

MINUTES

PORTLAND DEVELOPMENT COMMISSION

Meeting Location
222 NW 5th Avenue
Portland, OR 97209

March 22, 2006
8:00 a.m. – 12:00 p.m.

1. **CALL TO ORDER**

The Members of the Portland Development Commission (PDC) met in regular Commission Meeting at the Portland Development Commission in Portland, Oregon at 8:00 p.m. on the 22nd day of March 2006, the place, hour and date duly established for the holding of such meeting.

The Chair called the meeting to order and the secretary called the roll of the Commission and the following were present:

Eric E. Parsons, Chair
Douglas C. Blomgren, Secretary
Sal Kadri, Commissioner
Bertha Ferran, Commissioner

The following were absent: Mark Rosenbaum, Commissioner

In attendance were the following PDC staff members:

Bruce Warner, Executive Director
Lori Sundstrom, Executive Officer
Matt Baines, General Counsel
Rochelle Lessner, Policy Director
Mark Murray, Chief Administrative Officer
Juanita Swartwood, Commission Assistant

The Chair declared a quorum present.

Approval of Minutes

Motion to approve the February 8, 2006 was made by Ms. Ferran and seconded by Mr. Kadri and were unanimously approved.

2. **DISCUSSION**

Executive Director's Report

Mr. Bruce Warner provided a brief update on the following:

South Waterfront / Tram Project

- Increased construction cost and funding issues
- Increased need for affordable housing, parks, greenway, and street car extension

- Continue to meet with Oregon Health Sciences University (OHSU) and North Macadam partners to address City Council concerns
- Continue to brief City Council members
- Contract timing – Need to be resolved and in place by April 2006
- Continue to update City Council on the PDC Budgeting process
- Met with Leonard/Sten and focused on Economic Development and partner with the Office of Sustainability in the development of bio fuel
- Continue in workforce development with SWF partners and the unions to identify jobs that can be integrated with by women and minorities.
- Mr. Warner acknowledged PDC staff members Jim Thayer and Lynne Boussi in helping bring Genetech to Hillsboro. The bio technology therapy is exciting work. PDC was involved from the beginning of the recruitment.

3. **PUBLIC COMMENT**

Connie Ashbrook, Executive Director, Oregon Tradeswomen, Inc. thanked PDC for the efforts in the workforce development and emphasized the importance of strong community interaction to move graduates into apprenticeship roles. Ms. Ashbrook urged a stronger more timely action by PDC to fast track efforts and assist graduates of their program the opportunity to enter into job openings on PDC projects.

Elizabeth Schwalk, union member pipe fitter plumber (UA Local 290) and member of the OTI supports the training and retention of women in the trades. Ms. Schwalk applauded the Board for making an impact with the unions to fill positions by women in the trades. Due to this action she commented that many of the unions are bringing in more women to their training programs. She concluded her remarks by saying she appreciated the good-faith efforts.

Steve Simms, Administrator for the Apprenticeship and Training, Bureau of Labor and Industries requested PDC provide a statistical analysis of jobs being filled by African American males to show that diversity is being honored. Mr. Simms reported the BOLI database of registered apprentices shows only a slight rise in minorities and women working in the metropolitan area. He also indicated BOLI as receiving calls from female and minority workers saying they have not yet had an opportunity to work on SWF projects. Mr. Simms concluded on behalf of Dan Gardner, BOLI Labor Commissioner, that BOLI continues to offer assistance to the SWF project.

Allen Hipolito, stated that he was the Executive Director of a non-profit corporation called Verde with a mission to increase economic health to low-income and people of color through environmental training, employment, and entrepreneurial development to draw tighter the connections between environmental development and economic opportunity. His agency fully supports the Oregon Tradeswomen, Inc., and encourages the Board to support sustainable development and the connection of well paying jobs to the low-income community and people of color.

4. Burnside Transportation and Urban Design Plan (Report 06-25)

The following resolution was introduced:

ENDORSE THE CENTRAL EASTSIDE SEGMENT OF THE BURNSIDE/COUCH TRANSPORTATION AND URBAN DESIGN PLAN; DIRECT STAFF TO CONTINUE TO WORK WITH THE PORTLAND OFFICE OF TRANSPORTATION TO UNDERTAKE PRELIMINARY ENGINEERING FOR THE PROJECT AND REFINE THE EASTSIDE FUNDING STRATEGY.

Motion to adopt Resolution 1 and accept Report No. 06-25 was made by Mr. Blomgren and seconded by Mr. Kadri and passed by vote as follows:

AYES: Chair Parsons, Mr. Blomgren, Ms. Ferran, Mr. Kadri

NAYS: None

(A certified copy of Resolution No. 6344 is filed in the Official Minutes Book.)

Presenters: Lew Bowers, PDC Senior Manager
Bill Hoffman, Project Manager, Portland Department of Transportation

Mr. Bowers updated Board members on the collaboration efforts being made between the Portland Department of Transportation and PDC team members on the Burnside Bridgehead and 12th & Sandy projects.

The presentation proposed moving forward with preliminary engineering of the Central Eastside Burnside/Couch Transportation and Urban Design Plan improvements. His report indicated the Burnside Bridgehead project will complete by 2009. Given the current financing, the couplet (which is important to the success of the entire development), can not be completed until 2013-2014, requiring team members work with PDOT and other City agencies to revise funding strategies in order to meet development deadlines.

The funding strategy for the overall project is divided as follows:

- Lower East (from East 14th to Eastside Burnside bridgehead)
- Lower/Central West (from Westside Burnside bridgehead to West 16th Ave)
- Upper West (from West 16th Avenue to West 24th Avenue)
- Flanders Bike Boulevard

The funding of the project was presented as follows:

- Cost: \$19.7 - \$24.5 million
- Sources: \$5.2 million federal funds with a \$300,000 Tax Increment Funding local match
- Strategy: 90 percent federal, 10 percent local
- Timing of Federal Funds: SAFETEA (2003-2010) and Next TEA (2010-2017)
- Additional potential funds: Future Federal Opportunities in 2006, 2008, and 2010; Additional urban renewal funds; and other local sources (including LID)

The Burnside Bridgehead Citizen Advisory Committee and the Central Eastside Urban Renewal Advisory Committee supports full funding and build out of the Burnside/Couch couplet. On March 9, 2006, PDOT staff briefed City Council on Phase II work of the Burnside/Couch Transportation and Urban Design project and authorized PDOT move forward with preliminary engineering and transportation improvements on the Eastside portion of the project. The City Council resolution was amended to direct PDOT staff update the financing plan to quickly deliver improvements.

The team is expected to return to update the Commission on the funding strategy in September 2006.

Public Testimony

Additional testimony in favor of the project was received by Emily Simon (AFRIEND), Richard Harris (Central City Concern), Bob Wentworth (Wentworth Chevrolet), and Bruce Wood (OPUS.)

Discussion

The Board requested the team include full public participation without delaying the project.

The Board of Commission recessed for a break and Chair Parsons reconvened the meeting for the Work Session portion of the agenda.

WORK SESSION AGENDA

5. Interagency Agreement with the City Auditor for Performance Auditing Services.
(Report 06-26)

Presenters: Lori Sundstrom, Executive Office
 Drummond Kahn, Director of Audit Services, City of Portland

Ms. Sundstrom updated the Board on the progress of PDC's internal performance audit currently being conducted by the City of Portland Audit Services Division. The Board, which also serves as the Board Audit Committee, is responsible for oversight of the internal audit function at PDC. The report covered why the audit will result in the development of an annual internal audit work plan.

In addition, Ms. Sundstrom provided an update on the previously conducted TKW and the City of Portland audits. The information revealed PDC completed all the required work, with the exception of one outstanding issue of finalizing the centralization procurement functions, which is currently on schedule. The interagency agreement and proposed scope of work with the Office of the Auditor was also reviewed with the Board.

Mr. Kahn, was pleased to have an agreement with PDC to perform internal audits through the City of Portland. He made the Board aware of his credentials to perform risk assessments and audit services which were reported as meeting national standards. The Board felt his endeavor to assist PDC in meeting their objectives added value to meeting overall commission goals.

Discussion

The Board advocated for an audit and for bureau transparency within the organization and offered their congratulations to the Executive staff in taking steps to becoming a stronger agency.

6. Update on New Multiple Unit Housing Tax Abatements. (Report 06-28)

Presenters: Leah Greenwood, Housing Policy & Planning Manager
Barbara Sack, Bureau of Planning, City Planner

Ms. Greenwood and Sack's report provided background and updates since the January 10, 2006 joint meeting between PDC and the Portland City Council meeting when multifamily property tax exemption programs was discussed. Ms. Greenwood referenced a Portland Planning Commission memo from Barbara Sack on the subject of concepts for a New Multifamily Tax Exemption Program that outlined Ms. Sack's suggested proposals (Attachment A.)

The briefing provided up-to-date on program changes that are being considered and the timelines from stakeholder input and Portland City Council approval. The presenters will brief the Board again in late April or early May 2006.

Discussion

The Board was concerned with the affordability of family size housing in condominium developments. It was suggested the team create a formula as opposed to a dollar cap for greater advantages. A formula based upon affordability could provide a flexible option. Chair Parsons expressed concerns on the impact and ability to meet housing goals and advocated for a program to meet these goals.

7. Homeownership Policy Briefing (Report 06-28)

Presenters: Leah Greenwood, Housing Policy & Planning Manager
Shelly Haack, Neighborhood Housing Program Manager

The presenters reported the current roles and investment strategies as background for opening a discussion on policies that should be adjusted to achieve PDC and City strategic outcomes.

PDC's housing production goals include development of 3,000 new homeownership units; 3,000 first-time homebuyers; and 1,600 homes repaired.

The presentation focused homeownership as being the best wealth creation tool. Achieving this in Portland is now a greater challenge for low, moderate, and increasingly middle income households.

The following critical questions were outlined:

- What role should PDC play in supporting homeownership in Portland?
- What is the desired outcome of PDC homeownership investments?
- What are we really trying to accomplish through wealth creation?
- Where is the balance between public investment and private gain?

Discussion

Ms. Greenwood and Haack asked the Board for direction in setting housing goals and budgets. The Board requested staff look at the return of investment and choose funding tools that best suits homeownership and wealth creation, equity, and betterment of families and communities.

Public Comment

Allison Handler & Kelly Caldwell (Portland Community Land Trust) provided public testimony and thanked PDC staff for their work on housing issues being brought before the Commission. Both requested the Board consider additional questions related to housing issues and opportunities.

7. Development of the FY 2006-07 Budget (Report 06-29)

Presenters: Mark Murray, Chief Administrative Officer
Andy Wilch, Economic Development & Housing Director

Mr. Murray reported collaboration with City Council, extensive public outreach and Board comments, continue to guide the goals and priorities and build the budget. In an earlier version of the budget the personnel count was higher and staffing has been brought back in line.

The report mentioned that Mr. Murray may be bringing forward add packages to Finance IT enhancements, Human Resource overall and organizational training; focus on right sizing; and 5-year forecast.

Key Budget Deadlines:

- April 12, 2006 - Providing Proposed Budget Document
- April 26, 2006 - Proposed Public Hearing and Public Input
- May 10, 2006 – Take Action to Approve the Proposed Budget
- June 28, 2006 - TSCC Hearing to adopt the Proposed Budget
- By May 26 – Schedule a Budget Work Session to discuss additional comments received from City Council and public participation.

The urban renewal area goals detailed the projects criteria in the following areas: description, URA plan goals, Commission outcomes, and City Council goals and focus areas.

Andy Wilch, Housing & Economic Development Director outlined PDC's Economic Development 2006-07 Budget decision add package (Revision 2) which requests \$8,676,635 million for the six program areas that comprise the Economic Development Department's City General Fund Allocation.

The programs outline included business development citywide, regional business development, target industry jobs, small business advocate, business districts, and Enterprise Zone administration. Mr. Wilch additionally described the work associated with clusters, such as high tech, WiFi, metals industry, sustainable industries, and active

wear. He reported the majority of this work is associated with small business development which was outlined by the statistical achievements of the department.

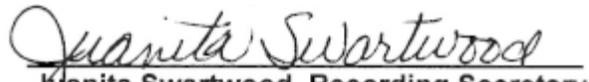
Version 2 of the add package included \$1,747.932 million of additional funding for the following projects:

- Citywide revolving loan fund (small business focus) - \$500,000
- Regional Recruitment and Retention Matching Funds - \$125,000
- NW Center for Advanced Manufacturing - \$125,000
- Transit Mall/Light Rail Business Assistance - \$100,000
- Small Business Technical Assistance - \$20,000

5. **ADJOURNMENT**

There being no further business to come before the Commission, the March 22, 2006, Commission meeting was adjourned at 12:00 p.m.

Approved by the Portland Development Commission on May 10, 2006



Juanita Swartwood, Recording Secretary