

P O R T L A N D D E V E L O P M E N T C O M M I S S I O N

FIVE

business
plan

1994

1995

year-end report

YEAR

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FIVE business plan YEAR

YEAR END REPORT

Overall Program Implementation & Results Report Portland Development Commission - 1994-95

EXECUTIVE SUMMARY

The overriding goal of the Portland Development Commission can be summed up in just two words —sustained livability.

For us sustained livability means: the maintenance and expansion of a full range of affordable housing opportunities; business retention, expansion and recruitment that links jobs to city residents; and an increasing economic base with vital neighborhoods and business districts.

The Commission is pleased to report that during our 1994-95 fiscal year we made significant progress on these elements of the livability equation.

For example:

PDC's business retention and recruitment efforts resulted in 3,837 jobs being recruited or retained for residents in the region, nearly four times the goal set for the year. Among the highlights:

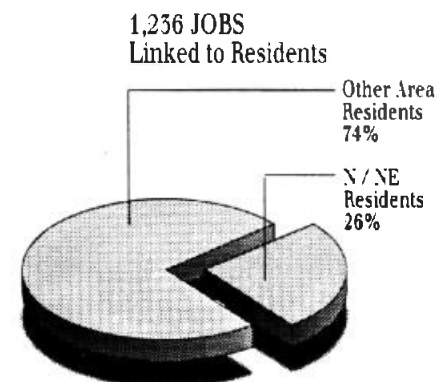
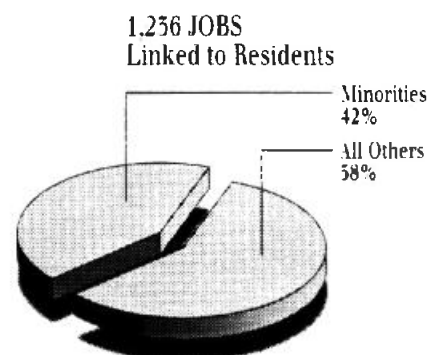
EnvironMed, a NE Portland company which recycles plastic material into hospital products; General Parts, an auto parts distributor; Oregon Steel, a rolled steel operation; Wacker Siltronic, manufacturer of silicon wafers; and Rhodda Paint chose to expand their facilities here; and Kinesis, one of the world's leading bicycle frame manufacturers, opened its U.S. manufacturing operations in the city's NW industrial sanctuary--perhaps opening the door for further growth of that industry here. Other new recruits included the new Pacific Gas Transmission headquarters, LSI Logic, a supplier of custom high-performance semiconductors, and Pasco, a food processing facility and exporter.

PDC's JobNet program, which works thru community partners to link unemployed city residents with new jobs and job training opportunities, helped place 1,236 unemployed and under employed people into jobs in companies we work with and through our recruitment and retention efforts. Forty-two percent of those jobs went to minority residents, with 26 percent of the total population served coming from our targeted area of Inner North/Northeast Portland.

These jobs ranged from manufacturing to professional services to hospitality and food services.

PDC used public dollars to leverage significant private investments to revitalize neighborhoods and business districts.

During the fiscal year, more than 88 small businesses received PDC loans. In Inner Northeast 57 percent of the loans went to minority entrepreneurs. PDC funding also assisted 32 commercial property and business owners

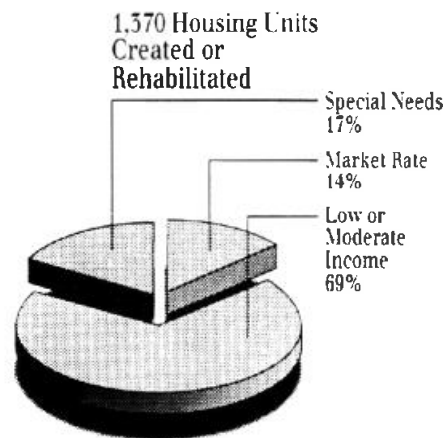


with exterior rehabilitation of their storefronts, helping to improve the character and safety of neighborhood business districts.

PDC loans, project management and technical assistance helped create or rehabilitate more than 1,370 housing units for Portland residents, more than 280 units above our goal for the year.

The vast majority of these housing units (69 percent) will meet the needs of Portland's low to moderate income residents (defined as those whose income is 80 percent or less of median income). Nearly one out of five (17 percent) of these units were created for citizens with special needs —like recovering alcohol and drug dependent persons, the mentally ill or at-risk teenage girls. The balance of the units (14 percent) were market rate, built in strategic areas to meet the region's goal for more compact development and 24-hour vitality near Portland's core.

This success was possible because of the many community based partners and our ability to bring a diverse set of financial and technical resources together to leverage city dollars.



PDC built strategic partnerships to redevelop targeted areas.

Working with our city partners as well as other non-profit and for-profit organizations, our planning and project management expertise was demonstrated in redeveloping areas such as the Rose Garden Arena, the River District, where we provided planning services and selected developers for the Union Station housing element and for the Agricultural Center; Martin Luther King Boulevard where we worked with the community to create the Development Opportunity Strategy and implemented parts of that strategy such as the Walnut Park Retail Center; and continuation of RiverPlace where we worked with partners to successfully recruit an employer to the area (PGT) and complete the newest phase of housing.

Our focus on customer service, meeting the needs of our public and private partners as well as the community as a whole, was the driving element behind these successes.

Our actions were guided by a comprehensive strategic plan, which reflected the needs of the community as they were articulated in adopted community plans such as Prosperous Portland, Future Focus, Central City Plan and the Albina Plan. Called the PDC Five Year Plan, this document outlined specific projects and performance indicators for ten targeted areas of the city and region. We then focused our areas of expertise —redevelopment area planning, project finance and development, neighborhood revitalization, business retention, expansion and recruitment, and workforce development—into these areas according to specific needs and goals.

This annual report outlines how we have met the goals set forth in the first year of the Five Year Plan within each of the Commission's key target areas.

In the coming month, we, in cooperation with many community partners, will be completing work on our next Five Year Plan. This plan will take our organization into the year 2000 and help us work with you to meet the City's goals for a more livable future.

We hope you will read our report and we welcome your comments or questions. Comments may be directed to:

Janet S. Burreson
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Portland Development Commission
1120 S.W. Fifth Avenue, Suite 1100
Portland, OR 97204

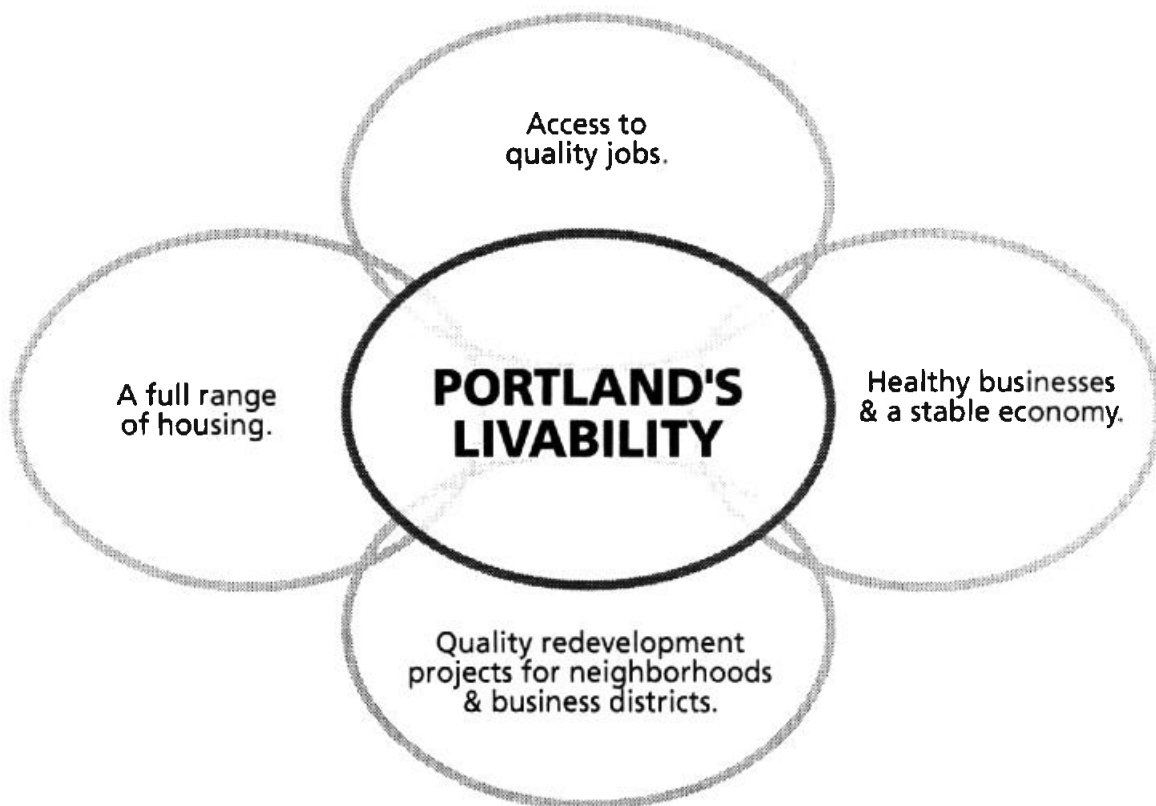
ABOUT PDC

The Portland Development Commission (PDC) was created as a city agency in 1958 by Portland voters to deliver projects and programs which achieve the city's housing, economic development and redevelopment priorities and link citizens to jobs.

Specifically, PDC is the city agency that helps provide sustained livability for our City and region. **Our mission is to bring together community resources to achieve Portland's vision of a vital economy with healthy neighborhoods and quality jobs for all citizens.**

In carrying out city policy, PDC has developed and managed projects and programs which have played a major role in keeping Portland one of America's most livable cities. During the past 37 years, PDC has taken forward urban renewal plans, has worked extensively in Portland's neighborhoods to deliver a broad range of housing and neighborhood improvement programs and has carried out a comprehensive range of economic development programs aimed at creating jobs for city residents. It is the linkages among these efforts, the integration of services that assures a comprehensive approach to building and maintaining a strong and healthy city.

PDC WORKS WITH PARTNERS TO PROVIDE:



HOW PDC DELIVERS ON THE CITY'S GOALS

PDC is uniquely positioned to provide a fully integrated and clearly defined mix of services to better serve the community and meet the City's goals. The Commission is governed by a five member, volunteer citizen board of Commissioners, appointed by the Mayor and approved by City Council. Commission business is conducted at monthly public meetings and all PDC activities are guided by a Five Year Plan.

PDC's services are divided into five major lines of business:

1. Redevelopment Area Planning: Planning for comprehensive downtown and neighborhood revitalization programs and projects to redevelop project areas which reflect the public interest. Current programs include:

- Market analysis
- Project feasibility
- Urban renewal district plans
- Development opportunity strategies
- Site Planning

2. Project Finance and Development: Developing housing, retail, office, industrial and infrastructure projects that involve public/private partnerships to achieve City objectives. Current programs include:

- Multi-family housing
- Infrastructure
- Office and commercial facilities
- Construction management

3. Neighborhood Revitalization: Working with community residents, business owners and non-profits to develop and implement strategies for affordable housing, increased employment, community ownership of business, and neighborhood livability to build healthy neighborhoods and business districts. Current programs include:

- Housing, development, workforce and economic development input on community plans
- Single family housing loans
- Small business loans

4. Business Retention, Expansion and Recruitment: Providing a full range of direct assistance to businesses looking to locate or expand in the Portland area and to create jobs for City residents and build a strong economic base of key industries. Current programs include:

- Marketing of sites
- Hiring strategies for businesses
- Incentive packaging
- Enterprise Zone management

5. Workforce Development: Providing workforce planning strategies and employment services to businesses locating or expanding in the Portland area by providing customized workforce training and by linking employees with employers to provide employment opportunities for City residents to increase community wealth. Current programs include:

- JobNet system to supply applicants
- Target industry training strategies
- Systems to eliminate barriers for job openings to employment, i.e. childcare, transportation



Year End Performance Report

PDC focuses its lines of business into 12 geographic and program areas. They are:

Airport Way/Columbia Corridor
Central Eastside
N.E. Cully and Killingsworth
Downtown
Inner Northeast
Lloyd District
North Macadam
River District
Outer Southeast
Transit Stations
City Wide Activities
Regional Activities

Reports of PDC's Fiscal Year 1994-95 activities in each of these geographic and program areas follows.

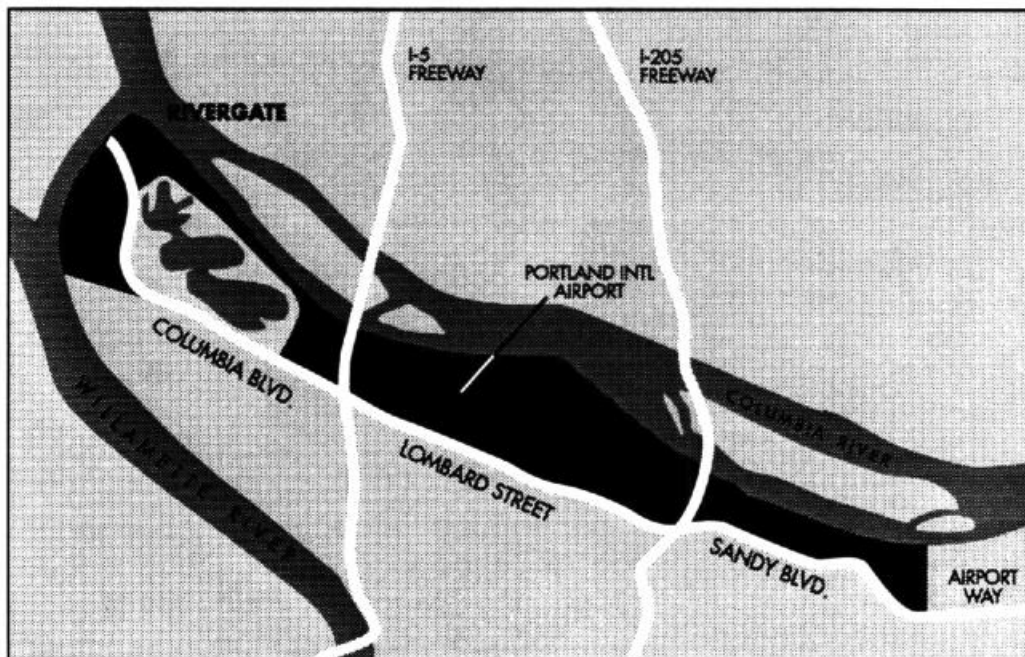
AIRPORT WAY / COLUMBIA CORRIDOR

Executive Sponsor: Mark Clemons

Team Leader: Christopher Juniper

OBJECTIVE:

To provide infrastructure and marketing activities necessary to leverage new development which provides opportunities for job growth.



Performance Indicator	Year Total	Goal FY 1995
Jobs created or retained:	438	250
New jobs filled through JobNet:	878	75
Businesses sited, retained or expanded:	7	7

Highlights:

- As Enterprise Zone manager, PDC negotiated five Enterprise Zone partnerships and First Source Agreements with expanding companies that resulted in business facility investments and job creation in the target area. These included the following:
 - General Parts - building a 100,000 SF regional HQ and distribution facility in Rivergate with 85 jobs anticipated at opening;
 - Graziano Produce - consolidating their 150 employee operations in a new facility in Rivergate, and expanding their workforce by 15 workers;
 - Kanto Corporation - building an ultrapure chemical processing facility in Rivergate, creating 29 jobs;
 - Oregon Steel - \$180 million steel mill modernization/expansion which retains 700 high-quality jobs and paves the way for future job-creating expansion;
 - Pasco Corporation - \$17 million manufacturing facility for creation of frozen bread dough for export to Japan, creating 35 jobs.

- Grand Masters Colour, a start-up advanced technology printing company, received a \$50,000 PDC loan which generated another \$130,000 of private capital for the company's creation. The PDC loan requires a First Source Agreement which links the company with PDC's JobNet services for recruiting and hiring of qualified employees.
- Market Contractors, a custom woodworking shop, relocated from Northeast Portland to Parkrose neighborhood with PDC assistance, retaining 45 jobs in the City.
- Collaborating with other bureaus, PDC completed the Secondary Infrastructure Plan for Airport Way area, defining infrastructure improvements needed to open 635 acres to industrial development.
- The Columbia Slough Trail project was initiated by PDC staff. It assists landowners in Airport Way with completion of their obligations to provide a 40-mile loop trail planned for the area. First phase should be completed in summer 1996.
- PDC contracted with Oregon Association of Minority Entrepreneurs for expansion of their business clearinghouse database connecting N/NE supplier businesses with firms receiving Enterprise Zone benefits.
- PDC Business Development staff continued work with current prospects for business expansion in the target area in the food processing and high technology target industries, representing over 500 existing and potential jobs.
- The PDC target area team, with marketing experts and citizen volunteers, initiated development of a strategic marketing plan for the Airport Way sector that will guide marketing in coming years. Plan will be completed Sept. 95 and implemented FY96 and FY97.
- A total of 878 positions were filled through PDC's JobNet in companies located in the target area. Employers with significant hiring included: Oregon Steel, Cintas, Marco Machine Works, Nabisco, Graziano Produce, Nordstrom Distributing Center, Silver Eagle, & Freightliner.

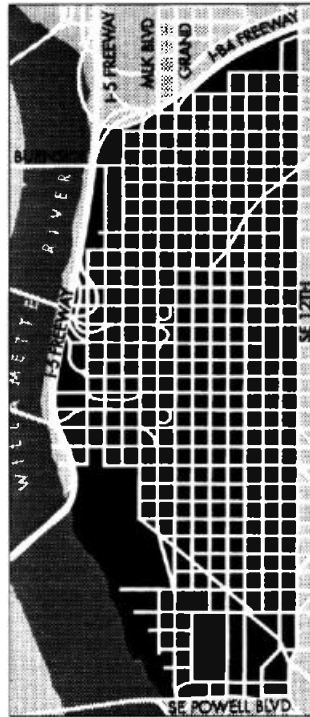
CENTRAL EASTSIDE

Executive Sponsor: Larry Dully

Team Leader: Larry Brown

OBJECTIVE:

To support neighborhood, business and property owner goals of maintaining the vitality and facilitating the continued growth of the Central Eastside as a major employment Center.



Performance Indicator	Year to Date	Goal FY 1995
Jobs created or retained:	47	50
New jobs filled through JobNet:	72	15
Businesses sited, retained or expanded:	5	5

Highlights:

- PDC assisted in siting the Portland Community College Workforce Development Center under construction on the corner of Clay and Water Ave..
- PDC assisted Around Town Network, a local family-owned company, with relocation to Central Eastside, retaining 5 jobs in the City.
- PDC worked with REACH Community Development to obtain financing for the City Life Project which resulted in 18 units of affordable owner occupied housing.
- PDC assisted Franz Bakery with expansion of their Central Eastside facility, increasing their operating capacity and efficiency. The expansion retained 14 jobs in the City--relocated from NW Portland..

- PDC initiated discussions with owner's representatives on three different properties identified in the Site Feasibility Report prepared for BHCD as a site for a new women's facility. An option to purchase property at 11th and Burnside was presented to property owners and accepted.
- PDC expedited the RFP process which led to the selection of KPFF, civil & structural engineers, to manage design and engineering work for the SE Water Avenue Phase II. This \$3,000,000 project is being coordinated with the Office of Transportation and the extension should be completed during the 1995-96 fiscal year.
- PDC provided Master Planning for PGE for the KPTV headquarters which has been completed. Headquarters is to be located on the PGE property and a ground breaking was held in July.
- PDC assembled land and re-sold land to local businesses for the Belmont/Main Project. Construction work is proceeding for Block 89 (Acme Tool) retaining 22 jobs; Block 88 and 87, (Bruun Development for Platt Electric and Rhodda Paint) retaining 47 jobs. A fourth block should be sold and under construction during the 1995-96 fiscal year.
- Eastbank Riverfront Park: PDC staff continues to work with Parks Bureau and Oregon Department of Transportation (ODOT) on accessing funding for preliminary engineering and design for Eastbank. PDC objective for 1994-95 was to obtain site control of ODOT surplus waterfront land in the Crescent area. ODOT decided to present the City with a large package deal for all ODOT land in the city. PDC is involved in general City negotiations with ODOT.
- PDC's JobNet provided applicants/employees for the following companies: Pacific Coast Fruit, Pacific Town Car, Peacetreer Recycled Paper, Jewell Manufacturing, Columbia Wire & Iron, and Acme Tool.

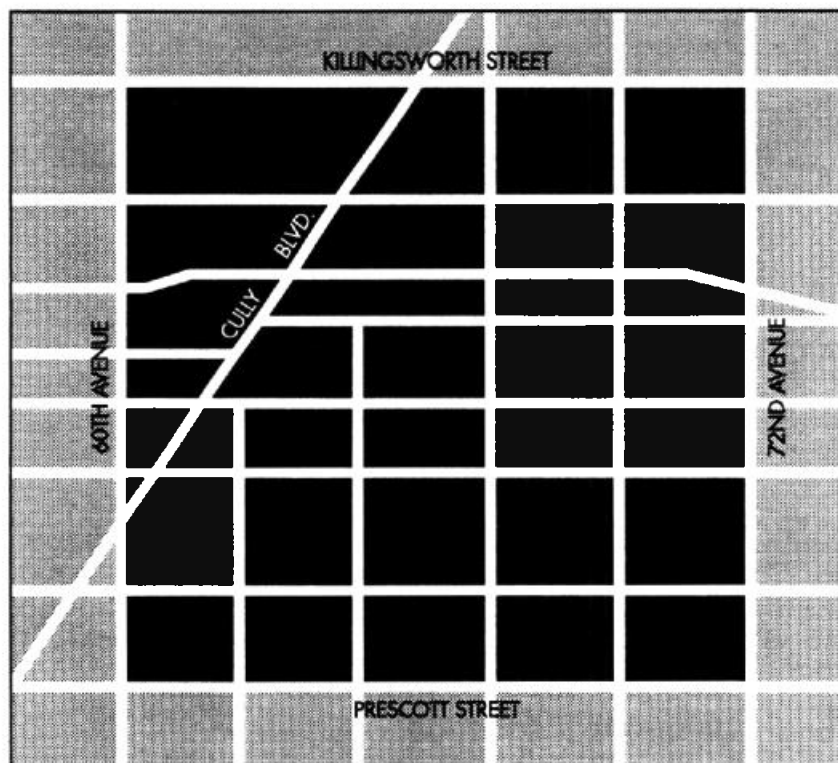
N.E. CULLY AND KILLINGSWORTH AREA

Executive Sponsor: Michelle Haynes

Team Leader: Bob Schroeder

OBJECTIVE:

To capitalize on multi-family residential development (Villa de Clara Vista) and to improve surrounding residential neighborhood.



Performance Indicator	Year to Date	Goal FY 1995
New mixed-income housing units:	0	15
New no/low-income housing units:	0	22
New low/moderate income housing units:	0	29
Rehabilitated low/moderate-income housing units:	181	111

Highlights:

- PDC provided a \$2.5 million loan and construction and project management for the rehabilitation of the Villa De Clara Vista, a 181-unit apartment complex serving a largely Hispanic population. Completed in 1995, the occupancy has stabilized and the project is performing well on both human and financial terms. The borrower, Hacienda Community Development Corporation, continues work to complete landscaping and other work that was outside the original budget. There are over 20 social service agencies working with Hacienda, and the tenant and neighborhood associations, to provide services to the residents of the area. Conceptual work has begun on Phase II of the project, which includes construction of 55 new low-income units along with new commercial space.

DOWNTOWN

Executive Sponsor: Larry Dully

Team Leader: Cheryl Twete

OBJECTIVE:

To enhance downtown as the state's largest employment, business and cultural center by planning and developing projects which contribute to improved transportation, and to balanced and increased housing for all markets.



Performance Indicator	Year to Date	Goal FY 1995
Jobs created or retained:	220	25
Businesses sited, retained or expanded:	1	5
New low/moderate-income housing units completed:	122	122
New no/low-income housing units completed:	119	119
Rehabilitated low/moderate-income housing units:	287	106

Highlights:

- PDC provided funding (loan) & project management for the 12th Avenue Terrace project. REACH'S construction was completed on this 118 unit elderly, low income housing project in July 1994 and it has achieved 100% occupancy. Actual project operation is exceeding proforma expectations.
- PDC provided a loan and project management for the St. James Apartments. Successfully completed in December 1994, this 122 unit low- and moderate-income housing project has achieved 100% occupancy.
- PDC loaned HUD funds (from the Hamilton Lonsdale Special Purpose Grant) and provided project management for the Housing Authority of Portland's 13th and Market project. Renamed the Peter Paulson Apartments, this 89-unit development was named in honor of the founder of Northwest Pilot

Project and Burnside consortium. The building was completed and lease-up begun in September 1995. This complex is targeted toward low income residents and replaces units lost when the Hamilton Hotel was demolished to make way for the new Federal Building.

- PDC provided a loan and project management for the Rothchild Building (106 Units). Completed and renamed the Mark O. Hatfield Building, Central City Concern has a waiting list of 134 persons with chemical dependency or who are in a recovery program who have applied to live in the building.
- PDC provided financing to the Housing Authority of Portland for construction of three rental rehabilitation properties targeted for low/moderate income families.
- PDC continued pre-development work with the developer of Phase II of Gallery Park Apartments in the South Park Block Urban Renewal Area. This is a 25 unit mixed income project. Developer may execute option with Commission Fall/1995.
- PDC provided loans for rehab on the St. Francis Hotel, 132 units for low income specials needs population.
- PDC staff conducted active business siting/retention efforts for The Oregonian. The paper has decided to remain in its present downtown location.
- Following marketing assistance to Chelsea Co., owners of the former Frederick & Nelson building at 5th and Washington St., PDC assisted Kimpton Hotels with City permitting for their 220 room suite hotel and restaurant development scheduled to open May 1996. The \$25 million project will generate 220-240 jobs.
- PDC staff provided technical assistance to PSU to complete the University District Plan, a master plan for the University and the surrounding area to create a more vibrant district. The plan includes housing, retail, future expansion of University and transit.

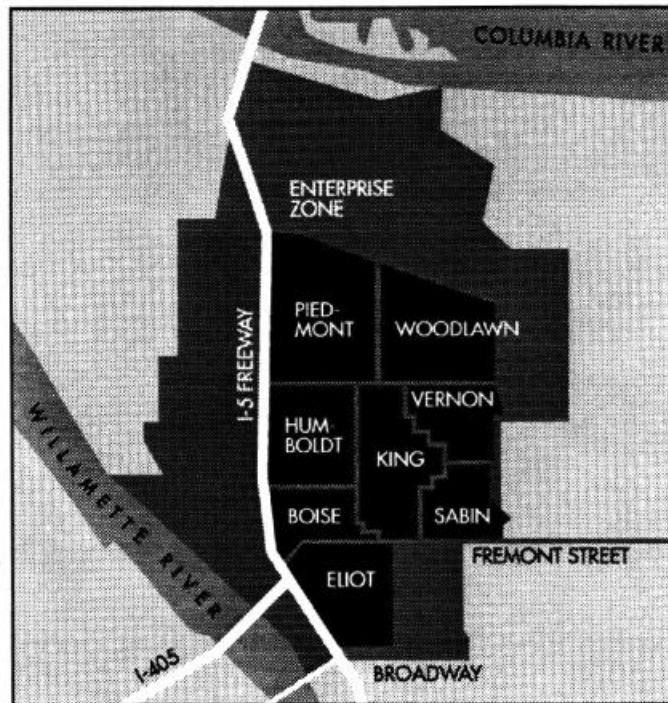
INNER NORTHEAST AREA

Executive Sponsor: Ronald D. Jackson

Team Leader: Michael McElwee

OBJECTIVE:

To assist the community to achieve its vision for the Northeast area by carrying out projects and activities which increase community wealth through local ownership and local employment, preserve and create home ownership and rental housing opportunities for Northeast, and meet community needs for local goods and services.



Performance Indicator	Year to Date	Goal FY 1995
Jobs created or retained:	114	70
Area residents hired through JobNet:	325	128
Businesses receiving loans/technical assistance:	83	47
Storefront Improvement Grants committed	12	7
Rehabilitated low/moderate-income housing units:	151	94
New low/moderate-income housing units:	139	99

Highlights:

NEIGHBORHOOD BUSINESS DISTRICT REVITALIZATION

- PDC coordinated implementation of the Walnut Park Master Plan and specifically managed design, construction and development of the 25,000 s.f. Walnut Park Retail Center. With strong community involvement, tenants were recruited that reflected a mix of minority businesses and regional anchors. A

grand opening was held on May 27, 1995 to celebrate project completion. Restoration of retail vitality at the MLK/Killingsworth "node" was a high priority of the Albina Community Plan and the City Council.

- The Storefront Improvement Program-- which focuses on Martin Luther King Jr. Blvd. and Alberta Street-- received a total of 28 applications. 12 projects were approved and 8 of these were completed including: Leigh Properties, Friends of Trees, Atiemo Building, Pacific X-Ray, Kopkie Auto, Marco Machine, One-on-One Tax Service, Roslyns' Garden Cafe and QSI Bldg.
- Through the MLK Blvd. Development Opportunity Strategy, PDC completed feasibility studies for 8 potential development projects including Harry Jackson Plaza, Jessup St. Veterinary Clinic, Knott St. Mixed Use, GBC Housing, Piedmont Emerald Center, Action Plus Business Center and the Boys & Girls Club. Four are under construction and three are pending financing.
- PDC drafted new Enterprise Zone guidelines which were approved by City Council. Municipal E-Zone legislation passed in the State of Oregon legislature including local control in establishment of guidelines and authority for new zones.
- PDC completed a Master Plan for the redevelopment of Kennedy School in partnership with the Bureau of Housing and Community Development and a neighborhood task force; and facilitated a solicitation and selection of development proposals. PDC has entered into a Redevelopment Agreement with McMenamins Pubs and Breweries to privately finance and develop the restoration project - which will convert the school into a pub/theater/lodging and conference facility, with space set-aside for a neighborhood/police contact office and community garden.

COMMUNITY BUSINESS SUPPORT

- PDC originated \$673,050 in small business loans to 23 local businesses, of which 57% were start-up businesses owned by community residents. A total of 88 jobs were created through these business loans. To date approximately 85% of the loans are performing as agreed. Examples include: Ausbie's Cabinet Center, Roslyn's Garden Coffee House, Arco AM/PM Mini-Mart, Environmed, Inc. and the Bee Company. PDC's public loan investment leveraged \$880,420 in private sector financing.
- PDC provided \$57,977 in technical assistance grants through contracted professional consultants to 47 community businesses. Support was provided in the areas of marketing, inventory control, financial and general management issues.
- Through a contract with the Oregon Association of Minority Entrepreneurs (OAME) to provide short-term/accounts receivable financing to small businesses, PDC made \$78,255 in loans to 18 small business.
- PDC worked closely with tenants at the Walnut Park Retail Center to enhance business success by providing technical assistance to 6 of 9 of the retailers. Assistance included marketing, store layout, lease structuring, and financing. Retailers are: Mother Dear's Tasty Pastries, It's My Kind of Face Photography, Woods and Reid Bridal Fashions, Reflections Coffee/Books/Flowers, J.P.'s Custom Framing and the Walnut Park Laundromat. All are community-based and minority-owned businesses. Technical assistance continues for these retailers particularly in the areas of marketing and financial reporting.

AFFORDABLE HOUSING

- PDC provided financial assistance to several nonprofit community-based housing partners (such as Sabin CDC, Franciscan Enterprise Oregon, Housing Our Families, Housing Authority of Portland, and Bradley Angle House) to develop 124 units of affordable rental housing in 21 projects. Also provided financial assistance to community-based for-profit housing partners (such as Deadra Hall, Jane Olberding and Jerome Lewis) to develop 5 units of affordable rental housing in 3 projects. Projects ranged in size from single family homes to a 67-unit complex.
- PDC loaned the funds necessary for the rehabilitation of Maya Angelou, a 42-unit low income apartment complex owned and operated by Housing Our Families.
- PDC provided a pre-development loan to Housing Our Families for a mixed-use project on N. Shaver & N. Mississippi with 8-9 family units situated over 1,200 sf of commercial space.

- PDC financing closed, acquisition funds were released and property was acquired by the developer for the Albina Corner Project, a mixed use, 48-unit project.
- PDC financing and technical assistance was provided and construction begun on the Dawson Park Apartments--67 units of affordable housing owned and operated by the Housing Authority of Portland.
- Using PDC/US Bank loan guarantee, HOST Community Development acquired sites in the Woodlawn neighborhood to create a new subdivision for affordable home ownership.
- Community Based Housing Assistance:
 - Walnut Park: The Commission approved the selection of Franciscan Enterprise Oregon as the developer of a nine unit low income housing project on this site, and authorized staff to enter into a Purchase Option Agreement with the developer. Staff began working with the developer to finalize financing and development details.
 - NE MLK/Wygant: Fair City Housing was selected as the developer of a high density housing project on this site (40 units). PDC staff have been authorized to enter into a Purchase Option Agreement with the developer. Demolition of two vacant houses on the site was completed. Staff assisted tenants with relocation to a new residence.
- PDC provided financial assistance to rehabilitate 101 owner-occupied homes in the target area. This includes repair loans, refinance/repair loans, and paint incentive "loans".
- PDC provided permanent mortgage financing for 6 first-time home buyers through the Portland Homestead program. Three of these new home owners obtained newly constructed homes from HOST CDC's 6-unit project near Dawson Park. This met HOST's goal of targeting half of the project's units to low-income families.
- PDC's Neighborhood Housing Preservation section continued to provide technical support to the Portland Housing Center, a non-profit that develops and delivers education, information and referral sources to those seeking home ownership.
- PDC transferred title to 8 sites in the Walnut Park area to the Northeast Community Development Corporation(NECDC). NECDC will redevelopment the sites and provide home ownership opportunities to low-income families through their Nehemiah program.

JOB CREATION FOR NORTHEAST RESIDENTS

- Through small business loan activity PDC assisted in creating more than 70 jobs.
- PDC executed four performance-based contracts to hire, train and retain 29 NE Enterprise Zone residents for Silver Eagle, Drake Turner, Elite Electronics, and Advanced Business Solutions, under the N/NE Business Assistance Training Fund.
- PDC FirstSource agreements that were executed with 8 businesses in the Airport Way Target Area provided jobs for 41 residents in the NE Target area. Businesses included: Wacker Siltronic (Enterprise Zone (EZ)), Graziano Produce (EZ), Environmed, Ausbie, Kanto (EZ), Grand Master, Oregon Steel (EZ) and Cintas (EZ).
- PDC recruited 35 production workers for Nabisco as well as several positions with Silver Eagle and Portland Spirit.
- The Northeast Workforce Center Targeted Neighborhood Project, funded by the Regional Workforce Quality Committee and administered by PDC, surveyed 142 households; 108 placements were completed and 38 training enrollments were made.
- Through Metro Regional Strategies Board, PDC funded a Metals Industry School-to-Business partnership and Educator Internships with Benson High School Staff. The program was jointly designed by PDC staff and the Oregon Metals Industry Council.
- Working with Wacker Siltronic, Benson High School and Portland Community College, PDC initiated a Semiconductor Training Center (simulated clean room) at Benson funded through the Enterprise Zone

agreement negotiated between Wacker and PDC. Four classes completed initial training at the Benson training facility. PDC Workforce staff and Wacker assessed screening criteria and the need/role of supportive services.

- PDC/Wacker initiated an employers group to help guide the analysis/development of a child care center in NE. Through efforts of the YMCA, an employee survey was mailed to several key employers.

LLOYD DISTRICT

Executive Sponsor: Larry Dully

Team Leader: Chris Steinbrecher

OBJECTIVE:

To revitalize the district to build employment and housing opportunities, capitalize on major public and private investments, and make transportation and related improvements.



Performance Indicator	Year to Date	Goal FY 1995
Jobs created or retained:	0	165
New jobs filled through JobNet:	14	25
Businesses sited, retained or expanded:	0	4

Highlights:

- Staff continues the management and oversight of the Rose Garden including \$34.5 million of public construction. Project has created 400 construction jobs and is scheduled for completion in October 1995. Public improvements are on schedule and within budget.
- 14 jobs were filled under the PDC's First source Agreement with the Oregon Arena Corporation.
- Liberty Northwest was retained in the Lloyd District for its expansion efforts. We are assisting them with their development efforts for the new building. Final announcement expected in FY96. Jobs retained will be documented following this announcement.
- PDC approved a tax abatement for the 202 unit Lloyd Place Apartments.
- PDC assisted in siting four new businesses at the Rose Garden including 3 restaurants and a sports shop.

Comments:

- PDC workforce staff have met with Human Resources staff at Oregon Arena Corporation to update hiring schedule for '95. Jobs created or retained numbers were based on assumptions the Rose Garden would produce the jobs and businesses through the completion of the Arena and the new restaurants to be sited at the Rose Garden Project. The actual schedule for the arena, and related the restaurants, has moved to September 1995. Therefore, the year's goals of 165 jobs was not met.

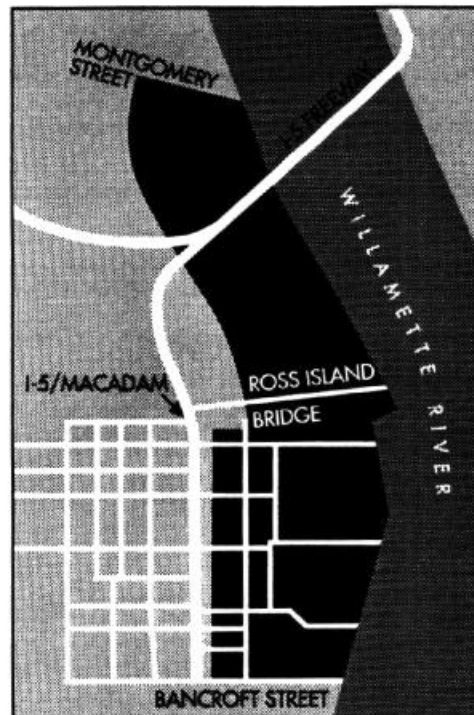
NORTH MACADAM / SOUTH WATERFRONT

Executive Sponsor: Larry Dully

Team Leader: Larry Brown

OBJECTIVE:

To pursue housing and employment opportunities including the cleanup and redevelopment of former industrial sites and improvement of transportation access.



Performance Indicator	Year to Date	Goal FY 1995
New middle/mixed-income housing units:	160	160
New low/moderate-income housing units:	20	20
Jobs created or retained:	150	0

Highlights:

- PDC funded and managed the design and construction of SW Moody Avenue (completed).
- PDC funded preliminary engineering and construction for SW River Parkway. Completion expected Fall of 1995.
- Pacific Gas Transmission (PGT), formerly headquartered in San Francisco, CA, was actively recruited to the target area by PDC. PGT's new Portland headquarters building is scheduled for completion in August 1995. PGT will create 150 new jobs in the area.
- PDC sold the property, provided a tax abatement and negotiated the development agreement for the Trammell Crow Residential Housing Project, a 182 unit residential project, completed in June 1995. 162 units are middle/mixed income and 20 are low/moderate income housing units. Project is 85% occupied.

- Disposition and Development Plan for South Waterfront next phase is being finalized for Commission action in October.
- PDC is funding major site improvements, currently underway, to prepare steamplant site and other parcels for development.

RIVER DISTRICT / UNION STATION / OLD TOWN

Executive Sponsor: Larry Dully

Team Leader: Bruce Allen

OBJECTIVE:

To generate new private investment and an improved tax base on vacant and underutilized land by developing a wide range of new housing units, new commercial opportunities and open space oriented to the Willamette River. To retain and enhance Union Station's function as a critical public asset and transportation hub for the regional transit system. To stimulate a major recreation/entertainment, retail and historic core to attract people and investment to Old Town.



Performance Indicator	Year to Date	Goal FY 1995
Pre-development approvals:	3	4
Facades improved:	16	16
Formerly vacant land now in use:	2	2 ac.
Commercial space created or enhanced:	5,000	500 sq. ft.
New mixed-income housing units:	28	50
Rehabilitated no/low-income housing units:	29	0

Highlights:

- PDC serves as the lead agency for carrying out the vision for the River District. This year, the River District Steering Committee, Commission and City Council approved the River District Housing Strategy and Finance Plan. City Council committed to fund \$4.8 million in River District improvements around Union Station.

- PDC successfully completed an RFP and selected GSL Properties as the developer of a 700 unit mixed income housing complex at Union Station. Staff is currently negotiating the Disposition and Development Agreement with GSL Properties for the 700 unit project.
- A PDC loan was provided and project management completed for Transition Projects rehabilitation of Everett Hotel a 29 room facility for low income occupants.
- PDC provided BHCD funds for the renovation of the Beaver Hotel and monitored the work. Completed this year, the hotel serves a low income population.
- PDC provided an acquisition grant to Mental Health Services West to support renovation of the Royal Palm Hotel into transitional housing for the chronically mentally ill -- 30 units.
- PDC began analysis of proposed uses for the Old Post Office Building and began development of the Master Plan for the area. PDC, working with consultant Hennebery Eddy Architects, completed work in July 1995.
- PDC received 28 applications for Building Lighting Enhancement Grants and 18 applications for North Downtown Facade Rehabilitation Loans. 16 completed and 11 under construction.
- PDC is coordinating development of the Oregon Agricultural Center. During the year, RFPs were issued and evaluated. Commission will review and approve a Memorandum of Understanding with the selected developer at September or October Commission Meeting.
- Construction is underway on a new 48-unit condominium project at NW Hoyt and 12th occupying one acre.
- Staff continues coordination of Union Station's 100th Birthday celebration.
- PDC in conjunction with the Mayor's office and business and neighborhood associations, is coordinating fundraising for the classical Chinese Garden. Suzhou garden architects are doing preliminary designs.

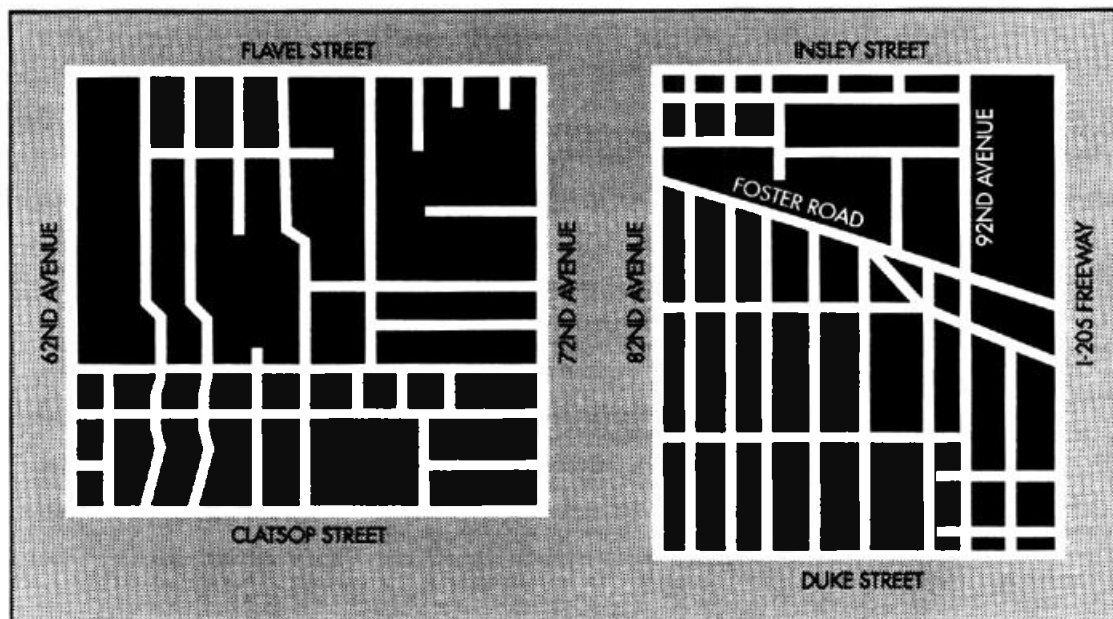
OUTER SOUTHEAST

Executive Sponsor: Lisa Nisenfeld

Team Leader: Carol-Linda Casson

OBJECTIVE:

To assist in community activities that lead to redevelopment and improvement of the business district and residential neighborhood. To capitalize on parks and infrastructure (sewers, sidewalks, streets) investment in Brentwood-Darlington to improve residential neighborhood.



Performance Indicator	Year to Date	Goal FY 1995
Storefront Improvement Grants committed:	5	7
Area residents hired through JobNet:	60	21
Rehabilitated low/moderate-income housing units:	24	40
New low/moderate-income housing units:	0	2
New no/low-income housing units:	0	1

NOTE: The budget and staffing plans divide the Outer Southeast Area into two sub-areas: 92nd/Foster and 62nd/Flavel. The indicators above are for the combined Target Area.

Highlights:

- PDC began major planning for operations in Outer Southeast during the fiscal year. This included participating in "visioning" meetings with various community groups to focus on Outer Southeast Plan elements that impact Lents as a Metro 20/40 "Town Center." A key development site for industrial use and job creation was identified. PDC began working with current owners.

- PDC staff participated on the Bureau of Planning's Technical Advisory Committee (TAC) for the development of the Outer Southeast Plan.
- PDC's Neighborhood Housing Preservation staff were involved in discussions and presentations to the Brentwood-Darlington neighborhood on the Portland Department of Transportation "Cheap and Skinny" Streets program to offer a concerted City effort for infrastructure improvements.
- The Marshall Caring Community, ROSE Community Development Corp., the Outer Southeast Business Coalition and PDC worked with key partners to develop workforce strategies for Outer Southeast, to be incorporated in 5 year plan. Work continuing into next year.
- PDC participated with the joint Bureaus of Planning and Environmental Services inter-bureau efforts to develop and implement a Johnson Creek Flood Plain Master Plan. Other bureau committee members include: Parks, Buildings, and the City Attorney's Office. Work continuing into next year.
- PDC's Storefront Improvement Program: A total of 9 applications were received, 2 projects were completed and 2 are under construction.
- PDC's Neighborhood Housing Program (NHP) marketing outreach on the availability of PDC loan programs was completed with a door-to-door marketing effort in the targeted areas of Lents and Brentwood-Darlington. In addition, articles were provided to neighborhood newsletters. In all, 24 loans were closed in the smaller target areas including one homestead loan in Lents.
- \$200,000 of Multnomah County funds were transferred to PDC for disbursement on the Brentwood-Darlington Community Center project. The original PDC predevelopment loan was disbursed; S.E. Uplift made formal application to PDC to obtain a commitment and continue to access funds.

Comments:

- The NHP and Rental Housing Development (RHD) sections operate opportunity-driven programs, which are actively marketed in the Target Area. However, during FY 1994-95, the opportunities and request for assistance came from a much broader area of Outer Southeast Portland than is defined by the Target Area boundaries and are therefore reflected in the Citywide indicators.

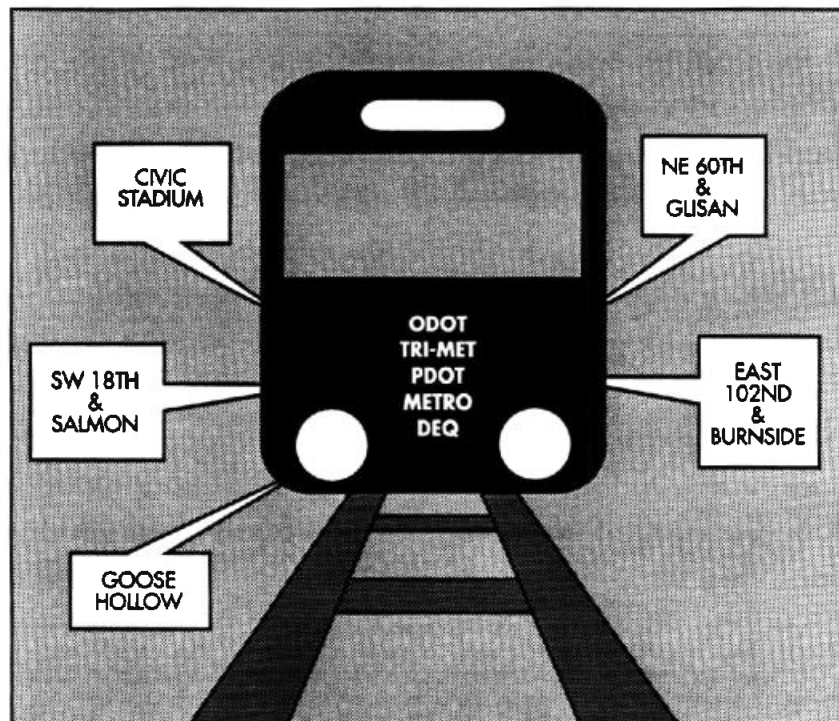
TRANSIT STATION AREAS

Executive Sponsor: Larry Dully

Team Leader: Cheryl Twete

OBJECTIVE:

To maximize job and residential development at sites adjacent to designated transit stations to efficiently utilize the city and region's developable land resources, minimize traffic congestion, and maintain air quality standards.



Performance Indicator	Year to Date	Goal FY 1995
Development programs approved:	5	5
Private investment upon completion: *	\$24MM	\$1MM

Highlights:

- PDC completed the redevelopment program study and appraisal for Civic Stadium Station.
- PDC completed a residential and commercial market assessment for Goose Hollow.
- PDC completed redevelopment analysis of NE 60th and Glisan site. Negotiations continue between staff and Oregon Department of Transportation for site control of NE 60th & Glisan Property.
- PDC continued implementation of the federally funded regional Congestion Mitigation Air Quality-Transit Oriented Development (CMAQ-TOD) program. Round I completed with five projects selected for funding, two of which are now under construction (Belmont Dairy, Steele Park and Fairview Village). Private investment leveraged was drawn largely from this area.

* Includes first phase of two CMAQ-TOD projects under construction in fiscal year 1995.

CITYWIDE ACTIVITIES

PDC activities not focused in the target areas.

Performance Indicator	Year to Date	GOAL FY 1995
Jobs created or retained:	434	64
New jobs filled through JobNet:	115	16
Businesses sited, retained or expanded:	5	25
Rehabilitated low/moderate-income housing units:	242	76
New low/moderate-income housing units:	47	10

Highlights:

- Wacker Siltronic Corporation of Northwest Portland announced a \$240 million modernization and expansion, creating 200-300 new positions at opening in 1996. Wacker, PDC and Portland Public Schools formed an Enterprise Zone partnership which sited a technology training center at Benson High School with a jointly developed curriculum. In addition, Wacker's new and existing (1000 current employees) position openings will be recruited and hired through JobNet. PDC is also providing permitting assistance and is linking Wacker's supplier contracts to small businesses through a N/NE business clearinghouse.
- PDC collaborated with the Multnomah/Washington Regional Strategies Board, Oregon Biotechnology Association, Oregon Health Science University (OHSU), private developers and biotechnology companies to establish the Oregon Biotechnology Innovation Center south of downtown Portland. The Center will house approximately 10 fledgling biotech/envirotech companies that require state-of-the-art laboratory space for product development - filling a business facility need not met by private developments. The \$1.1 million site renovation is in the extended OHSU campus and provides university research linkages to the companies. Approximately 50 employees will inhabit the Center at full occupancy; companies will utilize JobNet for non-technical hiring/recruitment and participate in biotech industry educational programs of the OBA.
- Business Development and Workforce staff collaborated with City Office of Finance and Administration, N/NE Economic Development Alliance, and Mayor's Business Roundtable to create a City Business Investment Policy and to finalize and update the Enterprise Zone Investment Policy.
- Braun Intertec was assisted in their decision to relocate to Swan Island; 50 City jobs were retained.
- Kinesis USA, a bicycle frame manufacturer from Taiwan, chose a site on NW Nicolai for their first U.S. manufacturing facility. 20 jobs were created with additional jobs expected to result from attraction of additional bicycle industry facilities.
- In cooperation with the Private Industry Council (TPIC), and the Bureau of Housing & Community Development (BHCD), PDC provided technical assistance and funding for 24 projects for the City's summer youth agenda for the summer of 1995.
- PDC worked with the Private Industry Council and Portland Organizing Project and others in developing a workplan strategy to complete the Quality Jobs Initiative for City Council.
- A notice of funding availability was released in May, announcing an application period for up to \$3,000,000 of gap financing from the Housing Investment Fund for housing projects in the City. The fund and loan applications were transferred from PDC to the Livable City Housing Council in June.
- Through the coordinated efforts of several housing advocates, the site for the Women's Homeless Shelter was chosen and a purchase option negotiated and executed by PDC staff. Staff also initiated and managed

the preparation of a site survey, environmental review and geotechnical report for the optioned property at NE 11th and NE Couch.

- The Neighborhood Housing Preservation section provided assistance to rehabilitate 70 owner-occupied homes through the emergency repair, rehabilitation and refinance/rehabilitation loan programs.
- The Portland Homestead Program was used as a guide to develop a new loan program for anticipated work in alliance with nonprofits to provide affordable home ownership opportunities. The Proposed Home Ownership Program - PHOP - received Commission approval as an interim loan program through December 31, 1995.
- The Rental Housing Development section closed a total of 9 loans to nonprofit housing organizations and 2 loans to for-profit developers to produce 182 units of affordable rental housing which will be available to low income households and special needs individuals.

REGIONAL ACTIVITIES

PDC activities for jurisdictions in the Portland Metropolitan Region.

Performance Indicator	Year to Date	Goal FY 1995
Jobs created or retained:	2,475	300
New jobs filled through JobNet: (non-Portland residents)	157	150
Business sited, retained or expanded:	5	10
Emergency Repair Loans no/low income:	10	10

Highlights:

JOB CREATION & RETENTION

FY 94-95 regional results surpassed goals and expectations, with greatest notice attached to successfully siting three worldwide leading high technology companies. Totals: \$7 billion announced investment representing a magnitude not previously seen in the state; 2,475 full-time, family wage jobs in industries of the future.

- Integrated Device Technology (IDT) announced plans to build 2-phase computer chip manufacturing center in Hillsboro to open early 1996. 500 new jobs, \$800 million investment.
- Intel announced \$2.2 billion fab development in Hillsboro, creating 1400 new jobs.
- LSI Logic announced plans to establish principal US manufacturing center in Gresham. \$4 billion multi-phase investment, 400 initial new jobs.
- Tech Paulson, Arizona-based plastic injection molding manufacturer to Tigard. 45 jobs.
- Yamamoto Manufacturing (USA) 130 jobs retained in region by company's purchase of a Beaverton corporation.

The PDC's Regional Business Development Program strategically targeted new investments to be the foundation that will (1) broaden and strengthen the region's manufacturing base, (2) successfully continue our shift away from natural resource dependency, and (3) position Oregon as leading edge technology center prepared for the next generation of advancement and emerging technologies. These major investments become the engines that create spin-off companies and the depth that enables Oregon entrepreneurs to take the risk and start new businesses. And provide existing companies benefit by fueling greater sales, expanding markets and increasing local employment in small and medium-sized Oregon companies.

- The PDC Regional Program managed two Regional Strategies projects to support improved industry development strategies: Market Analysis/Strategy Development for Targeted Recruitment of Firms in the High Tech, Metals and Health/Biotechnology Industries; and an Air Quality Strategy aimed at ensuring available airshed capacity to support new development.

As called for in Prosperous Portland (Policy 8), the PDC's Regional Program truly reflects the metropolitan area with increased participation and funding from Portland, Washington County, Hillsboro, Beaverton, Tualatin, and Gresham. In addition, the private sector participation is formalized and expanded through the new Ambassador Program with over 50 stakeholders already committed to on-going program financing.

TARGET INDUSTRY DEVELOPMENT

- PDC continued administration of the Regional Strategies Program on behalf of Multnomah and Washington Counties. the program is funded through the Oregon Lottery. \$1.8 million was received to implement projects in 3 key industries: high tech, metals, and biotechnology.

Highlights of projects include:

- PSU Software Testing Lab
- Metals Industry Workforce Development projects
- Electronic Equipment Maintenance program development with the Oregon Advanced Technology Center.
- American Electronics Association Benchmarking Project.

WORKFORCE DEVELOPMENT

- PDC prepared "Building and Strengthening the Workforce: Semiconductor Industry Workforce and Training Assessment" for the Semiconductor Workforce Consortium. PDC also received a grant from the Regional Strategies Board to coordinate implementation of the strategies throughout the region.
- Under contract with Washington County, PDC began process of working with 8 Washington County school districts, Portland Community College and various public and community based organizations to develop a master plan for training technicians in the semiconductor industry.
- PDC facilitated and administered a Regional Strategies contract with Mt. Hood Community College to assess training readiness and needs for the semiconductor industry in East Multnomah County,
- PDC received a grant from the Regional Strategies Board to implement a Metals Placement Project in cooperation with the Oregon Metals Industry Council and the Oregon Precision Metals Fabrication Association. JobNet is conducting special outreach to metals firms throughout the region.

HOUSING

- PDC completed a contract with Multnomah County for 10 Emergency Repair Loans in East Multnomah County. The contract has been renewed for next year.