

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6604

**BOARD AUTHORIZATION FOR THE PORTLAND
DEVELOPMENT COMMISSION (PDC) TO ENTER INTO
AN AGREEMENT WITH WORKSYSTEMS, INC. (WSI) FOR
PORTLAND ENTERPRISE ZONE (E-ZONE)
PROCEDURAL AND OPERATING GUIDELINES**

WHEREAS, the Oregon Enterprise Zone Act, ORS 285C.050 – 285C.250, authorizes the designation of Enterprise Zones in urban and non-urban areas and provides that property tax abatement, job creation, and local municipal incentives are desirable to stimulate economic development in economically depressed areas;

WHEREAS, the Portland Development Commission (“PDC”) on February 27, 2008, through Resolution 6562 authorized the Executive Director formally request City Council approval of the Enterprise Zone Policy and authorized the PDC to submit an application on behalf of the City of Portland to the Oregon Economic and Community Development Department (“OECDD”) for designation of a ten year Enterprise Zone in Portland;

WHEREAS, the City Council on March 5, 2008, through Resolution 36583 authorized the PDC to prepare and submit an E-Zone application on behalf of the City of Portland to the OECDD for designation of a ten year E-Zone program in Portland;

WHEREAS, the OECDD has informed PDC that the City will receive designation on or before July 1, 2008;

WHEREAS, the City of Portland is the Enterprise Zone Sponsor and has designated PDC to serve as the Enterprise Zone Manager;

WHEREAS, Portland City Council adopted the City of Portland Enterprise Zone Policy (Resolution No. 36583) (the “E-Zone Policy”), which provides for a tax exemption of five years’ duration and imposes additional conditions on companies participating in the E-Zone;

WHEREAS, the Zone Policy contemplates that WorkSystems, Inc. (“WSI”) will serve as the Workforce Training Fund (“WTF”) administrator;

WHEREAS, WSI will manages the WTF and allocate training funds through a competitive procurement process to train potential employees who need training to work for companies in the Portland E-Zone;

WHEREAS, the procedural and operating guidelines for PDC and WSI are described in the Portland E-Zone Policy;

WHEREAS, an agreement between the PDC and WSI is needed to reinforce the procedural and operating guidelines associated with WSI managing and administrating the WTF on behalf of the Portland E-Zone Manager; and

WHEREAS, the E-Zone Policy authorizes WSI to utilize up to fifteen percent of the WTF to cover administrative costs associated with administrating and managing the WTF.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to enter into an agreement with WorkSystems, Inc., in a form substantially similar to that attached hereto as Exhibit A;

BE IT FURTHER RESOLVED, that the Executive Director is authorized to make changes to the agreement, so long as such changes are consistent with the E-Zone Policy; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on June 25, 2008.



Renee A. Castilla, Recording Secretary

**Agreement between
WorkSystems, Inc. and Portland Development Commission Regarding the Portland
Enterprise Zone Workforce Training Fund**

This Agreement is entered into by and between WorkSystems, Inc., a nonprofit corporation of the State of Oregon ("WSI"), and the City of Portland, acting by and through the Portland Development Commission ("PDC"). This MOU shall become effective upon the date of last signature hereto and shall expire June 30, 2018, unless terminated earlier or renewed or extended in writing signed by both parties.

RECITALS

- A. The City of Portland (the "City") applied for and received designation of the Portland Enterprise Zone (the "E-Zone") on _____, 2008 by the Director of the Oregon Economic and Community Development Department.
- B. The City through Resolution 36583 adopted the Portland Enterprise Zone Policy (the "E-Zone Policy").
- C. The City, as the E-Zone Sponsor, designated the PDC to serve as the Portland Enterprise Zone Manager.
- D. The E-Zone Policy established that WSI will serve as the liaison with companies participating in the E-Zone ("Company" or "Companies") to identify workforce training and hiring needs, provide the necessary training services, and to identify the supply of ready workers available in the WorkSource System.
- E. The Workforce Training Fund is used to train employees who will be hired by Companies.
- F. The purpose of this Agreement is to establish operating principles intended to provide guidance to PDC and WSI consistent with the E-Zone Policy.

AGREEMENT

Now, therefore, WSI and PDC, in consideration of the premises and promises set forth herein, hereby agree as follows:

I. Obligations:

- 1. The PDC will notify WSI when a Company files its Oregon E-Zone Authorization Application. Following each exemption year for which a qualifying Company has filed an Enterprise Zone Exemption Claim with the Multnomah County tax Assessor's Office PDC will collect the Company's Workforce Training and Business Development Fund payment.
- 2. PDC shall allocate 60% of all Workforce Training and Business Development payments to the Workforce Training Fund ("WTF"), which will be held by PDC. PDC will notify WSI of the availability of WTF funds on a quarterly basis
- 3. Upon written request from WSI and the approval by the E-Zone Manager, PDC will disburse WTF funds to WSI. The written request shall state how the WTF funds will be used to meet the goals of the E-Zone policy.

4. WSI will administer the WTF with the goal of supplying a full-time, trained employees (as that term is defined in the Oregon Enterprise Zone Act (ORS 285C.050 to 285C.250)) to Companies currently participating in the Portland E-Zone program, which was authorized on _____ 2008 by the Oregon Economic and Community Development Department. The WTF can also be used for basic skill upgrade training, and support services related to such training for individuals participating in WTF programs.
5. WSI will act as the administrative agent over the WTF fund allocation and management. WSI may use up to fifteen percent (15%) of the WTF funds to cover administrative costs associated with implementing the WTF. WSI will provide PDC with an annual accounting of its administrative costs related to the WTF and additional information related to the use of these funds as reasonably requested by PDC.
6. WSI will develop a Projected Pipeline analysis for each Company that will be used to track and determine if there will be job-training needs.
7. WSI, will coordinate through WorkSource in conjunction with the Companies to screen the current WorkSource candidate pool for qualified candidates to fill positions at the Companies. If there are enough candidates in the WorkSource system to fulfill the Company's Projected Pipeline, then WSI will refer the Company back to WorkSource Portland to complete the recruitment with the Company.
8. If the supply of qualified workers is not sufficient to fulfill the Projected Pipeline through WorkSource, WSI will serve as a liaison with the Company to further identify its training needs. Based on the assessment of the Company's training needs, WSI will, to the extent possible, utilize WTF funds towards existing training programs. In the case that a program or training resource already exists and matches the training needs of the Company's recruitment, WSI will collaborate with the existing training providers to begin the screening process to train then hire successful training graduates. Participants who are at or below eighty percent (80%) MFI who have successfully passed the screening process will receive first opportunity to participate in training programs.
9. If no existing training programs exists that meet the needs of the Company, WTF funds will be used through the issuance of a Request for Proposal ("RFP") process to develop customized training to meet the need. The standard process for issuing a RFP will be reviewed by the E-Zone Advisory Committee. Specific RFP's to develop training to meet a Company's need will be developed and managed by WSI in conjunction with the Company.
10. The Company and WSI will screen potential candidates that would be hired but for the specified training needs. In order to participate, the Company will be required to agree to hire candidates upon successful completion of training. The definition of "successful completion" shall be negotiated between the Company and WSI before training begins. Participants who are at or below eighty percent (80%) MFI who have successfully passed the screening process will receive first opportunity to participate in customized training program.
11. For individuals who have gone through training using the WTF, WSI will track and report program outcomes on a quarterly basis. At a minimum, the report shall include: zip code of participating trainees, their average Median Family Income, successful completion rates, starting hourly wage, hired dates, and other information that that PDC and WSI deem important to track success.

II. Miscellaneous:

1. Insurance. During the term of this Agreement, WSI shall maintain in force at its own expense, each insurance noted below. WSI's insurance shall be primary insurance, and any insurance or self insurance maintained by the City and/or PDC shall not contribute to it. There shall be no cancellation, material change, reduction of limits, or intent not to renew the insurance coverage(s) without 30-days written notice from the WSI or its insurer(s) to the PDC. If requested, complete copies of the insurance policy shall be provided to the PDC. WSI shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.
 - a. **Workers' Compensation** insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers.
 - b. **Commercial General Liability** insurance on an occurrence basis with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. The coverage shall name "**The Portland Development Commission and the City of Portland and each of their respective officers, agents, and employees**" as Additional Insured with respect to the WSI's activities under this Agreement.
 - c. **Automobile Liability** insurance with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage, including coverage for owned, hired, or non-owned vehicles, as applicable.
 - d. **Certificates of Insurance.** As evidence of the insurance coverage required by this Agreement, WSI shall furnish acceptable insurance certificates to the PDC on or before the time the Agreement is executed. The General Liability certificate shall provide that the Commission, the City of Portland, and each of their respective agents, officers, and employees are Additional Insured but only with respect to WSI's services to be provided under this Agreement. **Endorsement CG 20 10 11 85 or its equivalent must be attached to the Certificate.** Insuring companies or entities are subject to PDC acceptance. If requested, complete copies of the insurance policy shall be provided to the PDC.
2. Indemnification. WSI shall defend, save, and hold harmless PDC, the City of Portland, and each of their respective officers, agents, and employees, from all claims, suits, or actions of whatsoever nature, including intentional acts, resulting from or arising out of the activities of Contractor or its agents or employees under this contract; provided however, that nothing herein shall be construed to require indemnification of PDC for liability attributable to PDC's sole negligence.
3. Termination. PDC may cancel this Agreement, without penalty, upon written notice to WSI with 30 days' advance notice. This Agreement may be cancelled immediately upon written agreement by both parties.
4. Amendments. This Agreement may be amended only by a writing signed by both parties. The PDC Executive Director has the authority to approve amendments to this Agreement to the extent such amendments are consistent with the E-Zone Policy and the Act.
5. Compliance with Laws. In connection with its activities under this Agreement, WSI shall comply with all applicable federal, Oregon state and local laws and regulations.

WORKSYSTEMS, INC.

By: _____
Name, Title

Date: _____

PORTLAND DEVELOPMENT COMMISSION

By: _____
Bruce A. Warner, Executive Director

Date: _____

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6604

TITLE: BOARD AUTHORIZATION FOR THE PORTLAND DEVELOPMENT COMMISSION (PDC) TO ENTER INTO AN AGREEMENT WITH WORKSYSTEMS, INC. (WSI) FOR PORTLAND ENTERPRISE ZONE (E-ZONE) PROCEDURAL AND OPERATING GUIDELINES

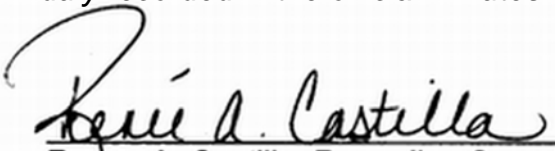
Adopted by the Portland Development Commission on June 25, 2008.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Mark Rosenbaum, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Sal Kadri	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Regular Agenda		

Certification

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: June 26, 2008