

J. Scott Andrews
Commission Chair

Aneshka Dickson
Commissioner

Tom Kelly
Commissioner

John C. Mohlis
Commissioner

Charles A. Wilhoite
Commissioner

Charlie Hales
Mayor

Patrick Quinton
Executive Director

This document represents the official meeting record of the January 9, 2014, Portland Development Commission (PDC) Board of Commissioners (Board) Meeting held at 222 NW Fifth Ave., Portland, OR 97209. The full video recording of this meeting can be found at: <http://www.youtube.com/watch?v=BZledSNAAAk&list=UUsXKnmpwO4bSn0JNszjhSRw>.

1. Call to Order and Roll Call

Chair Scott Andrews called the meeting to order at approximately 3:03 p.m. Ms. Gina Wiedrick, Board recording secretary, called the Board roll:

Chair Scott Andrews	PRESENT
Commissioner Aneshka Dickson	ABSENT
Commissioner Tom Kelly	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Charles Wilhoite	ABSENT

Chair Andrews welcomed new commissioner, Tom Kelly. Commissioner Kelly expressed his excitement about the appointment and added that his father also served as commissioner in the 1980s and was the first PDC commissioner from outside of the downtown core.

2. Commissioner Reports

Chair Andrews

- In the last several weeks, attended briefings with Mayor Charlie Hales and City of Portland (City) commissioners.
- Had meetings with Deborah Kafoury, former Multnomah County Commissioner; Sandra McDonough, Portland Business Alliance President and CEO; and Wim Wiewel, Portland State University (PSU) President.
- On January 6, attended the Lew Bowers retirement party. [Mr. Bowers is the former Central City Division Manager in the Urban Development Department at PDC.]

Commissioner Mohlis

- On December 13, attended the PDC Audit Liaisons meeting. PDC received another good audit, which will be discussed in Item 7 of the agenda.
- On January 6, also attended the Lew Bowers retirement party.

3. Executive Director Patrick Quinton Report

- Welcomed Commissioner Kelly.
- Since the November 13 PDC Board meeting, a lot of staff have left PDC as part of the reduction in force. Additionally, there were several retirements: Lew Bowers, Business Finance Manager Fred Atiemo, Construction Services Manager Dave Obern, and Sr. Administrative Assistant Connie Kroker.
- On January 9, held the first PDC All Staff meeting of 2014 kicking off a new year, looking towards the future and thinking about the work and positive impact PDC can have on the community.

- On November 14, participated in the Dawson Park groundbreaking event along with City commissioners Fritz and Fish, and Urban League President Michael Alexander. The park is actively under construction; the work is being done in the winter and spring so as to be open in time for the summer season.
- On November 13, PDC announced that it has an entrepreneur in residence. Bill Lynch is one of the founders of Jive Software; he is serving in a volunteer role at PDC for one year to assist staff in how to further promote entrepreneurship in the city.
- On November 15, the city of Portland was awarded the World Track Championship of 2016. This is largely as a result of TrackTown USA which is based in Oregon and is respected around the world for putting together these types of events.
- On November 19, did a tour of the nearly-completed Collaborative Life Sciences building with Mayor Hales, the head of Oregon Health & Science University (OHSU), and Jay Zidell, the largest property owner in South Waterfront.
- On November 19, attended the Kixeye ribbon cutting, a software and gaming company that came to Portland because they were unable to fulfill their staffing needs in San Francisco, recognizing that Portland is a talent-rich market with a lower cost market than the Bay Area.
- On November 19 and 20, Bruce Katz, Vice President and Director of the Metropolitan Policy Program at The Brookings Institution, was in Portland giving presentations on the metro revolution and the role cities are playing in the global economy.
- On November 21, The Brookings Institution announced that Portland was named one of 20 cities to participate in a four-year effort called the Global Cities Initiative Exchange.
- On December 5, attended the Earl Boyles Early Learning Center groundbreaking event.
- On December 5, spoke at the very well-attended fourth annual Athletic & Outdoor event at the Oregon Museum of Science and Industry.
- On December 5, attended the Oregon Film Office open house at the Eastside Exchange Building.
- On December 5, PDC announced the new commercialization program that is a partnership between PDC, OHSU, and PSU, providing grant money to six companies that have come out of research from either OHSU or PSU.
- On the PDC website there is a new feature talking about how [big Portland is in Japan](#).
- On January 8, on the front cover of *The Oregonian*, there was an article on companies doing work on the wind farms in eastern Oregon. The company that was featured is Portland-based company Premier Gear with whom PDC has been working with for over four years. They have transitioned from the more traditional manufacturing markets to being a prime servicer of wind turbines.
- On January 6, OnTheGo Platforms announced they had received a significant angel investment; OnTheGo Platforms was in the 2013 Startup PDX Challenge class.
- On January 8, PDC announced the 2014 Startup PDX Challenge is seeking potential real estate partners who own or have site control of up to 6,000 square feet of space. For details go to <http://www.startuppdxchallenge.com>. The deadline to submit a response is Friday, February 14, 2014, at 5:00 p.m. This year's challenge will focus on minority and women entrepreneurs.
- The deadline for responses to the Lents Town Center Urban Renewal Area (URA) PDC-owned properties request for information is Friday, January 17, 2014, at 5:00 p.m. For open [contracting opportunities](#), go to the "for developers and contractors" on the PDC website.
- The deadline for applications to the fifth class for the Portland Seed Fund is Friday, January 31, 2014; go to <http://www.portlandseedfund.com/apply>.

5. Public Comment for Items Not on Agenda

Chair Andrews reminded attendees to fill out a comment card in order to provide public comment and that there is a three-minute time limit.

Rachel Gilmer, [Portland African American Leadership Forum](#) (PAALF). Ms. Gilmer spoke in opposition of the proposed construction of Trader Joe's stating that this is in opposition to commitments made by Mayor Hales and Executive Director Quinton to solving issues related to gentrification in North and Northeast Portland. She urged PDC to empower African American community members to make decisions over the future of their neighborhoods, and that there must be changes within PDC that will reflect the needs and desires of African Americans and other existing residents.

Maxine Fitzpatrick, PAALF. Ms. Fitzpatrick urged the Board to make a statement in support of their efforts, specifically: (1) suspend all tax increment financing-funded development in the Interstate Corridor URA, (2) account for all spending in the Interstate Corridor URA, (3) suspend development of the property on NE Martin Luther King, Jr. Boulevard and Alberta Street until affordable housing is incorporated into the project, and (4) publicly endorse the position that Legacy Emmanuel Hospital must relinquish the vacant property on N. Russell and Williams and bequeath it to the African American community in the form of a community land trust.

Dr. Karen Gibson, professor of Urban Studies and Planning at PSU, Board President of the [Portland Community Reinvestment Initiatives, Inc.](#) (PCRI), and a member of PAALF. Dr. Gibson expressed concern over PDC's process and accountability and asked for a full accounting with City Auditor LaVone Griffin-Valade of the spending in the Interstate Corridor URA and how it meets up with the goals of the original plan. She stated that she would like PDC, the Board, and City to be exemplars of social justice issues and added that PDC needs more clear and transparent public involvement.

Greg Brown, Deputy Director of PCRI, and formerly a community commercial real estate lender for Albina Community Bank. Mr. Brown urged the Board to take a hard look at the deal with Majestic Realty, as it is incomprehensible that such a large subsidy can be given for cheap in an area of high density and housing prices. He appreciated the comment from Executive Director Quinton acknowledging the role PDC has played in gentrification and hopes that there is substance behind that statement. Mr. Brown finished by clarifying that while PDC noted in its response letter to PAALF that PCRI had received a community livability grant, PCRI had asked for \$100,000 and only received \$30,000.

Adam Milne, Owner, [Old Town Pizza](#) and [Old Town Brewing Company](#); also a board member of the Vanport Square Owners' Association, and a neighborhood resident. Mr. Milne stated that the riskiest and hardest part of starting a small business is wondering if there will be enough foot traffic to sustain the business. He felt that Trader Joe's presence at Vanport Square will benefit current and future businesses, as well as create a sense of community for the neighborhood. Mr. Milne acknowledged that the lack of affordable housing is a problem for the neighborhood, and while Trader Joe's cannot fix every challenge in North and Northeast Portland, he felt that it does do a lot for the community and the community will be hard pressed to find a better opportunity.

Stacey Hallal, business owner at Vanport Square, a neighborhood resident, and founder of the non-profit [Curious Comedy Theater](#). Ms. Hallal spoke favorably of her dealings with PDC and how it helped her open her business at Vanport Square, noting that PDC had promised that this would be a vibrant area. She stated that Trader Joe's will be a great opportunity for the community, with greater activity,

and positivity for that space. Ms. Hallal appreciated PDC's communication and that it took into account the Vanport Square businesses' voice when making decisions on the empty space.

Ngho Tran, business owner at Vanport Square and neighborhood resident. Mr. Tran thanked PDC for its help in opening his business, spoke in favor of PDC's efforts for the area, and expressed his support of the Trader Joe's project and the benefits it will provide to the businesses and neighborhood residents.

Steven Gilliam. Mr. Gilliam spoke against the Trader Joe's project and specifically the land subsidy, and read some of the supporting comments received by PAALF in response to its petition in opposition of the Trader Joe's project. He stated that this project includes a large subsidy, no community input, and a continuation of gentrification for the area. Mr. Gilliam finished by saying that PDC needs structural changes, which he believes it is not prepared to do.

Chair Andrews thanked guests for their comments, and stated that the Board has many of the same concerns and looks forward to working with the broad community for future investments PDC will be making in North and Northeast Portland.

CONSENT AGENDA

6. Action Item: Authorizing the Executive Director to Execute Professional Services Contracts for Implementation of Union Station Phase III Preliminary Engineering/Design and Environmental Review Project

With this action the Board will authorize the Executive Director to execute three professional services technical and engineering contracts exceeding \$500,000 in value for preliminary building, track, and environmental scopes of work necessary for implementation of Union Station Phase III preliminary engineering/design (PE) and environmental review (NEPA) project. It will also authorize the Executive Director to enter into other agreements necessary to implement the PE/NEPA project including but not limited to entry agreements with Portland Terminal Railroad and Amtrak to access operating areas of the train station.

Union Station Phase III will allow for the completion of PE/NEPA improvements which include seismic/structural upgrades, Americans with Disabilities Act (ADA) improvements, new mechanical systems, electrical service, fire detection and protection systems, and track and platform upgrades. The results of this work will be 30 percent preliminary design, estimate of future final design and construction costs, as well as the preferred phasing of subsequent improvements. This is a high priority project and continues work implemented at Union Station in two prior phases.

On March 13, 2013, the Board executed Resolution no. 6991, which authorized the Executive Director to enter into an Intergovernmental Agreement (IGA) with the Oregon Department of Transportation (ODOT) to receive funding for the project. Staff subsequently submitted the required detailed work plan to ODOT and the Federal Railroad Administration (FRA) for approval and is preparing solicitations for the necessary professional technical engineering services.

The total project cost is estimated at \$4,959,051. Funding will be provided as follows:

- 80 percent – FRA, through the IGA with ODOT, up to a maximum of \$3,967,243.
- 20 percent – PDC River District URA, estimated at \$991,808 for the total project cost.

Chair Andrews called for a motion to approve Resolution 7035; Commissioner Mohlis moved and Commissioner Kelly seconded the motion.

AYES: Andrews, Kelly, Mohlis

NAYS: None

At approximately 3:46 p.m. Chair Andrews adjourned the PDC Board Meeting and convened the PDC Audit Committee Meeting.

7. Action Item: Accepting and Approving Comprehensive Annual Financial Report for Fiscal Year 2012-13 as Required by Oregon Revised Statute 297.425, Portland City Chapter 15-104, and PDC Resolution No. 6112

Portland Development Commission staff and others presenting this item:

Faye Brown, Chief Financial Officer

Catherine Kaminski, Accounting Manager

Drummond Kahn, Director – City of Portland Audit Services

Fiona Earle, Principal Management Auditor – City of Portland Audit Services

Nancy Young, Senior Manager – Moss Adams, LLP

With this action the Board will accept and approve the completed Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2013, and in addition, accept the Communication of Certain Audit Matters Management Letter from Moss Adams, LLP, and endorse PDC management's responses thereto.

Mr. Kahn spoke of the audit work with the various parties, and the extra layer of oversight, and the work done by Commissioners Mohlis and Wilhoite in reviewing the interim audit information and providing context to the City Audit Services and Moss Adams.

Ms. Young began with an overview of the services they provided PDC: (1) audit of the financial statements under Generally Accepted and Government Audit (GAAP) Standards, (2) technical review of the CAFR for compliance with GAAP, (3) compliance testing/reporting under Oregon Minimum Audit Standards (OMAS), and (4) best practice observations/recommendations. She reported that an audit of the CAFR resulted in an unmodified opinion, there were no reportable items under Federal Internal Control and Compliance, and PDC was in compliance under the OMAS. With regards to required communications with management, Ms. Young stated that (1) there were no disagreements with management, no adjustments were made to the audit but there was one passed adjustment related to employee health insurance premium accrual reported in advance of the period of coverage, and there were no difficulties in conducting the audit. She went on to list three areas in which process improvements are needed: (1) bank reconciliation review – documentation of review, (2) property held for sale – completion of property valuations before financial reporting deadlines, and (3) accrued expenses – accrual of benefits only for coverage months. Ms. Young finished off by listing the new accounting pronouncements that will affect PDC (and all government entities nationwide) in 2014 and 2015, and thanking PDC and City staff for their assistance throughout the audit process.

Commissioner Mohlis stated that this is the cleanest audit received since he has been involved, that the teams (City, Moss Adams, PDC) work well together, and he appreciates the updates he and Commissioner Wilhoite receive every month showing progress being made on issues that come up. He

added that it is important to note that internal controls are in place to make sure that PDC achieves a clean audit.

Chair Andrews called for a motion to approve Resolution 7036; Commissioner Kelly moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Kelly, Mohlis

NAYS: None

At approximately 3:59 p.m. Chair Andrews adjourned the PDC Audit Committee Meeting and reconvened the PDC Board Meeting.

REGULAR AGENDA

8. Action Item: Authorizing an Intergovernmental Agreement with the Portland Bureau of Transportation for the Design and Construction of the Portland Streetcar Alignment Along SW Montgomery Street Between SW 4th and 5th Avenues; Providing Funding in an Amount Not to Exceed \$1,524,546 from the Education, South Park Blocks, and North Macadam Urban Renewal Areas

PDC staff presenting this item:

Lisa Abuaf, Central City Manager

With this action the Board will authorize the Executive Director to execute an Intergovernmental Agreement (IGA) between PDC and the Portland Bureau of Transportation (PBOT) for the design and construction of the Portland Streetcar (Streetcar) segment located along SW Montgomery Street between SW 4th and 5th Avenues across from PSU. This IGA will provide up to \$1,524,546 to PBOT for the design and construction of the Streetcar segment realignment.

Chair Andrews asked for confirmation that the history on this is that this section was left in an unfinished state because there was a potential plan to run the Streetcar through the block, but now there is expansion of the light rail and the need to move forward with development without having to develop around a Streetcar that runs through the middle of a block. Ms. Abuaf nodded yes.

Commissioner Kelly asked if this is a finalization of the situation, a permanent fix. Ms. Abuaf responded yes.

Chair Andrews called for a motion to approve Resolution 7037; Commissioner Mohlis moved and Commissioner Kelly seconded the motion.

AYES: Andrews, Kelly, Mohlis

NAYS: None

9. Action Item: Authorizing an Intergovernmental Agreement with the Portland Bureau of Transportation for Construction of the SE 122nd: Ramona to Holgate Sidewalk Infill Project in the Lents Town Center Urban Renewal Area; Providing Funding in an Amount Not to Exceed \$1,000,000

PDC staff presenting this item:
Sue Lewis, Project/Program Coordinator

With this action the Board will authorize the Executive Director to enter into an IGA between PDC and PBOT providing funding in an amount not to exceed \$1,000,000 for the construction of SE 122nd Sidewalk Infill Project (Project). The Project is within the Lents Town Center URA and will include the following work:

- Construct approximately one mile of sidewalks where none currently exist
- Reconstruct substandard curb tight sidewalks
- Upgrade 43 corners with ADA curb ramps
- Enhance pedestrian and bicycle crossings at Schiller and Raymond streets, which include:
 - Median refuge island
 - Pedestrian/bike-activated beacons
 - Curb extensions
- Plant up to 76 deciduous trees
- Construct curbs, driveways, and bio-swales

The total project cost is estimated at just under \$3,000,000. PDC is proposing to invest \$1,000,000 in the Project, in addition to \$225,000 previously approved for design and engineering costs, and PBOT is funding the difference of approximately \$1,300,000. The balance of the Project funding is comprised of \$402,283 in federal Surface Transportation Program Flexible Funds. Following a construction bid and award phase in early 2014, construction is anticipated to begin in May 2014 and be completed by December 2014.

Chair Andrews stated that he went out to see the area over the weekend and noted that there are sections that have wide sidewalks, sections with the old narrow sidewalks, and stretches without any sidewalks. He said that this work is long time in coming and the neighborhood will be much better for it.

Commissioner Mohlis stated that there is a lot of work that needs to be done in east Portland generally but that this is a great start, and safety is indeed a great deal.

Commissioner Kelly stated that when he spoke with Mayor Hales about accepting this commissioner position, he asked the mayor about what happens to everything east of 122nd, saying that historically the City has forsaken that part of town, but he is excited about this project.

Chair Andrews called for a motion to approve Resolution 7038; Commissioner Kelly moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Kelly, Mohlis
NAYS: None

10. Adjourn

There being no further business, Chair Andrews adjourned the meeting at approximately 4:14 p.m.