporating strategic and business planning, organizational learning, collaboration, and accountability. The official transfer of PDC Housing to the new Portland Housing Bureau in July 2010 marked the end of the transition project, and the beginning of a new relationship as we move forward.

## PDC REVENUE BY SOURCE FY 2009-10





## BUDGET DEVELOPMENT

Wise management of the public's resources requires a diverse set of tools and strategies. PDC developed its FY 2010-11 budget over many months, beginning in October and ending in June with the PDC board's adoption of the final budget. Staff devoted significant time to the analysis of options to reduce operating costs and paid particular attention to the alignment of resources and priorities, tapping into the in-house expertise of project staff and division managers.

## PROJECT MANAGEMENT OFFICE

Lawson Time Management, a replacement for the older in-house-developed time sheet program, provided new online capabilities for time entry, electronic approvals and reminders, and prepared PDC to implement cost accounting. The new system can generate reports to help managers understand staff time allocations and track the time necessary to complete particular projects or tasks.

PDC strengthened its system infrastructure further with the deployment of TRIM, an Electronic Content Management (ECM) system. Improved customer service and record keeping are the immediate benefits of the system, which was initiated by organizing the documents and records related to the Gateway Redevelopment and Neighborhood Park Project, and UDD Financial Assistance Programs.

## PERFORMANCE MANAGEMENT

Employee input was integral to the improvement of PDC's Performance Management Program (PMP) in 2009-10. Focus groups and one-on-one interviews involving approximately 70 staff members from across the agency provided the feedback that drove changes to the fiscal year-end performance evaluation. The more streamlined approach reduced complexity and confusion, and provided more time to focus on meaningful dialogue between manager and employee.

## TRAINING

PDC is committed to developing well-trained employees with solid communication and relationship-building skills. With the AFSCME Local 3769 and our first Collective Bargaining

Agreement (CBA) in their second year, PDC developed a Manager Training Series which included a focus on the importance of the CBA in managing represented employees at PDC. Sessions also addressed proactive management



### PHOTO:

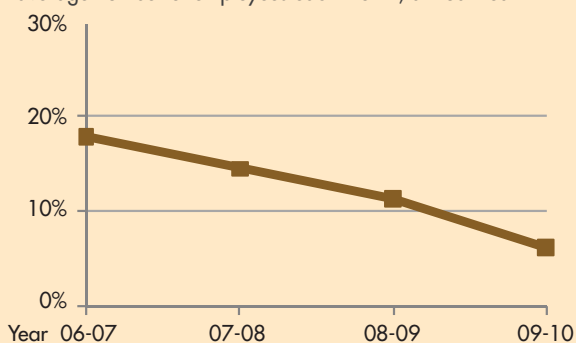
PDC comradery expressed by a PDC employee inspired "Dress in Red" day.

and experiential learning activities to provide participants with an opportunity to apply their newly acquired knowledge. An average of 93% of participants indicated that they found the sessions useful.

In addition, PDC provided training to the Labor Management Committee for interest-based negotiations, and offered a similar training opportunity to all union officers and management staff involved with the CBA renewal negotiations.

## PDC EMPLOYEE TURNOVER

voluntary and involuntary separations as a percentage of average number of employees each month, annualized



### EMPLOYEE TURNOVER:

The percent of employee separations from PDC during the year was 6.2 percent – down from almost 18 percent four years ago. The housing transition and reduction of force that occurred at the end of FY 2009-10 are not factored into the turnover calculation.

## PRIVATE AND OTHER FUNDS LEVERAGED BY PDC INVESTMENT:

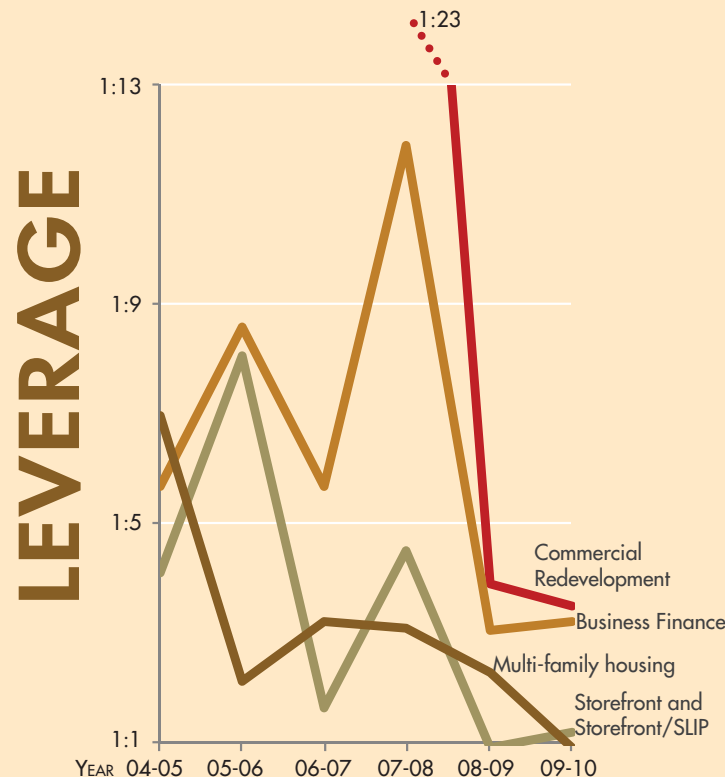
Leverage is one metric PDC uses to assess its return on investment. PDC strives to maximize private and other investment in its projects, and loan and grant programs.

While leverage varies upon the project or program type, the current economy has required PDC to provide a larger percentage of the total project cost, hence the decline in leverage over the past several years.

Nonetheless, PDC investments leveraged a total of \$110.8 million in FY 2009-10. Ninety-one million dollars of this leverage was from housing projects managed by the Portland Housing Bureau.

## LEVERAGE RATIO TRENDS by PDC project type

PDC \$: other investment \$



## LEVERAGE FROM PDC PROJECTS AND LOAN/GRAANT RECIPIENTS, FY 2009-10

PDC PROGRAM <sup>†</sup>	PDC FY 2009-10 INVESTMENT	TOTAL LEVERAGE	MEDIAN LEVERAGE
Multi-family rental housing Projects (n=12).....	\$72.3 million	1:3	1:2
Multi-family owner housing Projects (n=1).....	\$1.1 million	1:<1	1:<1
Commercial Property Redevelopment Loan recipients (n=5).....	\$1.9 million	1:4	1:3
Business Finance Program Businesses assisted (n=32) ....	\$3.4 million	1:3	1:1
Storefront Program (and SLIP when combined) New projects (n=136).....	\$2.2 million	1:<1	1:<1

<sup>†</sup>Some of the loan/grant recipients may have received funding from another program; therefore total leverage per recipient may be slightly less than shown.

# APPENDICES

- A. FY 2009-10 Tier 1 and Tier 2 Projects by Strategic Goal (map)
- B. Nine-year accomplishments by type of loan or grant product (maps)
- C. Itemization of FY 2009-10 activity by URA and citywide (table)



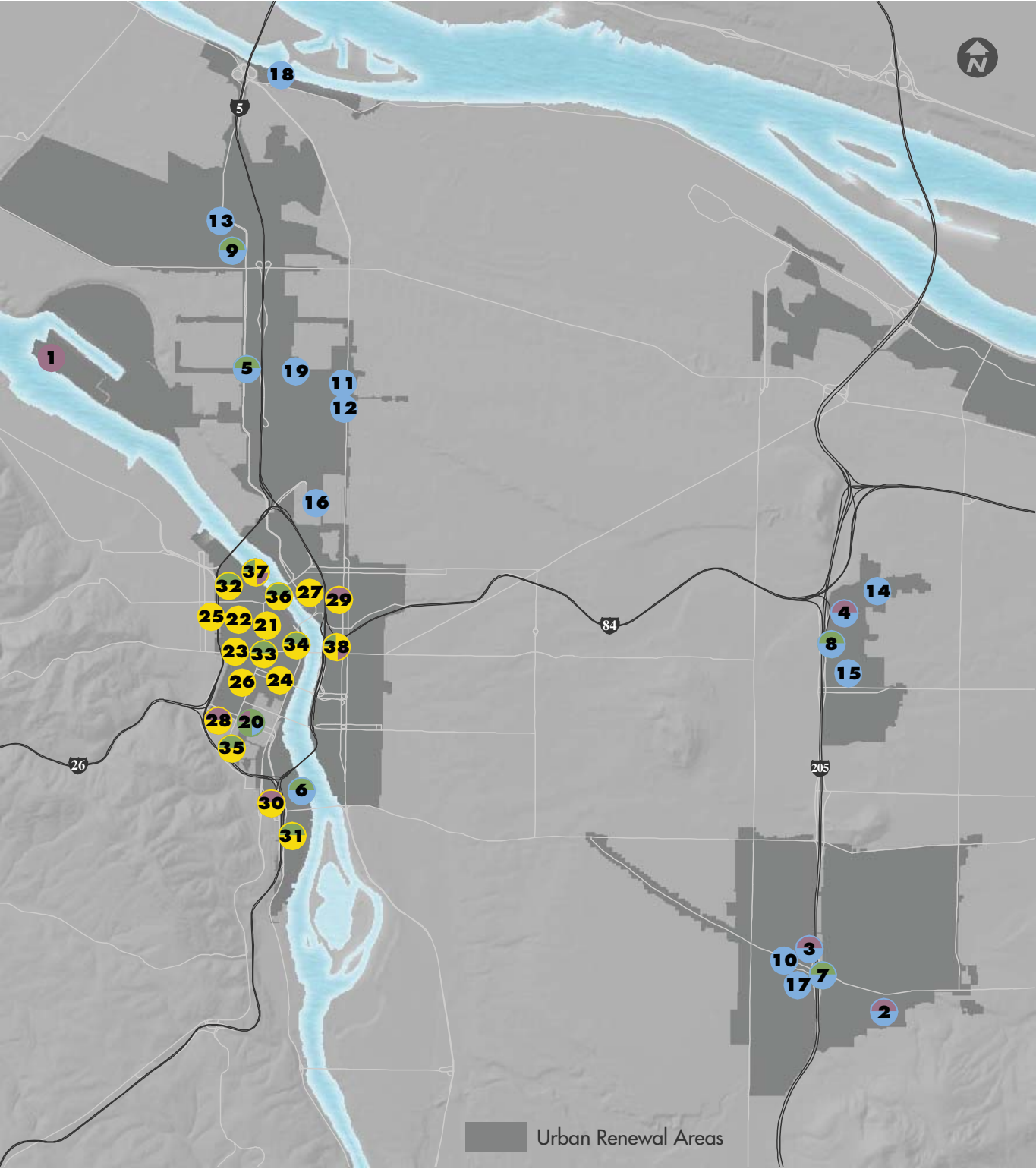
# FY 2009-10 TIER 1 and TIER 2 PROJECTS BY STRATEGIC GOAL

Last fiscal year PDC prioritized its economic development and revitalization work to insure that human and financial resources are being directed to accomplish the agency's highest priorities. Projects are now organized into "tiers" to signal level of priority in terms of meeting strategic agency goals. Criteria established to rank projects included the following: does the project directly deliver on the PDC Strategic Plan, the City of Portland 5-year Economic Development Strategy, or other City of Portland policy objectives? Is the project likely to be completed and to deliver results in the next 12-18 months? Does the project have sufficient staffing and financing (public and private) to reach completion in the next 12-18 months?

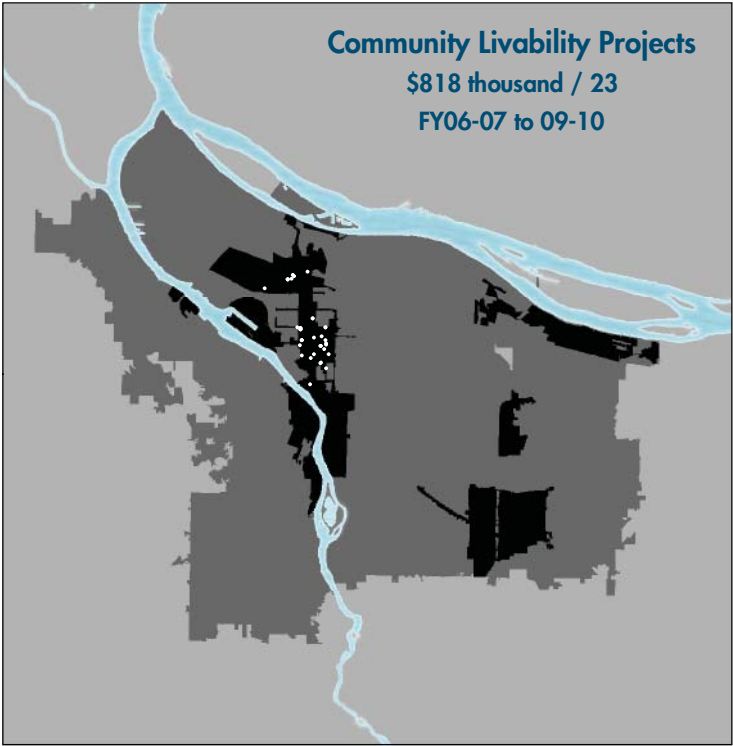
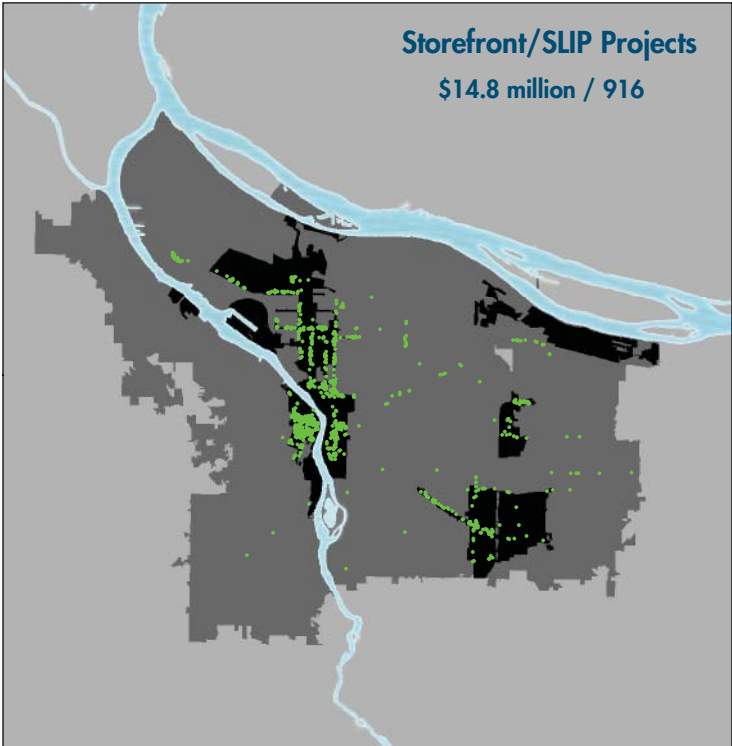
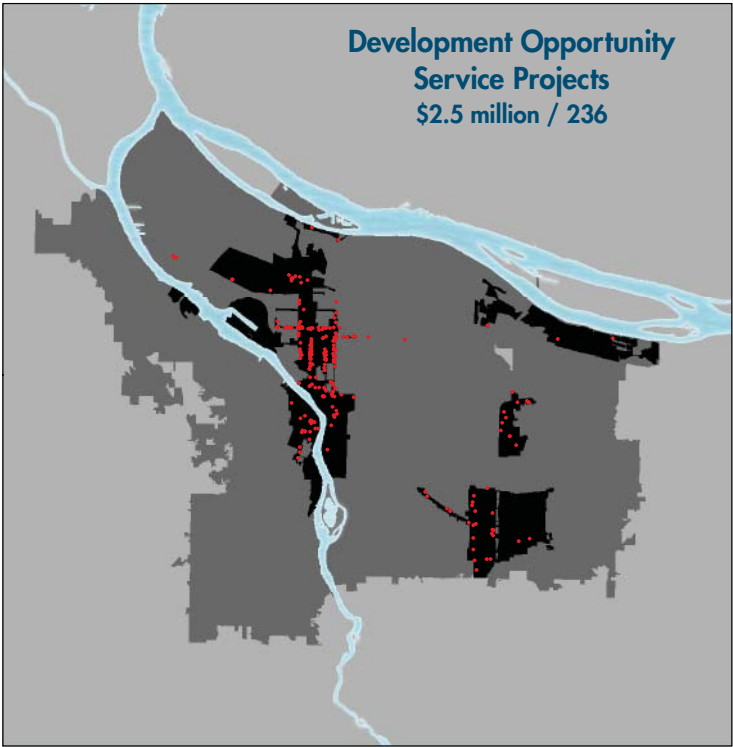
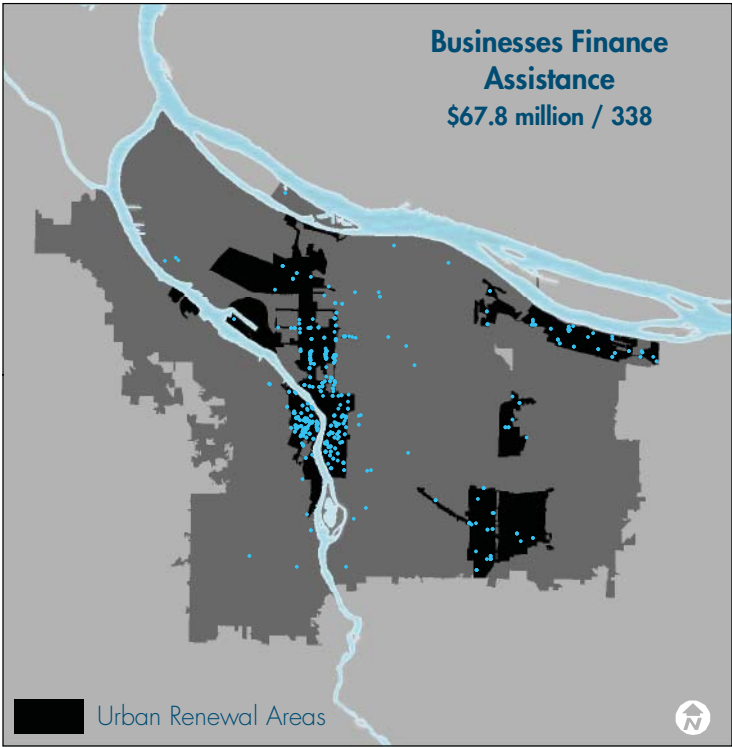
Projects in Tiers One and Two represent the priority work of the agency. Projects called out at the Tier One level are those projects that are likely to deliver major results in the next 6 months, are politically important and are central to PDC and City of Portland strategic goals and policy priorities. Tier One and Tier Two work are assessed on a quarterly basis and projects rotate between the two tiers based on project life cycle and anticipated deliverables.

This map illustrates projects that were characterized as Tier 1 or Tier 2 at some point in FY 2009-2010.

 <b>Strong Economic Growth and Competitiveness</b> <ul style="list-style-type: none"> <li>1 Harbor Redi Initiative</li> <li>* Activewear Cluster Job Project</li> <li>* Clean Tech - Electric Vehicle Cluster Jobs Project</li> <li>* Clean Tech - Small Wind Cluster Jobs Project</li> <li>* International Strategy</li> <li>* Advanced Manufacturing Cluster Jobs Project</li> <li>* Business Portland Web Portal</li> <li>* Clean Tech - Green Development Job Project</li> <li>* Clean Tech - Solar Manufacturing Job Project</li> <li>* Vestas Headquarters Expansion Project</li> <li>* Software Cluster Jobs Project</li> </ul>	 <b>Healthy Neighborhoods; Sustainability and Social Equity; Strong Economic Growth and Competitiveness</b> <ul style="list-style-type: none"> <li>20 Oregon Sustainability Center (OSC)</li> </ul>  <b>Vibrant Central City</b> <ul style="list-style-type: none"> <li>21 Union Station: Funding, Rehabilitation and Property Management</li> <li>22 Post Office Redevelopment Project</li> <li>23 10th &amp; Yamhill Redevelopment Project</li> <li>24 2009 Portland Downtown Retail Strategy</li> <li>25 Potential New Westside Central City URA</li> <li>26 Morrison Yamhill Retail Spine Improvements</li> <li>27 Rose Quarter Development</li> </ul>
 <b>Strong Economic Growth and Competitiveness; Healthy Neighborhoods</b> <ul style="list-style-type: none"> <li>2 Johnson Creek Industrial Revitalization Strategy</li> <li>3 Lents Town Center Business Development Strategy</li> <li>4 Gateway Regional Center Business Development Strategy</li> <li>* North/Northeast Economic Development Study</li> <li>* Community Economic Development Roadmap Project</li> <li>* Entrepreneurial Development and Investment Capital Plan</li> </ul>	 <b>Vibrant Central City; Strong Economic Growth and Competitiveness</b> <ul style="list-style-type: none"> <li>28 Portland State University Master Plan and Economics Development Implementation</li> <li>29 Block 47/49 (Lloyd District) and Headquarters Hotel Redevelopment Project</li> <li>30 Portland State University Business Accelerator Wet Lab</li> <li>* Higher Education Initiative</li> <li>* Creative Exchange Project (map at building site)</li> <li>* Central City Employment Action Plan (CCEAP)</li> </ul>
 <b>Strong Economic Growth and Competitiveness; Sustainability and Social Equity</b> <ul style="list-style-type: none"> <li>* Clean Tech - Energy Efficiency Cluster Jobs Project</li> <li>* Clean Tech - Wind Cluster Jobs Project</li> </ul>	 <b>Vibrant Central City; Sustainability and Social Equity</b> <ul style="list-style-type: none"> <li>31 Central District: Caruthers Park Design and Construction Project</li> <li>32 The Fields - RD Neighborhood Park</li> <li>33 Block 33/32: Goldsmith Blocks, Block 33</li> <li>34 Globe Hotel Redevelopment Project</li> <li>35 PSU EcoDistrict</li> <li>36 One Waterfront Place Project</li> <li>* EcoDistricts: Research and Development</li> </ul>
 <b>Sustainability and Social Equity; Healthy Neighborhoods</b> <ul style="list-style-type: none"> <li>5 Killingsworth Station Development Project</li> <li>6 North District: Oregon University System Life Sciences Center</li> <li>7 92nd and Harold Mixed-Use Transit Oriented Development Project</li> <li>8 97th Avenue Greenstreet Project: Design and Engineering</li> <li>9 Downtown Kenton Redevelopment: Streetscape</li> </ul>	 <b>Vibrant Central City; Sustainability and Social Equity; Strong Economic Growth and Competitiveness</b> <ul style="list-style-type: none"> <li>37 Centennial Mills Redevelopment Project</li> <li>38 Burnside Bridgehead Redevelopment Project</li> </ul>
 <b>Healthy Neighborhoods</b> <ul style="list-style-type: none"> <li>10 Lents Town Center Acquisitions and Dispositions</li> <li>11 Vanport Phase II Housing</li> <li>12 Vanport Phase III South Block Commercial</li> <li>13 Downtown Kenton Redevelopment: Acquisition, Business Development</li> <li>14 Gateway Redevelopment &amp; Neighborhood Park Project</li> <li>15 Central Gateway Property Acquisition</li> <li>16 Dawson Park Redevelopment Project</li> <li>17 Foster-Woodstock Street Improvement Project - Construction Phase</li> <li>18 Bridgeton Promenade Project: Design and Engineering</li> <li>19 Killingsworth Corridor Revitalization Strategy</li> </ul>	<p>* Projects without a number have a citywide emphasis and are not shown on map.</p>

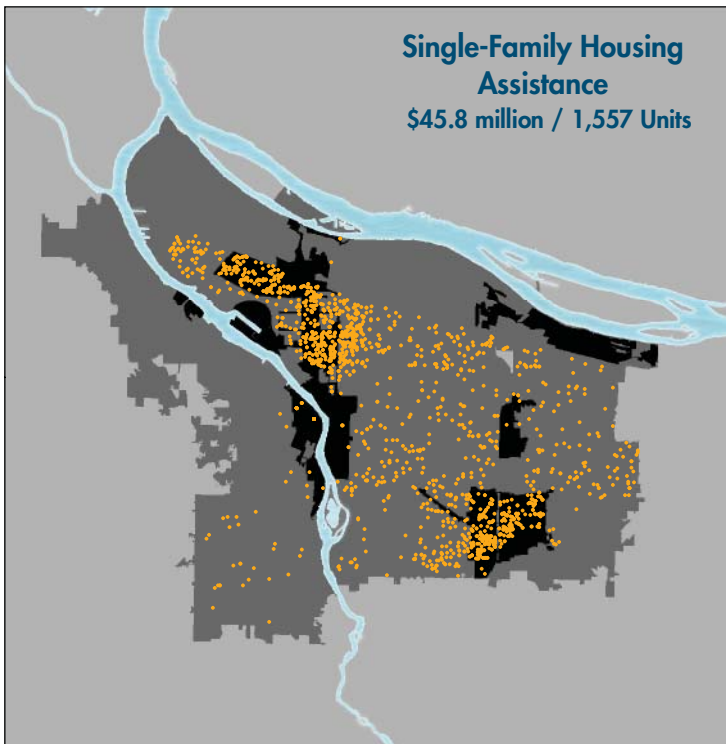
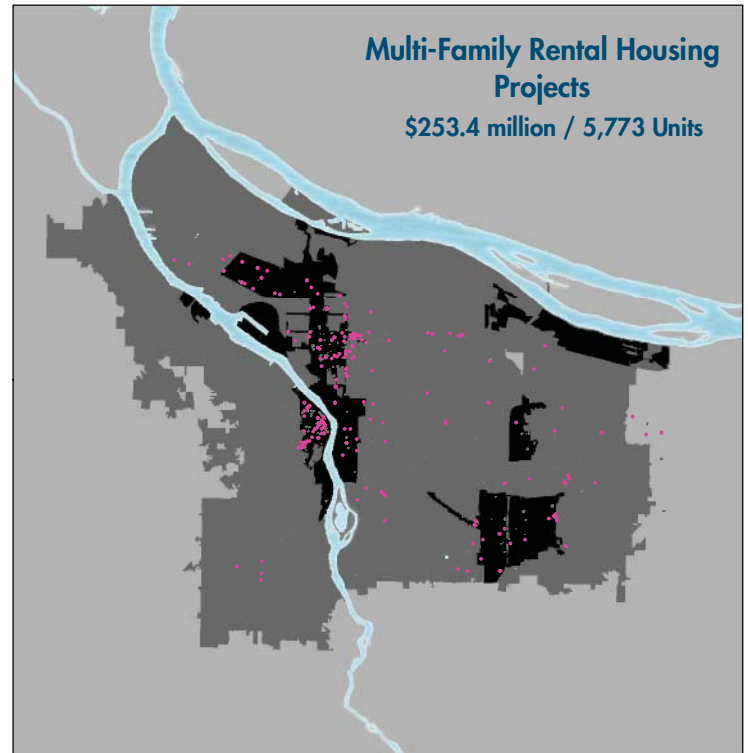
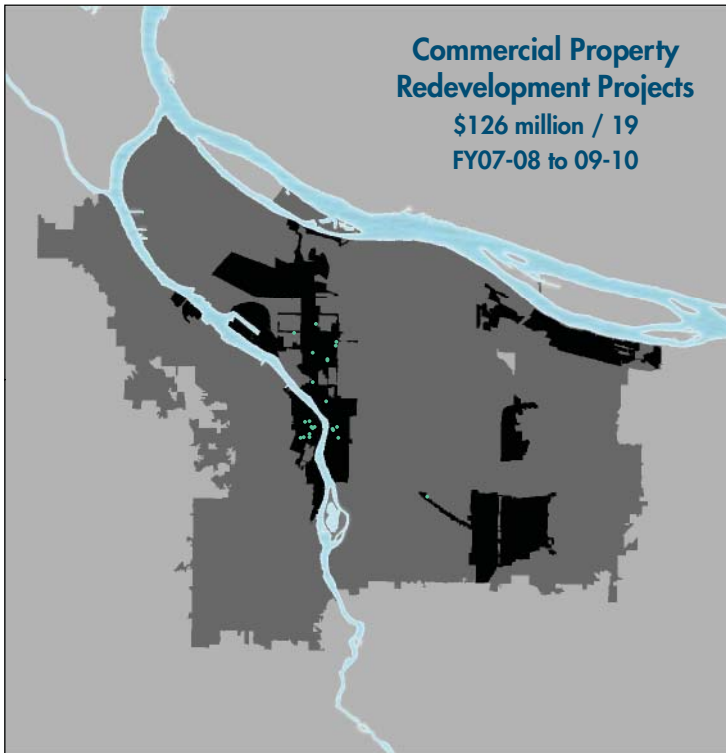


# NINE-YEAR ACCOMPLISHMENTS BY LOAN OR GRANT TYPE



## PDC Accomplishment Map





All dollars are adjusted to FY 2009-10. Data spans nine fiscal years except where noted. Some program accomplishments are based on awarded loans or grants so numbers may be slightly different from final closing documents and disbursed funds.

The information on this map was created by the Portland Development Commission (PDC) GIS. Every reasonable effort has been made to assure the accuracy of these maps and associated data. However, inadvertent errors can occur and the PDC does not assume any responsibility for omissions or positional accuracy. This information is presented "as is" and without warranties, either expressed or implied. Information Sources: Portland Development Commission Geographic Information Systems (GIS), City of Portland Corporate GIS. Sept 2010

# 2001-02 through 2009-10

# FY 2009-10 Accomplishments by Central City URAs

all dollars in millions; a portion of Oregon Convention Center URA is outside of the Central City

	River District	Downtown Waterfront	South Park Blocks	North Macadam	Central Eastside	OR Conv. Center
<b><u>Debt, Spending and Assessed Value per Acre</u></b>						
Maximum indebtedness .....	\$489.5	\$165.0	\$143.6	\$288.6	\$105.0	\$167.5
Debt issued through June 30, 2010.....	\$173.1	\$165.0	\$112.0	\$86.3	\$70.9	\$114.2
Acres in plan area as of June 30, 2010.....	351	233	156	402	692	594
URA Spending in FY 2009-10 (TIF only).....	\$39.4	\$8.4	\$14.2	\$7.5	\$11.5	\$10.1
Assessed value of real property per acre 2009.....	\$7.7	\$6.0	\$10.3	\$3.3	\$1.1	\$2.2
change in A.V. of real prop/acre since 2001.....	258%	39%	51%	339%	26%	25%
<b><u>Business Development &amp; Financing FY 2009-10</u></b>						
Business Finance loans and grants .....	\$0.0	\$0.0	<\$0.1	\$0.0	\$1.0	\$0.5
number of businesses assisted.....	0	0	1	0	10	5
estimated jobs retained and created after 2 years .....	0	0	23	0	325	63
<b><u>Community Development FY 2009-10</u></b>						
Commercial predevelopment loan (1 closed).....	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Storefront and Signage and Lighting Grants.....	\$0.3	<\$0.1	\$0.1	n/a	\$0.2	\$0.2
number of new storefront projects.....	16	1	7	n/a	13	13
# of Community Livability grants.....	n/a	n/a	n/a	n/a	n/a	n/a
# of Development Opportunity grants (\$0.1) .....	5	1	1	0	1	2
# of Green Features grants (new in FY 2009-10) .....	n/a	n/a	n/a	n/a	n/a	n/a
<b><u>Other grants approved (19)</u></b> .....	<\$0.1	\$0.0	<\$0.1	\$0.0	<\$0.1	<\$0.4
<b><u>Rental Housing FY 2009-10</u></b>						
Rental projects loans and grants .....	\$19.0	\$29.5	\$4.6	\$0.0	\$3.3	\$3.5
affordable (0% to 60% MFI) rental units .....	138	130	107	0	88	39
middle (81%+ units) rental units.....	0	0	1	0	0	1
<b><u>Homeowners / Homeownership FY 2009-10</u></b>						
New homes/condominiums loans and grants.....	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
affordable (0% to 80% MFI) owner units.....	0	0	0	0	0	0
Homeowners assisted with loans and grants .....	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
for rehabilitation .....	0	0	0	0	0	0
to buy a home .....	0	0	0	0	0	0
<b><u>Social Service Facilities FY 2009-10</u></b>						
Loans and grants (includes predevelopment).....	\$1.2	\$0.0	\$0.0	\$0.0	<\$0.1	\$0.0
<b><u>PDC real estate portfolio &amp; transactions FY 2009-10</u></b>						
Properties owned (Assessor's 2009 RMV/# of) ....	\$133.4 (19)	\$41.3 (10)	\$12.1 (3)	\$21.3 (6)	\$23.0 (15)	\$24.8 (20)
Property acquisitions (purchase price/# of parcels)...	\$3.3 (1)	—	—	—	—	—
Property dispositions (sale price/# of parcels) .....	\$0.6 (2)	—	—	\$1.5 (1)	\$0.0 (1)	—
<b><u>Spending on Public Infrastructure FY 2009-10</u></b>						
Streets and public transit .....	\$2.9	\$0.0	<\$0.1	\$0.0	\$4.0	\$2.1
Parks / Open space / Public facilities.....	\$0.9	\$1.5	\$1.6	\$1.7	<\$0.1	\$0.0
TOTAL .....	\$3.8	\$1.5	\$1.6	\$1.7	\$4.0	\$2.1
Infrastructure as % of FY 2009-10 URA spending.....	10%	17%	12%	23%	35%	21%

# FY 2009-10 Accomplishments by Neighborhood and Commercial URAs and Citywide

all dollars in millions

	Interstate Corridor	Lents Town Center	Gateway Reg. Ctr.	Airport Way	Willamette Industrial	CITYWIDE (not in URAs)	TOTAL
<b><u>Debt, Spending and Assessed Value per Acre</u></b>							
Maximum indebtedness .....	\$335.0	\$245.0	\$164.2	\$72.6	\$200.0	n/a	n/a
Debt issued through June 30, 2010.....	\$99.0	\$87.0	\$24.7	\$72.6	\$1.8	n/a	n/a
Acres in plan area as of June 30, 2010 .....	3,804	2,846	659	1,841	755	n/a	n/a
URA Spending in FY 2009-10 (TIF only).....	\$13.2	\$12.9	\$4.3	\$1.1	\$0.3	n/a	\$122.9
Assessed value of real property per acre 2009.....	\$0.6	\$0.5	\$0.8	\$0.4	\$0.4	\$0.6	n/a
change in A.V. of real prop/acre since 2001.....	54%	46%	34%	58%	-17%	35%	n/a
<b><u>Business Development &amp; Financing FY 2009-10</u></b>							
Business Finance loans and grants .....	\$0.2	\$0.6	\$0.0	\$0.7	\$0.0	\$0.4	\$3.4
number of businesses assisted.....	6	4	0	4	0	2	32
estimated jobs retained and created after 2 years .....	9	117	0	276	0	32	845
<b><u>Community Development FY 2009-10</u></b>							
Commercial redevelopment loans (5 closed).....	\$1.5	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$1.9
Storefront and Signage and Lighting Grants.....	\$0.6	\$0.3	\$0.1	n/a	n/a	\$0.4	\$2.2
number of new storefront projects .....	32	16	6	n/a	n/a	32	136
# of Community Livability grants (\$0.4).....	5	n/a	n/a	n/a	n/a	n/a	5
# of Development Opportunity grants (\$0.1) .....	11	2	3	n/a	n/a	n/a	26
# of Green Features grants (new in FY 2009-10) (\$0.2) ..	8	n/a	n/a	n/a	n/a	n/a	8
<b><u>Other grants approved</u></b> .....	<\$0.1	<\$0.1	\$0.0	\$0.2	\$0.0	\$0.2	\$1.1
<b><u>Rental Housing FY 2009-10</u></b>							
Rental projects loans and grants .....	\$0.0	\$3.4	\$0.0	\$0.0	\$0.0	\$9.0	\$72.3
affordable (0% to 60% MFI) rental units .....	0	39	0	0	0	329	870
middle (81%+ units) rental units.....	0	0	0	0	0	14	16
<b><u>Homeowners / Homeownership FY 2009-10</u></b>							
New homes / condominium loans and grants .....	\$1.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.1
affordable (0% to 80% MFI) owner units .....	4	0	0	0	0	0	4
Homeowners assisted with loans and grants .....	\$2.6	\$3.6	\$0.0	\$0.0	\$0.0	\$2.4	\$8.6
for rehabilitation .....	11	73	0	0	0	27	111
to buy a home .....	14	29	0	0	0	15	58
<b><u>Social Service Facilities FY 2009-10</u></b>							
Loans and grants (includes predevelopment).....	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	<\$0.1	\$2.5
<b><u>PDC real estate portfolio &amp; transactions FY 2009-10</u></b>							
Properties owned (Assessor's 2009 RMV/# of).....	\$4.8 (15)	\$11.8 (26)	\$17.8 (10)	\$26.2 (10)	\$0 (0)	\$12.1 (5)	\$328.6 (139)
Property acquisitions (purchase price/# of parcels).....	—	\$2.8 (3)	\$1.9 (3)	—	—	—	\$8.0 (7)
Property dispositions (sale price/# of parcels) .....	—	—	—	\$2.3 (2)	—	<0.1 (1)	\$4.4 (7)
<b><u>Spending on public infrastructure FY 2009-10</u></b>							
Streets and public transit .....	\$2.1	\$0.3	<\$0.1	\$0.0	\$0.0	n/a	\$11.4
Parks / Open space / Public facilities.....	\$0.1	<\$0.1	\$0.7	\$0.0	\$0.0	n/a	\$6.5
TOTAL .....	\$2.2	\$0.3	\$0.7	\$0.0	\$0.0	n/a	\$17.9
Infrastructure as % of FY 2009-10 URA spending.....	17%	2%	16%	0%	0%	n/a	15%



**Portland Development Commission Annual Performance Report FY 2009-10**  
**October 2010**