



This document constitutes the official meeting record of the January 29, 2009, Portland Development Commission Board of Commissioner's meeting held at 222 NW Fifth Ave., Portland, OR 97209.

I. CALL TO ORDER AND ROLL CALL

Chair Wilhoite called the meeting to order at approximately 8:08 p.m.
Ms. Renee Castilla, acting as recording secretary for the Board, called the Commission roll:

Chair Charles Wilhoite	PRESENT
Commissioner Scott Andrews	PRESENT
Commissioner Bertha Ferran	PRESENT
Commissioner John Mohlis	PRESENT

Charles A. Wilhoite
Commission Chair

Bertha Ferrán
Commissioner

John C. Mohlis
Commissioner

II. MEETING MINUTES

Chair Wilhoite indicated there would be no approval of the minutes as there was additional work needed.

J. Scott Andrews
Commissioner

III. EXECUTIVE DIRECTOR'S REPORT

Executive Director Bruce Warner presented his Director's Report orally, he highlighted the following:

Position 5 (vacant)
Commissioner

Tom Potter
Mayor

Bruce A. Warner
Executive Director

- Directed the Board to the Financial Aid and Financial Assistance documents from the Loan Committee;
- Stated a decision from the Land Use Board of Appeals (LUBA) on the River District main amendment was expected by the end of the week Friday. Once it is received, it will be forwarded to the commissioners. He reminded the Board about the number of projects impacted by the appeal;
- Stated staff is working hard to prepare the budget for the 2009/2010 Fiscal Year. Currently the Executive Team is reviewing the proposed budget in addition to the different Urban Renewal Area budgets. In early February, the Board will be meeting with Mayor to review the proposed budget. He said the difference in meeting this way rather than last year's process with the joint workgroup is hoping the process is more streamlined. He said the goal is to ultimately adopt the budget in late June. He also stated he has directed staff to focus on projects that can be delivered in addition to focusing on the financial aid products to small businesses.
- He also commented he attended a meeting with members of the banking industry where he heard they are being very cautious with credit as well as projects they are financing. In addition, he has heard from the Hospitality Industry that they are losing business as well as the Manufacturing Industry. Further, the manufacturers are concerned about keeping the employees working as well as the number of qualified workers available needed when the economy turns around. Therefore, it is important to continue training new workers so they are available when needed.

Chair Wilhoite reminded staff it was important to remain fiscally prudent. He said it was important to keep the same type of processes and performance measures in place as well as spending dollars in a responsible manner.



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IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Ms. Carol McCreedy representing the Public Hygiene Lets Us Stay Human (PHLUSH) Program presented the commissioners with information regarding their program and highlighted their public restroom design principles:

1. Cost Effectiveness;
2. Maximum Function in Minimum Space;
3. Safety;
4. Accessibility;
5. Availability;
6. Attractiveness; and
7. Ease of Maintenance.

Chair Wilhoite thanked Ms. McCreedy and moved to the consent agenda.

V. CONSENT AGENDA

Commissioner Wilhoite called for a motion to adopt the Consent Agenda:

Action Item: Enter into a Purchase and Sale Agreement, a Reciprocal Easement Agreement, and an Intergovernmental Agreement with TriMet Related to Certain PDC Owned Property in Connection with the Killingsworth Station Project.

Commissioner Ferran moved and Commissioner Mohlis seconded. Commissioner Andrews stated he had a potential conflict with them item as he is personally known with the individual developing the project although he is not involved in the development.

AYES: Wilhoite, Andrews, Ferran, Mohlis
 NAYS: None

VI. NON-REPRESENTED STAFF POLICY

Ms. Sandy Reina presented Report No. 09-09, titled, "Non-represented Staff Policy."

Ms. Reina stated In light of the recently ratified Collective Bargaining Agreement (CBA) and in order to be responsive to the needs of the agency, we are prepared to move forward with the following policy and benefit changes for our non-represented staff:

Policy or Benefit	Change
Bereavement Leave	For non-represented employees, the benefit is currently 2 days leave, plus an additional 2 days if out of town travel is required upon the death of a family member. Will add an additional day for 3 days leave, along with the 2 days for travel.
Compensatory Time Off	For staff classified as non-exempt under the Fair Labor Standards Act (FSLA), compensatory time off is additional time off given in lieu of receiving overtime pay. While not currently an option for non-represented, FSLA non-exempt staff, compensatory time off will now

become an option for non-represented, FSLA non-exempt staff.

Donation of Sick Leave

Both represented and non-represented employees are currently allowed to donate a portion of their accrued sick leave to another staff member out on leave for a serious health condition qualifying under the Family and Medical Leave Act. Will eliminate all staff members' donation of sick leave effective July 1, 2009, however will maintain the existing donation of vacation leave.

Health Care

The Portland Development Commission (PDC) currently pays 100% of the premium for all eligible employees and dependents. Effective August 1, 2009, PDC will pay 95% of the premium, with all employees paying a 5% cost share.

Transit/Bike Walk Subsidy

For non-represented employees, PDC currently pays \$41 towards purchase of a monthly Tri-Met bus pass, \$39 towards a C-Tran pass, and \$20 per month to any staff member who commutes to work via biking or walking. Effective February 1, 2009, PDC will pay 60% of the cost of a Tri-Met monthly buss pass, 50% of a C-Tran pass, and \$30 per month for bike/ walk commuters.

Vacation Accruals and Caps

The vacation accrual rate schedule below lists the current and new accrual rates for non-represented employees. Non-represented non-managers will now have a 2-times current accrual rate or 280 hours (35 days) cap, whichever is lower. Due to the tenure and historic work demands placed on managers, they will be allowed to maintain an additional cap of 40 hours (5 days) of vacation, with the understanding that no more than 280 hours of vacation will be paid out upon separation and that accrual will stop at 320 hours (40 days).

<i>Current Non-Represented Accrual Rates</i>		<i>New Non-Represented Accrual Rates</i>	
≤4	10 days	Entry	12 days
5-9	15 days	3	15 days
10-14	17.5 days	5	17.5 days
15-19	20 days	10	20 days
20-24	22.5 days	15	22.5 days
≥25	25 days	20	25 days

VII. CONSTRUCTION WAGE POLICY

Mr. John Jackley and Ms. Linda Andrews presented Report No. 09-10, titled, "Construction Wage Policy.")

Mr. John Jackley stated This action will amend the Construction Wage Policy ("Policy") adopted by the Board on January 10, 2007, (Resolution No. 6424) and subsequently amended on April 11, 2007 (Resolution No. 6471 & Resolution 6513). The action will move the workforce strategy components of the Construction Wage Policy to the Business and Workforce Equity Policy, being simultaneously amended by the Board.

Ms. Andrews stated with the assistance of Commissioner Mohlis, the Workforce Diversity Strategy Agreement has been negotiated and was signed by the Parties on June 16, 2008. The Workforce Diversity Strategy Agreement contains specific Workforce Goals intended to achieve a permanent increase at the journey level in the participation of trained and licensed People of Color and women in the construction trades in the Portland metropolitan area similar to those utilized as a result of the South Waterfront Central District Development Agreement; Moving the Workforce Diversity Strategy Component and Workforce Diversity Strategy Agreement to the Business and Workforce Equity Policy will facilitate easier administration and improve clarity of the Policy and other PDC policies related to social equity.

Chair Wilhoite called for a motion to adopt Resolution No. 6666, titled, "Adopting Amended Construction Wage Policy."

Commissioner Ferran moved and Commissioner Andrews seconded the motion to adopt Resolution 6666.

AYES: Wilhoite, Andrews, Ferran, Mohlis
NAYS: None

VIII. AMENDING THE BUSINESS AND WORKFORCE EQUITY POLICY AND REAUTHORIZING THE WORKFORCE TRAINING AND HIRING PROGRAM

Mr. John Jackley and Ms. Linda Andrews presented Report No. 09-11, titled, "Amending the Business and Workforce Equity Policy and Reauthorizing the Workforce Training and Hiring Program."

This Action will amend the Business and Workforce Equity Policy (Policy) adopted by the Board of Commissioners (Board) on February 27, 2008 (Resolution No. 6561), and make the following changes to the Policy:

- Moves the workforce strategy components of the Construction Wage Policy into this Policy.
- Establishes workforce goals as recommended by the Workforce Diversity Strategy Agreement created through the Construction Wage Policy.
- Raises the applicability of the Policy on PDC sponsored Projects from \$100,000 in PDC Resources and \$200,000 in Hard Construction Costs to \$300,000 for both thresholds.
- Includes a determination of availability and capacity of M/W/ESB firms for commercial high-rise projects in calculating the applicable Utilization Goal.
- Reauthorizes the Workforce Training and Hiring Program.
- Clarifies exemptions to the Policy.

- Adds definitions to the Policy.

Ms. Linda Andrews stated Commissioner Mohlis and John Jackley represented PDC on the Workforce Diversity Strategy Committee with representation from various training organizations. The Committee met for several months and finalized the Workforce Diversity Strategy Agreement on June 16, 2008. The Committee reviewed the Policy and made recommendations for workforce goals similar to those in the South Waterfront project. The recommended goals are included in this amended Policy. Mr. Tony Jones, Executive Director of Metropolitan Contractors Improvement Partnership stated they are a nonprofit organization founded by members of NAMCO and other members of the construction industry, etc. He said the members all saw the need to increase the capacity of minority firms so they can work on the projects. He said not only do they assist by providing technical assistance for minority certification; they work with them one on one in areas of business development. He said they are usually working with a pool of approximately 15-20 businesses. He said they continue to work with PDC staff to promote contractor diversity. While he is supportive of the policy, he cautioned the commissioners the importance of addressing the disparity between minority contractors and while males owning emerging small businesses. In addition, he said there was a strong need to address the issue of capital and payroll needs while working and trying to stay in businesses.

Commissioner Ferran stated she would like to see monthly reporting on the M/W/ESB program.

Commissioner Mohlis reminded the viewing audience that with the current economy construction hours will decrease, however, he encouraged those companies to continue with the apprentices so they do not lose their hours and the money invested in them.

Mr. Clarence Larkins expressed his support of the policy but also cautioned the commissioners to continue to have dialogues with prime contractors to be creative in getting minority businesses involved in their projects.

Ms. Connie Ashbrook representing the Oregon Tradeswomen, Inc. expressed her thanks to the Commissioners, Executive Director Bruce Warner, John Jackley and Linda Andrews for their commitment and hard work to develop and implement an effective construction diversity strategy. She stated she was in support of the policy, however, cautioned, that it was important to make sure current workers are not being displaced so new apprentices can continue to come in. She indicated with the slowing economy, they are seeing decreased opportunities for work.

Mr. Harold Williams I representing CH2A & Associates stated he is in support of the effort. He credit John Jackley and staff with verifying compliance with the policies. He said part of his duties while working with PDC is to check the contractors, developers, and trades people, to determine they are doing what they have agreed to. They are checking the data, knocking on doors, verifying they are following PDC's policies. He further stated he supports women and minorities in business and agrees with the issue of emerging small businesses because there are individuals who will try to work around policies. He said another task of theirs is to make sure there are real bodies working the jobs including women and minorities and a talent pool that can follow through.

Chair Wilhoite asked if the Workforce Policy addresses the issue of the red tape a minority business must go through to get certified.

Executive Director Bruce Warner stated the process is still cumbersome, although the state is working on ways to streamline the process.

Mr. Williams stated many new firms are not willing to get certified because it gives up too much personal information without the guarantee of work. He said as a person of color, he refuses to become certified because he is an African American that happens to be a business man. Further, if the

majority of the population were required to release their information, than he would as well. He also said that certification does not necessarily determine qualification.

Mr. Jones stated reiterated that if a firm wants to become certified, then his organization can and will assist them.

Chair Wilhoite called for a motion to adopt Resolution No. 6667, titled, "Adopting an Amended Business and Workforce Equity Policy and Reauthorizing the Workforce Training and Hiring Program."

Commissioner Mohlis moved and Commissioner Andrews seconded the motion to adopt Resolution No. 6667.

AYES: Wilhoite, Andrews, Ferran, Mohlis
NAYS: None

IX. 2007/08 ANNUAL DIVERSITY IN CONTRACTING AND WORKFORCE TRAINING REPORT

Mr. John Jackley and Ms. Linda Andrews presented Report No. 09-12, titled, "2007/08 Annual Diversity in Contracting and Workforce Training Report."

Mr. Jackley stated in order to keep the Board apprised of the results of PDC's Business and Workforce Equity Policy a report has been prepared providing information and analysis about results for Fiscal Year 2007. Highlights of the report include:

- This year's M/W/ESB utilization total was \$41,991.881, equaling 36.8 percent of the \$114,030,006 in PDC funds expended for applicable projects, significantly above the 20 percent goal. These results include projects under the old Good Faith Effort program and the new Business and Workforce Equity Policy.
- The Workforce Training and Hiring Program (WTHP) goal of 20 percent apprentice hour's participation on PDC funded projects was surpassed again this year as 255,676 hours were worked by state registered apprentices, equaling 23 percent of the total project hours of 1,109,077. Of the total apprentice hours, 71,464 (28 percent) were worked by minorities and females. These hours were made up of 50,609 worked by minority males, 5,110 by minority females and 15,745 by non-minority females.

Ms. Andrews stated the figures above do not include the South Waterfront Project. The M/W/ESB utilization on the South Waterfront project was \$40,403,570, equating to 13.2 percent of the project construction costs of \$305,338,062 and 168,886 apprentice hours equating to just over 25 percent of the total project hours of 665,598. Also, minorities and females worked 42 percent (168,886 hours) of the apprentice hours on the covered projects compared to 33 percent last year.

Staff anticipates expanded Business and Workforce Equity efforts during 2009 through full development and implementation of the new Policy.

X. AMEND INTERGOVERNMENTAL AGREEMENT WITH PORTLAND PARKS AND RECREATION FOR DESIGN AND CONSTRUCTION OF DIRECTOR PARK AND STREETSCAPES (SW YAMHILL STREET AND SW PARK AVENUE)

Mr. Peter Englander presented Report No. 09-13, titled, "Amend Intergovernmental Agreement with Portland Parks and Recreation for Design and Construction of Director Park and Streetscapes (SW Yamhill Street and SW Park Avenue)."

Mr. Peter Englander stated the action would authorize the Executive Director to amend an Intergovernmental Agreement (IGA) between the Portland Development Commission (PDC) and Portland Parks & Recreation (PP&R) for the design and construction of Director Park, formerly known as South Park Block 5 (SPB5), and associated enhanced streetscapes. The IGA amendment would provide an additional \$1.5 million to PP&R to construct enhanced streetscapes within the rights-of-way on the streets immediately adjacent to Director Park (SW Park and SW 9th Avenues between SW Taylor and SW Yamhill Streets).

He stated the PDC Board of Commissioners (Board) approved the IGA on October 10, 2007 (Resolution No. 6514) for PDC to provide \$2,670,000 in funding for the planning and design of the park and the planning of the associated Park Avenue Vision streetscapes. The IGA amendment would increase PDC funding for the project by \$1.5 million to \$4,170,000. The Board approved the Park Avenue Urban Design Vision (PAV) on December 4, 2004 (Resolution No. 6203). The action implements the recommendations of that plan. The IGA, as amended, would cover the following planning and construction elements for fiscal years (FY) 2007-08 and 2008-09:

	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Total</u>
Director Park	\$1,150,636	\$1,219,364	\$2,370,000
Director Park Streetscapes	\$89,750	\$1,710,250	\$1,800,000
Total	\$1,240,386	\$2,929,614	\$4,170,000

Construction of the park and streetscapes is anticipated to be completed by July 2009.

Ms. Allison Rouse spoke in support of Resolution No. 6668.

Mr. Lloyd Lindley, Chair, Portland Design Commission, read a letter of support into the record.

Chair Wilhoite asked for a motion to adopt Resolution No. 6668, titled, "Authorizing an Amendment to an Intergovernmental Agreement with the Bureau of Parks and Recreation for Director Park and Associated Streetscapes in the Amount of \$1,500,000 for a Total Authorized Amount of \$4,170,000.

Commissioner Mohlis moved and Commissioner Ferran seconded the motion to adopt Resolution No. 6668.

AYES: Wilhoite, Andrews, Ferran, Mohlis
 NAYS: None

XI. WATERFRONT PARK / MAX RETAIL / ANKENY RESTROOM COST INCREASE

Mr. Peter Englander and Mr. Kevin Brake presented Report No. 09-14, titled, "Waterfront Park / Max Retail / Ankeny Restroom Cost Increase."

Mr. Peter Englander stated the actions would authorize an increase to the construction contracts for the Waterfront Park and the MAX Retail / Burnside Bridge improvement projects (Projects):

- Brown Contracting Contract increase of \$359,857, from \$10,261,236 to \$10,621,093
- Cedar Mill Construction Contract increase of \$215,449, from \$951,214 to \$1,166,663
- Total increase for both Brown and Cedar Mill: \$575,306

Several causes have led to the cost increases, including:

- Increased costs for utility connections
- Unforeseen subsurface conditions in Waterfront Park and MAX Retail
- Design related issues, including drawing errors and omissions that resulted in increased design fees and additional Portland Parks & Recreation (PP&R) staff time
- Recent unforeseen weather impacts

The Projects are under a compressed schedule, to accommodate the Portland Saturday Market move to Waterfront Park in time for their 2009 season.

Ms. Jan Oliver representing the University of Oregon expressed her support of the project and the cost increase. She also expressed concern regarding the safety of the students attending the campus and the daily challenges they face.

Ms. Margaret Hinshaw representing Mercy Corps spoke in favor of the project and the improvements needed to public safety.

Mr. Paul Vanhouver representing the Portland Saturday Market expressed his support of the project.

Chair Wilhoite stated PDC is also aware of the issue of safety and remain committed to the project.

Chair Wilhoite called for a motion to adopt Resolution No. 6669, titled, "Authorizing a Contract Increase with Brown Contracting in an Amount of \$359,857 for Work on the Downtown Waterfront Park Improvement Project." and;

Resolution No. 6670, titled, "Authorizing a Contract Increase with Cedar Mill Construction in an Amount of \$215,449 for Work on the Max Retail / Burnside Bridge Project in the Downtown Waterfront Urban Renewal Area."

Commissioner Ferran moved and Commissioner Andrews seconded the motion to adopt Resolution Nos. 6669 and 6670.

AYES: Wilhoite, Andrews, Ferran, Mohlis

NAYS: None

XII. AGREEMENTS RELATED TO DEVELOPMENT OF THE RESOURCE ACCESS

Mr. John Warner and Ms. Barbara Shaw presented Report No. 09-15, titled, "Agreements Related to Development of the Resource Access."

Mr. Warner stated Resolution # 6638 will authorize a **Disposition and Development Agreement (DDA)** with the Housing Authority of Portland (HAP) regarding a Resource Access Center (RAC) for the homeless, a 90-bed shelter, and 130 studio apartments (collectively "the Development"). The DDA will provide the terms for providing up to \$29.5 million dollars in Tax Increment Financing from the amended River District Urban Renewal Area and conveying the western lots of Block U to HAP.

He stated Resolution # 6644 will authorize an **Intergovernmental Agreement (IGA)** between the City of Portland, HAP, and PDC. The IGA establishes the collaborative nature of this initiative and confirms the working relationships of HAP, PDC, and the City in planning and operating the Development. In addition, the IGA addresses PDC's interests in matters related to two other sites; (i) the IGA confirms the City's interest in moving forward on the development of Block 25 with PDC, and (ii) establishes that, subject to meeting affordability standards, the housing units at the RAC Development will be replacement units for the housing at the Grove Hotel pursuant to all City policies.

He further stated Resolution # 6671 will authorize an ***Option to Present a Development Proposal (Option)*** with HAP that obligates PDC to exclusively reserve the eastern lots of Block U for HAP for a 36 month period while a plan for the development of affordable housing and active first floor uses is developed. The Option will expire after 36 months or when HAP and PDC enter into negotiations for a DDA for the development of the eastern lots of Block U.

If approved by the Board of Commissioners, the DDA, the IGA, and the Option would be executed after approval of the IGA by the City Council, scheduled for consideration on January 28, 2009. Over the next three years, HAP, the City, PDC and others will seek to develop a plan for the development of affordable housing by HAP on the eastern portion of Block U that will complement the RAC Development, the Union Station, and support the development potential of adjacent blocks. Board approval of a DDA regarding the conveyance of the eastern lots of Block U would be required at that time.

Commissioner Nick Fish representing the City of Portland City Council expressed his support for the Resource Access Center. He stated he has the honor of serving as the Housing and Parks Commissioner for the City of Portland. He said he wanted to express the values shared by the Portland City Council and the PDC Board that all citizens have a right to an affordable, safe, and decent place to call home. He said it is one of their core values and the basis to the City's 10-year plan to end homelessness. The 10-year plan calls for providing services and housing to the city's most vulnerable citizens. He said the city has made a lot of progress in the last four years but commented that the decision before the Board was a milestone for the City because they are asking for the Board's support to support a Resource Access Center.

Mr. Jeff Bachrach expressed his support of the Resource Access Center and the importance of the project.

Commissioner Scott Andrews asked Commissioner Fish if the city had determined how the ongoing operational expenses of the Resource Access Center would be funded.

Commissioner Nick Fish stated the entire City Council remains committed to the funding of the Resource Access Center and the citizens in which it would support. He said they would work to determine funding additional funding sources to support the operational side of the project.

Mr. Alexander Mase, Chair, Old Town Chinatown Neighborhood Association and River District Urban Renewal Area Committee expressed concern regarding the cost efficiencies encumbrances related to the project and the remaining balance of funds available for projects in Old Town China Town.

Ms. Patricia Gardner expressed concern regarding the cost of the project and how the project would impact the surrounding properties. In addition, she expressed her concern the proposed product was reduced in services that would be offered and the lack of support for ongoing funding.

Mr. Rich Ulring representing the Blanchet House expressed his support of the Resource Access Center. He also expressed his concerns regarding the proposed rumor to move the Blanchet House to Block U. He reminded the commissioners of the current Disposition and Development Agreement with Blanchet House and their desire not to move to Block U.

Mr. Craig Lewis representing Blanchet House and Melvin Marks expressed his support of the Resource Access Center. He also stated Blanchet House and Melvin Marks have invested heavily in the current relocation site.

Mr. Joe Reilly expressed support of Resource Access Center.

Mr. William Barnes expressed his thanks to the commissioners and expressed support of the project.

Ms. Doreen Binder expressed her thanks to the commissioners and staff and expressed her continued support of the project.

Chair Wilhoite called for a motion to adopt Resolution No. 6638, titled, "Authorize the Executive Director to Enter into a Grant Agreement in an Amount not to exceed \$29.5 million and a Disposition and Development Agreement with the Housing Authority of Portland for the Development of the Resource Access Center and Related Development on the Western Portion of Certain PDC-Owned Real Property Located at NW Hoyt Street and NW Broadway and Know as "Block U" in the River District Urban Renewal Area."

Commissioner Mohlis moved and Commissioner Andrews seconded the motion to adopt Resolution No. 6638.

AYES: Wilhoite, Andrews, Ferran, Mohlis
NAYS: None

Chair Wilhoite called for a motion to adopt Resolution No. 6644, titled, "Intergovernmental Agreement with the Housing Authority of Portland and the City of Portland Related to the Development of the Resource Access Center on Certain PDC-Owned Property in the River District Urban Renewal Area."

Commissioner Andrews moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6644.

AYES: Wilhoite, Andrews, Ferran, Mohlis
NAYS: None

Chair Wilhoite called for a motion to adopt Resolution No. 6671, titled, "Authorize the Executive Director to Enter into an Option to Present a Development Proposal with the Housing Authority of Portland Concerning Certain PDC-Owned Property Known as the Eastern Portion of Block U and Located at the Intersection of NW Irving and NW 6th in the River District Urban Renewal Area."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6671.

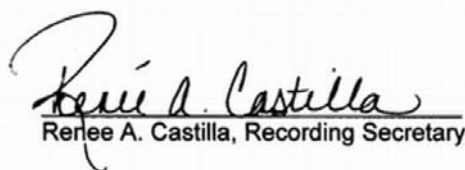
AYES: Wilhoite, Ferran, Mohlis
NAYS: None
ABSTAIN: Andrews

XI. ADJOURN

There being no further business, Chair Wilhoite adjourned the meeting at 5:37 p.m.

Respectfully submitted,

Approved by the Portland Development Commission on March 11, 2009.



Renee A. Castilla, Recording Secretary