

This document constitutes the official meeting record of the July 26, 2010, Portland Development Commission Board of Commissioner's meeting held at 222 NW Fifth Ave., Portland, OR 97209.

J. Scott Andrews
Commission Chair

I. CALL TO ORDER AND ROLL CALL

Chair Scott Andrews called the meeting to order at approximately 12:57 p.m.

Vacant
Commissioner

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

John C. Mohlis
Commissioner

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

Steven Straus
Commissioner

II. EXECUTIVE DIRECTORS REPORT

Charles A. Wilhoite
Commissioner

Executive Director Bruce Warner presented Report No. 10-67, titled, "Executive Director Report." He highlighted the following:

Sam Adams
Mayor

- At the board's June 23 meeting we honored retiring Commissioner Bertha Ferran for her five years of service to the PDC board. Elections were then held with Scott Andrews remaining as our Board Chair, John Mohlis keeping his Secretary designation; and Charles Wilhoite stepping up to serve as Acting Secretary. Mayor Adams will be working to name a new Commissioner to fill Bertha's shoes, but in the meantime we will conduct PDC's business with four Commissioners. Staff has been reminded that a resolution passed by a 3 to 1 vote will not take effect for 30 days. I am appreciative of the tremendous job all our volunteer Commissioners do on behalf of PDC and the city;

Bruce A. Warner
Executive Director

- You will note below that I attended a reception for the Meier & Frank project which was hosted by Sage Hospitality Resources. Sage took the opportunity to thank all those who touched the M&F project. And the accolades keep coming in. I would like to note that the Nines Hotel (atop Macy's) was named "2009 Luxury Hotel of the Year in North America" by Luxury Collection and Starwood Hotels senior leadership. It was cited for its outstanding guest satisfaction scores, meeting planner satisfaction, and high quality assurance. The Nines was chosen from more than 70 Luxury Collection hotels;
- A Request for Information (RFI) was released June 30 seeking statements of interest from teams or individuals to create and manage a self-perpetuating/self-sustaining *Portland Seed Fund* that will stimulate entrepreneurial growth within the City of Portland and the surrounding region. The Portland Seed Fund is a proposed new investment fund with a mission of investing solely in early stage businesses in Portland and the surrounding region. The Fund will make investments of less than \$100,000 in start-ups at the earliest stage of development, and attempt to fill the most critical gap in



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funding for growing companies, thereby increasing job creation among start-up firms and the pipeline of viable companies for later stage investors. The initial capital for the Fund will come from the Portland Investment Intermediary, a to-be-formed non-profit organization led by a board of directors with extensive start-up management and investment experience. The Intermediary will invest \$500,000 in the Fund on behalf of the City of Portland. In addition to serving as the inaugural investor in the Fund, the Intermediary will select the manager of the Fund and help the manager establish the Fund and its business model.

- PCDI officially launched and incorporated as a non-profit 501 c 3 on June 1. At the June 1 meeting, the board adopted bylaws and elected officers: President, Sia Vossoughi, Ziba; Secretary, Scott Davidson, shareholder, Lane Powell; Treasurer, Dan O'Leary, shareholder, Geffen Mesher. The PCDI Board also approved a PDC-PCDI grant for \$50,000 that was approved by the PDC loan committee in advance of that meeting. That money will leverage investment from the board members to hire an executive director. The first meeting of the executive director search committee was held on June 22. Roy Notowitz of Notogroup, an activewear industry veteran who has run other executive non-profit searches, and Steve Potestio, a creative talent recruiter who founded 52 Limited, are offering their services and assistance to the search as volunteers;
- On Tuesday, June 22, PDC and our partner Portland Bureau of Parks and Recreation hosted the first public open house for the Gateway Redevelopment and Neighborhood Park Project. This four-acre property at NE 106th & Halsey in the Gateway Regional Center URA is slated to become a three-acre park with one acre of supporting commercial/mixed-use development. The open house was a huge success, with approximately 200 area residents attending and providing input as to what they would like to see in the park and development site. PDC continues to remediate the southern portion of this property using \$700,000 in funds from the U.S. Environmental Protection Agency and the previous property owner. We expect Oregon Department of Environmental Quality to issue a No Further Action determination in late 2010;
- PDC has executed a contract with KLK Consulting to provide construction advisor services on PDC's behalf during the current phase of improvements. The Office of Management and Finance (OMF) has scheduled the pre-construction conference with P&C Construction and ODOT representatives for July 7, and mobilization and construction will begin shortly thereafter. Negotiations of the agreements between OMF and ODOT, as well as ODOT and the Federal Railroad Administration for the High Speed Rail Grant to fund phase IIB are still underway. PDC is contracting with Group AGB Associates to do the monthly monitoring requested by the Board for the duration of the project;
- Data collection for the Disparity study continues. The next Disparity Study Advisory Group meeting, chaired by Commissioner Fish and including the firm working on the Disparity Study, BBC Research & Consulting, will be held July 30, 2010 at City Hall. Information anticipated to be discussed will be:
 - Project update
 - In-depth anecdotal interviews
 - Neutral remedies

- Schedule and next steps;
- Apprentice participation was down this month for The Mirabella and up this month for the Matisse project. Female apprentice hours for this month were **19.61%** of the total apprentice hours. Also, 27.21% of apprentice hours have been worked by people of color. Overall, participation by people of color continues to well exceed the established goal of **18%**. Participation by women however, continues to struggle to meet the 12% goal, and participation is down this month.

This report includes workforce hours for May 2010, and the 2009/2010 fiscal year to date. 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%	5.09%			[-6.91%]
18%		20.65%		+2.65%
20%			26.90%	+6.90%

III. PUBLIC COMMENT

As there were no public comments for items not on the agenda, Chair Andrews moved to the consent agenda:

Resolution No. 6810, titled, "Appoint Steve Russell to the Central Eastside Urban Renewal Advisory Committee Representing the Kerns Neighborhood Association."

Resolution No. 6811, titled, "Appoint David Knowles to the North Macadam Urban Renewal Advisory Committee Representing City-Wide Interests."

Resolution No. 6812, titled, "Appoint Mr. Mark White to the Lents Town Center Urban Renewal Advisory Committee."

Commissioner Straus moved and Commissioner Wilhoite seconded the motion to adopt the consent agenda.

AYES: Andrews, Mohlis, Straus, Wilhoite

NAYS: None

IV. NORTH/NORTHEAST ECONOMIC DEVELOPMENT INITIATIVE - COMMUNITY ADVISORY COMMITTEE RECOMMENDATIONS

Mr. John Jackley, Ms. Sara King and Mr. Robert Alexander presented Report No. 10-71, titled, "North/Northeast Economic Development Initiative - Community Advisory Committee Recommendations."

Mr. Jackley stated the year 2008 marked the 50-year anniversary of the Portland Development Commission (PDC). PDC is using this milestone as an opportunity to evaluate its progress and chart the course for the next 50 years in an initiative called the Future of Urban Renewal (FOUR). The FOUR initiative called for analyses of PDC's investments in the three central city

urban renewal areas, River District, Downtown Waterfront and the South Park Blocks which was completed in 2008/09. The Lents Town Center Urban Renewal Area has also been reviewed with an amendment adopted by the Portland City Council in 2008. The City is presently researching the potential of a new Central City urban renewal area, which is being reviewed by the Central City Urban Renewal Area Evaluation Committee. On December 10, 2008, the Portland Development Commission (PDC) Board approved Resolution No. 6655 authorizing the initiation of the North/Northeast Economic Development Initiative, which would look at current and future investments in the Interstate Corridor and Oregon Convention Center Urban Renewal Areas and consider potential boundary adjustments.

Mr. Jackley stated on August 2009, after an initial financial analysis was complete, the Mayor convened the North/Northeast Economic Development Initiative Community Advisory Committee (N/NE CAC) chaired by Commissioner Wilhoite to examine several key issues in the Interstate Corridor Urban Renewal Area (ICURA) and Oregon Convention Center Urban Renewal Area (OCCURA). After months of public involvement, the N/NE CAC voted to approve eight separate recommendations regarding policy issues and boundary adjustments for the ICURA and OCCURA.

Ms. Sara King stated the Rose Quarter Stakeholder Advisory Committee (SAC) is an ongoing process to determine a development strategy for the Memorial Coliseum and Rose Quarter area. Upon completion of the Rose Quarter process, currently anticipated for December 2010, we will bring the N/NE CAC back together to make a final recommendation on whether or not to move portions of the Rose Quarter into the ICURA. Once we have recommendations from the Rose Quarter SAC and a final recommendation from the N/NE CAC, we will present these to the Board at which time further action by the Board would be required in order to move forward with potential urban renewal plan amendments to implement the Rose Quarter SAC recommendations. As a result of the prior urban renewal plan reviews and updates, community members from North and Northeast Portland requested a process for review of their urban renewal areas.

Ms. King said in response, the PDC Board of Commissioners voted on December 10, 2008, (Resolution No. 6655) to direct the Communications and Business Equity Department to proceed with the North/Northeast Economic Development Initiative (N/NE EDI). PDC staff laid the groundwork with technical assistance agreements with each of the four Minority Chambers of Commerce, the National Association of Minority Contractors, and the Metropolitan Contractors Improvement Partnership. CH2A Associates, who contacted more than 500 community residents, performed cultural and community-specific outreach, which resulted in a series of interviews and reports. State Representative Lew Frederick and Sue Hagmeier, of NW Ideas, conducted over 40 stakeholder interviews to begin the formal process to amend the two urban renewal areas.

She said in addition, PDC initiated a preliminary financial analysis through Elaine Howard, LLC. The outcome of this community input was the formation of the North/Northeast Economic Development Initiative Community Advisory Committee (N/NE CAC). N/NE EDI is the next phase of the FOUR Initiative, and the results of this study will be used to update the plans for both the Interstate Corridor Urban Renewal Area (ICURA) and Oregon Convention Center Urban Renewal Area (OCCURA). For OCCURA, the last date to issue more debt to fund projects is 2013, pointing to the need to ensure that the goals established for the area have been fulfilled or develop other alternatives. The OCCURA is adjacent to the ICURA, and,

therefore, a review of the two areas together will facilitate future planning for the respective areas.

Ms. King stated PDC conducted the North/Northeast Economic Development Initiative in partnership with the community to ensure that PDC investments enhance livability and economic opportunity within the two urban renewal areas, North and Northeast Portland and the city at-large.

Ms. King stated after months of public involvement and twelve meetings, the N/NE CAC voted Wednesday, May 19, 2010 to approve eight recommendations regarding policy issues and boundary adjustments for the ICURA and OCCURA. Two of the eight recommendations passed unanimously. For the remaining six recommendations, there were no votes in opposition, and four people abstained on various recommendations.

Mr. Robert Alexander stated the CAC had the following recommendations:

Planned Investments:

- The Gem List will receive priority funding
- Funding levels in the out-years will be increased for Business and Industry (Jobs) and decreased for Infrastructure.
- OCCURA funding levels will be unchanged unless affected by amendments to the urban renewal area.
- No need to increase maximum indebtedness at this time. The Committee will consider the maximum indebtedness issue if additional acreage is added.

Boundary Adjustments: The boundary of the ICURA should be amended to include the following expansion areas:

- Properties north of Broadway/Schuyler presently in the Oregon Convention Center Urban Renewal Area including properties along Martin Luther King Jr. Blvd and Alberta Street
- Martin Luther King Junior Boulevard properties which are presently not in any urban renewal area
- Alberta Street properties which are presently not in any urban renewal area and Killingsworth Avenue node
- South of Lombard Street commercial properties
- St. Johns Town Center including Roosevelt High School.

Policy Issues:

- The N/NE CAC strongly recommends the Rose Quarter Stakeholder Advisory Committee require a Community Benefits Agreement for the Rose Quarter properties. This agreement would be negotiated and become operational through the future Development and Disposition Agreement which will be signed by any developer of these properties and key stakeholders including the City of Portland or PDC.
- PHB should have a community-based housing advocate to provide services for vulnerable homeowners, including seniors, who want to purchase, retain, and/or preserve their homes.

- PHB shall be required to meet the unique community housing needs in N/NE Portland and should align its resources to meet the TIF set-aside. Coordinate with ICURAC.
- Ongoing investments in housing should align with the economic development activities – Homeownership opportunities, Home retention, and Prevent displacement of existing residents.

Mr. Harold Williams representing CH2A & Associates expressed his pleasure working with PDC and staff. He said the process has helped build trust within the community. He said he is pleased with the outcome and looks forward to continued relationship building with PDC and the Community.

Ms. Gail Castillo expressed her thanks to the Board and Staff and said the community was engaged in the process. She said the CAC highlighted several recommendations and looks forward to continued dialogue.

Mr. Skip Newberry expressed his thanks to PDC and staff on behalf of Mayor Adams. He said the Mayor's office offers full support of the process and the CAC's recommendation and looks forward to the continued process.

Ms. Roselyn Hill expressed concern regarding Alberta Street not being included initially and emphasized the importance of the area being included in the N/NE Study.

Mr. Ryan Neiburg representing St John's Land Use Committee expressed support of the N/NE Economic Development Initiative. He said the process built community wide consensus on a topic that easily could have been controversial. He expressed for the continued support of the St. Johns Town Center.

Chair Andrews and the Board members expressed their support of the CAC recommendations and stated they look forward to continued dialogue.

V. PUBLIC IMPROVEMENT CONTRACT FOR CONSTRUCTION OF A BIOSCIENCE WET LAB

Mr. Gerald Baugh presented Report No. 10-72, titled, "Public Improvement Contract for Construction of a Bioscience Wet Lab."

Mr. Baugh stated the action would authorize the Portland Development Commission (PDC) Executive Director to increase the public improvement construction contract with J.E. Dunn Construction in an amount not to exceed \$360,000 for six (6) alternate bid items to complete the construction currently underway of a 2,610 square-foot wet lab in partnership with the Oregon Health & Science University (OHSU) at the Portland State University (PSU) Business Accelerator located at 2828 SW Corbett Avenue in the North Macadam Urban Renewal Area (URA). The alternate bid items include:

1. Building two additional labs;
2. Lab casework for Phase A;
3. Fixed equipment;
4. Autoclave;
5. Lab case work for Phase B; and
6. Commissioning for Phase A and B.

Mr. Baugh said upon approval of this action, the six alternate bids items will be incorporated into the project and constructed by J.E. Dunn Construction by the end of December 2010. On February 10, 2010, the PDC Board of Commissioners (Board) approved under Resolution No. 6772 the base bid award for construction in the amount of \$800,000, as well as authorization to enter into a Permit of Entry with PSU to perform these improvements. As part of that action, it was recognized due to fiscal year funding limitations that staff would return to the Board with a request to fund the alternate bid items. Upon completion of construction, the newly completed asset would be transferred to the PSU Foundation, owners of the PSU Business Accelerator property. An Amendment to the Permit of Entry for PDC to act and perform the work of building the wet lab at the PSU Business Accelerator is attached to the Resolution. It incorporates the additional improvements and extends the term of the agreement to enable completion of this work.

Chair Andrews and the PDC Board expressed their support of the wet lab.

Commissioner Wilhoite moved and Commissioner Straus seconded the motion to adopt Resolution No. 6813, titled, "Authorizing an Increase to the Public Improvement Contract with J.E. Dunn Construction in an Amount Not to Exceed \$360,000 and Amendment to the Permit of Entry for Construction of a Bioscience Wet Lab at 2828 SW Corbett Avenue in the North Macadam Urban Renewal Area."

AYES: Andrews, Mohlis, Straus, Wilhoite

NAYS: None

VI. INCREASE CONTRACTS WITH ANDERSON ENVIRONMENTAL CONTRACTING IN AN AMOUNT NOT TO EXCEED \$600,000 FOR ENVIRONMENTAL REMEDIATION OF THE GATEWAY REDEVELOPMENT AND NEIGHBORHOOD PARK

Mr. Justin Douglas presented Report No. 10-43, titled, "Increase Contracts with Anderson Environmental Contracting in an Amount Not to exceed \$600,000 for Environmental Remediation of the Gateway Redevelopment and Neighborhood Park."

Mr. Douglas stated the action would increase all necessary contracts with Anderson Environmental Contracting in an amount not to exceed \$600,000 as a result of a solicitation for environmental remediation and additional, unforeseen costs of certain City and Portland Development Commission (PDC)-owned property located at 10506-10512, 10520 NE Halsey Street Property) in the Gateway Regional Center Urban Renewal Area (URA). The Property, commonly known as the Gateway Redevelopment and Neighborhood Park Project (Project), requires remediation of contaminated soils to prepare the site for development and eliminate potential exposure to hazardous substances. Due to the development of the site as a public area and to address requests by community stakeholders and the Portland Bureau of Parks and Recreation (PPR), PDC will pursue remedial actions that meet the Oregon Department of Environmental Quality (DEQ) standards.

Mr. Douglas explained PDC issued an Invitation to Bid on December 22, 2009, and opened bids on January 14, 2010. Six bids were received, five of which were determined to be responsive. Upon review by PDC, the firm of Anderson Environmental Contracting was found to be the lowest bid at \$293,912. Environmental remediation and site preparation work proceeded on schedule until June 2010, when the contractor discovered seven deep drywells/cesspools that

will require excavation and additional soil testing. Upon approval of this action, it is anticipated that change orders will be issued to Anderson Environmental Contracting for this additional unforeseen remediation and site preparation work. Work would be completed at a cost not to exceed \$600,000 by the end of August 2010. PDC Construction Services staff will continue to manage the environmental remediation contract. Authorization by the PDC Board of Commissioners (Board) is required because the increased contract amount is in excess of the Executive Director's expenditure authority.

Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6814, titled, "Authorizing Executive Director to Increase a Contract with Anderson Environmental Contracting in an Amount Not to exceed \$600,000 for Environmental Remediation and Site Preparation of the Gateway Redevelopment and Neighborhood Park at 10506-10512, 10520 NE Halsey in the Gateway Regional Center Urban Renewal Area."

AYES: Andrews, Mohlis, Straus, Wilhoite

NAYS: None

VII. ADJOURNMENT

There being no further business, Chair Andrews adjourned the meeting at 2:57 p.m.