

This document constitutes the official meeting record of the September 24, 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 8:03 a.m.

Aneshka Dickson
Commissioner

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

John C. Mohlis
Commissioner

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

Steven Straus
Commissioner

II. MEETING MINUTES

Chair Andrews asked for a motion to adopt the meeting minutes of August 27, 2010.

Charles A. Wilhoite
Commissioner

Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion to adopt the meeting minutes as presented.

Sam Adams
Mayor

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

Bruce A. Warner
Executive Director

Chair Andrews welcomed Commissioner Aneshka Dickson to the Board and congratulated her on her appointment.

III. EXECUTIVE DIRECTORS REPORT

Executive Director Bruce Warner presented Report No. 10-81, titled, "Executive Director Report." He highlighted the following:

- In August, Commissioners Mohlis and Andrews joined staff and myself for a boat tour of the Portland harbor. The purpose was to have a focused discussion about Portland's advanced manufacturing cluster from the unique perspective of the river. We heard firsthand about the opportunities and challenges facing local manufacturers in today's economy. Advanced manufacturing is one of the industry clusters called out in the Economic Development Strategy. One of the challenges is the shortage of available land and PDC has responded through the Harbor Redevelopment Initiative (Harbor ReDi) and Steering Committee which is looking into issues of contaminated sites and how to return them to productive use. The discussion included understanding this important cluster and balancing the region's needs for jobs while also protecting the health of our waterways. I want to express my thanks to staff members who put together an informative and comprehensive tour;

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- In August the Executive Team and myself participated with staff from the Mayor's office and a consultant team in a forum on the Community Economic Development (CED) Roadmap. We discussed what community economic development is and how it functions in an ideal setting, what best practices look like across the country, what financial tools might be needed, and what barriers might exist to successful implementation in Portland. The Neighborhood Economic Development Roundtable, co-sponsored by PDC and Portland State University, is scheduled for September 13 with some 200 citizens expected. Community-led prioritization of work is a foundation of a CED approach and this meeting was extremely important in our process of preparing for the community meeting.
- August means good weather and so staff has been involved in several activities. In August our devoted cyclists kicked off the Bike Commute Challenge which is a city-wide effort to encourage cycling – for both health and to reduce our dependence on driving cars. We hope as many staff as possible will participate in the Challenge as a way to get to and from work. PDCers took vacation time and participated in the annual golf tournament on August 27 at Rose City Park Golf Course. I participated as well and enjoyed the company of the staff – as well as chasing many balls. Finally, summer means the annual staff bocce tournament which plays out over noon hours at the bocce courts in the North Park blocks. This year 16 teams of four chased after the rights to the bocce trophy. Our PDC Safety Committee organized CPR and first aid training in August and approximately 30 staff members freshened skills so they will be a great asset in the event of an earthquake or other emergency – both at work and in their communities;
- PDC staff marked their calendars for the return of the iconic Hung Far Low sign to its historic place in Old Town/Chinatown at a special restoration ceremony to be held during First Thursday on September 2. The sign (located at NW 4th Avenue and NW Couch Street) was installed over a two-day period in late August, and then "gift-wrapped" until its unveiling at the special event. The sign was removed during the 2008-09 renovation of the Hung Far Low building, which now houses Ping Restaurant. Portland citizens rallied to restore the 2000-pound landmark, raising more than \$8,600 through commemorative t-shirt sales, a website and special events. PDC closed the remaining gap with approximately \$45,000 in grant funding. The total cost of the project – which includes removal of the sign, design and restoration work, and its re-attachment to the building, is estimated at \$77,461;
- Members of the Central City Urban Renewal Area Evaluation Committee joined PDC staff for a bike tour of the proposed area on Friday, August 13. The group met at Ankeny Plaza, toured the Morrison Bridgehead, rode up toward the SW 4th and Market area, over to Goose Hollow and up NW 18th to the Con-way site;
- Tuesday, August 17 marked the grand opening of Cafe Viale's new location, a 1970s-era TriMet bus shelter located on Southwest Fifth Avenue between Salmon and Main streets. The bus shelters along the transit mall were upgraded as part of the MAX Green Line project. Project managers decided during construction that one of the 42 historic shelters designed by Skidmore Owings and Merrill should be preserved in some manner. The café's new home in the restored bus shelter measures less than 100 square feet and will provide walk-up service only. Project consultant Tad Savinar lauded the project as a "hometown homerun" involving a local small business owner, great public-sector partners, innovative design and construction, in support of PDC's goals for a vibrant downtown. The team that

collaborated on the project included Café Viale, PDC, TriMet, Portland Mall Management, Inc., Shiels Oblatz Johnsen, Inc., Shorenstein Realty Services L.P., Hennebery Eddy Architects and Howard S. Wright Construction;

- Disparity Study: The data collection for PDC has been completed. The project is on time and on budget. The consultant, BBC Research, will begin providing PDC-specific anecdotal information by the end of the month;
- Apprentice participation was down this month for both the Mirabella and the Matisse project. Female apprentice hours for this month were 17.42% of the total apprentice hours. Also, 27.29% of apprentice hours have been worked by people of color. Overall, participation by people of color continues to well exceed the established goal of 19%. Participation by women seems to be improved, exceeding the 13% goal for this month. The South Waterfront Park project exceeded the minority participation goal, with over 50% of total hours being worked by minorities. As with all of the projects in South Waterfront, female participation fell short of the 12% goal for FY 09-10. This report includes workforce hours for July 2010, and the 2010/2011 fiscal year to date. The summary table below represents the total workforce diversity (apprentice and journey level workers) for the two projects referenced above:

Goal	Women	People of Color	Apprentice	Difference
13%	17.42%			+4.42%
19%		27.29%		+8.29%
20%			21.97%	+1.97%

IV. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

As there were no public comment, Chair Andrews moved to the consent agenda.

V. CONSENT AGENDA

Chair Andrews called for a motion to adopt the consent agenda:

Resolution No. 6820, titled, "Authorize short-term interfund operating loans not to exceed \$1,000,000 from specified funds to Economic Opportunity Initiative Fund, Community Development Block Grant-Economic Opportunity Initiative Fund, the PHB support services fund and the Urban Development Fund from July 1, 2010 to June 30, 2011.

Resolution No. 6821, titled, "Re-appoint Damien Hall to the Oregon Convention Center Urban Renewal Advisory Committee as an at-large member representing city-wide interests.

Resolution No. 6822, titled, "Appoint Mr. Seth Richardson to the Lents Town Center Urban Renewal Advisory Committee."

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

VI. CONTRACT FOR PROFESSIONAL AND TECHNICAL SERVICES, UNDER THE ENTERPRISE RESOURCE PLANNING (ERP) PHASE II PROJECT

Mr. Patrick Quinton and Ms. Mary Hubbard presented Report No. 10-85, titled, "Contract for Professional and Technical Services, under the Enterprise Resource Planning (ERP) Phase II Project."

Mr. Quinton stated In July 2000, PDC implemented Lawson software components for General Ledger, Accounts Payable, Cash Ledger, Projects & Activities, Procurement, Payroll and Human Resources (to support of payroll only), enterprise-wide. In December 2007, PDC Executive Management adopted an Enterprise Resource Planning (ERP) Strategy that was centered on the continued use and roll-out of additional Lawson functionality. As a result, PDC intends to invest in Lawson to meet the evolving business needs of PDC. The first project towards that end was the build-out of the Lawson Human Resources module which went live in August 2008. Additionally, unrelated to work around the Lawson Human Resources module, an Enterprise Architecture (an examination of all computer systems and data sources) was created to roadmap future business applications to meet PDC needs. ERP systems attempt to integrate most of the operational support functions of an organization. Functions such as purchasing, accounts payable, general accounting, payroll, human resources and more are all part of an integrated system that shares common processing and data, and thus insuring greater accuracy and making it much easier to produce management information. In May 2008, PDC Executive Management determined that its Lawson applications, system foundation, and user interface would be upgraded to the most recent version to ensure the integrity of the system and to establish a foundation to build out additional functionality. At the same time, PDC Executive Management also determined that its chart of accounts would be restructured in conjunction with the upgrade to sustain Lawson maintenance and reporting needs. After procuring external consulting services, the Lawson 9 Plus project kicked off in October 2008 and went live at the end of June 2009.

Mr. Quinton said currently, the PDC Lawson system interfaces with multiple other software systems, databases, and data warehouses in order to accommodate PDC business activities. PDC's second large project to implement its ERP Strategy is the Enterprise Resource Planning Implementation Phase II project that includes multiple components. During Fiscal Year 2009/10 a contract was awarded to CIBER to implement the Lawson Time Management module (replacing the MS Access based timesheet program) and to develop a strategy to implement Business Intelligence for PDC. In the same time period a contract was awarded to The Revere Group, Limited to develop an assessment of PDC secondary financial systems and a strategy for integrating that functionality within the Lawson ERP system. This contract award will implement the recommendations from those two previous projects. The project is expected to finish on August 31, 2011. The Portland Development Commission's Request for Proposals #10-04 for "Consulting Services" ("RFP") was issued by PDC Purchasing & Contract Services on July 23, 2010. In response to the solicitation, PDC received six responses by the deadline.

Proposals Received:

1. CIBER, Inc.
2. Hitachi Consulting Corporation
3. On Time Consulting Services, Inc.
4. The Revere Group
5. Synthasys Management Consultants
6. Velocity Technology Solutions

Over a period of two weeks, all responses were evaluated by a five member Evaluation Committee comprised of four PDC employees and an individual from the Minority Evaluator Program. From the initial group of proposals three vendors were selected for oral presentations. Based on a thorough review of all proposals it was the consensus of the Evaluation Committee that The Revere Group offers PDC the best overall value, benefit, convenience and service.

Mr. Quinton stated the project helps the Portland Development Commission (PDC) meet its responsibilities to provide consolidated functionality within its Lawson ERP system as well as enabling the agency to provide the public with more timely, consistent, and reliable information. By completing this project, PDC will move closer to implementing full project cost accounting for the Agency through re-implementation of the Lawson Projects and Activities module. Also, upon successful completion of this project, PDC will have an improved integration of its financial systems which should help reduce maintenance costs and increase the capability to provide more timely and accurate financial reporting through better system integration.

Ms. Hubbard explained the action would authorize the Executive Director to enter into a contract with The Revere Group, Limited in support of the Enterprise Resource Planning (ERP) Implementation Phase II project for an amount not to exceed \$1,595,000 for implementation of the Financial Systems Consolidation Assessment and Lawson Projects and Activities Strategy Implementation (RFP #10-04). The contract is expected to finish on September 15, 2011. The contract is necessary to implement the recommendations of the Financial Systems Consolidation Assessment, the Lawson Projects and Activities Implementation Strategy, and the Business Intelligence Strategy as well as to continue forward with the agency's Enterprise Architecture (EA) Strategy and ERP Strategy. The selection of The Revere Group, Limited for the contract is a result of corresponding public solicitation processes. The agency has budgeted \$1,689,222 for FY10-11 for the effort.

Chair Andrews called for a motion to adopt Resolution No. 6823, titled, "Authorizing the Executive Director to execute a contract with the Revere Group, Limited for professional and technical services for the Enterprise Resource Planning Implementation Phase II Project; in an amount not to exceed \$1,595,000."

Commissioner Straus moved and Commissioner Wilhoite seconded the motion to adopt Resolution No. 6823.

AYES: Andrews, Ferran, Mohlis, Straus, Wilhoite

NAYS: None

VII. FISCAL YEAR 2010-11 BUDGET AMENDMENT #1 (AIRPORT WAY URBAN RENEWAL AREA)

Mr. Patrick Quinton and Mr. Tony Barnes presented Report No. 10-86, titled, "Fiscal Year 2010-11 Budget Amendment #1 (Airport Way Urban Renewal Area)."

Mr. Quinton stated primary purpose of the FY 2010-11 Budget Amendment No. 1 is to establish budget appropriations for project and program expenditures that were not specifically known when recommending the FY 2010-11 Approved Budget in May to the Budget Committee (City Council). The primary purpose of this budget amendment is to provide for a business finance loan for ReVolt Technology. At the time of the original budget, the proposed location of a headquarters and research and development facility were not known. Over the last year, PDC,

in conjunction with Business Oregon, successfully recruited ReVolt to locate its headquarters in Portland. Working closely with the Oregon Department of Energy and Business Oregon, PDC offered a package of incentives to attract ReVolt. The bulk of the incentives are from the State as they have broader access to funds for clean technology and energy firms. In recognition of the importance of this recruitment to the Clean Tech cluster and upon an evaluation of ReVolt's planned building expenditures, PDC made an offer of \$1,155,000 to complement the State of Oregon offer. The State of Oregon Department of Energy has approved a Small Energy Loan Program (SELP) loan providing over \$3.3 Million to the company in addition to a forgivable loan commitment of the Governor's Strategic Reserve Fund for \$500,000.

Mr. Quinton said ReVolt Technology is an early stage battery technology company with significant venture capital backing in Europe. The company has developed a breakthrough zinc-air rechargeable battery technology. ReVolt has operated in Europe, most recently headquartered outside Zurich, Switzerland. The battery technology was developed in Norway and the company is seeking to commercialize its products. Initially, the company has been developing a rechargeable button cell battery for hearing aid type applications. The company's plans are to scale up production of this technology overseas and start developing larger format applications. Its next planned application would look at military and consumer electronics applications. The company is in the process of developing larger format applications such as electric bicycle batteries and ultimately electric vehicle and energy storage. The company has been successful in attracting significant European venture capital investment. In two major rounds of funding since the founding of the company in 2004, ReVolt has attracted over 24 Million Euros of investment from European investors such as RWE Innogy, NorthZone Ventures, SINTEF, SOFINNOVA Partners, TVM Capital, Verdane Capital and Viking Venture. ReVolt has also been successful in obtaining \$5 Million in US Department of Energy ARPA-E funds for research into battery technology for electric vehicles. By choosing Portland, ReVolt reinforces the City's Economic Development Strategy and aides in the growth of the emerging Electric Vehicle and Energy Storage Cluster within the Clean Tech Group.

Mr. Barnes stated the action would formally amend the current fiscal year (FY) 2010-11 Adopted Budget for the first time this year. This amendment is necessary to modify appropriations for Business and Industry in the Airport Way Urban Renewal Fund to accommodate a \$1,155,000 Business Finance Loan to ReVolt, to increase the FY 2010-2011 Beginning Fund Balance to \$5,663,570 reflecting a higher than expected Ending Fund Balance, and to document the \$1,500,000 million land loan at Cascade Station approved by the Commission on May 12, 2010 as a Resource and Requirement: This budget amendment also includes a corrective action from the FY 2010-11 adoption of the budget that transfers \$200,000 from the Enterprise Loans Fund to the General Fund to properly account for General Fund resources. These resources were intended to be budgeted in the General Fund during the adoption of the budget for general economic development activity. In summary, FY 2010-11 Budget Amendment No. 1 increases the total PDC budget from \$230,217,969 in the FY 2010-11 Adopted Budget to \$232,984,904 including Transfers, Contingency and Reserves. Excluding Transfers and Contingency, total budgeted expenditures increase from \$191,003,390 to \$193,960,605. Exhibit A to the Resolution sets forth the recommended changes to be made to the FY 2010-11 Adopted Budget pursuant to Budget Amendment No. 1.

Chair Andrews called for a motion to adopt Resolution No. 6824, titled, "Adopting Budget Amendment No. 1 for the fiscal year beginning July 1, 2010 and ending June 30, 2011; and making appropriations."

Commissioner Mohlis moved and Commissioner Wilhoite seconded the motion to adopt Resolution No. 6824.

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

VIII. AUTHORIZE GRANT AGREEMENT WITH THE PORTLAND SUSTAINABILITY INSTITUTE

Commissioner Straus explained he had an actual conflict of interest with the item as presented and would not be participating in discussion or action.

Ms. Lisa Abuaf and Mr. Rob Bennett (PoSI) presented Report No. 10-87, titled, "Authorize Grant Agreement with the Portland Sustainability Institute."

Ms. Abuaf stated in 2008, members of Portland City Council including the Mayor convened many of the region's leading academic, government, business, and nonprofit organizations to align and accelerate the broad array of sustainability efforts across the region and to harness Portland's unique position as a leader in sustainability. An outcome of that meeting was a commitment to create POSI as a nonprofit that brings together business, higher education, nonprofit, and municipal leaders to drive a set of next-generation initiatives for urban sustainability in the metro region. The EcoDistricts initiative being led by POSI is a comprehensive strategy to accelerate sustainable development at a neighborhood scale by integrating building and infrastructure projects with community involvement and ownership. An EcoDistrict is a neighborhood or district committed to achieving ambitious sustainability performance goals over time. POSI has identified seven key performance areas necessary for an EcoDistrict: community vitality, air quality and carbon, energy, access and mobility, water, habitat and ecosystem function, and materials management. To accomplish the goals within these seven performance areas, the community is engaged to formalize a governance structure; complete an assessment and action plan; implement projects; and track and monitor performance. A diagram by POSI illustrating this process is included as Attachment B. Examples of potential projects, technologies, or strategies to pursue performance targets include district energy systems, green streets, mixed-use development, education, and energy and water demand management.

Mr. Bennett explained over the last year, as part of their EcoDistrict activities, POSI has undertaken significant outreach to stakeholders, sustainability professionals, and the general public, including:

- EcoDistricts Visioning Charrette December 2008
- Mayor's Subcabinet formation May 2009
- Technical Advisory Committee convening August 2009
- First annual EcoDistrict Summit October 2009

Mr. Bennett said in addition, POSI has held a sequence of meetings with the Lloyd District Transportation Management Association; Portland State University administration and student community; major South Waterfront property owners; and Lents and Gateway Urban Renewal Advisory Committee representatives. Stakeholders in each of the pilot areas as well as the broader sustainability community and private sector partners have shown significant interest in the EcoDistrict initiative and the potential community and economic development opportunities derived from the initiative. Over the next fiscal year, POSI will conduct additional EcoDistrict meetings with pilot area stakeholders; continue to convene the Technical Advisory Committee;

support the Mayor's Subcabinet; and host a second annual EcoDistrict Summit in order to gather ongoing review and input on the EcoDistrict initiative. POSI has also been an active participant in the public events hosted by PDC as part of the Oregon Sustainability Center feasibility study.

Ms. Abuaf explained the action authorizes the Portland Development Commission (PDC) Executive Director to enter into a grant agreement with the Portland + Oregon Sustainability Institute (POSI) in an amount not to exceed \$250,000 for the delivery of sustainability related project activities, including EcoDistrict development and Oregon Sustainability Center programming. PDC Board of Commissioners (Board) approval of this expenditure is necessary because the total aggregate expenditure by PDC on grants for this entity on these projects over multiple fiscal years would be \$742,000 and greater than the \$500,000 expenditure authority of the Executive Director.

POSI's EcoDistrict activity will focus on five pilot areas selected in partnership with PDC and the City of Portland. The five pilot areas are Lloyd District, Portland State University, South Waterfront, Lents, and Gateway within the Oregon Convention Center, South Park Blocks, North Macadam, Lents, and Gateway Urban Renewal Areas (URAs), respectively. Under this grant agreement, and as part of developing a broader EcoDistrict Framework and Toolkit, POSI will provide technical and financial analysis to each pilot area and its stakeholders.

Chair Andrews called for a motion to adopt Resolution No. 6825, titled, "Authorizing a grant agreement with Portland & Oregon Sustainability Institute in an amount not to exceed \$250,000 for delivery of sustainability activities, including Ecodistrict development and Oregon Sustainability Center programming within the South Park Blocks, Oregon Convention Center, North Macadam, Lents Town Center, and Gateway Regional Center Urban Renewal Areas."

AYES: Andrews, Ferran, Mohlis, Wilhoite

NAYS: None

IX. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 9:39 a.m.