

Tom Kelly
Chair

Gustavo J. Cruz, Jr.
Commissioner

Aneshka Dickson
Commissioner

Mark Edlen
Commissioner

William Myers
Commissioner

Charlie Hales
Mayor

Patrick Quinton
Executive Director

This document represents the official meeting record of the March 9, 2016, 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 <https://www.youtube.com/watch?v=XK-Qy56bPCU>.

1. Call to Order and Roll Call

Chair Tom Kelly called the meeting to order at approximately 3:07 p.m. Gina Wiedrick, PDC Board recording secretary, called the PDC Board roll:

Chair Tom Kelly	PRESENT
Commissioner Gustavo Cruz	PRESENT
Commissioner Aneshka Dickson	ABSENT
Commissioner Mark Edlen	PRESENT [see note below]
Commissioner William Myers	PRESENT

Commissioner Edlen participated in the meeting by telephone.

2. Commissioner Reports

Commissioner Cruz

- On February 24, attended the welcome reception for Oscar Arana, the Hispanic Metropolitan Chamber's new President.
- On February 29, attended the All Hands Raised 21st Annual Roast.

Commissioner Edlen

- On February 29, sponsored and attended the All Hands Raised 21st Annual Roast.
- Attended various meetings with PDC staff on affordable housing issues.
- On February 4, had a meeting with Charles McGee of the Black Parent Initiative.
- On February 17, attended the Black Parent Initiative's Circle of Growth Luncheon.
- On February 10, had a meeting with the Bureau of Planning and Sustainability regarding the Central City bonus restructuring.
- On February 17, attended a meeting with REACH CDC on affordable housing issues.
- On February 17, attended a meeting with Beneficial State Foundation on affordable housing issues.
- On February 26, had a meeting with Multnomah Idea Lab on affordable housing issues.
- On March 2, attended a meeting with De La Salle High School.

Chair Kelly

- On February 17, attended the Black Parent Initiative's Circle of Growth Luncheon.
- On February 29, attended the All Hands Raised 21st Annual Roast.
- Attended various PDC check-ins with Mayor Charlie Hales and Portland City commissioners.
- On March 3, met with PDC All Staff for a conversation on the executive director hiring process.

3. Executive Director Report

- On February 17, attended the Black Parent Initiative's Circle of Growth Luncheon.
- On February 29, attended the All Hands Raised 21st Annual Roast.
- On February 24, attended the welcome reception for Oscar Arana, the Hispanic Metropolitan Chamber's new President.
- Congratulations to our partners at the Asian Health and Service Center on the \$2,000,000 award they received from FamilyCare on March 8.
- Congratulations to Derrick Olsen as the new president of the World Affairs Council; he was formerly the vice president of Greater Portland Inc.
- Congratulations to Ian Williams who recently opened Deadstock Coffee here in Old Town and spoke at the December 2015 Athletic & Outdoor (A&O) annual event at the Oregon Public House; he was recently featured in the *Portland Business Journal* and *Willamette Week*.
- On March 3, great article in *Business of Fashion* on why you need to move to the Silicon Valley of footwear here in Portland. The article featured Pensole Academy, Wildfang, as well as Portland State University and University of Oregon for their Athletic & Outdoor industry programs.
- On March 4, great article in the *Portland Business Journal* from Amy Liu, of the Brookings Institute, on income inequality in Portland and the need to expand the vision of economic development.
- On March 16, the A&O Young Professionals will hold their "Spring Into Focus" event. For more information go to <http://aoportland.com/>.
- On March 17 through 20, Portland will be hosting the World Indoor Championships at the Oregon Convention Center; this is the first time in 20 plus years that the event has been held in the United States.
- On April 5, the Urban League of Portland will be holding a job fair. For more information go to <http://ulpdx.org/>.
- On April 25 and 26, TechFest NW will be at The Armory. For more information go to <http://techfestnw.com/>.
- PDC is redesigning its website; there is a survey online for the community to provide input on what they would like to see in the updated website. For more information go to <http://www.pdc.us/>.
- On February 18, Kimberly Branam was selected as one of the *Portland Business Journal's* 40 Under 40. Also noted that many of the 40 Under 40 selections are PDC partners or collaborators.
- Today is Chris Harder's last day at PDC; moving to Business Oregon. Jared Wiener and Pam Neal will be sharing the duties of Economic Development Manager for the next four months.

4. Public Comment for Items Not on Agenda

No public testimony was presented.

REGULAR AGENDA

5. Information Item: Update on the Portland Development Commission's Inclusive Entrepreneurship Strategy

PDC staff presenting this item:

Chris Harder, Economic Development Manager

Katherine Krajnak, Senior Business Development Coordinator

This report is intended to provide the PDC Board with an update on PDC's pioneering efforts in inclusive entrepreneurship. PDC's inclusive entrepreneurship goals, which are intended to create widely shared prosperity, are captured in Objective 3 of PDC's 2015-2020 Strategic Plan: Foster Wealth Creation within Communities of Color and Low-Income Neighborhoods. The body of this work involves four signature programs:

- Microenterprise and Small Business Development Program. This program aims to create, grow, and strengthen microenterprise (those with fewer than five employees) and small businesses (those with fewer than 50 employees) through technical assistance and training. Non-profit organizations deliver technical assistance and training to approximately 500 businesses each year. Businesses may also receive legal services, credit repair assistance, and access to market research.
- Project Increase. This PDC pilot program takes established small business owners of color through a rigorous and tailored business growth planning course. PDC, with the assistance of outside experts and mentors, is facilitating a nine-month, cohort-based experience utilizing the Streetwise MBA™ curriculum.
- Startup PDX Challenge. This competition awards six startup companies free space, investment, and mentorship for one year. One criterion for selecting companies for this program is that the founding team includes at least one member from an under-represented population. Startups must have ambitions to scale to a national or international market.
- Inclusive Startup Fund. This new effort, which is subject to a separate item on the March 9, 2016, PDC Board agenda, proposes to create a \$3,000,000 seed fund that aims to accelerate, mentor, and provide capital to under-represented entrepreneurs at an early stage of company growth. "Under-represented" for this effort includes people of color, women, disability, and other populations.

The NoAppFee.com New Beginnings video was played. For the full video go to <https://www.youtube.com/watch?v=GRFiOrcDF50>.

Chair Kelly called forward guests to testify.

Paige Hendrix Buckner, Chief Executive Officer and Founder of [ClientJoy](#). Ms. Hendrix Buckner shared the benefits of learning business fundamentals, program resources, and networking opportunities as a participant in the Startup PDX Challenge.

Jamaal Hale, Founder and Idea Ambassador of [Good Green Printing](#). Mr. Hale shared his experience with the Increase Project and learning and getting new ideas on how to improve his business.

Chair Kelly asked how PDC is going to measure success. Ms. Krajnak responded that PDC staff looks at how many jobs the companies added, how many startups raised funding, and how PDC's partners have changed their approach to their programming. PDC staff is not only looking at numbers but at the subjective stories, too. Mr. Harder added that the ultimate success is when the community is more diverse and inclusive and PDC can then focus on other gaps.

Commissioner Edlen asked about the Streetwise MBA program and if PDC partners with local universities on this. Morgan Masterman, PDC Senior Project/Program Coordinator, responded that PDC has partnered with Enterise out of Boston, Massachusetts, who created the Streetwise MBA program. This program operates in Portland within two different programs: (1) the Small Business Association manages Emerging Leaders, and (2) the City of Portland (City) uses it in their minority-owned prime

contractors program. PDC staff looked at both programs and decided to pilot a program for the smaller businesses and see if they can grow.

Chair Kelly asked what is PDC's outreach plan. Mr. Harder responded that people do pay attention to PDC, but also Ms. Krajnak has been doing outreach in the community for the past two years.

6. Action Item: Resolution 7172 – Authorizing Terms for a Grant to the Portland Economic Investment Corporation and an Intergovernmental Agreement with Multnomah County for Investment in the Inclusive Startup Fund

PDC staff presenting this item:

Chris Harder, Economic Development Manager

Katherine Krajnak, Senior Business Development Coordinator

With this action, the PDC Board will authorize the Executive Director to (i) execute a Grant Agreement (PEIC Grant) with the Portland Economic Investment Corporation (PEIC), and (ii) execute an Intergovernmental Agreement (IGA) with Multnomah County (County). The PEIC Grant will allow PDC to provide \$1,050,000 to PEIC for the purpose of investing in and administering the Inclusive Startup Fund (ISF). The IGA will allow the County to contribute \$500,000 to PDC in support of the ISF. If approved, these two actions will provide significant resources to the ISF, whose primary goal is to invest in early-stage startups founded by women and members of disadvantaged communities of color in the Portland metropolitan region.

PEIC, an independently-managed non-profit organization with a mission to invest in economic development in the Portland region, will partner with Elevate Capital, a private fund management entity, to manage and administer the ISF. In addition to the PDC and County commitments, the State of Oregon intends to commit \$250,000 for the ISF through PEIC. To complement the public resources invested in the ISF, Elevate Capital has committed to raising matching private funds, ultimately resulting in an ISF balance of approximately \$3,000,000.

Chair Kelly called forward guests to testify.

Loretta Smith, [County](#) Board of Commissioners, District 2. Commissioner Smith gave an overview on how the County's involvement came to be. She expressed excitement over the program and stated that there is a great need to have more opportunities for minorities to "get into the game," and urged the PDC Board to approve the resolution.

Nitin Rai, Managing Director at [Elevate Capital](#). Mr. Rai thanked the parties for giving Elevate Capital this opportunity. He gave a brief background on his path here, the opportunities he received and his desire to give back to the community. Elevate Capital has been overwhelmed with applicants since the announcement was made in January; they have 62 companies in the pipeline, mostly from the Portland metro area. Sixty percent of applicants have described themselves as underserved, 50 percent have described themselves as women.

Stephen Green, Community Director at Elevate Capital. Mr. Green gave an overview of events, media coverage, the impact being made, and the setting of a high bar for the rest of the country.

Chair Kelly called for a motion to approve Resolution 7172; Commissioner Cruz moved and Commissioner Myers seconded the motion.

AYES: Cruz, Edlen, Kelly, Myers
NAYS: None

7. Action Item: Resolution 7173 – Adopting Budget Amendment No. 2 for the Fiscal Year Beginning July 1, 2015, and Ending June 30, 2016; and Making Appropriations

PDC staff presenting this item:
Tony Barnes, Budget Officer

With this action, the PDC Board will formally amend the current fiscal year (FY) 2015-16 Revised PDC Budget for the second time in the following ways:

- (1) Adjust project and program expenditures based on updated estimates of year-end activity including updated PDC staff time, property development, or property management expense;
- (2) Reduce project and program budgets for inclusion in the FY 2016-17 Proposed Budget and Five-Year Forecast based on project timing;
- (3) Recognize planned debt draws in the River District Urban Renewal Area (URA) fund as well as other received or estimated resources in the Downtown Waterfront URA fund;
- (4) Establish appropriations for the interfund loan between the River District URA fund and the Business Management fund for initial acquisition costs associated with the United States Postal Service (USPS) site;
- (5) Establish final appropriations necessary to return excess tax increment fund proceeds to overlapping taxing jurisdictions associated with the final closeout of the Education URA; and
- (6) Adjust the Portland Housing Bureau (PHB) Set Aside Budget based on updated estimates of year-end actual expenditures from PHB and move funds into the FY 2016-17 Proposed Budget.

In summary, FY 2015-16 Budget Amendment No. 2 increases the total PDC budget from \$358,339,555 in the FY 2015-16 Revised Budget to \$421,209,635 including Transfers, Contingency, and Reserves. Excluding Transfers and Contingency total budgeted expenditures decrease from \$233,817,412 to \$164,800,128.

Chair Kelly asked what is the Internal Service Fund line item. Mr. Barnes responded that it is the risk management fund; there are currently no planned expenditures but it acts as a contingency for appropriations.

Commissioner Cruz asked if the Enterprise Funds number for next year, which is a significant increase, is based on the USPS. Mr. Barnes responded yes.

Chair Kelly called for a motion to approve Resolution 7173; Commissioner Cruz moved and Commissioner Myers seconded the motion.

AYES: Cruz, Edlen, Kelly, Myers
NAYS: None

8. Information Item: Update on the Process to Hire a Portland Development Commission Executive Director

PDC staff presenting this item:

Jeff Fish, Human Resources Director

This report is intended for the PDC Board to provide feedback on the draft job description, the recruitment process, timing, and any other items that the PDC Board would like to discuss.

The PDC executive director is PDC's highest staff-level position and is responsible for delivering on the PDC 2015-2020 Strategic Plan. As per the PDC Personnel Policy, "the PDC Board of Commissioners has the sole authority to hire the Executive Director." The executive director reports directly to the PDC Board chair and her/his performance is annually reviewed by the PDC Board.

On February 8, 2016, Patrick Quinton announced his resignation as the PDC executive director, having served since February 13, 2011. Since then, Mayor Charlie Hales and Chair Kelly have indicated their desire to conduct an open, transparent, national search for a replacement. By late March, PDC will have a contract with an executive search firm to assist with the hiring of an executive director.

On March 1, 2016, PDC released Request for Proposals (RFP) #15-16, seeking a qualified and experienced recruitment firm to provide executive search services to identify a new executive director. The recruitment firm will develop an advertising and outreach strategy, seek candidates with qualifications consistent with the draft job description, identify a small pool of diverse and highly qualified candidates for interview, negotiate offers, and other tasks as requested. In addition, PDC will apply the "Charles Jordan Standard" (City Bureau of Human Resources Policy 16.05) to this recruitment, which requires interviewing the highest qualified minority candidates, the highest qualified women candidates, and the highest qualified candidates who identify as a person with a disability.

Chair Kelly called forward PDC staff to testify.

Amy Fleck-Rosete, Senior Project Coordinator and President of the American Federation of State, County and Municipal Employees Local 3769 (ASFME 3769). Ms. Fleck-Rosete stated that union leadership met with the mayor's office to discuss staff involvement in the recruitment process and will be holding a workshop on March 15, 2016, for represented staff to provide feedback. The PDC Board's desire to have an open and clear recruitment process alleviates PDC staff concerns about lack of transparency and inclusion.

John Cardenas, Video Production Coordinator and member of the Equity Council. Mr. Cardenas stated that the Equity Council would like to have a new executive director to have proven experience and skills to continue to advance the equity work and is committed to transitioning PDC to an anti-racist multicultural organization. Just as PDC staff is required to view its work through an equity lens, so should the same lens be applied to the process of selection the next person to lead PDC. Mr. Cardenas finished by requesting on behalf of ASFME 3769 and the Equity Council, that the PDC Board consider the following: (1) commit to keeping PDC staff involved and informed, (2) incorporate feedback from PDC staff, (3) allow a PDC staff representative to participate in the entire selection process, and (4) check in regularly with PDC staff to provide updates and answer questions.

Commissioner Edlen asked if the meeting of March 15, 2016, is open to others and if so, to provide meeting details to the PDC Board. Ms. Fleck-Rosete responded that this meeting is only for AFSME 3769 members. Commissioner Edlen stated that the more open the better it will be for everyone involved.

Commissioner Cruz asked how the hiring panels of other City bureaus hiring situations are handled, how stakeholder input is incorporated, and if members of the community participate. Mr. Fish responded that they looked at several examples and have two models for the PDC Board to consider: (1) a large interview panel with representatives from the City Commissioners' office, mayor's office, partner bureaus, managers from the bureau doing the hiring, non-profit partner, for-profit partner, government partner, and community members; and one round of interviews for the selected candidates. This interview panel made the recommendation to the commissioner in charge. (2) A similar large interview panel with more community participation was brought together to review the criteria that would be used to select the bureau director.

Commissioner Edlen asked the following questions:

- How many firms might apply? Mr. Fish responded that the RFP went out to four executive search firms that have offices in the Portland area but that also have a regional or national presence.
- Have these firms been involved in public recruitments like this before? Mr. Fish responded yes.

Chair Kelly asked the following questions:

- Who will select the firm? Mr. Fish responded that PDC staff will share the proposals with the PDC Board; there is an internal selection committee that will make the decision. Executive Director Quinton added that normally he makes the final decisions on contracts, but in this case it should probably be the PDC Board, but there is also the logistics to take into account.
- When are the RFPs due back? Mr. Fish responded that responses are due by end of day Thursday, March 10, 2016, and there is a short turn-around for the decision process.
- When will the PDC Board have the recommendations from the internal selection committee? Mr. Fish responded middle of next week.

Executive Director Quinton asked for the following:

- Provide a reminder of how the PDC Board can take action prior to the next PDC Board meeting. Eric Iverson, PDC General Counsel, recommended that the recommendations be given to Chair Kelly who in turn would discuss offline with the rest of the PDC Board, and ultimate Chair Kelly would make the final decision.
- Walk through the actions and timeline that the PDC Board will need to be aware of. Mr. Fish responded that the final selection of the successful candidate is the PDC Board's decision and is typically done in executive session. The executive session can be held once the PDC Board approves a resolution adopting the criteria for the selection process; the criteria must have public input.

Chair Kelly asked how realistic is the timeline to have a new executive director in time for Executive Director Quinton's departure. Mr. Fish responded that this is an optimistic timeline; the PDC Board may need to consider appointing an interim executive director for a number of months.

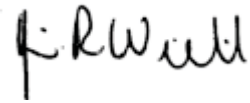
Chair Kelly stated that he would like to see this process be as open, inclusive, and thoughtful as possible. There will be a period in which the candidates' names will need to be kept confidential as most of them

will probably be working and not ready to disclose; this will be kept confidential until there is a pool of finalists who are willing to have their names out in public.

9. Adjourn

There being no further business, Chair Kelly adjourned the PDC Board meeting at approximately 4:42 p.m.

Approved by the Portland Development Commission on June 8, 2016



Gina Wiedrick, Recording Secretary