

Portland Development Commission  
**ANNUAL REPORT**  
**FY 2012-13**



# LETTER FROM THE EXECUTIVE DIRECTOR & CHAIR

Dear Portlanders,

Portland's economic picture looked much brighter this year with visible and promising signs of growth across the city. Our economic recovery is due in large part to the success of many local companies along with a surge in new development activity.

Portland now appears on nearly every top ten list as a city where people want to work and live, including a Brookings Institution report that credited Portland with the 4th best performing economy in the U.S.

Yet challenges remain. More than 90,000 people remain unemployed, growth in middle-income jobs has not occurred quickly enough, communities of color remain disproportionately impacted by these realities, and not all neighborhoods have benefited from investment.

During the 2012/2013 fiscal year, the Portland Development Commission worked to support the local economy, deliver new initiatives and invest in Portland's neighborhoods. As you'll see in the report that follows, some highlights include:

- Investing \$15.6 million in financial assistance, which attracted more than \$200 million in private resources and supported the creation or retention of nearly 600 jobs.
- Continued strong participation of Minority-owned, Women-owned or Emerging Small Businesses (MWESB) in PDC contracting. Of all PDC-supported projects in fiscal year 2012-13, MWESB contracting was 29%, including 15% minority-owned, 9% women owned, and 5% emerging small businesses. The three-year average is 32% MWESB firms, which employ many workers living in Portland's neighborhoods.
- The first Startup PDX Challenge, a competition that identified six promising new entrepreneurs among more than 200 applicants, to co-locate in a shared space in Produce Row, part of the Central Eastside Urban Renewal Area. The success of the Challenge indicates Portland's growing reputation as a city where the entrepreneurial spirit thrives – and drives job creation.
- Safer streets and sidewalks in East Portland, highlighted by the new Lents streetscape and entry designed with community input and funded by PDC in partnership with Portland Bureau of Transportation. The project, located in the heart of Lents Town Center, provides a more positive pedestrian experience, creates a visual entryway to the business district, and promotes continued investment in the Lents area.
- Active projects on all parcels of the Burnside Bridgehead for future build-out, including proposed new housing and retail; new residential and commercial uses; new micro-offices; and the completed renovation of the Eastside Exchange building and adjacent Couch Street Plaza.

Each of these accomplishments was only possible with the cooperation and collaboration of our many private and public partners, as well as the dedication of PDC's fine staff. We look forward to continuing to work with our many public and private partners to make Portland one of the most globally competitive, equitable, and desirable cities in the world.

Sincerely,



Patrick Quinton

J. Scott Andrews



PATRICK QUINTON  
Executive Director

J. SCOTT ANDREWS  
Commission Chair

## OUR MISSION

PDC creates economic growth and opportunity for Portland.

## OUR VISION

Portland is one of the most globally competitive, equitable, and desirable cities in the world.

The Portland Development Commission stimulates job creation, encourages broad economic prosperity, and fosters great places on behalf of the City of Portland.



View our Year in Review video:  
[www.pdc.us/yir](http://www.pdc.us/yir)





**PDC BOARD OF COMMISSIONERS**

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Photo: Bruce Forster

**INSIDE:**

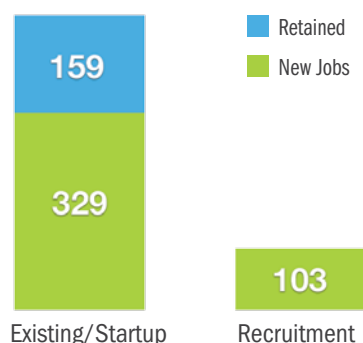
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# OVERVIEW: THE YEAR IN NUMBERS

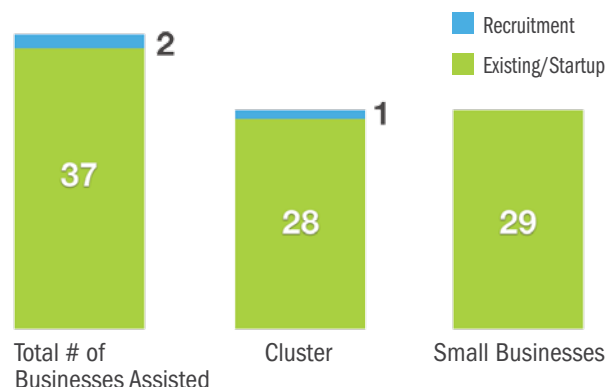
Guided by the 2009 Portland Economic Development Strategy, the Portland Development Commission has continued to strengthen its partnerships among private and public sector organizations, higher education and nonprofits. New initiatives have focused on Portland's key industries, the city's growing entrepreneurial environment and community-driven business development. More than 650 businesses – primarily small local companies and startups – have accessed a broadened menu of resources that includes technical assistance, loans and growth capital, workforce development training, mentoring programs and regulatory advice.

The results of this attention have included the creation or retention of 600 jobs since July 2012, driven by PDC's financial assistance and recruitment activity.

**Jobs Created and Retained from Business Development & Financial Assistance Activities  
July 1, 2012 - June 30, 2013**



**Portland Businesses Financially Assisted,  
July 1, 2012 - June 30, 2013**



Approximately \$15.6 million of direct financial assistance to support business and job growth in Portland has leveraged more than \$200 million in private and federal government investment.

**Estimated Jobs, Financial Assistance and Private Investment from  
Economic Development-Related Programs from July 2012 - June 2013**

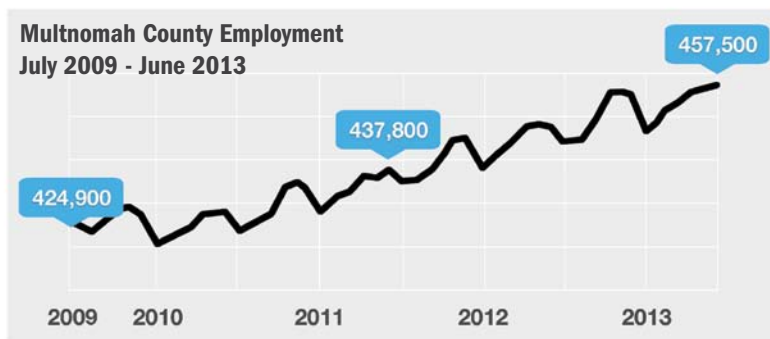
| PROGRAM                 | # BUSINESSES ASSISTED PER PROGRAM | FINANCIAL ASSISTANCE | PRIVATE OR OUTSIDE INVESTMENT | TOTAL INVESTMENT     | ESTIMATED CONSTRUCTION JOBS | LEVERAGE RATIO |
|-------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|-----------------------------|----------------|
| Business Finance        | 5                                 | \$656,000            | \$2,277,311                   | \$2,933,311          | 20                          | 1:3            |
| Enterprise Zone         | 8                                 | \$8,550,119          | \$145,350,000                 | \$153,900,119        | 1,032                       | 1:17           |
| Storefront              | 107                               | \$1,847,457          | \$6,109,952                   | \$7,957,408          | 53                          | 1:3            |
| Green Features Grant    | 11                                | \$185,004            | \$361,349                     | \$546,354            | 4                           | 1:2            |
| Redevelopment Loan Fund | 4                                 | \$2,670,500          | \$17,982,795                  | \$20,653,295         | 139                         | 1:7            |
| Portland Seed Fund      | 19                                |                      | \$16,933,460                  | \$16,933,460         |                             |                |
| Clean Energy Works*     | 31                                | \$1,712,245          | \$11,060,289                  | \$12,772,534         | 78                          | 1:6            |
| <b>TOTALS</b>           | <b>185</b>                        | <b>\$15,621,325</b>  | <b>\$200,075,156</b>          | <b>\$215,696,481</b> | <b>1,326</b>                | <b>1:13</b>    |

Source: Portland Development Commission

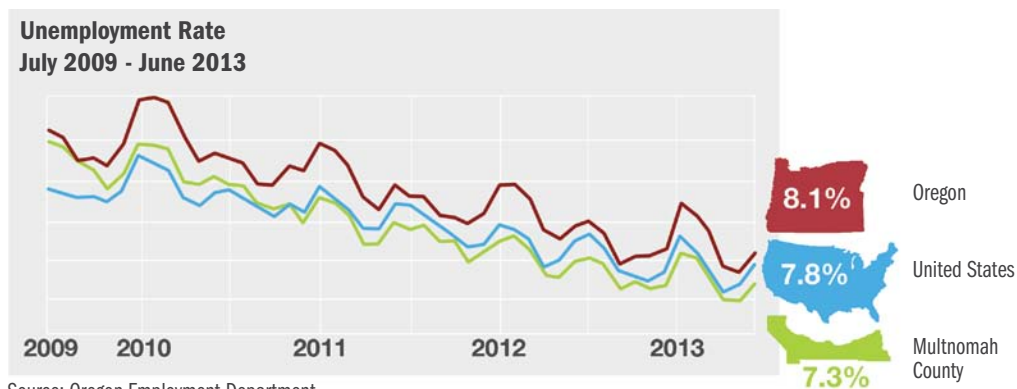
\* Outside investment and jobs are prorated based on dollar amount of loans from July 1, 2013 - December 31, 2013 as a percent of total loan amount from June 2010 to December 2012.



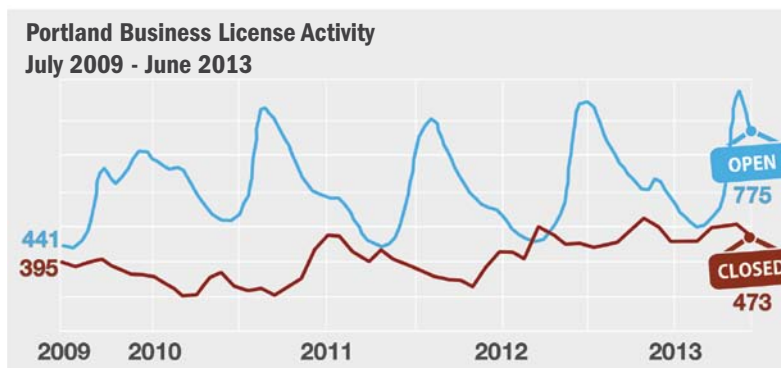
Four years into the city's five-year plan for economic growth, the Portland economy looked considerably different in June 2013 than it did in July 2009. The Multnomah County unemployment rate fell to 7.3 percent, compared to 8.1 percent for Oregon and 7.8 percent for the U.S. From June 2012 to June 2013, jobs in Multnomah County increased by almost 10,000, across multiple industries. In June 2013 Brookings ranked Portland 12th out of the 100 largest metros for economic recovery from the recession – a further improvement from the area's 17th ranking last year.



Source: Oregon Employment Department



Source: Oregon Employment Department



Source: City of Portland Revenue Bureau



“I just feel really fortunate that we put our stake in the ground here. Because it’s a fantastic place. It’s the ultimate place for us to build a business from, long term.”

- *Jeremy Moon*  
*President, Icebreaker*

## TRADED SECTOR JOB GROWTH

Achieving Portland’s goals for job creation and economic stability relies on strategic attention to traded sector businesses and more specifically on four industry clusters that demonstrate the greatest capacity for growth: Advanced Manufacturing, Athletic & Outdoor, Clean Technology and Software. The city concentrates on enhancing the competitive environment for local businesses as the pathway to significant job creation and tangible economic benefit for Portlanders.

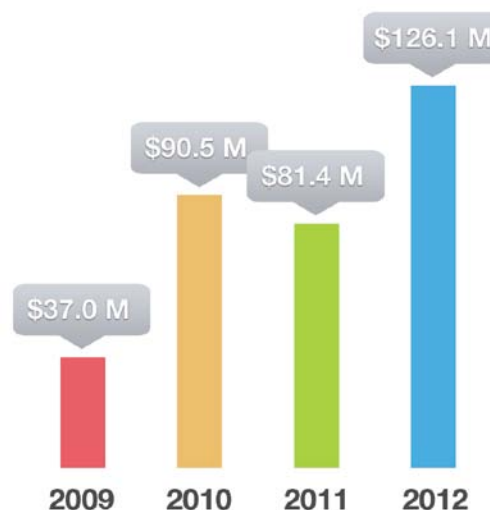
Over the past four years an increasingly deep understanding of Portland’s key industries has inspired business development efforts that move beyond traditional assistance to customized initiatives that address cluster-specific needs. PDC has collaborated with key partners and industry advisory groups to ensure that appropriate action plans and resources are directed where need is greatest; and Portland’s increasingly vibrant entrepreneurial scene and emerging position as a global trade city has warranted dedicated activity.

Accordingly, PDC’s traded sector work in 2012-13 focused on entrepreneurship and talent retention and attraction within specific industry clusters, with a heightened emphasis on exports and the pursuit of new international markets for Portland companies. PDC staff visited approximately 250 traded sector businesses, offering direct and referral assistance to support retention and expansion.

# Entrepreneurship

Portland's support for entrepreneurs recognizes the critical role small, high-growth firms play in local job growth and long term prosperity. The city's investments in the local startup ecosystem seek to stimulate small business growth; fill the gap of early startup capital; and support locally-based innovation and technologies that will ultimately bolster Portland's economy. PDC's efforts on behalf of entrepreneurs have been both place- and industry-based, encompassing the promotion of entrepreneurial districts in the Central Eastside (Produce Row) and Old Town/Chinatown; investment in the Portland Seed Fund; and assistance to innovative companies like Lucid Energy and GlobeSherpa in working with local governments as a tester or purchaser of new technology.

Portland Investment Capital Trend, 2009 - 2012



Source: VentureDeal

## Accomplishments

### Startup PDX Challenge

Rolled out the first Startup PDX Challenge, a competition that identified six promising new entrepreneurs to co-locate in a shared space in Produce Row, part of the Central Eastside Urban Renewal Area. Each company received a \$10,000 working capital grant, a full year of rent-free office space, and free professional advice and services. The Challenge drew a field of 240 applicants, a strong indicator of Portland's growing reputation as a city where the entrepreneurial spirit thrives – and drives job creation.

### Portland Seed Fund

Continued PDC's partnership with the Portland Seed Fund as a founding investor. PDC's contribution of \$700,000 in capital leveraged more than \$2.3 million in private investment. Over the last two years, the Seed Fund's first 36 companies have collectively raised \$23 million in outside capital and created more than 200 jobs.

### Commercialization Grants

Awarded commercialization grants of up to \$30,000 to six local companies in a pilot partnership between PDC, Oregon Health & Science University and Portland State University. PDC launched the University Startup Commercialization Grant Program to strengthen the relationship between Portland's two major research universities and the city's entrepreneurial community. The grants are intended to catalyze the development of new ventures based on OHSU and PSU technologies, assist promising small businesses and stimulate entrepreneurship and related job creation. The recipients will use their awards to advance their technologies toward commercial applications, pursue business plan and market penetration strategies and attract additional funding for business development.

Commercialization grant winners:  
Nzumbe, Odyssey Science Innovations, Gamma Therapeutics, SweetSense, Inc., APDM, and Hawthorne Materials.



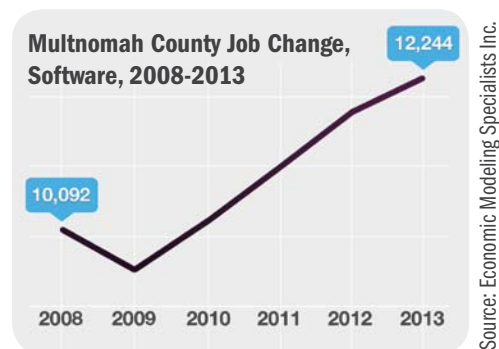
Startup PDX Challenge winners OnTheGo Platforms, Safi Water Technology, Walker Tracker, Clutchplay Games, Seamus Golf, and CoPatient are co-located in office space at 1220 SE Grand Avenue (right), in the heart of Portland's Central Eastside.

Find out more at [StartupPDXchallenge.com](http://StartupPDXchallenge.com)





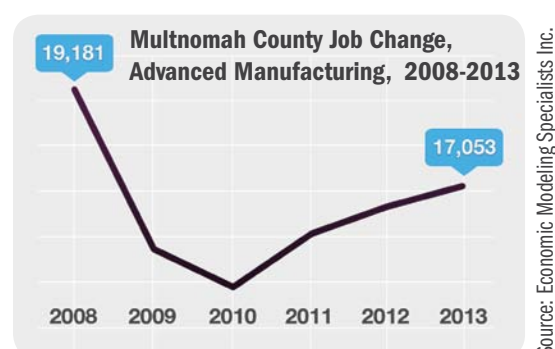
# Software



Portland's software and technology successes gathered momentum throughout 2012-13. Last year Oregon surpassed Washington in venture capital for the first time in 20 years. Software jobs in Oregon are growing at a double-digit percentage rate, and Oregon has the third-highest concentration of software developers of any state. With average wages around \$80,000-\$90,000 annually, software is one of the state's most productive sectors, and the Oregon Employment Department predicts software publishing job growth to outpace most industries this decade.

At the same time, local companies faced hiring challenges in finding the top talent to fill new jobs. With a tech ecosystem that is both aspiring and supportive, Portland's tech leaders and PDC are collaborating to bolster the talent pipeline and build on software's standing as a pillar of Portland's flourishing startup and entrepreneurial culture.

# Advanced Manufacturing



As the region's largest targeted cluster, advanced manufacturing plays a strategic role in Portland's vitality and prosperity. The ability of local manufacturing firms to fill supply chain gaps for clean technology and green building position the regional industry as a continuing source of jobs and economic growth, a position that's reflected in the city's economic development strategy and its emphasis on advanced manufacturing to drive job creation. Portland and Oregon manufacturers are respected worldwide, adding to the area's reputation as a rich source of expertise and opportunity.

Portland manufacturing comprises 32 percent of the city's gross metropolitan product – among the top five highest in the country. Local industries continue to regain employment, with small gains from 2012 to 2013, and ongoing increases projected for the next 10 years.

## Accomplishments

### Techtown Portland

Produced "Techtown Portland," a video collaboration to raise the profile of the city, its companies and innovations with global tech talent. The TechTown project brought together 11 top Portland-based technology companies and economic development organizations to kick off a campaign to recruit and welcome the next wave of talent to our thriving tech community.

### Expansions

Supported expansion of Portland offices for Bay Area-based startup Cozy as well as Mozilla's growth from temporary to permanent workspace here, expanding its workforce to tap into Portland's active open source community. Both companies cited the area's deep pool of software engineering talent, robust tech and design community, and Portland's cost of living advantage as drivers for their expansion here.

### Portland 100

Coordinated the first fly-out for Portland 100, a public-private effort to help the most promising early stage companies move from successful startup to industry leader. PDC led representatives from five local software companies to meet with five venture capital (VC) firms in the Bay Area. These "Portland 100" companies presented their products or services and discussed possible funding opportunities. The warm welcome and response to the companies from the VCs signaled a promising start to a more robust relationship between Portland companies and the venture capital community in Silicon Valley.

## Accomplishments

### East Portland Enterprise Zone

Established the East Portland Enterprise Zone, extending this state economic development program to support business growth, create jobs and generate other community benefits in East Portland. Among the eight companies taking advantage of E-Zone benefits in 2012-13 were Viewpoint Construction Software (Coaxis), adding 150-plus jobs with a large headquarters expansion; New Seasons; Ajinomoto North America; and Vigor Industrial. In addition, more than \$120,000 in workforce training funds went to Portland E-Zone companies. Since 2011, Portland's E-Zone program has attracted more than \$450 million in new investment and created approximately 1,400 jobs in the city.

### Cost Savings

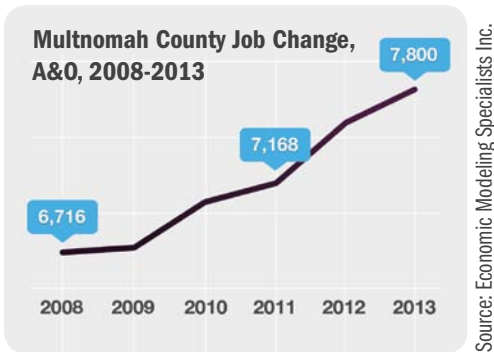
Seven manufacturers used matching grant funds from the Oregon Manufacturing Extension Partnership to invest in plant equipment, information systems and training, resulting in collective cost savings of \$729,000 through lean process improvement and waste reduction. A total of 32 manufacturing businesses have used the OMEP program since 2009.

### Professional Skills Training

Partnered with Worksystems Inc. to plan the Professional Skills Training and Employment Project (ProSTEP)-Connect conference, a symposium for job seekers looking for high tech careers. More than 250 people attended the event which offered interactive sessions and panels featuring expertise from industry insiders, talent management professionals and job search experts.



# Athletic & Outdoor



Portland's athletic and outdoor industry sets a high bar worldwide, with global brands based here and more relocating to the region all the time. Anchored by Nike, Adidas and Columbia Sportswear and bolstered by up-and-coming innovators like Icebreaker, Keen Footwear and Nau, the region has a remarkable concentration of talent, friendly competition and collaboration that make Portland one of the best places in the world for A&O companies.

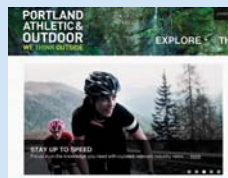
## Accomplishments

### Peer-to-Peer 2.0

Welcomed nine participants to the 2013 Peer-to-Peer 2.0 class, the next iteration of facilitated mentoring sessions to help small to medium-sized firms with business development and growth strategies. CEOs of growing companies share experiences and learn best practices from one another, as well as from experts in accounting, finance, social media, and other relevant areas.

### AOpportland.com

Launched aoportland.com, an online hub to promote the A&O industry and connect local companies to the programs and initiatives that support, encourage and further the success of the industry.



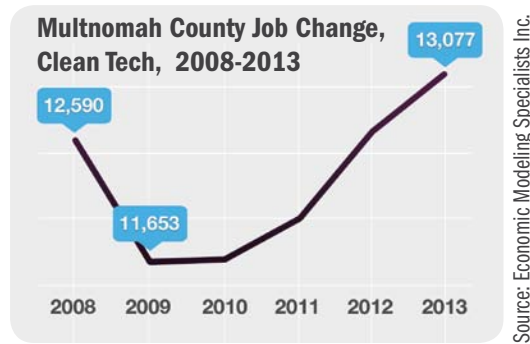
### Outdoor Retailer Trade Shows

Attended summer and winter market Outdoor Retailer trade shows, two of the largest domestic trade shows for the athletic and outdoor industry, to seed relationships which have resulted in subsequent recruitments of international companies like Montbell and Sea to Summit. More than 20,000 people attend and nearly 1,000 exhibitors display the latest and greatest in outdoor sports, apparel, gear and equipment.

### Expansions

Assisted the expansion of athletic and outdoor firms Mizuno Running (Japan), Snow Peak (Japan), Amer Sports (Finland) and Spooltown (USA); recruited Islabikes (United Kingdom), Sea to Summit (USA) and Montbell (Japan), bringing as many as 150 current and projected jobs to the area in the next year.

# Clean Technology



Portland's diverse clean tech portfolio – from legacy manufacturing companies moving into wind and solar supply, to a strong green building industry and growing renewable energy expertise – provides a concrete platform for the industry's continued job growth in the region. With a long history of innovation in technology and a top ranking in percentage of jobs dedicated to the clean economy, Portland has the talent and leadership to build on its success as a clean technology hub.

## Accomplishments

### JIAC Grant

Launched implementation of \$2.1 million federal Jobs and Innovation Accelerator Challenge grant. Investments in the Collaboratory, a partnership between the Manufacturing 21 Coalition, PDC, Portland State University, University of Oregon, Washington State University and Oregon Tech align university R&D assets with manufacturing and clean tech industry needs. Local companies that have benefited include Stevens Water Monitoring, Indow Windows, Kerstech retrofit hybrid systems, Christensen Shipyards and Rapid Made. The JIAC grant also supported Oregon BEST's technology commercialization program through grant funding for IT Aire.

### Clean Tech Strategy

Adopted new Clean Technology Strategy to incorporate an ongoing focus on growth opportunity areas, like energy efficiency; provide for cross-industry actions to guide PDC's near term investments, priorities, and partnerships; and launch improved We Build Green Cities website to advance the WBGC initiative.

### Trade Shows

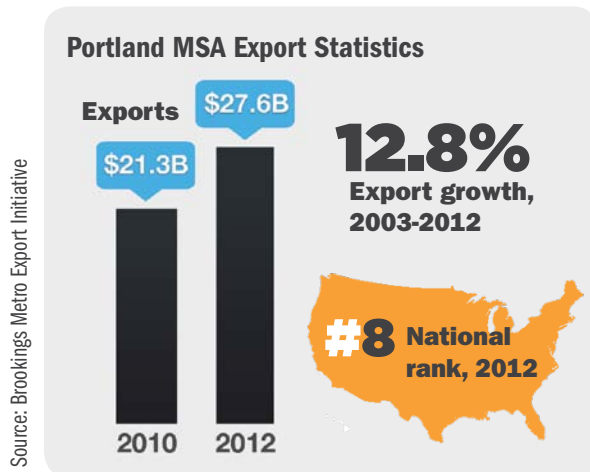
Attended industry trade shows to build clean tech recruitment connections, supply-chain development and marketing contacts, including WindPower Chicago with 600 exhibitors and 10,000 attendees, Windpower Mexico, Living Futures and U.S. Greenbuild, resulting in partnership with Google to collaborate on healthy materials in the clean tech and athletic & outdoor industries (Living Futures) and new business relationships with cities in countries key to PDC's international development strategy including Quebec City, Canada, Colombia and Brazil, and Singapore (Greenbuild).

### EV Study

Partnered with Drive Oregon to sponsor study of electric vehicle supply chain by Northwest Economic Research Center at Portland State University, establishing a robust baseline to measure progress in building opportunities for local firms to play a bigger role in the EV industry. The study concluded that Oregon's EV industry directly employs more than 400 full-time equivalent employees in approximately 100 firms; industry employment totals more than 1,600 jobs when indirect and induced impacts are also considered. The EV industry generates gross economic activity of \$266.56 million, total value added of nearly \$148 million and provides more than \$89 million in total employee compensation.

# International Trade

Portland is one of the few metro areas to have doubled export value in the last decade and a perfect example of the importance of exports on a regional economy. Between the years 2003 and 2010, the region's export volume reached \$21 billion, with 45,683 new export-related jobs added for a total of 142,270 jobs. Implementation of the Greater Portland Export Plan, developed in partnership with Greater Portland Inc and regional economic development partners, drove the past year's activities to build Portland's trade-focused economy and double exports in five years.



# Film & Video

Film and video productions have become a significant contributor to Portland's economy, with direct spending of \$135 million in Oregon in 2011. The majority of production work is concentrated in Portland, where local business benefits from increased film production. Metropolitan Portland is home to 82 percent of out-of-state production jobs and 67 percent of total industry jobs; since 2007, the metro area has seen a 24 percent increase in film/video production jobs. The recession had limited impact on Portland's remarkable film & video industry growth, outpacing overall metro industry increases.

**24%**

**Increase in metro area film/video jobs**

**\$135M**

**in direct spending**

The growing intersection of film and software offers additional growth opportunities. Portland's digital animation industry reflects an occupational concentration that is twice the national average. As technology plays an increasingly larger role in the creation of film and television productions, the city is seeing significant growth in related fields – animation, interactive media, web and mobile applications.

## Accomplishments

### Export/Trade Mission Strategy

Launched We Build Green Cities export/trade mission strategy and established Trade City Partnership with the City of Jaraguá do Sul (Brazil); hosted targeted trade mission to Japan to accelerate business relationships developed by our on-the-ground network.

### Networking

Created a network of on-the-ground representatives in 11 countries -- encompassing Latin America, Asia and Europe in partnership with Sustainable Hub and BSD Consulting -- who serve to uncover opportunities and broker relationships on behalf of WBGC firms.

### Export Assistance

Provided direct or referral export assistance to approximately 50 cluster firms including in-house market research and successful referrals to federal, state and consulting partners. In April PDC took four local clean tech companies – Glumac, ZGF, CH2M Hill & Murase Associates – on an export-focused trade mission to Japan, an outgrowth of the We Build Green Cities (WBGC) campaign. The Portland group met with major real estate developers, technology providers and municipalities with major smart city initiatives, and ended the mission with a full-day We Build Green Cities summit focused on green building solutions from Portland.

## Accomplishments

### GrimmFest

Hosted GrimmFest, an opportunity for Oregon companies to pitch digital media project ideas designed for release in tandem with Season 3 of Grimm, NBC's popular television series set and filmed in Portland.

### Economic Impact Analysis

Co-sponsored, with the Oregon Film Office, industry economic impact analysis: *Contribution of the Film & Television Industry to the Economies of Oregon and the Portland Metropolitan Area.*

### Permitting

Created new B-roll permit for Portland Parks & Recreation, modeled on the PBOT B-roll permit.

Coordinated the issue of approximately 500 film and video-related permits in the City of Portland, supporting the notable TV productions Portlandia and Grimm as well as feature films and commercials.



Learn more about the Portland Film Office:  
[www.pdc.us/film](http://www.pdc.us/film)



## Business & Industry Entrepreneurship Profile:

# SAM BLACKMAN, CEO AND CO-FOUNDER, ELEMENTAL TECHNOLOGIES

### Tell us your company story.

Elemental is a supplier of video solutions for multiscreen content delivery. Our software runs in enterprise data centers and in the cloud, and provides powerful video processing that enables delivery of video content to iPads, iPhones, Android devices, smart TVs, game consoles — anything that has a digital connection to the Internet that can play video.

### What do you love about Portland?

I love that Portland is still a human scale city: culturally, socially, and architecturally. I can drop my boys off at school, hop on my bike, and be at Elemental HQ in 15 minutes every morning. We have a citizenry connected to one another, willing and able to invest in protecting the commons, not just the 'privates' — resulting in lovely parks and natural spaces throughout the city, accessible by all, and a public transit system that makes it easy to visit them. Our downtown blocks are walkable and our streets crossable, designed for pedestrians as well as cars, and we have enough greenery left to do a passable job of sharing the area with our fellow creatures. Portland is a place where you can support your family in a healthy, sustainable way while building an organization that can compete on the global stage. What more could you ask for?

### What will keep you and your business here in the future?

The ability to attract and retain world-class talent in the region, enabling us to build a sustainable, significant business here in Oregon.

### How has your relationship with PDC made a difference to you and your company?

PDC helped Elemental relocate to larger headquarters on Broadway in downtown Portland in 2012 and secure elegant building signage on our new facility. PDC has provided valuable assistance in helping Elemental remain in downtown Portland during a high growth period.

### How do you and your company interact with the local community?

Elemental is a product of many years of community investment, and thus we are deeply supportive of the local technology industry and greater community. We want to prove that a successful, sustainable technology firm can be built and remain in Oregon, and that accomplishing this goal will provide the region with a great return on this investment.

Elemental coordinates with OEN's Entrepreneurs Foundation of the Northwest and with other local non-profits to participate in numerous community and

PDC Sr. Business Development Coordinator  
Jared Wiener with Sam Blackman

We've also hosted events such as a 2012 mayoral forum, the PDX Tech Crawl, and several PDX technology-focused user groups, and sponsored live streaming of the FIRST Robotics event that takes place at the Memorial Coliseum each year and which encourages students to lay the foundation for future careers in the technology arena. These events, and our weekly Elemental Lunch speaker series, ensure our connection with Portland and the region, and reject the notion that tech firms are isolated from the broader community. Portlanders are proud to live and work here, and Oregonians love their state — Elementals are that way too, and these activities tie us closer to our neighbors, enhancing our work in software development

### What are your hopes for the future of your business?

Elemental is still a young company with an enormous amount to prove. We currently only employ about 100 people in Portland, and 140 worldwide, and have a long way to go before we can claim to have built a sustainable, significant company.

### What are your hopes for the city of Portland's future?

I spend a reasonable amount of time thinking about how to promote the region, because that eases our number one challenge: recruiting world-class tech talent. The awareness of technology opportunities in Portland is starting to grow, but just a handful of companies still land most of the headlines. My goal is to help the talented individuals around the country recognize that it's not just a few tech companies that merit recognition in Oregon, but 20 or 30. When you have this kind of depth and breadth of strong, well-funded startups, a couple of those will succeed in a big way. Once that happens, it kicks off a virtuous cycle of reinvestments in new companies. We already have some good recent examples of this happening with Jive and Tripwire. Once people are aware there's a healthy startup culture here, those seeking opportunities know they can move here with a sense of security.

### PDC's mission focuses on creating a more equitable city. How does that align with your own work and goals?

Equity is a very significant challenge for the region, and one of Portland's consistent Achilles' heels. As a company that can only succeed if we recruit the world's best knowledge workers, Elemental needs to help ensure that folks from all socioeconomic backgrounds receive an equal opportunity to achieve world-class educations. As we grow, I hope to see Elemental increasingly doing its part to support Portland's local education system via direct involvement in the schools, as well as raising civic awareness around the need to adequately fund public education. The benefits a world-class company can bring to a city are enormous, and much of it comes back to education. That is the area where I know we'll continue engaging with Portland as we grow, and I envision Elemental as a citizen of the community who invites everyone in to see what we do, join in if they'd like, and succeed along with us.

volunteer service projects each year, including manning phone banks for OPB fundraising, renovating low income housing through Rebuilding Together, serving meals at the Blanchet House and assisting the Family Meal Program to benefit Ronald McDonald House. Other company-wide efforts include contribution to the Schoolhouse Supplies program, volunteering to benefit the Oregon Food Bank, and supporting SOLV Beach Cleanup, Friends of Tryon Creek and the Community Cycling Center.



## Business & Industry Cluster Profile:

### DEXTER TURNER, PRESIDENT/CEO, OPCONNECT

#### Tell us your company story.

It's always been a dream of mine to start a company. I originally started Optimization Technologies in 2001 to develop a low-cost cockpit instrumentation product for small aircraft. We found a lot of success selling a product called OpMessaging, which allows software applications to securely and efficiently exchange data across a number of wireless networks. After selling the cockpit instrumentation business we started exploring other business opportunities. I've always been involved in projects to bring efficiency to transportation and one of the things I was interested in was electric vehicles. It was obvious that an extensive network of charging stations was going to be necessary to make them practical and I saw security of the communication within this network as a key requirement to make it successful. I realized that we were very well positioned to get into the EV charging station market. We had the engineering background to design charging stations and the network to support them, and we could put our OpMessaging network security product at the core of the solution. So in 2008 we began the engineering on our product and in 2010 we formed OpConnect.

#### What do you love about Portland?

I have a family and the thing that drew us to Portland was the quality of the public education system and safety. I also love our summers, where this is one of the most gorgeous places I've ever been. Finally, I have to mention the people. Portlanders may be a little weird, but we're nice people and as an employer I think that we have a good work ethic and the ability to respect and get along with our co-workers.

#### What will keep you and your business here in the future?

Access to quality employees; access to capital to grow our business; support from public agencies like PDC and quasi-public entities like Drive Oregon; a safe environment for our families; acceptable returns on investment in real estate.

#### How has your relationship with PDC made a difference to you and your company?

We could not have successfully launched our new charging station product, the Mark II, without support from PDC. We've recently hired two new employees to manufacture and support this product and those jobs, and the others that we will create in the coming months can be directly traced to our loan from PDC.

#### What are your hopes for the future of your business?

This is a very young industry, changing rapidly as it matures. We want to innovate faster than our competitors, seek key partnerships that will result in both partners becoming stronger. We hope these two key strategies will result in rapid, and profitable growth, and in OpConnect's recognition as the technology leader in EV Infrastructure.



Dexter Turner with PDC Sr. Business Development Coordinator Pam Neal

#### What are your hopes for the city of Portland's future?

I hope that Portland continues to be a great place to live and work. There will be a lot of components to this, such as investment in educating the next generation of our workforce, keeping Portland a safe place, and encouraging new business investment. I hope that Portland continues to see the value in using public funds to seed new business ventures to encourage the next generation of entrepreneurs, and convince those both here and outside of Portland that this is a great place to get a business off the ground.

#### PDC's mission focuses on creating a more equitable city. How does that align with your own work and goals?

We have to address income inequity, not just out of a sense of fairness, but to make sure that we can have sustainable growth and even national security. I came from a family on the lower end of the economy but I had a lot to offer and was able to create a company that provides middle-class wage jobs with benefits and the opportunity for personal growth. I'd like to help others recognize their potential the way I was able to recognize mine and I support PDC's efforts to help entrepreneurs who may not have economic advantages from their birthright.

**“I'd like to help others recognize their potential the way I was able to recognize mine and I support PDC's efforts to help entrepreneurs who may not have economic advantages from their birthright.”**



# NEIGHBORHOOD ECONOMIC DEVELOPMENT

The Neighborhood Economic Development (NED) Strategy continues to guide the city's renewed investment in low-income communities and those of color to foster business growth, employment opportunities and vibrant neighborhoods throughout Portland.

In FY 12-13 PDC made important contributions to Portland's neighborhood economic development network including the startup of six new community-driven economic development organizations (the Neighborhood Prosperity Initiative), the initiation of business development and focused technical assistance within priority neighborhoods and corridors, and a complete alignment of PDC workforce development resources with Worksystems, Inc.

Supporting this work, the Neighborhood Economic Development Leadership Group, formed in 2011 and facilitated by PDC, brings together public, private and non-profit community partners to guide the implementation of the NED Strategy. The NED Leadership Group recognizes that the strength of Portland's neighborhood economic development network is heavily dependent on coordinated investments by PDC and its community partners. The Leadership Group now focuses on the joint accountability for implementation of the NED Strategy and maximizing our collective impact to achieve the Strategy's goals.

This is a new way of doing business for the PDC, grounded in partnership and capacity-building.



“One of our greatest strengths is localism and our belief in growing local businesses – and relying on partnerships to foster that growth.”

- Mayor  
Charlie Hales

Jamaal Lane, Champions Barbershop



# Neighborhood Business Growth

The success of Portland's small business owners and entrepreneurs, located predominantly in neighborhoods, is the key to prosperous commercial districts, neighborhood health and a more equitable city. PDC's commitment of time and resources to support individual businesses and commercial districts with financial investment and technical assistance tailored to meet the needs of these businesses is central to the fulfillment of the NED Strategy.

## Accomplishments

### Business Technical Assistance

Provided business technical assistance through eight community-serving organizations to 476 small and micro businesses, a total of 12,300 hours. All businesses had 50 or fewer employees and most had five or fewer. Services were aimed at businesses located in targeted areas of North/Northeast or East Portland and to businesses owned by people of color and those with limited English proficiency. Business technical assistance included development of business plans, financial management, legal services, marketing and credit repair. Of those business owners served, 60 percent were people of color; 32 percent had limited English proficiency; and 59 percent were low income (50 percent of median family income or below).

**12,300**  
hours of technical  
assistance to  
**476**  
small & micro  
businesses

### Craft3 Partnership

Partnered with Craft 3, a nonprofit community development financial institution, to provide \$1.1 million in loan funds for three deals aligned with the NED Strategy and represented by minority, woman and non-profit ownership. The projects leveraged \$1.7 million in other investment and retained or created more than 50 jobs.

### Storefront Improvement Program

PDC's ever-popular Storefront Improvement program and the newer Green Feature Grants program funded small neighborhood business projects in neighborhoods throughout the city. In the past year 107 businesses took advantage of storefront assistance, making private investments of more than \$6.1 million, while eleven small businesses used the green grants to become more sustainable and reduce operating costs, leveraging more than \$350,000 in private investment.

# Neighborhood Commercial Districts

Neighborhood commercial areas are clusters of economic activity, with the potential for significant impact on job creation, neighborhood vitality and regional growth. Accordingly, PDC has prioritized business development, commercial site readiness and investment in infrastructure along key commercial corridors to catalyze neighborhood business growth.

## Accomplishments

### Jefferson High School frontage

Completed Jefferson High School frontage improvements, a 10-year project initiated by the community which marked a notable change along a priority commercial corridor. The completed project now knits together the businesses on each side of the school, creates a visual connection between the neighborhood and the school, and reinforces the importance Jefferson High School has for the community.

### Lents Streetscape

Dedicated new Lents streetscape and entry designed with community input and funded by PDC in partnership with Portland Bureau of Transportation. The project, located in the heart of Lents Town Center, provides a more positive pedestrian experience, creates a visual entryway to the business district, and promotes continued investment in the Lents area.

### Dr. King Gateway and Heritage Markers

Celebrated the completion of the Dr. Martin Luther King, Jr. Boulevard Gateway and Heritage Markers, a \$650,000 project which marks the entrance to the boulevard at NE Hancock Street and pays tribute to the area's long history of cultural diversity.

### Technical Assistance and Mentoring

Provided tailored technical assistance and mentoring to assist 16 long-term property owners in North/Northeast and East Portland to help these owners make informed decisions about developing their property. Participants in this pilot program had access to professionals and mentors in disciplines such as finance, development, and architecture. After a year-plus of work, eight owners have finished their initial investigation and are considering their next steps. The investment of time and resources resulted in their significantly improved understanding of the development potential for their properties and options for moving forward. Similar assistance to Hacienda Community Development Corporation led to its selection of a site at 72nd and Foster in the Lents URA for the development of the Portland Mercado, a Latin-themed public market. The Mercado is anticipated to provide space for multiple micro businesses to grow and flourish.





## Neighborhood Economic Development Profile:

### GWEN REED THRASHER

#### What's your background/story as a local property owner?

As a young entrepreneur, I gained a significant amount of experience through trial and error. My first business venture was selling barbecue dinners from my kitchen. From barbecue, I moved on to designing hats with help from my two young daughters, sometimes into the late hours of the evening. In addition I found I enjoyed catering and event planning and discovered my passion for design – everything from floral arrangements to interior and exterior design. While working part-time to support my family, attending Portland Community College-Cascade Campus, and being a single mother, I accomplished a great deal. In 2000 I inherited a commercial property on Alberta Street through the loss of my eldest daughter's father. Owning and managing a commercial property was unknown territory for me. I've learned a lot and with support from Albina Community Bank, Alberta Main Street and the Portland Development Commission I have successfully hurdled the many barriers I've faced.

#### What do you love about Portland?

I am a native Oregonian with southern roots. What I love most about Portland is the acceptance of diverse cultures. As a property owner on Alberta Street, I chose to cultivate and support diversity within the district – a place where all people can come to enjoy the eclectic business environment.

As a commercial property owner, I am now able to support and encourage the passions of other small independent business owners. My tenants include Halibut's Fish and Chips, Halibut's II, Enzo's Caffé Italiano and Mae Ploy Thai Cuisine – offering a little something for everyone's taste buds.

◀ PDC's Sr. Business Development Coordinator Stephen Green and Sr. Project/Program Coordinator Amy Fleck-Rosete pose with Gwen Reed Thrasher in front of the garden wall at her property on NE Alberta St.

#### What brought you to this point?

When I inherited the property, the building had a great deal of deferred maintenance; gangs, graffiti and prostitution were constant challenges. I wanted to be proud of my building and I needed it to become profitable. I wanted to transform my property into an asset for Alberta Street and the surrounding community.

#### What will keep you here?

This is my home; I can't imagine a better place to be! Not only am I working to improve my building but I'm also volunteering with Alberta Main Street to help fulfill its mission to develop Alberta Street as a vibrant, creative and sustainable commercial district.

#### How has your relationship with PDC made a difference to you?

The PDC provided essential support, guidance and financial assistance to help me achieve my goals and improve my property. I attended a seminar on sustainability hosted by Alberta Main Street where I saw a picture of a green wall and said to myself, "I want to have the first green wall on Alberta Street." Alberta Main Street connected me with the PDC and with the support of the Green Features Grant, that dream became a reality. As the relationship developed, I learned of additional support available to me and have just completed a major storefront improvement project.

#### What opportunities do you see in your neighborhood?

As a young girl growing up in Northeast Portland, I've seen Alberta Street experience many cultural changes – some may view these as positive, others may disagree. For me, I see this as an opportunity to encourage entrepreneurship, bring in new businesses and create a safe and clean commercial district that is open to and supports diversity in its many forms.

#### What are you most optimistic about for the future of your business, and for the city?

I am optimistic about programs like Alberta Main Street, a community-based economic development organization that works to help local businesses and property owners succeed. The city and PDC's investment in this organization is a good investment. Supporting independent small business owners creates jobs and stable revenue. This is one of the reasons I have chosen to volunteer on the Alberta Main Street Design Committee. As an African-American female, born and raised in Portland, I have seen the many struggles faced by different minority groups. This was an opportunity to create hope and celebrate the diversity within all cultures that call Oregon, Portland and Alberta Street home.

#### PDC's mission focuses on creating a more equitable city. How does that align with your own work and goals?

Spurring continued growth and opportunities for everyone is vital to the success of our district and of our city. PDC's support of community-based organizations focused on building relationships and implementing a mission of equity is in direct alignment with my work, goals and passions.



## Neighborhood Economic Development Profile: **JULIA MARTIN AND YULIYA GREBENCHSHIKOVA, SE WORKS**

Back row: SE Works Executive  
Director Holly Whittleton; front row:  
Yuliya Grebenchshikova, Julia Martin  
and PDC Community Economic  
Development Manager Kate Deane

### **Tell us a little about yourselves.**

**Yuliya:** I am from Kazakhstan, where I graduated from Karaganda State Medical University and worked as a dentist for two years. I have been in the U.S.A. for two and a half years. My family moved here five years ago and I moved after they did. I hope to continue my dental career here as well.

**Julia:** I am originally from California, and spent more than two years teaching and studying in Taiwan before settling here in Portland. My favorite thing about this position is the amazing folks I work with in this program. The participants in the Professional Immigrant Credential Program (PICP) have such incredible stories of both accomplishment and struggle, and I hope I can be a positive part of their life stories by empowering them towards success in the United States.

### **Yuliya, what challenges were you dealing with when you came to SE Works?**

**Yuliya:** I came to SE Works two years ago and I started to take English classes and used volunteer tutor services. I learned how to create a resume and also took computer classes. After a few months I registered with the Immigrant Credential Program and I got a job at Office Max where I continue to work. We translated my diploma and did a lot of research. This has helped me greatly in setting up my future options for becoming a dentist here. With Julia, I evaluated my diploma for US schools and I am ready to apply for a dental hygiene program.

**Julia:** Yuliya has been a wonderful person to work with. It has been wonderful to see the growth she's experienced throughout her engagement at SE Works, first in the ELL Tutoring program, then in PICP. She is intelligent, motivated, and has put her greatest effort into everything she sets out to accomplish. It has been a joy to assist Yuliya on her path to success, and I am confident she will have a bright future!

### **How are you doing now?**

**Yuliya:** I am a student at Mt. Hood Community College, where I am taking prerequisite classes for the dental hygiene program. I am still working at my job with OfficeMax. I am working very hard to establish a strong future for myself.

### **What impact has SE Works had on your life?**

**Yuliya:** The organization has helped me a lot in both getting established and figuring out where I can go from here. Their aid in finding work, helping me improve my English skills, and evaluation of my diploma for US schools has all helped greatly. With the organization's help, I was able to get a strong start on my life here and have a strong direction to go in.

### **PDC's mission focuses on creating a more equitable city. How does that align with your own work and goals?**

**Julia:** I am very passionate about working with this population. I personally know how difficult it can be to adjust to life in a foreign country, and navigating our educational and licensing regulatory system can be extremely overwhelming. Supporting my clients through these processes and watching them reach important goals in work and life has been very rewarding. There is such a critical need for this type of programming in our area and throughout the nation. We are helping to facilitate a career path for highly skilled immigrants and refugees. The support PDC provides for this program not only benefits these individuals and their families, it enriches our community and provides employers with a talented and culturally competent labor force.



# Strong Community Capacity

The best practices path to community-driven economic growth springs from steady investment in capacity building – the tools, training and technical help that put community groups and business districts in charge of their own future. Two years in to the Neighborhood Economic Development (NED) Strategy adopted in 2011, PDC's programs are making a difference in local communities.

## Accomplishments

### Community Livability Grants

Awarded \$338,495 in Community Livability Grants to 10 projects in the Interstate Corridor (ICURA) and Lents Town Center (LTC URA) Urban Renewal Areas. For the first time, grant applicants were required to make a good faith effort to contract with State of Oregon certified Minority-Owned, Woman-Owned, or Emerging Small Businesses (M/W/ESBs), an effort that was expected to result in at least \$320,000 in work for M/W/ESB contractors.

### Main Street districts

Continued to provide grants and technical assistance to the three Main Street Districts (NE Alberta Street, Hillsdale and St. Johns) which were established in 2010. With PDC's support, the districts have reported a net increase of nearly 50 businesses and more than 230 jobs. In FY 2012-13 the Main Street districts reported more than 9,000 volunteer hours driving their success. Main Street was one of PDC's earliest NED initiatives and demonstrates the power of small investments of public funds to drive positive economic outcomes within neighborhoods.

### Venture Portland partnership

Offered technical assistance trainings to all Portland business districts through a contract with Venture Portland, a non-profit partner in neighborhood economic development, for a total of 486 technical assistance hours, 848 training hours and 1743 volunteer hours.

### Neighborhood Prosperity Initiative

Officially launched six Neighborhood Prosperity Initiative (NPI) districts: Our 42nd Ave, Cully Blvd Alliance, Division-Midway Alliance, Jade District, Historic Parkrose and Rosewood Initiative. Districts raised at least \$15,000 to match staffing and operations grants, planned and began implementation of their initial capital and promotions project, and continued to receive training and technical assistance to support startup activities. Districts logged approximately 8,900 volunteer hours and received approximately 400 hours of technical assistance and training to build their capacity and organizational strength.

# Economic Opportunity and Equity

Equity gaps of race, income and geography continue to be profound in Portland. Communities of color disproportionately make lower incomes; jobs are growing on the west side while poverty is increasing in the east side; development can accelerate gentrification pressures; and neighborhoods are strained by rapid low-income population growth.

Using a coordinated set of programs and policies, PDC staff work every day with local businesses, service providers and their clients to help people throughout Portland secure living-wage jobs, and to ensure that PDC's own contracting activities are equitable.

## Accomplishments

### Equity Policy

Adopted a comprehensive new Equity Policy in January 2013 to increase equitable outcomes resulting from PDC investments and resources, encompassing significant projects; internal equity practices, including recruiting and retention; and construction, including workforce, apprenticeship and contracting.

### Economic Opportunity Initiative

Provided an intensive regimen of career planning, job and life skills training, post-secondary education supports, internships, training, job placement and career advancement to more than 900 adults and young people enrolled in the Economic Opportunity Initiative (EOI) program. Over the last two years, PDC has aligned its investments in workforce development through Worksystems, Inc. This alignment leverages approximately \$1 in funding from WSI for every \$1 of PDC funding.

**167**

adult graduates in FY 2012-13

**25%**

minimum increase in income for adult graduates who completed a 3-year program

**\$14.13**

average wage per hr. at graduation

### DMWESB Contracting

Continued strong participation of Minority-owned, Women-owned or Emerging Small Businesses (MWESB) in PDC contracting. Of all PDC-supported projects in Fiscal Year 2012-13, MWESB contracting was 29%, including 15% minority-owned, 9% women owned, and 5% emerging small businesses. The three-year average is 32% MWESB firms, which employ many workers living in Portland's neighborhoods.

### Workforce Training

Distributed \$142,000 in workforce training funds through Worksystems Inc. to support the creation and execution of workforce training and development plans for six Enterprise Zone companies as they provided skill development and certificate training to more than 200 new and incumbent workers.

### Dawson Park Improvements

Developed and used a new model for constructing community-sensitive projects for the Dawson Park Improvement Project. Completed planning and design work which preserved the history of Portland's African-American community, hired an outside project manager with close ties to the community, issued contractor RFP using a best-value process instead of low bid.





## URBAN INNOVATION

Portland's Central City is at the heart of the region's global reputation for quality of life and healthy, urban living. The city's leadership in urban innovation has driven Portland's competitiveness and will continue to support our future growth.

PDC has a long track record in urban innovation, from developing vibrant mixed-use neighborhoods like the Pearl District; to keeping our Central City a competitive job center; to investing in transit infrastructure that benefits our region. With a view toward the future, PDC will continue to work with industry and community partners to ensure our Central City stays ahead of the curve and attracts the talent, workforce, and investment needed for the 21st century.

PDC's urban innovation work in 2012-13 focused on maintaining a vital center for the region – through investment in key assets and strategic and sustainable development, like the introduction of a new City Target; the completion of the Eastside Exchange Building; and the start of the 8th and Hassalo project in the Lloyd District. Together, these projects leverage an economic impact of 95,000 square feet of new office space and 200 new jobs, 700 new residential units, and \$180 million in new value.

*“Portland is a city of neighborhoods. All of them are distinct, but what makes them great is their human scale – they are places you can walk with your dog or your family, where you can get a great cup of coffee or an incredible meal, where you can shop for groceries or stop by the cleaners.”*

*- John Chamberlain,  
American Assets Trust CEO*

# Central City Vitality

The city plays a critical role in maintaining the unique attributes of the Central City by continuing a tradition of smart urban planning, investing in signature projects and neighborhoods, fostering an attractive retail environment and providing support for Portland's unique economic and cultural assets. The physical, economic and cultural health of Portland's downtown communities and entrepreneurial hubs – in places like the Central Eastside and Old Town/Chinatown – is critical to the maturation and diversification of Portland's Central City economic growth. Portland has the opportunity to ensure that the Central City remains a unique place for workers, residents and visitors now and in the decades ahead.

## Accomplishments

### Eastside Exchange Building

Enabled renovation of the Eastside Exchange Building by Beam Development - the first phase of the Burnside Bridgehead redevelopment that includes the adjacent Couch Street Plaza - with a property sale and loan. The Eastbank Exchange will house Cascade Energy, The Technology Association of Oregon, Sightworks and the Oregon Film and Video Office. Originally built in 1925, the building features nearly 80,000 square feet of office space and a newly constructed rooftop deck.

### Burnside Bridgehead

Catalyzed active projects on all parcels of the Burnside Bridgehead through executed agreements for future build-out of the bridgehead, including proposed new housing and retail by Key Development on Blocks 67 and 76W; new residential and commercial use by Block 75LLC on Block 75; and new micro-offices by Guerilla Development on Block 76E.

### Union Station

Secured \$3.9 million in funding from the Federal Railroad Administration via Oregon Department of Transportation for next phase of Union Station renovation, including preliminary design and environmental review of remaining building repairs and additional track and platform repairs.

### Zidell property

Executed an agreement to support the first phase of construction at the Zidell South Waterfront property resulting in the construction of The Emery and improvements to SW Grover Street. The Emery introduces 118 new rental units in South Waterfront and new retail along SW Moody. PDC's investment was made using \$520,000 of TSDC credits for necessary infrastructure improvements.

### Eastside Streetcar Loop

Completed construction of the Eastside Streetcar Loop, a \$148 million project to strengthen the connections between dynamic Central City neighborhoods, from the Pearl District and downtown to the Convention Center to the Eastside's burgeoning entrepreneurial areas.

### City Target

Celebrated the opening of Portland's first City Target at the Galleria in downtown Portland, supporting the city's vision to bring a vibrant collection of both national and local retailers to the downtown shopping experience.

# Next Generation Built Environment

Portland enjoys a global reputation as one of the most fully functional cities in the U.S. for smart urban development, while simultaneously possessing the livability that results from an unrelenting commitment to sustainable healthy living and growth. The city's green building industry has a global presence built on the combination of its unrivaled expertise and Portland's reputation for innovation in design and construction. A commitment to remain at the forefront of next generation building practices will produce the dual benefit of enhancing the city's image and providing local firms with a continuous flow of new ideas and services to export outside of the region.

## Accomplishments

### Lloyd EcoDistrict Roadmap

Completed the Lloyd EcoDistrict Roadmap in collaboration with the Lloyd EcoDistrict and neighborhood business leaders, a partnership to build the city's most sustainable living-and-working district – and initiated an Energy Action Plan to identify how the Lloyd EcoDistrict can achieve a 60% energy reduction by 2035.

### Green Stormwater Management

Partnered with the Bureau of Environmental Services and Zidell Yards to apply for and complete an EPA-funded comprehensive analysis and design for green stormwater management on one of the city's largest brownfield remediation sites. Portland was one of 17 communities selected to receive this technical assistance.

### Hassalo on 8th

Convened a multi-bureau technical advisory group to facilitate development of Hassalo on 8th (formerly known as the Lloyd 700 Blocks) - a four-block mixed-use development showcasing the newest biomimicry technology in the city. While bringing more than 650 new apartments and 58,000 square feet of new retail space to the district, the development will also showcase a state-of-the-art, district scale water management system which will clean and process all on-site storm, grey and blackwater for multiple reuse.

### LucidPipe Power System

Supported Lucid Energy's partnership with the City's Water Bureau to install a pilot project in the Portland market. With legal agreements and permitting approved, the LucidPipe Power System will be installed at SE Powell Boulevard and 147th Street and will generate an average of 1,000 megawatt hours of energy annually, enough energy to power approximately 150 homes.

### Energy efficiency for homeowners

Supported Clean Energy Works Oregon's expansion in Portland and statewide. The innovative on-utility-bill financing program provides low-cost improvements to homeowners to become more energy efficient. Since launching, the program has completed more than 3000 retrofits, created almost 30 permanent jobs and supported more than 500 construction jobs.

# Higher Education

Portland's central city is the acknowledged focal point for intellectual capital creation within the region. Working closely with Portland State University (PSU) and Oregon Health & Science University (OHSU), both anchored in the center of the city, PDC is bolstering the direct link between world class universities and accelerating economic growth driven by investment in campus development, research facilities, and incubator and entrepreneurship space to support the growth of tech transfer, commercialization, and small business development.

## Accomplishments

### **Collaborative Life Sciences Building**

Celebrated the start of construction on the Collaborative Life Sciences Building, a joint project of PSU, the Oregon University System and OHSU. PDC will invest \$1.7 million in this unique 500,000 square-foot building, which will combine lecture halls, classrooms, labs, offices, and specialty research centers to jointly service the partner universities. Joint programming will foster collaboration among students, instructors, and researchers from multiple institutions under one roof. The building will also house the Knight Cancer Institute – OHSU's globally known research institute designated by the National Cancer Institute – with more than 500 research scientists and healthcare professionals focused on basic research; advanced diagnostic testing; ground-breaking biorepositories; and clinical expertise.

### **Portland-Milwaukie Light Rail**

Invested \$10 million as part of the City of Portland's contribution to TriMet's construction of the 7.3 mile Portland-Milwaukie Light Rail extension which will connect downtown, Portland State University and the Central Eastside with Portland's southeastern suburbs when it opens in 2015. Since design and construction began, more than 3,250 on-site construction jobs and more than 1,150 professional and technical jobs have been created.

### **University Startup Commercialization Grant Program**

Awarded commercialization grants of up to \$30,000 to six\* local companies in a pilot partnership between PDC, Oregon Health & Science University and Portland State University. PDC launched the University Startup Commercialization Grant Program to strengthen the relationship between Portland's two major research universities and the city's entrepreneurial community. The grants are intended to catalyze the development of new ventures based on OHSU and PSU technologies, assist promising small businesses and stimulate entrepreneurship and related job creation. The recipients will use their awards to advance their technologies toward commercial applications, pursue business plan and market penetration strategies and attract additional funding for business development.

\*Commercialization Grant winners:  
Nzumbe, Odyssey Science Innovations,  
Gamma Therapeutics, SweetSense, Inc.,  
APDM, Hawthorne Materials

## Central City Profile:

## THE MARTINEZ FAMILY, OROX LEATHER

### **Tell us your company story.**

Orox Leather Company is a family business dedicated to the craftsmanship of quality handmade leather goods. We grew up in Portland from a household operation that sold primarily at the Portland Saturday Market to a company with its own retail store in Old Town/Chinatown. We also sell online and in wholesale markets nationally and internationally. Our products are designed to harmonically blend the durability of leather with the sustainability of recycled materials, to be passed on to coming generations as a heritage of American craft. We use domestically sourced leathers and canvas with environmentally friendly construction techniques in all of our products. We hope to continue to manifest this artistic expression in the same manner that our great grandparents did 70 years ago, maintaining tradition while developing with the future.

### **What do you love about Portland?**

First, the people who live and work here are a joy to be with. They are compassionate about their love and care for each other, their excitement for life, and their environment. They also appreciate art, especially hand-crafted products that are produced locally. Second, Portland is an outdoor town in which walking, running, cycling, and sports activities are very popular. Third, the city government and organizations such as PDC actively support the success of small businesses like ours.

### **What will keep you and your business here in the future?**

It is hard for us to think of ever leaving Portland. However, small businesses like ours are very vulnerable to taxes, assessments, ordinances, and policies. It is important that these be fair and not overly burdensome to small business. To be successful in the long term we have to be able to weather downturns in the economy or other events that may keep our customers from enjoying our products. A supportive local community, as Portland has been, is essential to help a small business pull through the tough times.

### **How has your relationship with PDC made a difference to you and your company?**

PDC was instrumental in helping us locate the building for our combined production facility and retail store and in providing architectural design assistance and a very much needed matching grant for our storefront improvements. Without PDC's support it's doubtful that we would have our own retail space and the improved production floor that we have today. The retail space and larger production capability allowed us to hire our first non-family employee in October 2013, and we anticipate hiring more employees in the next year.







Left to right: John Carey, Levi Martinez, Kevin Martinez, PDC Project/Program Coordinator Pam Johnson, Jose Martinez, PDC Business Development Coordinator Sue Bal, Martin Martinez

PDC's Athletic and Outdoor Industry group has also been very supportive. When we realized that we needed marketing consulting services to put together a go-to-market plan, the group's recommendation of Game Changer Consultants has worked very well for us.

The PDC staff members are welcome visitors to our store. They continue to offer their services, such as consulting in lean manufacturing techniques, to help our business grow profitably.

#### **How do you and your company interact with the local community?**

Orox Leather currently employs five people who live in North Portland; we buy services from three people who live in various areas of Portland; and we buy raw materials from several companies located in Portland. Each of these people and companies pays income and property taxes and business license fees. By providing employment to our workers we give them a chance to own homes, raise kids, and make a contribution to the community.

Orox Leather Company also donates our products to schools and charities in the Portland area. We buy advertising space in programs for high school athletics to support their activities. We are pleased to provide intern work for local students learning to work in footwear.

Orox Leather strives to carry out sustainable practices in all its business operations by integrating sustainability into our material sourcing, production practices, and other areas without compromising the company's bottom line. For example, we use recycled scrap rubber for the soles of our sandals and recycled bicycle tubes for some of our products, both of which might end up in landfills if we did not put them to productive use. We think that our practices in this area are very consistent with the City of Portland's sustainability goals.

#### **What are your hopes for the future of your business?**

We hope to continue to grow our offering of hand crafted products to the local area, throughout the US and across the world. We would like to establish the Orox brand as one of local craftsmanship, high quality, and environmental responsibility. We would like to show that artisan products made in the US offer value to a worldwide market.

PDC helped us take the huge jump from being a garage business to becoming a Portland brand. People are now identifying us as a destination and must-see. We hope to expand our brand awareness first in the city and then nationally, growing to employ more skilled people in our city. For the next two-plus years, we will be working on expanding our wholesale sales, collaborations with other brands, and increasing our manufacturing capacity accordingly.

#### **What are your hopes for the city of Portland's future?**

We hope that Portland becomes a model for other cities to follow as an ideal place in which to work and live. We would like to see Portland grow its presence in the athletic and outdoor field and attract more small businesses to the city. We also hope that the city supports PDC in its efforts to help small companies overcome challenges in growing their business.

#### **PDC's mission focuses on creating a more equitable city. How does that align with your own work and goals?**

First, we are growing our business, using sound financial principles. Second, we are committed to social equality in the employees we hire, the partners with whom we work, the customers whom we serve, and in all other aspects of our business. Third, we actively support the environment in the sourcing of our materials, the work that we do, and the products that we sell. Fourth, our location in the heart of Old Town/Chinatown supports renewal of an area that once flourished with activity and is now rebuilding what was lost. Finally, we are committed to being good stewards of all the resources that we use and employees that we hire. We hope to become one of Portland's most desirable places to work.





## Central City Profile: **VINCSON GREEN, CITY TARGET MANAGER**

Photo: Lisa Frisch, Portland Business Alliance Downtown Retail Program Director; Katherine Krajnak, PDC Sr. Business Development Coordinator; Cori Jacobs, Downtown Retail Advocate; and Vincson Green, City Target Manager

### **Tell us about City Target.**

It's the first City Target location in Portland, a multi-level store located in downtown Portland's historic Galleria building. At approximately 89,000 square feet, including Starbucks and the pharmacy, it's our smallest City Target. We employ approximately 200 team members. The store features urban living essentials, on-trend fashions and our exclusive designer collections to provide the one-stop shopping experience our guests have come to know and love. The expanded fresh food layout in City Target stores features an open-market layout and brings new food offerings including basic fresh produce, fresh packaged meat, baked goods and an assortment of wine and beer. The Fan Central area will feature Trail Blazers gear, Oregon Ducks and Oregon State Beavers merchandise.

### **What brought Target to downtown Portland?**

Target's Portland guests wanted stores that were more centrally located and more accessible. They were enthusiastic about bringing Target to the downtown area; wanted a quick and convenient shopping experience; a selection of categories offered in a suburban Target store; and convenient food offerings. This location provides a one-stop shopping option for guests living in the nearby neighborhoods as well as tourists visiting the busy retail corridor of downtown Portland.

In addition, the building is located at the crossroads of the regional light rail transit system and the downtown streetcar system, providing great alternative modes of transportation for guests to access our store. The Galleria, which anchors one end of the downtown retail corridor that includes Nordstrom, Macy's, and other upscale retailers, also connects downtown to the Pearl District to the north and the Portland State University district to the south.

### **What will keep you here?**

Target signs long-term leases for each City Target store. We are committed to responsible growth and City Target stores are part of our long-term strategy. We are excited to be here and enjoy the downtown Portland area.

### **What do you love about Portland?**

I love Portland because it is my home! I was born and raised here and it is such a great place to live. The people here are great and how can you not love the amount of amazing restaurants here? I am a huge sport fan and we have the Blazers, Timbers and now the new Arena Football team starting in 2014.

### **How do you and City Target interact with the local community?**

Target has been an active partner in the Portland community since opening our first area store in 1988, and contributed more than \$575,000 in support of Portland-area schools and nonprofit organizations in 2012. Examples of our community involvement include:

- Take Charge of Education – Target guests direct up to 1 percent of their RED card purchases as undesignated funds to local schools; in 2012, 635 schools received funds from Target.
- Give With Target Campaign – Target gave \$25,000 to Boise-Eliot/Humboldt School and Vancouver Public Schools in 2012.
- Target Field Trip Grants – Target gives students opportunities to enhance their learning in arts, math and science; in 2012, 64 schools received grants from Target.
- Books For Schools Awards – Target gives \$500 book grants to schools on an annual basis; in 2012, 11 schools received Target awards.

### **PDC's mission focuses on creating a more equitable city. How does that align with your own work and goals?**

I treat everyone the way I would like to be treated. Portland is a city that is open and welcoming and that is how I am and how City Target is. We call our shoppers "guests" and we want everyone to feel like they were invited to a friend's house when they walk into our store! That is how I lead my team and how I direct and lead my store.

# INVESTING PUBLIC RESOURCES WISELY

PDC's success with its Strategic Plan goal of Effective Stewardship over Resources and Operations, and Employee Investment, received particular attention in the City Auditor's report released in December 2012. The report looked at the impact of urban renewal on assessed values, jobs and wages, and unequivocally stated that urban renewal has had a positive effect on each of those variables. The audit compared outcomes in URAs to the rest of the city and some control neighborhoods over a 15-year period, and found that URAs materially outperformed other areas of the city.

While we have long believed in the direction of our Strategic Plan and the importance of our work to the city, this independent assessment validates the hard work by PDC staff, our shared belief in the PDC mission, and the difference PDC programs are making in the lives of Portlanders.

As reflected in the following financial statements, PDC ended fiscal year 2012/2013 with approximately \$311.2 million in total assets, with its real estate portfolio accounting for \$80.6 million of this value. Loans receivable, net of allowances, were \$57.8 million at year-end. Cash of \$159.2 million, including tax increment debt proceeds (in lieu of tax increment revenue) and line of credit draws, made up the largest portion of the asset balance. PDC's total liabilities at year-end were \$20.6 million.

Tax increment debt proceeds of \$73.4 million made up 78.6 percent of PDC's \$93.3 million total revenues for the year. PDC's annual expenditures totaled \$100.7 million, resulting in an ending fund balance of \$295.2 million when netted with \$.7 million in non-operating revenues, a decrease of \$6.7 million over the restated fund balance for fiscal year 2012.



PDC Accounting Staff Photo, back row: Amy Aragon, Payroll Accounting Analyst; Sam Brugato, Principal Accountant; Yana Eysmont, Accounting Technician II; Michele Whaley, Accountant III; front row: Ronda VanderMeer, Credit and Collections Analyst; and Catherine Kaminski, Accounting Manager



Download PDC's complete Comprehensive Annual Financial Report for FY 2012-13 at [www.pdc.us/cafr](http://www.pdc.us/cafr)



# Financials

## BALANCE SHEET

|  | <b>Governmental<br/>Funds</b> | <b>Enterprise<br/>Funds</b> | <b>Total</b>          |
|--|-------------------------------|-----------------------------|-----------------------|
| <b>ASSETS</b>                              |                               |                             |                       |
| Current Assets:                            |                               |                             |                       |
| Cash and cash equivalents                  | \$ 73,179                     | \$ -                        | \$ 73,179             |
| Cash with City of Portland investment pool | 157,104,500                   | 1,972,700                   | 159,077,200           |
| Cash with fiscal agent                     | 491,632                       | -                           | 491,632               |
| Receivables:                               |                               |                             |                       |
| Due from other funds                       | (312,000)                     | 312,000                     | -                     |
| Due from City of Portland                  | 2,548,175                     | 81,763                      | 2,629,938             |
| Accounts                                   | 1,114,931                     | 79,301                      | 1,194,232             |
| Loans, net                                 | 6,194,978                     | 371,611                     | 6,566,589             |
| Interest                                   | 265,935                       | 3,264                       | 269,199               |
| Prepays                                    | 306,303                       | -                           | 306,303               |
| Property held for sale                     | 80,568,343                    | -                           | 80,568,343            |
| Other                                      | 15,354                        | -                           | 15,354                |
| <b>Total current assets</b>                | <b>248,371,330</b>            | <b>2,820,639</b>            | <b>251,191,969</b>    |
| Noncurrent assets:                         |                               |                             |                       |
| Loans receivable, net                      | 50,322,820                    | 883,745                     | 51,206,565            |
| Capital assets, net                        | 8,754,072                     | -                           | 8,754,072             |
| <b>Total noncurrent assets</b>             | <b>59,076,892</b>             | <b>883,745</b>              | <b>59,960,637</b>     |
| <b>Total assets</b>                        | <b>\$ 307,448,222</b>         | <b>\$ 3,704,384</b>         | <b>\$ 311,152,606</b> |

## BALANCE SHEET

|   | Governmental<br>Funds | Enterprise<br>Funds | Total                 |
|---|-----------------------|---------------------|-----------------------|
| <b>LIABILITIES AND FUND BALANCES</b>          |                       |                     |                       |
| Current liabilities:                          |                       |                     |                       |
| Accounts payable                              | \$ 1,958,310          | \$ 1,691            | \$ 1,960,001          |
| Accrued liabilities                           | 663,770               | 7,094               | 670,864               |
| Due to City of Portland                       | 4,003,926             | 74,694              | 4,078,620             |
| Due to other entities                         | 169,734               | -                   | 169,734               |
| Long-term liabilities due within one year:    |                       |                     |                       |
| Pollution remediation                         | 491,525               | -                   | 491,525               |
| Replacement parking access                    | 65,900                | -                   | 65,900                |
| Vacation accrual                              | 95,903                | -                   | 95,903                |
| <b>Total current liabilities</b>              | <b>7,449,068</b>      | <b>83,479</b>       | <b>7,532,547</b>      |
| Noncurrent liabilities:                       |                       |                     |                       |
| Long-term liabilities:                        |                       |                     |                       |
| Net other post-employment benefits obligation | 729,471               | -                   | 729,471               |
| Pollution remediation                         | 8,395,053             | -                   | 8,395,053             |
| Replacement parking access                    | 202,459               | -                   | 202,459               |
| Replacement parking construction              | 3,226,366             | -                   | 3,226,366             |
| Vacation accrual                              | 489,237               | -                   | 489,237               |
| <b>Total noncurrent liabilities</b>           | <b>13,042,586</b>     | <b>-</b>            | <b>13,042,586</b>     |
| <b>Total liabilities</b>                      | <b>20,491,654</b>     | <b>83,479</b>       | <b>20,575,133</b>     |
| <b>Fund balances:</b>                         |                       |                     |                       |
| Non-spendable                                 |                       |                     |                       |
| Prepaid expenditures                          | 306,303               | -                   | 306,303               |
| Loans receivable                              | 652,905               | -                   | 652,905               |
| Property held for sale                        | 146,754               | -                   | 146,754               |
| Restricted                                    |                       |                     |                       |
| Loans receivable                              | 55,864,893            | -                   | 55,864,893            |
| Property held for sale                        | 80,170,134            | -                   | 80,170,134            |
| Accounts receivable-others                    | 814                   | -                   | 814                   |
| Urban renewal                                 | 147,843,930           | -                   | 147,843,930           |
| Contractual obligations                       | 3,641,634             | -                   | 3,641,634             |
| Assigned                                      |                       |                     |                       |
| Subsequent year's expenditures                | 2,923,994             | -                   | 2,923,994             |
| Unassigned                                    |                       |                     |                       |
| Ending fund balance                           | (4,594,793)           | 3,620,905           | (973,888)             |
| <b>Total fund balances</b>                    | <b>286,956,568</b>    | <b>3,620,905</b>    | <b>290,577,473</b>    |
| <b>Total liabilities and fund balances</b>    | <b>\$ 307,448,222</b> | <b>\$ 3,704,384</b> | <b>\$ 311,152,606</b> |

The audited Comprehensive Annual Financial Report can be found at [http://www.pdc.us/Libraries/Budget/CAFR\\_-\\_FY\\_2012-2013\\_pdf.sflb.ashx](http://www.pdc.us/Libraries/Budget/CAFR_-_FY_2012-2013_pdf.sflb.ashx)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

|   | Governmental<br>Funds | Enterprise<br>Funds | Total                 |
|---|-----------------------|---------------------|-----------------------|
| <b>REVENUES</b>   |                       |                     |                       |
| Intergovernmental revenues  | \$ 7,970,747          | \$ -                | \$ 7,970,747          |
| Charges for services  | 4,047,062             | 1,079,814           | 5,126,876             |
| Loan collections  | 1,267,686             | 51,498              | 1,319,184             |
| Miscellaneous   | 5,456,632             | 81,971              | 5,538,603             |
| Tax-increment debt proceeds<br>(in lieu of tax-increment revenue) | <u>73,354,431</u>     | <u>-</u>            | <u>73,354,431</u>     |
| Total revenues  | <u>92,096,558</u>     | <u>1,213,283</u>    | <u>93,309,841</u>     |
| <b>EXPENDITURES</b>   |                       |                     |                       |
| Current:  |                       |                     |                       |
| Community development   | 52,585,334            | 1,173,322           | 53,758,656            |
| Capital expenditures for urban renewal                            | 34,530,496            | -                   | 34,530,496            |
| Financial assistance  | 12,297,219            | -                   | 12,297,219            |
| Capital outlay  | <u>112,468</u>        | <u>-</u>            | <u>112,468</u>        |
| Total expenditures  | <u>99,525,517</u>     | <u>1,173,322</u>    | <u>100,698,839</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures      | <u>(7,428,959)</u>    | <u>39,961</u>       | <u>(7,388,998)</u>    |
| <b>NON-OPERATING REVENUES</b>                                     |                       |                     |                       |
| Interest on investments   | <u>674,321</u>        | <u>8,768</u>        | <u>683,089</u>        |
| Net change in fund balances                                       | (6,754,638)           | 48,729              | (6,705,909)           |
| <b>FUND BALANCES - July 1, 2012 as previously reported</b>        | <u>288,845,340</u>    | <u>3,493,447</u>    | <u>292,338,787</u>    |
| Restatement due to change in accounting principle                 | 9,460,659             | 78,729              | 9,539,388             |
| <b>FUND BALANCES - July 1, 2012 as restated</b>                   | <u>298,305,999</u>    | <u>3,572,176</u>    | <u>301,878,175</u>    |
| <b>FUND BALANCES - June 30, 2013</b>                              | <u>\$ 291,551,361</u> | <u>\$ 3,620,905</u> | <u>\$ 295,172,266</u> |



**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
June 30, 2013**

|  |    |             |
|--|----|-------------|
| Fund balances - total governmental funds | \$ | 291,551,361 |
|--|----|-------------|

Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

|  |  |           |
|--|--|-----------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds |  | 8,754,072 |
|--|--|-----------|

The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds

|  |  |           |
|--|--|-----------|
| Net other post-employment benefit obligation |  | (729,471) |
|--|--|-----------|

|                                       |  |           |
|---------------------------------------|--|-----------|
| Long term vacation accrual obligation |  | (489,237) |
|---------------------------------------|--|-----------|

|                                 |  |             |
|---------------------------------|--|-------------|
| Pollution remediation liability |  | (8,886,578) |
|---------------------------------|--|-------------|

|                            |  |           |
|----------------------------|--|-----------|
| Replacement parking access |  | (268,359) |
|----------------------------|--|-----------|

|                                  |  |             |
|----------------------------------|--|-------------|
| Replacement parking construction |  | (3,226,366) |
|----------------------------------|--|-------------|

|   |  |         |
|---|--|---------|
| The internal service fund is used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets |  | 251,146 |
|---|--|---------|

|                                       |    |             |
|---------------------------------------|----|-------------|
| Net assets of governmental activities | \$ | 286,956,568 |
|---------------------------------------|----|-------------|

The audited Comprehensive Annual Financial Report can be found at [http://www.pdc.us/Libraries/Budget/CAFR\\_-\\_FY\\_2012-2013\\_pdf.sflb.ashx](http://www.pdc.us/Libraries/Budget/CAFR_-_FY_2012-2013_pdf.sflb.ashx)

**STATEMENT OF CASH FLOWS**  
**PORTLAND DEVELOPMENT COMMISSION**  
**For the Fiscal Year Ended June 30, 2013**

|  | <b>Governmental<br/>Funds</b> | <b>Business<br/>Funds</b> | <b>Total</b>          |
|--|-------------------------------|---------------------------|-----------------------|
| <b>Cash flows from operating activities:</b>   |                               |                           |                       |
| Loan collections from borrowers  | \$ 10,587,939                 | \$ 371,612                | \$ 10,959,551         |
| Intergovernmental revenue  | 81,325,177                    | -                         | 81,325,177            |
| Interest on loans from borrowers   | 1,266,441                     | 51,498                    | 1,317,939             |
| Loan fees from customers   | 361,414                       | 34,054                    | 395,468               |
| Rent income  | 2,938,624                     | -                         | 2,938,624             |
| Payments to others   | (1,685,961)                   | 1,005,760                 | (680,201)             |
| Payments to employees  | (15,312,777)                  | (83,460)                  | (15,396,237)          |
| Payments to vendors  | (67,624,354)                  | (18,985)                  | (67,643,339)          |
| Payments for interfund services used   | 93,648                        | (1,202,483)               | (1,108,835)           |
| Loans to borrowers   | (3,465,229)                   | (93,640)                  | (3,558,869)           |
| Sale of real property  | 10,500                        | (201,788)                 | (191,288)             |
| Miscellaneous reimbursements   | 5,125,004                     | 113,479                   | 5,238,483             |
| <b>Net cash provided (used) by operating activities</b>  | <u>13,620,426</u>             | <u>(23,953)</u>           | <u>13,596,473</u>     |
| <b>Cash flows from noncapital financing activities:</b>  |                               |                           |                       |
| Collection (repayment) of interfund loans from prior period  | (100,000)                     | 100,000                   | -                     |
| Interfund loan   | 312,000                       | (312,000)                 | -                     |
| <b>Net cash provided (used) by noncapital financing activities</b>                                       | <u>212,000</u>                | <u>(212,000)</u>          | <u>-</u>              |
| <b>Cash flows from investing activities:</b>   |                               |                           |                       |
| Interest received from investing   | 694,098                       | 10,222                    | 704,320               |
| <b>Net increase(decrease) in cash and cash equivalents</b>   | 14,526,524                    | (225,731)                 | 14,300,793            |
| <b>Cash and cash equivalents-July 1, 2012</b>  | <u>143,142,787</u>            | <u>2,198,431</u>          | <u>145,341,218</u>    |
| <b>Cash and cash equivalents-June 30, 2013</b>   | <u>\$ 157,669,311</u>         | <u>\$ 1,972,700</u>       | <u>\$ 159,642,011</u> |
| <b>Cash with City of Portland investment pool</b>  | 157,104,500                   | 1,972,700                 | 159,077,200           |
| <b>Cash and cash equivalents</b>   | 73,179                        | -                         | 73,179                |
| <b>Cash with Wells Fargo sequestration account</b>   | 491,632                       | -                         | 491,632               |
|  | <u>\$ 157,669,311</u>         | <u>\$ 1,972,700</u>       | <u>\$ 159,642,011</u> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>    |                               |                           |                       |
| Net operating income (loss)  | \$ (7,428,958)                | \$ 39,961                 | \$ (7,388,997)        |
| Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities |                               |                           |                       |
| Increase (Decrease) in due to/from City of Portland  | 213,838                       | (142,246)                 | 71,592                |
| Increase in loans receivable   | 6,562,696                     | 161,333                   | 6,724,029             |
| Decrease in property held for sale   | 14,907,247                    | -                         | 14,907,247            |
| Decrease in due from other entities  | (1,141,874)                   | (83,459)                  | (1,225,333)           |
| Increase in accounts payable   | 507,477                       | 458                       | 507,935               |
| <b>Total adjustments</b>   | <u>21,049,384</u>             | <u>(63,914)</u>           | <u>20,985,470</u>     |
| <b>Net cash provided (used) by operating activities</b>  | <u>\$ 13,620,426</u>          | <u>\$ (23,953)</u>        | <u>\$ 13,596,473</u>  |

**On the cover:**

*Dexter Turner, Yuliya Grebenchshikova,  
Jose Martinez, Gwen Reed Thrasher,  
Sam Blackman and Vincson Green.*



**222 NW Fifth Avenue  
Portland, OR 97209  
503-823-3200**



**@pdxdevelopment**



**/pdxdevelopment**

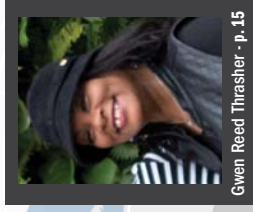
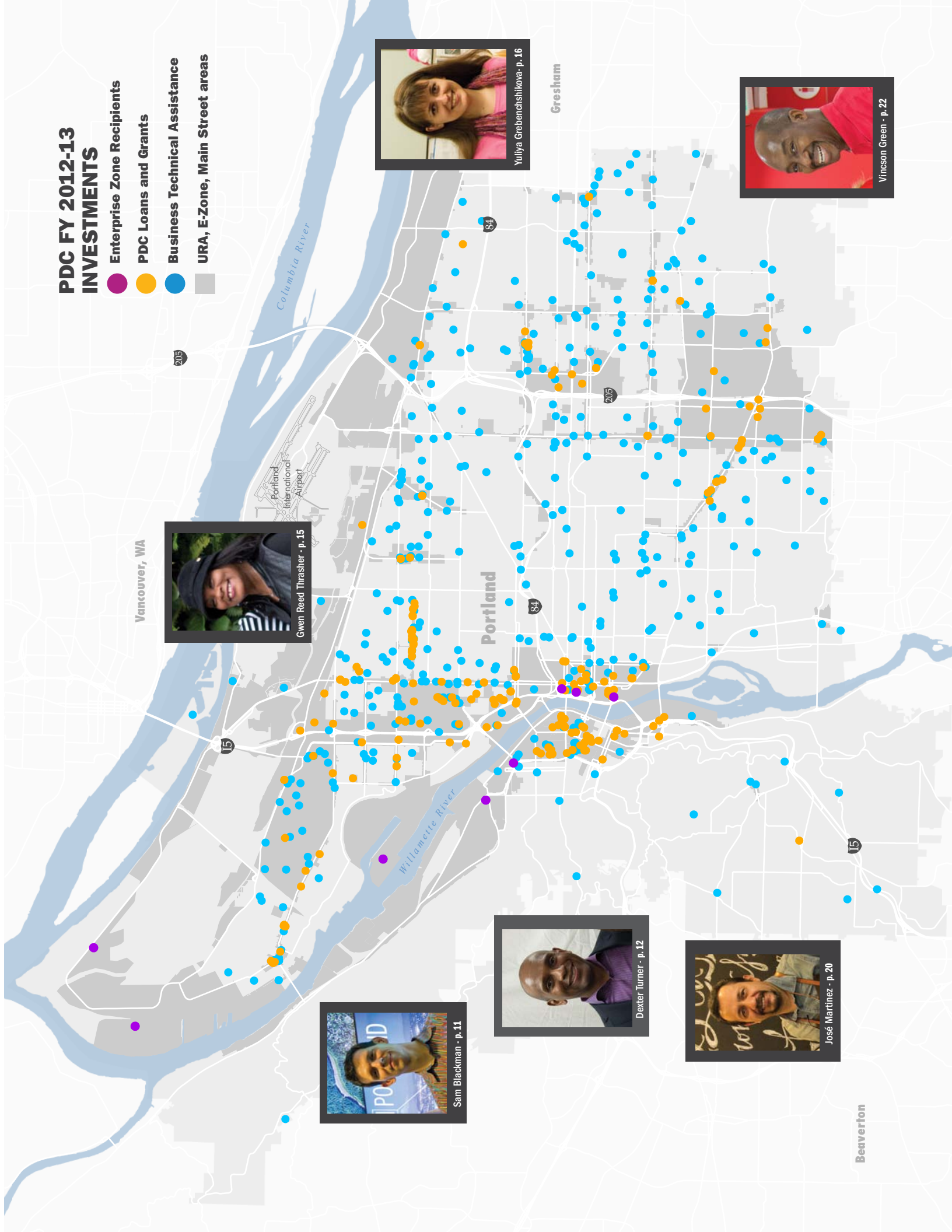


**/pdxdevelopmentcomm**

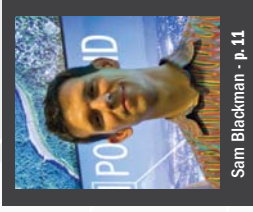


# PDC FY 2012-13 INVESTMENTS

- Enterprise Zone Recipients
- PDC Loans and Grants
- Business Technical Assistance
- URA, E-Zone, Main Street areas



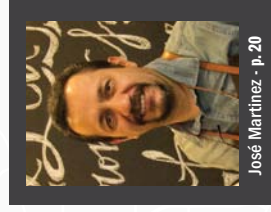
Gwen Reed Thrasher - p. 15



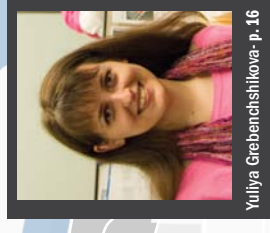
Sam Blackman - p. 11



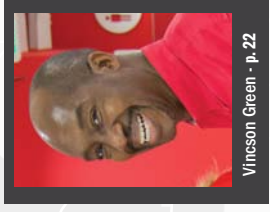
Dexter Turner - p. 12



José Martinez - p. 20



Yuliya Grebenchshikova - p. 16



Vincson Green - p. 22