

Investing in  
Portland's Future



This document constitutes the official meeting record of the October 14, 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 Scott Andrews called the meeting to order at approximately 3:04 p.m.

J. Scott Andrews  
Commission Chair

Ms. Renee Castilla, acting as recording secretary for the Board, called the Commission roll:

Bertha Ferrán  
Commissioner

Chair Scott Andrews	PRESENT
Commissioner Bertha Ferran	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Steven Straus	ABSENT
Commissioner Charles Wilhoite	ABSENT

John C. Mohlis  
Commissioner

Steven Straus  
Commissioner

Chair Andrews stated before we begin, he wanted to note that Commissioner Strauss will be joining the meeting by phone at 5:00 - 5:30 for the purpose of voting on the matters before us. He explained four affirmative votes are required for these matters to take effect immediately, and there are several items on the agenda where there is a desire to quickly act after our action here today, rather than delay 30 days as would be necessary if there were only 3 affirmative votes. He said although Commissioner Strauss is out of town today, he has been briefed on the Agenda items, and has thoroughly reviewed the Board reports. Therefore, it is his intent to have the Board hear the oral reports on each of the items on the agenda and have any discussions. At 5:00 p.m. - 5:30 p.m. he will entertain motions with regard to each of the matters previously heard, and we will take a formal vote, with Commissioner Strauss on the phone, on each matter.

Charles A. Wilhoite  
Commissioner

Sam Adams  
Mayor

Bruce A. Warner  
Executive Director

II. MEETING MINUTES

Chair Andrews called for a motion to approve the meeting minutes of September 23, 2009.



Commissioner Mohlis and Commissioner Ferran seconded the motion to approve the meeting minutes of September 23, 2009.

AYES:	Andrews, Ferran, Mohlis
NAYS:	None

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222 Northwest  
Fifth Avenue  
Portland, OR  
97209-3859

III. EXECUTIVE DIRECTORS REPORT

Mr. Bruce Warner presented Report No. 09-117, titled, "Executive Director Report." He highlighted the following:

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- He expressed his thanks to Chairman Andrews who met with staff on September 3 at one of our monthly brown bags. He said Chair Andrews shared his background with staff – (he has recently been called the Dean of Downtown by



Portland media.) He also discussed his priorities while serving on the board and voiced his optimism about the city's future. He told the group that many companies could be anywhere in the world, but they choose to be in Portland. It was a great opportunity for staff to learn more about Chairman Andrews and the work he hopes to accomplish while serving on our Board.

- Chair Andrews spoke on behalf of PDC at a celebration for the downtown Courtyard by Marriott project at SW 6<sup>th</sup> and Oak (near Big Pink). The hotel was celebrating having achieved LEED Gold status. Sage Development has now developed the two LEED certified hotels in Portland: The Nines atop Macy's (LEED Silver) and now the Courtyard by Marriott. Both Marriott and Sage are proud of this accomplishment and LEED certification is no small feat for hotels since they are big users of water and electricity. The use of dual flush toilets, electricity from renewable sources, and even the recycling of kitchen grease into biodiesel helped Sage and Marriott achieve this certification. PDC assisted the project with a Commercial Property Redevelopment Loan and two Storefront and two Lighting Improvement Program grants. The beautiful new hotel replaces a building which sat empty for 16 years and reactivates this important downtown corner.
- Mr. Warner expressed his thanks as well to Commissioner Mohlis for speaking at the opening of the Pardee Commons housing project on September 18. There is more information about this event in the Housing section of this report.
- At the August 26, 2009 Commission meeting, the Board requested staff report back on some of the successes of the Center Commons project. The project was identified during the public testimony for the Gateway Glisan project. John Charles, President of the Cascade Policy Institute questioned whether transit orient development projects really work to reduce transit trips and auto-dependent behavior. Mr. Charles suggested the board look closer at the results of the Center Commons project and then determine whether transit oriented development (TOD) is effective at achieving the goals of the program. Staff has completed a summary on this subject and it is Attachment A.
- On September 21-25, PDC staff joined a team of a dozen economic developers and private sector business representatives, primarily from the Portland metropolitan area, to pitch the region at the 24<sup>th</sup> European Photovoltaic Solar Energy Conference and Exhibition. The team's exhibition booth, one-on-one appointments, and special events held during the conference led to more than 100 contacts with companies and generated at least 20 active leads to follow up on for inbound investment and recruitment – mostly focused on building up the existing solar manufacturing supply chain. An off-site dinner on the second night of the show attracted 60 people, including representatives of key companies targeted for business attraction. Staff had substantive talks with new prospects Applied Materials, Unichem, and OTB USA about Portland's attributes and benefits for business; and launched initial discussions about Portland expansion projects by two German firms with Portland presence. Our work at the show moved a number of prospective recruitment and expansion projects forward, some specifically located within city of Portland borders and others slated for the region.
- A new park for the Gateway neighborhood, long identified as one of the city's most park-deficient districts, will take a step closer to reality with a \$200,000 Brownfields Clean-up

Grant from the U.S. Environmental Protection Agency (EPA), awarded in August 2009 to PDC for site clean-up. PDC and Portland Parks and Recreation (PP&R) are partners in the Gateway Neighborhood Park site at 10506-10512 and 10520 NE Halsey Street. Environmental assessments of the four-acre site revealed contaminants on the southern property that require remediation. The EPA grant funds will go toward cleaning up the property and obtaining a No Further Action determination by the Oregon Department of Environmental Quality, which will essentially give the site a clean bill of health. Ultimately, PDC and PP&R expect the site to be transformed into a three-acre park, with one acre of supporting, complementary redevelopment. Acquisition of property in Gateway for a park has been a priority since the inception of the Gateway Regional Center Urban Renewal Area (URA) in 2001; the Gateway Neighborhood Park will be the first public park added to the district in the past eight years. An extensive public outreach and participation effort will be included in the master planning effort to determine the most appropriate features and design to serve park users.

- On Tuesday, September 15, 2009, the 32-member Rose Quarter Development Stakeholder Advisory Committee met for the first time, chaired by Mayor Sam Adams. Over the next 12 months, the committee will examine renovation and adaptive reuse options for the Memorial Coliseum and will provide feedback on the Rose Quarter Development Strategy. The city and PDC have created a separate website ([www.rosequarterdevelopment.org](http://www.rosequarterdevelopment.org)) to encourage public input via comments and Twitter feeds. Meeting agendas and video summaries are also posted on the site along with the committee roster, FAQs and news clips about the project.
- The Mortgage Credit Certificate (MCC) Program is still very active and housing staff is beginning to prepare a new request of additional bond cap authority from the state's Private Activity Bond Committee in order to continue the program. In partnership with the staff at the Portland Housing Bureau (PHB), staff continues to develop the Neighborhood Stabilization (NSP) homebuyer assistance program which is being called "Own Your Own," as well as negotiating an amendment to the Sub recipient Contract between PDC and PHB. The amendment will provide PDC the budgetary and program implementation authority to begin implementing the NSP program.
- On September 18<sup>th</sup>, PDC and partners celebrated the grand opening of Pardee Commons located at SE 122<sup>nd</sup> and Pardee in the Lents Town Center URA. The project offers 10 new affordable for-sale homes that are now some of the greenest single family homes in the city. The homes are certified Earth Advantage Platinum and feature solar hot water, "tight house" design, heat recovery ventilators and other sustainability features that will make them incredibly efficient for the new homeowners moving in soon. All homes pre-sold within one week of being marketed. Cityhouse Builders and Proud Ground worked with PDC to make this project happen. Nearly 50 jobs were supported through the term of the construction. The project demonstrates remarkable quality and design and is a landmark development for outer SE Portland.
- The Pearl Family Housing project closed financing on September 24<sup>th</sup>, 2009. This project, located at 1350 NW Raleigh, is new construction of 138 mostly 3-bedroom units in the River District URA. The project also provides expansion space for lower grades (K-2 most likely) of the Portland Public Schools system. Once the existing commercial tenant relocates, expected to be a few weeks from closing, construction will begin on this \$52 million project. The project will generate an estimated 282 temporary construction

jobs, and a total of 541 multiplier jobs associated with various aspects of the project during its 18-month construction period.

- Workforce diversity among apprentice workers continues to lead diversity efforts. The total female apprentice hours represent **18.27%** of the total apprentice hours, or over 7 percentage points ahead of the combined journey/apprentice goal of 12%, for the fiscal year. Of the apprentice hours that have been worked in this fiscal year, **28%** have been worked by people of color. Continuing to encourage the recruitment and retention of women and people of color via the apprenticeship system could have a positive impact on the overall diversity of the construction industry. The summary table below represents the total workforce diversity (apprentice and journey level workers) for the three projects referenced above:

Goal	Women	People of Color	Apprentice	Difference
12%	6.25%			(5.75%)
18%		27.92%		+9.92%
20%			23.44%	+3.44%

- Mr. Warner stated Center Commons has been recognized as a successful and pioneering transit-oriented development. Built in 1999, Center Commons is a five-acre redevelopment located within walking distance of the Northeast 60th Avenue MAX light rail station. It is a transit-oriented development consisting of four apartment buildings and 26 townhouses. The apartment buildings (Center Square) contain 172 units of affordable housing for seniors, 60 affordable family units and 56 market rate units. An on-site day care facility and a play area for children are also included. The three-story condominium townhouses were built primarily for first time homeowners and were made available for sale to both conventional and below-median-income buyers. Income qualifying households receive a 10-year transit-oriented property tax abatement from the City of Portland because of the development's proximity to the MAX light rail system. Phase I and II i.e. The Commons and Center Village apartment complexes received a PDC direct investment of \$3 million of Housing Investment Fund (HIF) resources which leveraged more than \$24 million in tax credit equity, bonds and bank loans.

1. A study cited in the *Effects of TODs on Housing, Parking and Travel* by C. Switzer (2002) found that at the Center Commons TOD, 30 percent of respondents owned fewer cars than they did at their previous residence, and that 37 percent of respondents did not own any car.

Table 16: Auto Ownership at Center Commons TOD

# of Vehicles	Previously	Currently	Change
No Car	21	36	42%
One Car	60	54	-10%
Two Cars	11	4	-64%
Three Cars	3-	2	33%
Five Cars	1	0	100%

Source: Switzer, 2002 The Center Commons Transit Oriented Development:

IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

As there were no public comment for items not on the agenda, Chair Andrews moved to the next agenda item.

V. RESOLUTION REQUESTING THE PORTLAND CITY COUNCIL ISSUE BONDS PAYABLE FROM THE RIVER DISTRICT URBAN RENEWAL AREA TAX INCREMENT REVENUES TO FINANCE THE RESOURCE ACCESS CENTER

Ms. Julie Cody and Ms. Faye Brown presented Report No. 09-121, titled, "Resolution Requesting the Portland City Council Issue Bonds Payable from the River District Urban Renewal Area Tax Increment Revenues to Finance the Resource Access Center."

Ms. Cody explained the proposed Resolution requests the City of Portland City Council to issue bonds payable from the River District Urban Renewal Area tax increment revenues to finance the Resource Access Center and authorizes pledging revenues from that area to those bonds and provides for related matters.

Ms. Brown stated the Resource Access Center is included in the Amended and Restated River District Urban Renewal Plan adopted by City Council on June 24, 2009 and the Amended and Restated River District Urban Renewal Plan Second Amendment approved the Commission on September 23, 2009. Additionally, this action supports the City's Affordable Housing Tax Increment Financing (TIF) Set Aside Policy.

Ms. Brown further stated Debt service costs are expected to be paid from River District URA tax increment revenues. Current urban renewal tax revenue projections show that urban renewal tax revenues will be generated by the area in amounts sufficient to service the debt service requirements on the Bonds. It is anticipated that funding for RAC in Fiscal Year 2009-10 will not exceed \$16 million. The appropriations for this amount was included in the Fiscal Year 2009-10 Budget Amendment No. 1 approved by the Commission on September 23, 2009. She also said the total amount of the debt service on the bonds will not be known until the final take out issuance in 2011 or 2012 and is subject to some interest rate risk. However, current tax increment revenue forecasts indicate sufficient revenues to service the debt requirements on the bonds using conservative estimates.

Commissioner Mohlis reminded staff of the importance of staying within the previously adopted budget of \$29.5 million as there are no additional funds for this project available.

Chair Andrews reminded staff the vote on this action would occur approximately 5-5:30 p.m. once Commissioner Straus was contacted.

VI. APPROVAL OF A NEIGHBORHOOD STABILIZATION PROGRAM – FUNDED FINANCIAL ASSISTANCE PROGRAM – OWN YOUR OWN PROGRAM GUIDELINES

Mr. Jon Gail presented Report No. 09-122, titled, "Approval of a Neighborhood Stabilization Program – Funded Financial Assistance Program – Own Your Own Program Guidelines."

Mr. Gail stated the Neighborhood Stabilization Program (NSP) was authorized as a part of the federal Housing and Economic Recovery Act (HERA) of 2008 to provide emergency assistance for state and local governments to acquire and rehabilitate foreclosed properties in targeted areas throughout the country. The primary goals of program are to stimulate the local housing market and ensure that vacant foreclosed properties in the target areas are quickly put back in

service as owner or renter occupied housing. NSP funds are permitted to be used as financial assistance to homebuyers, to purchase and rehabilitate eligible properties, for land banking proposals, to demolish blighted structures or to redevelop demolished or vacant foreclosed properties in designated target areas. These areas include portions of North, North East, and South East Portland, as well as, portions of Fairview, Maywood Park, and Troutdale. OHCS identified these target areas based the income level, high cost lending rates, foreclosure rates, price declines, and vacancy rates at the census block group level. OHCS is expected to update these areas during the implementation phase of the program. PDC will then update the target areas accordingly.

Mr. Gail further stated PHB and Multnomah County staff agreed to budget \$1,182,415 to fund the Own Your Own (OYO) Program. The OYO Program provides homebuyers financing in the form of a deferred payment loan to households earning 120% of MFI or less to purchase eligible foreclosed properties in the NSP target areas. Borrowers are required to occupy the properties as their primary residence. OYO Loan funds may be used for down payment, closing costs and home repairs to acquire and rehabilitate eligible properties. Prior to occupancy properties must pass a Pest and Dry Rot Inspection, Lead Risk Assessment and meet the Housing Quality Standards. The OYO loans are zero interest deferred payment mortgages with a 99 year loan term. The loan must be repaid if the borrower refinances, no longer occupies the property, or sells/transfers title to the property. Eligible first mortgage loan products are limited to fixed rate 30 year loans obtained with modest loan fees and with a market interest rate. The public's interest level in the OYO program is very high. PDC staff has already received over 450 phone calls and e-mails inquiring about the program as a result of an article that ran in the Oregonian in late August. The NSP funds budgeted for OYO are expected to serve 24 to 30 households and to be fully expended by June 30, 2010. PDC staff is recommending a lottery selection process over a first-come-first serve approach due to the tremendous demand for the program.

Mr. Gail said after the program is approved by the Board and City Council and all the necessary planning and preparation is complete, PDC will begin accepting applications for the OYO program. To apply interested households will need to provide: a credit approval letter for a loan with acceptable terms consistent with the NSP and OYO Program Guidelines; proof of income; proof of a 1% down payment; and a complete application form. All applicants who meet an application submission deadline will then be entered into the lottery to determine the order they will be offered the funding and to establish a wait list. If approved by OHCS, the drawing will give a first preference to low-income (80% of the Median Family Income or below) first time homebuyers, and then to higher income first-time homebuyers (80 to 120% of the MFI), and finally all others will be drawn. After the drawing the selected households will have 45 days to enter into a sale agreement, 60 more days to close the loan and 90 more days to complete any necessary repairs on the home and occupy the home. PDC expects to fully expend all the NSP funds budgeted for the OYO program by June 30, 2010. PDC and PHB are currently negotiating with OHCS regarding removal of the share of appreciation clause, as well as, the insertion of a preference or a set aside for low income first time homebuyers. If OHCS grants these approvals the OYO Program Guidelines will be updated accordingly.

Commissioner Ferran suggested updating the list of foreclosure homes regularly as qualified homes are sold.

Chair Andrews reminded staff the vote on this action would occur approximately 5-5:30 p.m. once Commissioner Straus was contacted.

VII. AMEND SUBRECIPIENT CONTRACT WITH THE PORTLAND HOUSING BUREAU  
ADOPTED ON JULY 22, 2009

Mr. Jon Gail presented Report No. 09-123, titled, "Amend Subrecipient Contract with the Portland Housing Bureau Adopted on July 22, 2009."

Mr. Gail stated the Neighborhood Stabilization Program (NSP) was authorized as a part of the federal Housing and Economic Recovery Act (HERA) of 2008 to provide emergency assistance for state and local governments to acquire and rehabilitate foreclosed properties in targeted areas throughout the country. The primary goals of program are to stimulate the local housing market and ensure that vacant foreclosed properties in the NSP Target Areas are quickly put back in service as owner or renter occupied housing. The City of Portland and Multnomah County collaborated to jointly apply for and receive a grant of \$3,538,217 including \$288,834 for administration of the program from OHCS. Originally the City of Gresham was also collaborating with PHB, PDC and Multnomah County, but the City of Gresham will most likely administer the NSP program themselves. The NSP funds may be used as financial assistance to homebuyers, to purchase and rehabilitate eligible properties, for land banking proposals, to demolish blighted structures or to redevelop demolished or vacant foreclosed properties in the designated target areas. The NSP Target Areas were established by the State of Oregon and may be changed during the implementation of the NSP Program impacting where the NSP funds may be invested.

Mr. Gail explained by law 25% of the funds, \$884,554, must be used for projects or programs serving households earning 50% or less of the Median Family Income (MFI). A total of \$2,066,969 is proposed to be allocated to projects via one or more Request For Proposal (RFP) process to be run by the PHB. PDC will manage the loan origination, closing, construction management, servicing and asset management for projects that are awarded funding via the City's RFP process. If PHB identifies eligible property it may elect to first acquire the property through PDC and then issue an RFP for reuse of the specific property. The remaining funds, \$1,182,415, are budgeted to fund a homebuyer assistance program referred to as the Own Your Own (OYO) Program.

Mr. Gail said to implement the NSP program, PDC and PHB need to amend the Subrecipient Contract 32000134, previously approved by on the Board on July 22, 2009 (Resolution No. 6723). This contract authorizes PDC to administer federal and city affordable housing funds on behalf of the PHB. The primary goals of these programs are to eliminate neighborhood blight and increase the supply of safe and affordable housing. The goals of the NSP program are to stimulate the local housing market, remove blight and get vacant and abandoned homes reoccupied by eligible renters or homeowners. The amendment adds an additional \$3,249,384 in NSP to the existing contract, as well as, \$186,500 in CDBG funds to cover PDC costs to administer the program. The funds budgeted for administration of the program will cover 100% of PDC's costs in compliance with PDC's Cost Recovery Policy.

Chair Andrews reminded staff the vote on this action would occur approximately 5-5:30 p.m. once Commissioner Straus was contacted.

VIII. INCREASED FUNDING FOR ROSE QUARTER HOUSING

Mr. Komi Kalevor presented Report No. 09-124, titled, "Increased Funding for Rose Quarter Housing."

Mr. Kalevor stated On March 11, 2009, the Portland Development Commission Board approved Resolution No. 6682 that provided \$1,600,000 in funding for Central City Concern's Rose Quarter Housing project), in addition to \$5,000,000 of acquisition financing that was provided in 2004. Immediately prior to project financing closing in March 2009, the developer's abatement contractor started removal of previously identified asbestos containing and mold affected gypsum drywall, as well as the removal of vinyl wallpaper. Removing the wallpaper revealed more extensive mold growth on the existing gypsum drywall finishes than was identified in previous investigations, leading to the need for complete reconstruction of the fifth floor and additional abatement activities and spot repairs throughout the building. Abatement work associated with the above identified problems has been completed and was funded through project contingencies. Reconstruction of the affected areas is in progress. The costs associated with the additional abatement work and reconstruction of affected areas is estimated at \$1,289,745. This amount combined with other known upcoming change orders of \$357,459 exceeds the project's current contingency by \$403,926. A portion of the deficit (\$179,000) can be made up through adjustments to line items in the current budget. However, given the current early stage of construction, it is prudent to recapitalize the contingency line item at 4% (\$488,812) to allow for future potential issues. This results in a funding gap of \$713,738 which is proposed to be addressed through a combination of OHCS funding, increased PDC funding, and developer equity

Mr. Kalevor said the action would authorize an increase of \$180,000 to PDC's existing \$1,600,000 loan to Central City Concern for the Rose Quarter Housing project. Central City Concern has requested in a letter dated 9/14/09 that PDC provide the \$180,000 in additional funding to cover a portion of cost overruns at the project. Further the action would enable the successful completion of an important Affordable Housing and Permanent Supportive Housing project in an underserved area of Northeast Portland. The project will also serve as the home to Multnomah County Hooper Detoxification Center

Chair Andrews reminded staff the vote on this action would occur approximately 5-5:30 p.m. once Commissioner Straus was contacted.

#### IX. URBAN DEVELOPMENT DEPARTMENT/BUSINESS & INDUSTRY OVERVIEW: INTRODUCTION TO THE CLUSTER FRAMEWORK

Ms. Erin Flynn stated the Portland Development Commission's (PDC's) 2008 internal reorganization that formed the Urban Development Department included the creation of a new Business & Industry Division. That action, along with the approval of Portland's Economic Development Strategy in July 2009, positions PDC well for a renewed focus on job creation and economic growth. The economic development strategy seeks to grow employment in the city by 10,000 net new jobs within five years by focusing its job growth and retention efforts on four clusters: clean technology and sustainable industries, activewear, software, and advanced manufacturing. PDC, as the city's economic development agency, is responsible for deploying the cluster approach to reach job creation goals identified by the strategy. She introduced Mr. Patrick Quinton to the Board.

Mr. Patrick Quinton stated the Portland Economic Development Strategy is predicated on the implementation of a cluster approach to create jobs. By enhancing the competitive environment for firms in four target clusters - clean technology and sustainable industries, activewear, software, and advanced manufacturing – the city can foster growth in these promising sectors.



In order to effectively pursue a cluster strategy, PDC will tailor its business retention, expansion, and recruitment efforts to meet the needs of cluster firms. The Business & Industry Division has embarked on an effort to organize the majority of its work to meet the needs of the clusters as defined by the clusters themselves. In addition to having three separate teams focused exclusively on cluster work, the Division's business finance team and international development efforts will have cluster growth as a primary objective.

### Why Clusters?

According to generally accepted theories about cluster formation, firms physically cluster in the same geographic area because individual firms benefit from being located near companies producing similar goods and services or those that support firms competing to provide the same type of goods and services. Cluster firms have common competitive strengths and needs and their location in the same geographic area provides multiple opportunities:

- Firms can bid for large pieces of work together;
- Cooperation and competition between firms can contribute to specializing production within each firm;
- Competition and inter-firm rivalry drive firms to perform at their most efficient and productive levels;
- Joint purchasing of common raw materials can attract bulk discounts and joint marketing;
- Stronger relationships between people working in cluster firms can lead to the creation of new ideas and new businesses;
- Cluster firms attract talent and provide talented people with a fertile environment to grow in;
- Cluster firms shape education curriculum and can focus the talent within universities, often providing synergistic relationships needed to lead to scientific innovation within institutions; and
- Clusters firms nurture the growth of professional, legal, financial, and other service industries.

Mr. Quinton said by pursuing a cluster development approach to job creation and economic growth, PDC can:

- Understand the ecosystem of relationships that create the foundation for a strong economy;
- Interact with a broad spectrum of industrial firms;
- Target real estate development projects to fit the needs of employers most likely to create jobs in the city;
- Analyze cluster firms' supply chain, which enables PDC to strategically recruit firms to the city and expand local firms;
- Coordinate retention, expansion, international trade strategic, land assembly, and workforce development activities;
- Use in-depth knowledge of particular sectors to fuel catalytic initiatives that move business development efforts beyond traditional assistance and create a cluster wide impact; and
- Selectively invest limited resources in the groups of firms that demonstrate the most promise of growth.

He said PDC, in consultation with area economists and regional partners and using research performed by ECONorthwest, selected the clusters described below to focus the economic development strategy. These clusters are concentrated beyond national norms and demonstrated growth equal to or beyond industry averages. Their geographic concentration has contributed to the concentration of talent, deepening of local supply chains, and the creation of an internationally recognized Portland brand. A summary of the four clusters follows below:

**1. Clean Technology and Sustainable Industries:**

- Electric Vehicles/Batteries: companies that design or develop electric vehicles, nextgeneration energy storage technology, and vehicle charging infrastructure;
  - Energy Efficiency: companies that design or develop technologies to enhance the efficiency of energy generation and distribution and end-user energy consumption, as well as companies that provide services in connection with diagnosing potential energy savings in existing buildings, and implementing energy efficiency measures in existing buildings;
  - Green Development: companies that design or develop high performing buildings, products, and materials for use in high performing buildings, infrastructure, and systems to support eco-districts;
  - Solar Manufacturing: companies that manufacture and assemble solar energy products or that are part of the supply chain for manufacturing solar energy products; and
  - Wind Energy: companies that identify, develop, and exploit wind energy resources, or that manufacture components for initial turbine construction and ongoing turbine maintenance.
2. **Activewear:** companies that design, manufacture, and/or market sporting and athletic apparel and camping, hiking, and outdoor gear.
3. **Software:** companies that design, develop, market, and support systems and application software used in personal computers, servers, embedded systems, and mobile devices.
4. **Advanced Manufacturing:** companies that produce or shape metal into parts or machinery; companies that manufacture equipment for transportation purposes; companies that manufacture computer, electronic and semiconductor components. PDC's focus on manufacturing *excludes* these sectors: wood product manufacturing, food manufacturing, and paper manufacturing.

Mr. Quinton stated PDC's Business & Industry Division has made significant progress in advancing the cluster work of the strategy. Staff has been engaged in analysis of the four target clusters, in addition to other industry sectors, for at least two years, and as a result, PDC possesses a wealth of data on the four clusters, including inventories and detailed industry reports on each cluster. In particular, PDC has developed a comprehensive inventory and mapping of the supply chains for the five specialties within the clean tech cluster. This research is a valuable foundation for future work for each of the clusters and allows for meaningful evaluation of the effectiveness of the cluster approach. He said PDC is also participating in a successful process of aligning city, regional, and state economic development efforts around the industry clusters identified in the strategy. This alignment will leverage the city's resources and

eliminate duplicate efforts, and has already produced a unified action plan for marketing and trade show activities for the clean tech cluster. In August, Business & Industry staff completed a framework for working with clusters based on best practices throughout the world. This framework will serve as a playbook for PDC's work with all clusters and ensure that interventions in clusters follow a consistent methodology. In addition, the framework serves as a tool for communication both internally and externally so that staff and partners understand how the agency approaches its work with businesses. The cluster framework divides the work into two phases that include the following steps:

**Phase I** – Investigate, inventory, and convene clusters to:

- Assemble a snapshot of an industry's growth potential;
- Map individual firms active in the cluster, their position in the supply chain and the system of relationships that make the cluster competitive in the region;
- Develop working partnerships with cluster entrepreneurs, who are important for identifying other key cluster participants as well as cluster opportunities and gaps; and
- Convene key cluster members to allow for cluster consensus and leadership to emerge to drive future action.

**Phase II** – Diagnose, act, and evaluate to:

- Synthesize findings from quantitative and qualitative research;
- Formulate a strategic plan that cluster entrepreneurs can have ownership of and collectively implement so that government resources are well leveraged;
- Implement action plan; and
- Determine if actions are meeting objectives and if cluster is capable of self-sustaining intervention.

#### X. CONSENT AGENDA

Chair Andrews called for a motion to adopt the Consent Agenda:

Resolution No. 6742, titled, "Creating a New Position on the River District Urban Renewal Advisory Committee to Represent Portland Public Schools, and Appointing Ms. C.J. Sylvester to Fill Such Position."

Resolution No. 6743, titled, "Creating a New Position on the Lents Town Center Urban Renewal Advisory Committee to Represent Portland Public Schools, and Appointed Mr. Douglas Capps to Fill Such Position."

Commissioner Straus moved and Commissioner Mohlis seconded the motion to adopt Resolution Nos. 6742 and 6743.

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

#### XI. VOTES ON ACTION ITEMS

Commissioner Straus joined the meeting at 5:00 p.m.

Chair Andrews called for a motion to adopt Resolution No. 6744, titled, "Resolution Requesting the Portland City Council to Issue Bonds Payable in an Amount Not to exceed \$36 Million from the River District Urban Renewal Area Tax Increment Revenues to Finance the Resource Access Center; Authorizing Pledging Revenues from that Area; And Providing for Related Matters."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6744.

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

Chair Andrews called for a motion to adopt Resolution No. 6745, titled, "Establishing Own Your Own Program to Assist Income Eligible Homebuyers Purchase Vacant Foreclosed Homes; And Adopting Financial Assistance Guidelines."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6745.

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

Chair Andrews called for a motion to adopt Resolution No. 6746, titled, "Approving an Amendment of Subrecipient Contract No 32000134 between the Portland Development Commission and the Portland Housing Bureau to Increase the Total Contract Amount From \$6,288,324 to \$9,724,209 For the Implementation and Administration of the Neighborhood Stabilization Program."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6746.

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

Chair Andrews called for a motion to adopt Resolution No. 6747, titled, "Approving \$180,000 Loan Increase to Central City Concern for the Previously Approved Rose Quarter Housing."

Commissioner Mohlis moved and Commissioner Ferran seconded the motion to adopt Resolution No. 6747.

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

Chair Andrews called for a motion to adopt Resolution No. 6748, titled, "Authorizing Settlement of Litigation between the Portland Development Commission and a former employee."

Commissioner Mohlis moved and Commissioner Ferran seconded the motion to adopt Resolution No. 6748.

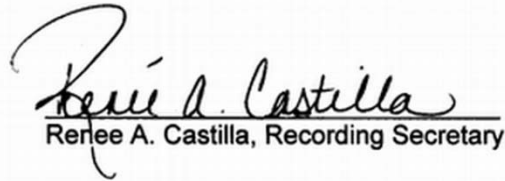
AYES: Andrews, Ferran, Mohlis, Straus  
NAYS: None

X. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 5:01 p.m.

Respectfully submitted,

**Approved by the Portland Development Commission on November 10, 2009.**



Rereee A. Castilla, Recording Secretary