

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6861

**ADOPTING REVISED FINANCIAL ASSISTANCE GUIDELINES
FOR THE DEVELOPMENT OPPORTUNITY SERVICES
PROGRAM**

WHEREAS, in 2007 the Portland Development Commission (“PDC”) Board of Commissioners (“Board”) adopted Resolution No. 6442 revising the 1996 guidelines for the Development Opportunity Services Program;

WHEREAS, the Development Opportunity Services Program has been a successful program for over 17 years in the city of Portland, providing matching grants to business and property owners to fund predevelopment activities;

WHEREAS, the Development Opportunity Services Program helps implement Urban Renewal Plans and the Economic Development Strategy in the city by supporting the development and redevelopment of properties;

WHEREAS, PDC has undertaken a comprehensive review of all financial products it offers with the objective to identify opportunities for streamlining and standardization;

WHEREAS, the proposed changes to the Development Opportunity Services Program guidelines are designed to align with the Financial Investment Policy adopted by the Board through Resolution No. 6832, with the Strategic Plan 2010, and the City of Portland Economic Development Strategy, to provide better clarity and specific expectations that improve program delivery while maintaining the program’s ability to be flexible and responsive for unique needs in each URA; and

WHEREAS, the proposed changes to the Development Opportunity Services Program guidelines are designed to enable PDC to provide better and more targeted predevelopment assistance.

NOW, THEREFORE, BE IT RESOLVED that the Financial Assistance Guidelines for the Development Opportunity Services Program attached hereto as Exhibit A (the “DOS Guidelines”) are adopted and shall supersede any Development Opportunity Services Program Guidelines previously adopted by the PDC Board;

BE IT FURTHER RESOLVED that the Executive Director is authorized to make procedural and administrative changes to the DOS Guidelines and shall present any policy changes to the Board for approval; and

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

Adopted by the Portland Development Commission April 13, 2011.



Recording Secretary

Development Opportunity Services Program Guidelines

DEVELOPMENT OPPORTUNITY SERVICES (DOS) Grant Program

Purpose

The Development Opportunity Services (DOS) Grant Program provides a maximum of \$12,000 to businesses and property owners for evaluating development project feasibility. The program promotes PDC's goals to stimulate redevelopment and private investment. The DOS Grant supports owners and business tenants in their efforts to evaluate possible uses and improvements for underutilized properties; it is particularly aimed at assisting applicants who may not be familiar with the development process. The matching grant supports PDC's goals of revitalization by encouraging commercial mixed-use or industrial development, enhancing the livability of neighborhoods, and bringing new jobs to Portland.

Eligible Work

Funding is available for specific pre-development activities prior to construction, such as architectural planning studies, building inspection, engineering reports, market assessments, environmental studies, and real estate financial analysis. DOS funding is only available for professional services related to planning for development and does not cover attorney's fees, the preparation of construction drawings, permitting or any of the actual construction cost. Materials produced through a DOS project may be available for public review following the completion of the project.

Eligible Grantees and Projects

- Applicants must provide evidence of site control through ownership, an option, or a lease. Tenants must have at least three years remaining on their lease and submit written consent from the property owner. Property owners are encouraged to participate in the DOS project.
- Only one DOS grant project is allowed on a given property within a three-year period. An applicant may only utilize one DOS grant at a time.
- Projects should incorporate community strategies, visions, and urban renewal goals in the urban renewal development plans.
- Projects may include rehabilitation or redevelopment of existing structures or new development on underutilized land.
- Properties must be located in an urban renewal area and must be zoned for commercial, industrial, or high-density housing development. Types of projects can include a mix of retail, office, industrial, mixed-use housing, and/or "work/live" (described as a building where the primary use is commercial use with an incidental residential space).
- Projects must have a reasonable chance of being implemented within 5 years.

- New uses of buildings/properties being considered through the DOS project must allow minors on the premises.
- Government agencies are not eligible to apply (non-governmental tenants are eligible);
- If a project contains contiguous tax lots, all contiguous lots count as one project with a maximum grant of \$12,000. However, to encourage larger-sized redevelopment opportunities in accordance with adopted area plans, a larger grant of up to \$20,000 may be given for a multiple property DOS on contiguous lots that will require a greater level of analysis because of complex redevelopment issues such as a master plan. To be eligible for a larger grant, the URA manager and DOS Program manager must be in agreement that (a) the larger DOS grant is needed because of either complex site or other redevelopment issues and that (b) the project meets URA goals and policies.

Service Areas

All URAs, where funds are available.

Project Management

PDC staff will work with and assist the applicant to identify and manage pre-development consultants and evaluate development options. The applicant is the main contact with the hired consultants. The DOS Project Manager will provide project management assistance on the project.

Letter Agreement

The contract between PDC and the applicant will be in the form of a Letter Agreement, which specifies the location of the property, the development concept, and the scope and cost of pre-development services. The agreement will also identify the terms of the contract, funding level, and expiration date. PDC will not reimburse for costs incurred prior to the date of Letter Agreement. The Applicant shall provide PDC copies of all work products generated from the DOS project (including maps, financial information, and electronic files). Materials produced through a DOS project may be available for public review following the completion of the project. A written request is required as per PDC procedures.

Matching Grant & Disbursement of Grant Funds

The grantee is responsible for paying the consultants' invoices in full. The grantee or the grantee's consultant shall submit a copy of the invoice(s) along with a proof of payment to PDC for reimbursement. PDC will reimburse up to 80 percent of the cost of the pre-development services (architect's fees, engineering fees, market assessments, etc.) up to a total amount of the grant. The grantee is responsible for 20 percent of the pre-development service costs and/or any amount in excess of PDC's contribution. Permits and fees paid to government agencies are not reimbursable.

In limited circumstances, PDC may be able to make exceptions to its typical reimbursement policy. If the grantee can demonstrate that they can only afford to pay 20% of each consultant's invoice, but cannot afford to pay 100% of each invoice (and await the 2-3 week 80% reimbursement from PDC), PDC may be willing to pay 80% directly to the consultants. Proof of

20% payment from the grantee to consultant shall be provided in advance of 80% payment from PDC to the consultant. A separate 'Disbursement Agreement Exception' letter must be signed by applicant and DOS Program Manager prior to or concurrently with the Letter Agreement.

Additional Financial /Development Advice Services

From time to time while working with a DOS client, PDC DOS staff may determine that additional assistance is needed to an applicant with little or no development/redevelopment experience. The additional services may be offered to the applicant at the discretion of the DOS Project Manager and the DOS Program Manager, if the applicant would benefit from the additional financial feasibility analysis, and/or redevelopment feasibility advice consultation.

The DOS project manager will select a consultant from a PDC flex service list of pre-qualified professionals. Specifically the consultant(s) would be able to assist the applicant in educating and reviewing the overall development process including how to get financing, where to look for financing and the market for the project. Up to 15 hours or an amount not to exceed \$1,500 of financial development advice services may be available per project in addition to and connected with the regular DOS grant.

Consultant Proposals

- If the applicant does not have an established relationship with a consultant to work with on the DOS project, three proposals need to be sought for each type of work needed. Applicant shall provide PDC copies of all proposals.
- If the applicant provides evidence that they already have an established relationship with a consultant(s) prior to submittal of an application, they do not need to solicit three proposals.

Owner's Representative Involvement

- If an owner's representative is working with the applicant to manage the project, PDC will only reimburse up to a *maximum of \$1,500* for owner's representative services. The owner's representative's role should be clearly specified in the Scope of Work and in the Letter Agreement.

PDC is not responsible for contractual arrangements with the owner's representative other than what is specified in the DOS Letter Agreement.

- The property owner or tenant must be the DOS applicant (not the owner's representative) and must sign all documents and is responsible for all decisions, payments, and project outcomes.

Consultant Qualifications/Requirements

- All consultants must have evidence of a valid Portland business license submitted to PDC with the proposed scope of work.
- While preferred, it is not required that the consultant(s) is certified in their individual fields of expertise (such as a licensed architect), since the DOS work focuses on planning and feasibility, rather than preparing plans for implementation and/or construction.

- A DOS grantee shall not be reimbursed for any time spent or work product generated for DOS project by the grantee, consultants or others with whom the grantee has a financial or personal interest.

PDC

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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 Aneshka Dickson	<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 type="checkbox"/>	Commissioner Steven Straus	<input 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 type="checkbox"/> Consent Agenda		<input checked="" 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.



Recording Secretary

Date: April 15, 2011