

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6751

**INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF
PORTLAND TO PROVIDE FUNDING OF \$4,384,995 TO PDC
FOR IMPLEMENTING ECONOMIC DEVELOPMENT
ACTIVITIES ON A CITYWIDE BASIS**

WHEREAS, the Portland Development Commission ("PDC"), as the duly-designated Urban Renewal agency of the City of Portland ("City"), is granted broad powers under ORS 457.170 for the planning and implementation of urban renewal projects. As part of this implementation, PDC has established expertise in economic development activities which, to the extent they are financed through the use of urban renewal tax increment revenues are restricted to the City's urban renewal areas;

WHEREAS, the City and PDC desire that PDC implement certain of PDC's economic development activities, primarily Community Economic Development and Traded Sector Job Creation and Retention, on a citywide basis, and the City is willing to provide funding to PDC to do so;

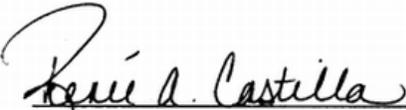
WHEREAS, implementing these economic development activities supports PDC's mission and strategic goals related to strong economic growth and competitive region; and

WHEREAS, the City and PDC desire to enter into an agreement to establish the terms and conditions by which the City will provide funding to PDC to implement economic development activities on a citywide basis;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to execute an Intergovernmental Agreement with the City of Portland, substantially in the form affixed hereto as Exhibit A, in the amount of \$4,384,995 for Economic Development activities; and

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

Adopted by the Portland Development Commission on December 9, 2009.



Renee A. Castilla, Recording Secretary

**FY 2009-10 Intergovernmental Service Level Agreement
General Fund Special Appropriations**

This Intergovernmental Service Level Agreement (“Agreement”), dated this ____ day of _____, 2009 (“Effective Date”), is made and entered into by and between the **City of Portland** (the “City”) and the **Portland Development Commission** (“PDC”) (collectively the “Parties”).

RECITALS

- A.** PDC, as the duly-designated Urban Renewal agency of the City of Portland, is granted broad powers under ORS 457.170 for the planning and implementation of urban renewal projects. As part of this implementation it has established expertise in economic development activities whose scope is restricted to the City’s urban renewal areas.
- B.** A cooperative relationship between the Commission and the City will be beneficial to the implementation of specific economic development activities including target industry development, community economic development, small business loans, and storefront improvements on a citywide basis.
- C.** Funding has been appropriated in the City’s FY 2009-10 adopted budget to fund the abovementioned economic development activities.
- D.** Both parties desire to enter into an agreement that will establish terms and conditions by which one party will engage and compensate the other party for performing specific services.
- E.** The Office of Management and Finance (“OMF”), as the City’s budget liaison to PDC has been identified as the bureau responsible for managing this agreement.

AGREEMENT

1. Parties

Portland Development Commission
Main Contact: George Cornett
City of Portland, Office of Management and Finance
Main Contact: Claudio Campuzano

2. Term and Termination

This Agreement runs for Fiscal Year 2009-2010, that is July 1, 2009 to June 30, 2010.

- a. The full amount of funds for 2009-2010 is authorized in the City’s current fiscal year’s budget.

- b. To the extent that project and transfer funding spans multiple fiscal years, the City will encumber authorized funds if the funds are approved through budget appropriation. All funding is subject to budget appropriation.
- c. If funding is not authorized or approved for a particular program or transfer, City may terminate the portion of this Agreement that addresses that program or transfer by written amendment to this Agreement.
- d. If funding is authorized for an additional program or transfer, City may add that program or transfer by written amendment to this Agreement, subject to PDC approval.
- e. Either party may terminate the entire Agreement with 30 days prior written notice to the other.
- f. If this Agreement is terminated, the City shall reimburse PDC for expenses incurred and funds contractually committed, prior to the date of termination, in the course of performing the activities described in the Scope of Services. If only a portion of this Agreement is terminated, the City shall reimburse PDC for expenses incurred and funds contractually committed, prior to the date of termination, in the course of performing the terminated program or transfer.

3. Roles & Responsibilities

The City will send funds to PDC pursuant to the terms of Section 4 of this agreement.

4. Scope of Services

The City will provide to PDC funding in the following amounts for the following economic development activities during the 2009-2010 Fiscal Year and PDC shall use the funding to implement those economic development activities as described below:

Programs:

- 1) Community Economic Development - \$2,010,000, consisting of:

Neighborhood Main Street Revitalization Program – \$500,000

Establish a Portland Main Street program to create vibrant commercial districts throughout the City that help achieve Portland’s main goal of 20-minute neighborhoods.

Neighborhood Main Street Storefront Program - \$500,000

In FY 2009-10 the citywide Storefront Program will be aligned with Main Streets to target services to designated commercial corridors.

Small Business Marketing and Export Assistance - \$210,000

Program will build upon current resources for small business and expand offering by filling a niche to serve targeted firms with high growth potential to sell products and services outside the region and internationally.

Small Business Start-up and Retention Working Capital Loan Fund - \$400,000
The Small Business Working Capital Loan fund provides flexible financing to small companies that are primed for growth but lack the cash to invest in their companies to achieve the next stage of growth.

One-Stop Permitting and Business Services Website - \$150,000
The One-Stop Permitting and Business Services Website will help rationalize the small business delivery system by creating a one-stop-shop for business owners seeking permits, information, and assistance from the City and service delivery partners.

Green and Lean Business Competitiveness Technical Assistance - \$250,000
Provide matching grants to companies to offset the cost of technical assistance.

2) Traded Sector Job Creation And Retention - \$1,395,000 consisting of:

Cluster Research and Industry Development - \$525,000
The City's Economic Development Strategy seeks to raise the national and international visibility and competitive profile of four industry clusters (clean tech and sustainable industries; active wear; advance manufacturing; and software).

Cluster Retention and Catalytic Industry Initiatives - \$460,000
Catalytic Initiatives are high impact, coordinated activities that advance the long-term competitiveness of target industry clusters designed to grow our job base and build the Portland region's competitive advantage and brand.

Targeted Business Recruitment - \$410,000
PDC engages in proactive, strategic industry recruitment for the City of Portland and on behalf of the region through a partnership with Regional Partners. PDC's current focus is on International and Clean Tech recruitment.

Transfers:

- 3) APNBA - \$290,495
Funds provided for Alliance of Portland Neighborhood Business Associations activities with small businesses.
- 4) Minority Chambers - \$500,000
Funds provided to minority chambers (African American Chamber and Hispanic Metropolitan Chamber) for small business technical assistance.
- 5) Portland + Oregon Sustainability Institute - \$175,000

5. Deliverables & Payment Schedule

Deliverables from PDC will be as follows:

- a. PDC will provide monthly reporting detailing both financial and program activity within 30 days of the month's end. The current year appropriations will be broken out into the following categories: Personal Services, Materials & Supplies, Financial Assistance, and Overhead and include actual, balances and output measures. A sample monthly report is attached hereto as Exhibit A and incorporated herein by this reference.

- b. PDC will provide year-end report detailing both financial and program activity within 30 days of fiscal year end. The format will show any carry-over budget as well as current year appropriations. The current year appropriations will be broken out into the following categories: Personal Services, Materials & Supplies, and Financial Assistance and include actual, balances and output.

Payment Schedule:

PDC will bill OMF on a monthly basis based on expenditures incurred. The total General Fund Special Appropriations is \$4,370,945.

6. Administration & Dispute Resolution

Administration

The Parties will determine the frequency and scope of any necessary City/PDC meetings. The Parties may amend any provision of this Agreement in a writing signed by both parties hereto.

Dispute Resolution

If a dispute arises regarding the terms and conditions of this Agreement, all parties agree to exercise good faith in expeditiously resolving said conflict in the following manner:

- a. All conflicts should first be discussed and resolved, if at all possible, at the staff level.

- b. If the conflict cannot be resolved at the staff level, then the conflict should be elevated to the Main Contacts specified in Section 1 for discussion and resolution.

- c. Any conflicts not resolved by the Main Contracts shall be elevated to the signatories of this Agreement for discussion and resolution.

7. Approvals

IN WITNESS WHEREOF, the City of Portland, through the Office of Management and Finance and the Portland Development Commission has executed this Agreement as of the date on Page 1.

CITY OF PORTLAND

PORTLAND DEVELOPMENT COMMISSION

Kenneth L. Rust, Chief Administrative
Officer

Bruce A. Warner, Executive Director

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

Legal Counsel

EXHIBIT A
SAMPLE MONTHLY REPORT
UDD General Fund Reporting 2009-10

Section	July-August 2009 - Key Activities/Deliverables
<p>Traded Sector Job Creation & Retention <i>(includes Catalytic Initiatives, Industry Development, Technical Assistance, Business Recruitment, Capital Loan Fund, Harbor REDI, B & I Projects, Business Development)</i></p>	<ul style="list-style-type: none"> • Capital Loan Fund (aka the Near Equity Fund): <ul style="list-style-type: none"> ○ One application for \$100,000 was received in July/August and is being underwritten. ○ To date (since the authorization of this fund in FY 07/08) \$735,000 has been committed to 15 small businesses under the Near Equity program. • Activewear Cluster: <ul style="list-style-type: none"> ○ Attended industry related events such as Portland Business Journal Breakfast featuring James Curleigh, CEO, Keen ○ Attended Outdoor Retailer (July 2009) in support of Activewear Cluster. Attendance allows PDC to connect with Portland regional and statewide industry cluster firms, learn about industry trends, themes and issues and to build connections within the industry. ○ PDC also provided seed money for the Eco –Index, an Outdoor Industry Association (OIA) initiative to develop industry environmental guidelines for packaging, materials, facilities, etc. PDC’s involvement was catalytic as they introduced OIA to the Zero Waste Alliance (ZWA). ZWA has been instrumental in driving the Eco-Index work forward. Portland activewear companies are also involved in this effort i.e., Nau, Keen and Columbia Sportswear. ○ Held first meeting of the Materials Resource Library Advisory Committee charged with guiding/overseeing the development of a business plan for a materials resource library, the first phase of the Creative Exchange. • Clean Tech Sustainable Industries (CTSI) Cluster: <ul style="list-style-type: none"> ○ Staff attended the July Intersolar North America Show in San Francisco to meet with prospective employers. Intersolar is the second largest U.S. solar show. ○ Technical Assistance provided to NW Bumper in July to identify sustainable options for the reuse of resins from unusable bumpers. ○ ReVolt Technology – successful business recruitment of this battery storage/electric vehicle component manufacturer to Portland in August. ReVolt plans to employ up to 75 highly skilled workers at its Portland site during its battery development phase and up to 250 employees in subsequent pilot and production phases. ○ Business recruitment activities during July and August included inbound visits from a handful of Clean Tech and Sustainable Industries businesses interested in location within the City of Portland and/or the region. Companies visiting were in the

	<p>following clusters: solar manufacturing, electric vehicles, energy efficiency and wave energy.</p> <ul style="list-style-type: none"> ● Software Cluster: <ul style="list-style-type: none"> ○ Reductive Labs Software company relocates from Tennessee to Portland, creating two jobs. Reductive Labs locates in former Vidoop space above Backspace in the Ned space Old town location. Ned space has two locations with over 60 operating businesses with a focus on entrepreneurs. ○ Attended Open Source convention (OSCON) in San Jose, CA gaining industry knowledge ● Harbor Redevelopment Initiative: <ul style="list-style-type: none"> ○ Transitioned large steering committee into 6 subcommittees and conducted initial meetings with subcommittee members. Began developing Charters and work plans for sites. ○ Visited TOC Holdings in Seattle, owner of Time Oil, to discuss potential sale to Weston Solutions. A purchase by Weston would lead to transition of the site to industrial use. ○ Concluded Renova contract. ● Advanced Manufacturing Cluster: <ul style="list-style-type: none"> ○ Wind Power Supply Chain Strategy - Participating on Wind Power Steering Committee to develop more supply opportunities for regional manufacturers. ○ Attended industry led event at Miles Fiberglass ○ Recruited manufacturers to for the Team Oregon booth at the AWEA Show in Dallas scheduled for May 2010. ○ Partnered on PNDC breakfast program featuring Senator Wyden on legislation impacting manufacturers. ○ Planning to conduct 4-hour Lean Manufacturing seminar at the PDC. ○ Recruitments on move of Arico Foods (pending) and P&D Construction, adding 25 – 70 jobs (concluded).
<p>Community Economic Development <i>(includes Storefront Grants, Main Streets, Economic Gardening, Business Services)</i></p>	<ul style="list-style-type: none"> ● Main Streets: <ul style="list-style-type: none"> ○ Organized Advisory Committee of public and community stakeholders to advise in the development of the program. ○ Core team including PDC Project Manager, Mayor’s Office, and APNBA travelled to San Diego, California to visit seven main street programs and to seek advice about program implementation. ○ Developed a draft five-year budget for the program ○ Developed a draft program fact sheet ○ Conducted background research on local and national main street programs, past Portland efforts, program costs, and application examples.

	<ul style="list-style-type: none">○ Held two Advisory Committee meetings● Economic Gardening:<ul style="list-style-type: none">○ Held internal discussions to define work effort○ Researched national examples● Business Services:<ul style="list-style-type: none">○ Held internal discussions to define work effort○ Researched national examples● Storefront:<ul style="list-style-type: none">○ 22 projects received Storefront Improvement Program Grants in July and August.
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Contract #: pending

Invoice Period: September 2009

Invoice # 10-10

Organization: Portland Development Commission	Total Grant Award: \$4,370,495
Portland Development Commission Mailing Address: 222 NW Fifth Avenue Portland, OR 97204 Contact Name/Title: George Cornett Phone/Fax: 503-823-3272 Billing Contact: Jane Kingston, Accounting Manager Phone: 503-823-3877	Funding Award(s)/Amount: General Fund Projects: Trade Sector Jobs \$ 2,045,000 Community Econ Dev \$ 1,360,000 Pass through \$ 965,495
	Grant Period: July 1, 2009– June 30, 2010

General Fund 101 Projects

Activity	Budget	Expense This Period	Expenses YTD Including This Invoice	Balance From Budget
Trade Sector Job Creation & Retention	2,354,106.00	246,516.03	437,257.61	1,916,848.39
Community Economic Development	1,752,000.00	121,641.17	228,784.96	1,523,215.04
Pass Through	965,495.00	290,495.00	444,594.50	520,900.50
Total GF	5,071,601.00	658,652.20	1,110,637.07	3,960,963.93

Amount Due (Credit): 658,652.20

Certification: I certify to the best of my knowledge and belief that the invoice is correct and complete and that all the expenses are for the purpose set forth in the award document, and I understand that a portion or all of this request will be funded with federal money and that these expenses are subject to future audit.

Jane Kingston - Accounting Manager: Phone: 503-823-3877

Certified by: Julie V. Cody - Chief Financial Officer Date Submitted:

FOR OFFICE USE ONLY

I have received this information and have forwarded the invoice for processing

Contract Manager

Date Sent to Accounting

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6751

Title:

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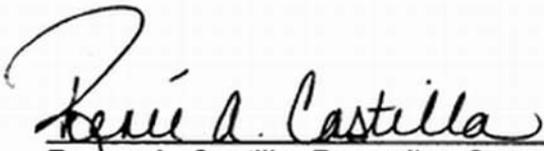
Adopted by the Portland Development Commission on December 9, 2009.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Steven Straus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<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: December 11, 2009