

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7088

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A
DISPOSITION AND DEVELOPMENT AGREEMENT WITH PORTLAND
STATE UNIVERSITY FOR REDEVELOPMENT OF MULTIPLE PROPERTIES
WITHIN THE UNIVERSITY DISTRICT AREA AND UNIVERSITY PLACE SITE**

WHEREAS, the Portland Development Commission (“PDC”) is the duly authorized urban renewal agency of the City of Portland (“City”), Oregon, and administers the City’s urban renewal plans;

WHEREAS, pursuant to the Charter of the City and Oregon Revised Statutes Chapter 457, the Portland City Council (“City Council”) adopted the North Macadam Urban Renewal Plan on August 11, 1999, by Ordinance No. 173651, (the “Plan”). The Plan established the North Macadam Urban Renewal Area (“URA”) within which PDC will focus efforts to encourage private development, cure blight, and enhance economic development opportunities;

WHEREAS, Portland State University (“PSU”), partner on the University District amendment to the Central City Plan as approved on July 1, 1995, by the City Council, is one of Oregon’s largest universities; a renowned provider of quality accessible higher education to Portlanders and the state; nationally recognized for community engagement, graduate education, research, and international exchange; and a major employer and contributor to economic activity in downtown Portland;

WHEREAS, PDC, the City and PSU (the “Parties”) have a long history of partnership, including a June 2007 Intergovernmental Agreement setting forth general terms and conditions to cooperate in developing a long-term Framework Plan to guide PSU projects, reflect ongoing growth at PSU, and coordinate with related City planning and development efforts, including the City’s Central City 2035 planning efforts;

WHEREAS, in May 2012, City Council approved the Education District URA by Ordinance No. 185327 to partner with PSU through a new URA focused on expanding PSU as a leading engine of economic growth and prosperity for the Portland region;

WHEREAS, in May 2014, by Resolution No. 37072 as Amended, City Council directed PDC and City staff to work on a package of URA amendments which collectively would reduce impact of urban renewal on taxing jurisdictions; maintain resources for City economic development, redevelopment and affordable housing priorities; and continue to support PSU—a proposed package which included closing the Education District URA and expanding and extending the North Macadam URA;

WHEREAS, the subjects of this Disposition and Development Agreement (“DDA”) are multi-year real estate developments or redevelopments (“Projects”) intended to provide the City with a focused

mechanism to redress blight in accordance with and in furtherance of the North Macadam Urban Renewal Plan and continue to advance the mutually beneficial goals of the City, PDC and PSU; and

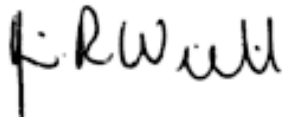
WHEREAS, the Parties intend that no part of the funds or the value of the property provided by PDC shall be used exclusively for education purposes but rather will be incorporated into Projects in conjunction with PSU funds and will be tax-generating, so as to be consistent with the limitations established in Article XI, Section 11b(1) of the Oregon Constitution.

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board of Commissioners hereby authorizes the Executive Director to enter into a DDA in the North Macadam URA with PSU that is not materially different from that attached hereto as Exhibit A;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the DDA if such modifications do not materially change PDC's obligations or risks from those contained in the agreement attached hereto; and

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

Adopted by the Portland Development Commission on December 11, 2014

A handwritten signature in black ink, appearing to read "Gina Wiedrick". The signature is written in a cursive, somewhat stylized font.

Gina Wiedrick, Recording Secretary

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7088

EXHIBIT A

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A
DISPOSITION AND DEVELOPMENT AGREEMENT WITH PORTLAND
STATE UNIVERSITY FOR REDEVELOPMENT OF MULTIPLE PROPERTIES
WITHIN THE UNIVERSITY DISTRICT AREA AND UNIVERSITY PLACE SITE**

Exhibit A includes this cover page and contains 84 pages:

- Agreement for Disposition and Development of Property in North Macadam Urban Renewal Area Portland State University
 - Exhibit A: North Macadam Urban Renewal Area
 - Exhibit B: Projects Map
 - Exhibit C: Glossary of Defined Terms
 - Exhibit D: Funding Strategy Plan
 - Exhibit E: PSU – Project Schedule
 - Exhibit F: COP/PSU Letter of Intent (LOI)
 - Exhibit G: PDC's Business & Workforce Policy
 - Exhibit H: Business Equity Program Specification
 - Exhibit I: Workforce Equity Program Specification
 - Exhibit J: Green Building Policy
 - Exhibit K: 2% for the Arts Policy

AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY

IN

NORTH MACADAM URBAN RENEWAL AREA

PORTLAND STATE UNIVERSITY

THIS AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY (this “Agreement”) is made as of _____, by and between the **CITY OF PORTLAND (the “City”)**, a municipal corporation of the State of Oregon, acting by and through the **PORTLAND DEVELOPMENT COMMISSION**, the duly designated urban renewal agency of the City of Portland (“PDC”), and **THE STATE OF OREGON, ACTING BY AND THROUGH PORTLAND STATE UNIVERSITY (“PSU”)**. PDC and PSU are referred to jointly in this Agreement as “Parties” and individually as a “Party”.

RECITALS

A. PDC is the duly authorized urban renewal agency of the City of Portland, Oregon, and administers the City's urban renewal plans;

B. Pursuant to the Charter of the City of Portland and ORS Chapter 457, the City adopted the North Macadam Urban Renewal Plan on August 11, 1999, by Ordinance No. 173651, (the “UR Plan”). The UR Plan established the North Macadam Urban Renewal Area (“URA”) within which PDC will focus efforts to encourage private development, cure blight, and enhance economic development opportunities;

C. PSU, the progenitor of the University District amendment to the Central City Plan as approved on July 1, 1995 by the Portland City Council (the “Amendment”), is Oregon’s largest university; a major provider of quality accessible higher education, nationally recognized for community engagement, graduate education, research, and international exchange; and a major employer and contributor to economic activity in Downtown Portland;

D. In November 2002, PSU and PDC formalized a partnership via an Intergovernmental Agreement, whereby they agreed to collaborate to promote development and vitality within the University District, including through the transfer of urban renewal funds in exchange for real property within the University District (Resolutions #5930 and #5938);

E. In June 2007, the Parties entered into an Intergovernmental Agreement (“IGA”) setting forth general terms and conditions to cooperate in developing a long-term plan to guide PSU Projects; reflect the growth of PSU that occurred since the Amendment; and coordinate with related City

planning and development efforts, including the Central Portland Plan, assessment of the future of urban renewal in Downtown, and development of a regional economic development strategy;

F. In June 2010, PSU completed the University District Framework Plan which outlines the framework for future growth to realize its vision as a sustainable, urban research University;

G. In May 2012, the Portland City Council approved the Education District Urban Renewal Area by Ordinance No. 185327 to partner with PSU through a new urban renewal area focused on expanding PSU as a leading engine of economic growth and prosperity for the Portland region;

H. In May 2014, by Resolution No. 370372 as Amended, Portland City Council directed PDC to work to reduce impact of urban renewal on taxing jurisdictions while providing resources to meet the City's community development, economic and affordable housing goals, and support PSU, through a proposed package of urban renewal amendments, including closing the Education Urban Renewal Area and expanding the North Macadam Urban Renewal Area. See Exhibit A – Proposed Amended North Macadam Renewal Area

I. This Agreement will establish the parameters that will foster development or redevelopment efforts within an amended North Macadam Urban Renewal Area, and which amendment is anticipated to be acted upon by the Portland Development Commission, and City Council concurrent with consideration of this Agreement (“Proposed URA Amendment”);

J. The subjects of this Agreement are multi-year real estate developments or redevelopments (“Project” or “Projects” as shown in attached Exhibit B) intended to provide the City of Portland with a focused mechanism to redress blight in accord with and in furtherance of the amended North Macadam Urban Renewal Area Plan. The Projects will continue to advance the mutually beneficial relationships between the City, PDC and PSU. The Parties will incorporate mutual respect and partnership in all aspects of the Projects. The Projects will showcase and promote sustainability, community development and public engagement;

K. In general, and subject to the terms below, PSU shall take steps to prepare for and then to develop or redevelop real estate. In general and subject to the terms below, PDC shall contribute either real estate or funding associated with tax increment generated pursuant to ORS § 457 et al. Funding associated with the tax increment generated under ORS § 457 shall be referenced herein as “TIF”;

L. This Agreement documents a multi-faceted approach involving PDC and PSU in a cooperative undertaking to realize each party's objectives for the future development and use of property and occurrences of activities in the amended North Macadam Urban Renewal Area including the University District;

M. In this Agreement, PDC is acting in the capacity as an Urban Renewal Agency, focused on the improvement and revitalization of the general area of the proposed Projects through private development and for-profit uses;

N. PSU's objectives are to find opportunities to join with PDC in multi-use, multi-purpose Projects, where private enterprises (which will pay property taxes) can be encouraged to locate in conjunction with higher education facilities. This is consistent with PSU's mission of inter-relating with its urban environment, using that urban environment as an extension of PSU's academic environment;

O. The below-listed Projects present a wide array of project types both in their objectives and their financing. None of the Projects is exclusively oriented to achieving the specific objectives of PDC or PSU. Notwithstanding PSU's involvement or cooperation, there will be no Project which is undertaken or developed or used exclusively for educational purposes. This integration with private enterprise uses, will mean: (a) PSU will allow certain uses or locations in a Project that do not have any education purpose; (b) buildings or other improvements will not be 100% property tax exempt; (c) PDC will impose restrictions on the use of any property or funds it provides for a Project, so that PDC assets are committed uses that are not exclusively for education and will be so utilized for the useful life of the asset, as referenced in Section 2.1;

P. The parties acknowledge that without the limits placed upon PDC funds and PDC resources committed in this Agreement, PDC would not participate or fund the Projects.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. DEFINED TERMS

Words that are capitalized, and which are not the first word of a sentence, are defined terms. A defined term has the meaning given it when it is first defined in this Agreement. Defined terms may be used together and the combined defined term has the meaning of the combined defined terms. A defined term that is a noun may be used in its verb or adjective form and vice-versa. Defined terms may be used in the singular or the plural as defined in the attached Exhibit C.

2. PROVISIONS OF GENERAL APPLICATION

- 2.1. Non-Educational Use of PDC Contributions.** Where, pursuant to this Agreement, PDC is called upon to commit real estate, funds, other value or to forgive value then the execution of that commitment shall not be used by PSU exclusively for educational services, including support services and shall be accounted for by PDC consistent with the provisions of in Article XI, Section 11b(1) of the Oregon Constitution and ORS 310.060 . PDC can require, in addition to this Agreement, the execution of documentation by PSU confirming and restricting the ongoing use of such funds and/or property. More, specifically, the parties intend that no part of the funds or the value of the property provided by PDC shall be used exclusively for education purposes but rather will be incorporated into a project in conjunction with PSU funds in a way which preserves the use of those assets contributed by PDC for non-education purposes.
- 2.2. Availability of TIF Funding.** PDC funding will be dependent upon the availability of URA tax increment financing (TIF) pursuant to Oregon Revised Statue Chapter 457 and will be determined by the City Debt Management Office. Funding availability will be contingent upon tax collections and the completion of ad valorem tax-generating Projects within the URA that are identified by PDC as the highest priority. The priority of Projects to which PDC will dedicate TIF will be driven by a Project’s anticipated ability to most efficiently generate new tax increment revenue within the URA in order to meet the need for resources within the URA. All anticipated expenditures of URA TIF under this Agreement are subject to the successful performance of the URA as modeled. URA modeling relies on Portland State University (“PSU”), Oregon Health Sciences University (“OHSU”), and ZRZ Realty Company Inc. (“ZRZ”) proceeding according to schedule with the development of projects on their respective property that will, when finished, be taxable and that will generate TIF consistent with attached Exhibit D - Funding Strategy Plan.

- 2.3. TIF Eligibility.** The dedication of PDC value in any form - real estate, direct funding or forgiven payments – to a Project shall require PDC approval that such application of value is in accord with the provisions of Oregon Revised Statutes Chapter 457. The Projects envision PDC investments that are targeted to development of commercial and/or ground-floor retail space(s) to create an active ground floor experience.
- 2.4. Development Financing.** Portland Development Commission is uniquely able to access or to coordinate sources of development financing. Depending upon the particular requirements and conditions of a project, PDC may be able to offer or aid in accessing financing that is comparable to or superior to that which PSU, or a project development partner, is considering. Consequently, PSU and any development partner shall consult with PDC and provide PDC information at a time sufficiently early so as to determine if a PDC source of alternative financing may be available for a particular project under this agreement.
- 2.5. Anticipated IGAs.** The Projects will each require a more detailed, Project-specific intergovernmental agreement (“IGA”) or other legal agreement to complement this Agreement, including a separate City of Portland-PSU agreement for a joint commercial Project further detailed in Sections 3.1, 3.3. and 3.4
- 2.6. State Funding.** References in this Agreement to “State Funding” mean sufficient funds approved by the State legislature to augment other financial resources so as to make a particular Project financially feasible.
- 2.7. Intent to Implement.** In some instances the initiation of Projects described in this section are dependent upon market conditions, PSU needs, and PSU’s and PDC’s financial capabilities. Nevertheless, the Parties intend to advance each Project as soon as is practicable and as outlined in the Project Schedule, see Exhibit E, contemplated by this Agreement. In most instances the Parties agree to undertake those activities that would best advance a Project to readiness in terms of commitment to construction. Such activities may include but are not limited to programming, issuance of requests for proposals, evaluation and selection of proposals, funding, and design and permitting. A Party’s obligation to undertake a specific activity or obligation set forth in this Agreement may be contingent upon the occurrence of conditions; some of which may be outside the control of such Party. Although certain conditions are set forth in this Agreement, the Parties recognize that the activities contemplated in this Agreement could be subject to additional conditions not specified herein, including, but not limited to, commitment of funding resources such as matching requirements for state issued binds, availability of staffing resources, successful completion of applicable procurement processes, obtainment of necessary approvals (e.g. state legislature and/or treasurer, governing bodies, and regulatory bodies, as applicable), legislative conditions, and availability of appropriate entitlements. Each Party shall take reasonable actions to satisfy such conditions precedent that are within its control. Neither Party, however, will be

responsible for the performance of an obligation that is subject to a condition precedent that, without fault or negligence of the Party to whom the obligation would apply, does not occur.

- 2.8. **“Commence Construction” or “Commencement of Construction”** and words of similar import shall mean the date on which PSU has begun, or has caused a partner, developer or contractor to begin mass excavation, major geotechnical, major utility, full lateral foundation or other major, related construction work on the Property that indicates PSU is committed to Project completion.

3. PROJECTS

- 3.1 **Graduate School of Education:** PSU has identified the new Graduate School of Education proposed to be sited at the Extended Studies Building (“XSB”) as a priority candidate for State funding. PSU has requested State funding for development. The City of Portland’s Office of Management and Finance (COP) and PSU have executed a Letter of Intent (LOI), attached as Exhibit F, indicating a desire on the part of COP to secure from PSU at least 30,000 square feet of commercial office space. It is the intent of PSU and COP that PSU will construct a new building, which may include a remodel of the existing XSB, to create a high density urban mixed-use office and classroom building for the purpose of PSU and COP cooperative partnership, occupancy and uses (Graduate School of Education Project).

- 3.1.1 **Site Location/Description:** The Graduate School of Education Project site is a half block located at SW Park Avenue and SW Mill Street described as:

Parcel 1:
Tax Map: 1S 1E 4AD Tax Lot: 7200
Address: 901-917 SW Mill St.

Parcel 2:
Tax Map: 1S 1E 4AD Tax Lot: 7300
Address: 1633 SW Park Ave.

- 3.1.2 **State Funding:** PSU has submitted the Project to the Higher Education Coordinating Commission with the intent of obtaining State Funding assistance. A decision on whether the Graduate School of Education Project will be granted such State funding is expected to be made in June 2015. The City and PSU are expected to enter into a more specific Project related IGA pursuant to that funding determination with an ownership agreement to follow.

- 3.1.3 **Approved State Funding Decision:** If State Funding is approved for the Graduate School of Education Project in June 2015 and other funds, such as matching requirements for state issued bonds, sufficient to complete the financing of the Project

are committed and available, then PSU shall undertake the following development activity:

3.1.3.1 Commence construction design and permitting in 2016;

3.1.3.2 Subject to diligent completion of design and obtaining all requisite permits, commence construction in 2017, with COP and State bond funds issued shortly thereafter; and

3.1.3.3 Obtain occupancy permits and, subject to the City issuing necessary occupancy permits, make space available to COP by August 2018 in accord with the LOI.

3.1.4 State Funding Decision: If State Funding is not approved for the School of Education Project in July 2015 then PSU shall follow development activity as outlined in section 3.3.3.

3.2 School of Business Administration: The School of Business Administration Project is an improvement to property located at SW 6th and SW Harrison Street, which will include large scale renovations to approximately 97,000 gross square feet (GSF) of existing building currently housing the School of Business Administration, and the addition of approximately 38,000 GSF on the northwest corner of the site.

3.2.1 Site Location/Description: The School of Business Administration Project site is the full block located at SW 6th and SW Harrison Street described as:

Parcels 1 – 8:

Tax Maps: 1S 1E 04DA

Tax Lots: 5400, 5500, 5600, 5700, 5800, 5900, and 6000 Original Addresses: 631 SW Harrison St and 631 WI/ SW Harrison St

3.2.2 TIF Funding. As early as resources allow but not later than June 30, 2017 if resources are available, PDC will provide \$2 million in TIF funding to assist in PSU's renovation of the School of Business Administration Project via an IGA or alternative agreement form. PDC may transfer the funding directly to PSU or to a private development partner responsible for the construction or funding of not less than \$2 million in taxable, TIF-generating space.

3.2.3 Plan. The School of Business Administration Project shall include development consistent with PSU's 2010 University District Framework Plan, including creating an active ground floor use which engages with the public realm and adjacent University Plaza.

3.2.4 Unused TIF. If less than \$2 million is needed for the School of Business Administration Project then the unused aspect of that fund shall be allocated by PDC, in consultation with PSU, to other PSU/commercial related projects in the Urban Renewal Area.

3.3 Jasmine Project: This Project anticipates the development of a key property within the amended North Macadam Urban Renewal Area to foster an opportunity for a multi-use development by PSU, or PSU with a development partner. Such mixed-use development is anticipated to realize the highest and best use of the development potential as entitled at the time of development for PSU use and/or separate but complementary commercial use. The Project will promote an active ground-level, and pedestrian activity, including connections to PSU's campus and surrounding neighborhood, and create a varied and engaging public realm as outlined in the University District Framework Plan. This key location will exemplify the bridge between PSU and the greater city. Upon the execution of this Agreement PSU's rental rate for the property known as the PSU Carpool Lot under the existing lease shall be reduced to \$0. The property known as the Jasmine Block currently maintained by PDC will become the sole responsibility of PSU for maintenance, upkeep, payment of utilities, taxes, insurance, special assessments and any other obligations under an anticipated amended lease agreement.

3.3.1 Site Location/Description: The Jasmine Block consists of two separate properties known as the PSU Parking Lot and the Jasmine Restaurant:

Parcel 1: PSU Parking Lot:

Tax Map: 1S 1E 03CB Tax Lot: 2600

Site Address: 5th & SW Montgomery

Parcel 2: Jasmine Restaurant:

Tax Map: 1S 1E 03CB Tax Lot: 2800

Site Address: 401 SW Harrison

3.3.2 Jasmine Project with Private Partner (Jasmine Private Option): In the event that State funding for the Graduate School of Education Project is approved in June 2015 then PSU agrees to reprioritize its capital project list to advance the Jasmine Project by refining the Project concept to include: 1) a development program that achieve the highest and best use of development potential for academic or commercial uses and 2) development of commercial, office, retail or other space which is distinct from the educational uses that is taxable and of a size that reflects not less than the fair market value of the land contributed by PDC.

3.3.2.1 Development Solicitation. PSU shall collaborate with PDC to define a request for development concept and/or owner/developer(s) (RFP). The RFP shall be issued no later than December 2015. Pursuant to the RFP, PSU shall select a development concept by the spring of 2016 and enter into a

memorandum of understanding (MOU) with the partner(s), if any are selected.

- 3.3.2.2 Feasibility Assessment.** In 2016 PSU, in collaboration with PDC, shall assess the feasibility of proceeding with the Jasmine Project and elect whether to advance the Fourth/Lincoln Project in lieu of Jasmine in accord with section 3.4.8 below.
- 3.3.2.3 Submit for State Funding.** When PSU decides to proceed with the Jasmine Project, PSU shall seek State Funding for the Jasmine Project in the 2017 legislative session unless PSU identifies alternative funding sources for the PSU portion of the Project.
- 3.3.2.4 PDC Support.** PDC will provide non-financial assistance in structuring the disposition and transfer of the site to facilitate financing and development of the Project so as to provide as close to a market rate of return to PSU as possible and to add taxable value for generation of TIF revenue.
- 3.3.2.5 Successful State Funding.** If State Funding for the Jasmine Project is approved in July 2017 and other funds, such as matching requirements for state issued bonds, sufficient to complete the financing of the Project are committed and available, then PSU shall:
 - 3.3.2.5.1** Commence Project design in 2018;
 - 3.3.2.5.2** Subject to diligent completion of design and obtaining all requisite permits, commence Project construction no later than fall 2019; and
 - 3.3.2.5.3** Obtain occupancy permits for the Project in 2020.
- 3.3.2.6 Sale of Real Estate Rights to Support Development.** If State Funding is approved in 2017 then PDC will convey the right to develop the Project either pursuant to an IGA, or via another agreement form by:
 - 3.3.2.6.1 Direct Sale.** PDC may sell the Project site directly to PSU for a purchase price equal to the fair market value of the site. PSU shall at closing, satisfy the purchase price by tendering a promissory note payable to PDC reflecting an obligation equal to the purchase price. Said note shall be due on January 1, 2025 if the Project has not been constructed and occupancy permits obtained. Said note shall be forgivable upon PDC's confirmation

that a public benefit of equivalent value to the note obligation will be created. The commencement of construction of the Project prior to the due date of the note, including a TIF-generating element of value not less than the purchase price, shall be deemed an equivalent public benefit justifying forgiveness of the note. Subject to PSU obtaining all necessary approvals, (e.g. state legislature, and/or treasurer, governing bodies, and regulatory bodies as applicable), the note may be secured by a deed of trust on the Project.

3.3.2.6.2 Appraisal. As part of real estate title/rights sale or transfer, PDC shall contract for new appraisals for each parcel prior to transfer. PDC shall pay for the cost of such appraisals. The property is currently considered to be valued at approximately \$4 million.

3.3.2.7 Post Transfer Obligations. The transfer of title or rights to PSU or to another entity in support of PSU shall also be conditioned upon the following predevelopment and construction schedule which shall be reflected in the deed until such time as satisfied:

3.3.2.7.1 PSU commencing construction design by the conclusion of 2018;

3.3.2.7.2 Subject to the approval of State Funding, and the commitment of other funds, such as matching requirements for state issued bonds, sufficient to complete the financing of the Project and subject to the City issuing all requisite permits, PSU shall have commenced Project construction by fall 2019; and

3.3.2.7.3 PSU obtaining occupancy permits for the Project by the end to 2020.

3.3.2.8 Unsuccessful State Funding. If State Funding is not approved in 2017 then PSU shall continue to seek State Funding for the Project in the next available legislative cycle and repeat such efforts until State Funding is approved during the Term of this Agreement. PDC shall transfer real estate rights in accord with section 3.3.2.6 above to support development following the successful approval of State Funding.

3.3.2.9 PDC Repurchase Rights. Should transfer of the property occur and Project construction has not commenced by January 31, 2025, the parcel shall, at PDC's election be exclusively available to PDC for repurchase. This repurchase interest shall be reflected in a recording against title and may,

with PDC's approval, be made subordinate to the interests of intended developers or providers of financing for development. If PDC elects to exercise the right of repurchase under this provision then PDC shall pay PSU an amount equal to one half the amount of real estate appreciation between the date the property transferred to PSU and the date the property transferred back to PDC. An appraisal of the property shall be commissioned and paid for by PDC and PSU in equal shares so as to aid in the calculation of the repurchase payment.

3.3.2.10 PSU Right of First Refusal. As of June 30, 2025, should this Project not have moved forward as contemplated in the DDA, then before PDC may sell the property to a third party, PDC shall first offer the property to PSU for fair market value. PSU shall have 60 days during which to accept such offer. If PSU does not accept the offer within the 60-day period, PDC shall be free to pursue a third-party offer.

3.3.3 Jasmine Project with Public Partner (Jasmine Public Option): In the event that State Funding for the Graduate School of Education Project at the XSB property is not approved in July 2015, then PSU agrees to prioritize its capital improvement list to advance the Jasmine Project by refining the Project concept to include: 1) development of not less than 30,000 GSF of space for COP use to accommodate the terms of the LOI, 2) development of 50,000 to 100,000 square feet for academic uses and 3) the development of commercial, office, retail or other space which is taxable in a size that reflects not less than the value of the land contributed by PDC.

3.3.3.1 Feasibility Assessment. In 2016 PSU shall assesses the feasibility of proceeding with the Jasmine Project and elect whether to advance the Fourth/Lincoln Project in lieu of Jasmine in accord with section 3.4.8 below.

3.3.3.2 Submit for State Funding. When PSU decides to proceed with the Jasmine Project, PSU shall seek State Funding for the Jasmine Project in the 2017 legislative session unless PSU identifies alternative funding sources for the PSU portion of the Project.

3.3.3.3 PDC Support. PDC will provide non-financial assistance in structuring the disposition and transfer of the site to facilitate financing and development of the Project so as to provide as close to a market rate of return to PSU as possible and to add taxable value for generation of TIF revenue.

3.3.3.4 Successful State Funding. If State Funding for the Jasmine Project is approved in June 2017 and other funds, such as matching requirements for

state issued bonds, sufficient to complete the financing of the Project are committed and available, then PSU shall:

3.3.3.4.1 Commence Project design in 2018;

3.3.3.4.2 Subject to completion of design and obtaining all requisite permits, commence Project construction no later than fall 2019; and

3.3.3.4.3 Obtain occupancy permits for the Project in 2020.

3.3.3.5 Sale of Real Estate Rights to Support Development. If State Funding is approved in 2017 then PDC will convey the right to develop the Project either pursuant to an IGA or via another agreement form by:

3.3.3.5.1 Direct Sale. PDC may sell the Project site directly to PSU for a purchase price equal to the fair market value of the site. PSU shall at closing, satisfy the purchase price by tendering a promissory note payable to PDC reflecting an obligation equal to the purchase price. Said note shall be due on January 1, 2025 if the Project has not been constructed and occupancy permits obtained. Said note shall be forgivable upon PDC's confirmation that a public benefit of equivalent value to the note obligation will be created. The commencement of construction of the Project prior to the due date of the note, including a TIF-generating element of value not less than the purchase price, shall be deemed an equivalent public benefit justifying forgiveness of the note. Subject to PSU obtaining all necessary approvals (e.g. state legislature and/or treasurer, governing bodies, and regulatory bodies, as applicable), the note may be secured by a deed of trust on the Project.

3.3.3.5.2 Appraisal. As part of real estate rights transfer, PDC shall contract for new appraisals for each parcel prior to transfer. PDC shall pay for the cost of such appraisals. The property is currently considered to be valued at approximately \$4 million.

3.3.3.6 Post Transfer Obligations. The transfer of title or rights to PSU or to another entity in support of PSU shall also be conditioned upon the following predevelopment and construction schedule which shall be reflected in the deed until such time as satisfied:

3.3.3.6.1 PSU initiating Project designs by the conclusion of 2018;

3.3.3.6.2 Subject to the approval of State Funding and the commitment of other funds sufficient to complete the financing of the Project and subject to the City issuing all requisite permits, PSU shall have commenced Project construction by fall 2019; and

3.3.3.6.3 PSU obtaining occupancy permits for the Project by the end to 2020.

3.3.3.7 Unsuccessful State Funding. If State Funding is not approved in 2017 then PSU shall continue to seek State Funding for the Project in the next available cycle and repeat such efforts until State Funding is approved during the Term of this Agreement. PDC shall transfer real estate rights in accord with section 3.3.3.5 above to support development following the successful approval of State Funding.

3.3.3.8 PDC Repurchase Rights. Should transfer of the property occur and Project construction has not commenced by January 31, 2025, the parcel shall, at PDC's election be exclusively available to PDC for repurchase. This repurchase interest shall be reflected in a recording against title and may, with PDC's approval, be made subordinate to the interests of intended developers or providers of financing for development. If PDC elects to exercise the right of repurchase under this provision then PDC shall pay PSU an amount equal to one half the amount of appreciation between date the property transferred to PSU and date the property transferred back to PDC. An appraisal of the property shall be commissioned and paid for evenly between PDC and PSU to aid in the calculation of the repurchase payment.

3.3.3.9 PSU Right of First Refusal. As of June 30, 2025, should this Project not have moved forward as contemplated in the DDA, then before PDC may sell the property to a third party, PDC shall first offer the property to PSU for fair market value. PSU shall have 60 days during which to accept such offer. If PSU does not accept the offer within the 60-day period, PDC shall be free to pursue a third-party offer.

3.4 Budget Rent-A-Car ("Fourth/Lincoln") Project: Through partnership with TriMet (the current owner of the Budget Rent A Car properties at SW 4th Avenue and SW Lincoln as further defined below) the Fourth/Lincoln Project provides an opportunity to create synergy between PSU-owned properties adjacent to TriMet owned properties. The Fourth/Lincoln Project consists of a PDC/PSU/TriMet cooperative effort to develop the properties as a stand-

alone multi-use building or in conjunction with the adjacent PSU-owned “Art Building” property. The Fourth/Lincoln Project shall be developed in a manner consistent with PSU’s 2010 University District Framework Plan. The Project shall include a commercial/retail, taxable element of sufficient size so as to be consistent with the limitations set forth under section 2 of this agreement. It is contemplated within 60 days of execution of this DDA PDC, PSU and TriMet will enter into a Memorandum of Understanding (MOU) for the development of the property.

3.4.1 Site Location/Description: The Fourth /Lincoln Project is located on three adjacent parcels:

Parcel 1:

Tax Map: 1S 1E 04DD Tax Lot: 100
Site Address: 2033 SW 4th

Parcel 2:

Tax Map: 1S 1E 04DD Tax Lot: 501
Site Address: SW Lincoln Ave

Parcel 3:

Tax Map: 1S 1E 04DD Tax Lot: 400
Site Address: 2032 SW 5th Ave

3.4.2 Interim Uses: For the period between 2014 and 2016, PSU and TriMet will jointly lead a process to identify temporary uses for the Budget properties, including, but not limited to, installation(s) of art exhibits. The 2014 through 2016 temporary uses shall complement the adjacent Portland-Milwaukie light rail station anticipated to open in fall 2015. PSU and TriMet will also jointly lead in an Identification and Funding Strategy of the Fourth and Lincoln site which will evaluate other longer-term interim uses and funding resources for a period ending no later than 2023. Phase 1 of the Identification and Funding Strategy will be to establish criteria for the interim uses by January 31, 2016. Subsequent interim uses may include a food cart pod or other such similar, temporary, activating improvements.

3.4.3 Development Solicitation: Beginning in approximately 2019, PSU shall initiate stakeholder outreach so as to gain a broader set of views and any desired PSU use that may influence permanent design and development of the site and/or to support future development of the PSU campus in alignment with the University Framework Plan. By 2020, PSU shall identify PSU and/or commercial uses for redevelopment of the TriMet properties and whether to incorporate concurrent redevelopment of PSU owned adjacent properties. In turn, subject to the execution of a partnership agreement as described in section 3.4.4 below, PSU shall issue a Request for Proposals seeking a partner to pursue the Fourth/Lincoln Project by June 2021 with selection occurring by January 2022.

- 3.4.4 Potential PDC Purchase:** PDC shall use best efforts to secure the ownership and development rights for the Project from TriMet by way of a partnership agreement by 2021. The partnership agreement shall guide development of the property in concert with PSU. If PDC cannot secure development and ownership rights from TriMet by January 2024, then PDC will make available URA TIF in the amount of the fair market value of the property for purchase of the property under the partnership agreement. PDC may transfer the funding directly to PSU, to TriMet or to a private development partner responsible for the construction or funding. PSU shall be obligated to construct on the Fourth/Lincoln Project taxable, TIF-generating space of not less than the value of the URA TIF committed by PDC to purchase the property. If a purchase of the Fourth/Lincoln property is not possible, PDC will make no more than \$2M available to PSU for use in another project which shall also obligate PSU to construct taxable, TIF-generating space in that other project of not less than the value of the URA TIF committed by PDC.
- 3.4.5** PDC will convey the right to develop the Fourth/Lincoln Project either pursuant to an IGA or via another agreement form by:
- 3.4.5.1 Direct Sale.** PDC may sell the fee simple Project site directly to PSU for a purchase price equal to the market value of the site. PSU shall at closing, satisfy the purchase price by tendering a promissory note payable to PDC reflecting an obligation equal to the purchase price. Said note shall be due on January 1, 2025 if the Project has not been constructed. Said note shall be forgivable upon PDC's confirmation that a public benefit of equivalent value to the note obligation will be created. The commencement of construction of the Project prior to the due date of the note, including a TIF-generating element of value not less than the purchase price, shall be deemed an equivalent public benefit justifying forgiveness of the note. Subject to PSU obtaining all necessary approvals, (e.g. state legislature and/or treasurers, governing bodies, as applicable) the note may be secured by a deed of trust on the Project;
- 3.4.5.2 Appraisal.** As part of real estate rights transfer, PDC shall contract for an appraisal of the Project site prior to transfer. PDC shall pay for the cost of such appraisals.
- 3.4.6 Post Transfer Obligations.** The transfer of title or rights to PSU or to another entity in support of PSU, shall also be conditioned upon the following predevelopment and construction schedule which shall be reflected in the deed until such time as the obligation is satisfied:

3.4.6.1 Development design shall be completed in 2023.

3.4.6.2 PSU shall commence construction by January 31, 2024.

3.4.6.3 PSU shall obtain occupancy permits by the fall of 2026.

3.4.7 PDC Repurchase Rights. Should transfer of the Fourth/Lincoln property occur and construction has not commenced by June 30, 2024, the parcel shall be exclusively available to PDC for repurchase. This repurchase interest shall be reflected in a recording against title and may, with PDC's approval, be made subordinate to the interests of intended developers or providers of financing for development. If PDC elects to exercise the right of repurchase under this provision then PDC shall pay PSU an amount equal to one half the amount of appreciation between date the property transferred to PSU and date the property transferred back to PDC. An appraisal of the property shall be commissioned and paid for evenly between PDC and PSU to aid in the calculation of the repurchase payment.

3.4.8 PSU Right of First Refusal. As of June 30, 2025, should this Project not have moved forward as contemplated in the DDA, then before PDC may sell the property to a third party, PDC shall first offer the property to PSU for fair market value. PSU shall have 60 days during which to accept such offer. If PSU does not accept the offer within the 60-day period, PDC shall be free to pursue a third-party offer.

3.4.9 Project In Lieu. If, following feasibility assessments of the Jasmine Project in 2016, PSU determines that the Fourth/Lincoln Project would compete better for State Funding or could attract a preferable development scenario, and then PSU may advance the Fourth/Lincoln Project in lieu of the Jasmine Project. If Fourth/Lincoln is advanced in lieu of the Jasmine then the Fourth/Lincoln Project may include a 30,000 square foot space to accommodate the COP pursuant to the terms of the LOI (i.e., 30,000 square feet for COP is not being designed into a development of the Graduate School of Education Project nor into the Jasmine Project). If PSU elects to advance the Fourth/Lincoln Project in lieu of the Jasmine Project then PSU shall adhere to the schedule for the Jasmine Project set forth above in Sections 3.3.3.1-3.3.3.4. If the Fourth/Lincoln Project is advanced in lieu of Jasmine then the Parties shall confer to discuss what alternative activity would be appropriate for the Jasmine Project site.

3.5 University Place Project. This Project will support the redevelopment of the 3.86-acre property at 310 SW Lincoln known as University Place (the "University Place Project"). PSU wishes to attract a development partner interested in a dense, mixed use development of the site that meets PSU's priorities and supports the growth of PSU and the University District pursuant to the objectives outlined in the University District Framework Plan and aligning

with City and PDC's UR Plan and other policy priorities. The University Place Project shall provide a higher density of mixed uses than exists at the time of execution of this Agreement including new housing and commercial uses adjacent to the Portland-Milwaukie light rail alignment. The Project is intended to create taxable real estate assessed value, in as much as is feasible for the purposes of serving shared interests, and that will help support the goals of the North Macadam Urban Renewal Area.

3.5.1 Site Location/Description: University Place Project

Parcel 1:

Tax Map: 1S 1E 03CC Tax Lot: 800

Site Address: 310 SW Lincoln

3.5.2 Termination of the Agreement for Disposition and Development of Doubletree Hotel Property (PDC-PSU Doubletree DDA): Upon execution of this Agreement the PDC-PSU Doubletree DDA entered into between PDC and PSU on February 26, 2004 pursuant to PDC Resolution No. 6083 is terminated without further action required by either Party. With termination of the PDC-PSU Doubletree DDA, PSU shall be relieved of all obligations thereunder, including, without limitation, the Payment in Lieu of Taxes (PILOT) payment obligations associated with the University Place site. Specifically, PSU will be relieved of its PILOT payment obligations starting in the year 2015 and continuing through year 15 (2019), which are identified as years 11 through 15 in Exhibit F of the PDC-PSU Doubletree DDA. Any payment made within the fiscal year in which the PDC-PSU Doubletree DDA is terminated will be reimbursed to PSU or remain uncashed by PDC. The Parties agree that anticipated reimbursements and termination of the PILOT payments on the Project represents a combined value of approximately \$1.8 million, however it is acknowledged that the termination of the PILOT will result in PSU being responsible for a to-be-determined amount of annual property taxes associated with private uses on the site. The cancellation of the PILOT obligation shall be deemed a PDC contribution of \$1.8 million in TIF to the Project at the time of construction.

3.5.3 Development Intent: The Parties shall cooperate to establish a development plan including the establishment of a schedule that will expeditiously advance the implementation of a more intensive use of the University Place Project as identified during the Lincoln Station transit oriented development analysis and process, including the possibility of phasing development, with PDC's approval to wit:

3.5.3.1 Request for Development Proposal: PSU shall issue a Request for Proposal (RFP) no later than June 2015. PDC shall review and comment on the RFP prior to release.

- 3.5.3.2 PDC Assistance.** PDC will provide assistance in structuring the financing, development and ownership of the Project, which, subject to PDC and PSU approval, may include the disposition of all or portions of the site, a long-term ground lease with a developer, and/or other partnership options that will provide a market rate of return to PSU and adds taxable value for generation of TIF revenue.
- 3.5.3.3 Design/Permitting.** PSU or a PSU partner shall conduct any required predevelopment activity such as master planning and shall award a contract to the selected development partner in 2016, unless PSU and PDC agree that a development partner is not needed in order to develop the site. Subject to 1) approval of State Funding, if sought, and the commitment and availability of all necessary financing resources, such as matching requirements for state issued bonds, and 2) issuance of all requisite permits by the City, PSU or a PSU partner shall complete all design and permitting by December 1, 2018.
- 3.5.3.4 Construction.** Subject to 1) approval of State Funding, if sought, and the commitment and availability of all necessary financing resources, such as matching requirements for state issued bonds, and 2) issuance of all requisite permits by the City, PSU shall commence construction, or require the selected developer to commence construction, no later than May 2019 and obtain occupancy permits by the summer of 2021.
- 3.5.3.5 Affordable Housing.** PSU agrees as follows:
- 3.5.3.5.1** Within this section the reference to PSU shall mean PSU or its development partner.
 - 3.5.3.5.2** As soon as PSU develops concept plans for any building on the University Place Project that includes housing (not including student housing) PSU shall provide notice, consistent with the notice requirements set forth herein, to Portland Housing Bureau and PDC of such development plans (“Housing Notice”).
 - 3.5.3.5.3** During the next thirty (30) days following Housing Notice, PHB, PDC and PSU shall meet to discuss the proposed development plans and discuss whether PHB may desire to participate in the housing project by providing Affordable Housing assistance and whether PHB might anticipate a reasonable likelihood to have available funds in PHB’s budget to participate in the project at some level. If PHB determines it does not wish to, or is not able

to, participate in the project, PHB shall provide notice to PSU and PDC and shall no longer assert an interest in the project.

- 3.5.3.5.4** Over the next 120 days, if PHB has indicated a desire to participate in the housing project: i) PHB shall seek to obtain formal budget authority to encumber a specified level of funding for the project, ii) PHB shall negotiate with PSU to establish the level of subsidy appropriate for the project, as defined below, and iii) negotiate with PSU the level of participation in the project (e.g. the number of units that will be, with PHB subsidy, required to attain Affordable Housing). If at any time during the 120 day period, PHB determines that it will be unable to obtain funding for the project, it shall immediately notify PSU and PDC, and have no interest with regard to the project. If PHB is, during such 120 day period, able to confirm that a specified level of funding has been encumbered for the project, PSU shall be obligated to provide Affordable Housing units (provided that in no event shall the number of units exceed 20% of the total housing units planned for the project), and PHB shall be obligated to provide a subsidy as follows: The subsidy will be provided and allocated on a per unit basis in an amount and on terms reasonably equivalent to Affordable Housing projects in the same or comparable neighborhoods in Portland. These obligations shall be memorialized during this period by a written agreement reasonably negotiated between the parties.
- 3.5.3.5.5** If, within the 120-day period, PSU identifies a negative financial feasibility impact associated with an intended Affordable Housing subsidy on a project then PSU shall in good faith work with PHB and PDC to develop a solution that could make units available at below market rates.
- 3.5.3.5.6** As used in this Section, “Affordable Housing” means rental units that are rented to and are occupied by households earning up to 60% of the area median family income (“MFI”) as determined by the United States Department of Housing and Urban Development (“HUD”) or ownership units that are sold to and occupied by households earning up to 100% MFI as determined by HUD.
- 3.5.3.5.7** In the event that PHB determines that adequate funding for Affordable Housing within the project cannot be obtained or

encumbered, PSU will coordinate with PHB to identify other funding sources or programs that could make units available at below market rates. PSU shall in good faith seek to pursue other affordable housing funding for the project that the parties mutually identify as reasonably viable financing options but is not obligated to provide below market rate units unless adequate funding or programs are identified.

3.5.3.5.8 The rights and obligations of this section shall be reflected in a Memorandum to be recorded on the University Place Project. At the latest, said Memorandum shall be recorded on title at the time PDC and PSU enter into an IGA or other agreement to commit PDC TIF to the Project pursuant to this Section. If, at an earlier point in time, PSU intends to subdivide the Project site or convey an interest to any other party the Memorandum shall be recorded prior to such action. PDC shall release said Memorandum in the event that no TIF funds made available by PDC are employed on the Project.

3.5.4 PDC Support. In addition to the \$1.8 million investment by PDC associated with cancellation of PILOT, PDC shall also make available funds as soon as possible subject to the constraints noted in this Agreement and as detailed below.

3.5.4.1 Should PSU or a development partner meet the timeline as described in section 3.5.3 and the Project result in a taxable real estate assessed value of not less than \$66 million, PDC shall make available up to \$13 million between 2019 and 2020 to PSU or a development partner;

3.5.4.2 Should the Project meet the timeline and result in taxable assessed value of less than \$66,000,000 but more than \$14.8 million, PSU will provide notice to PDC no later than November 1, 2017 of that estimated assessed value. Upon receipt of that notice, and following PDC verification of the estimated assessed value, PDC shall make available to PSU or a development partner a reduced but proportionate amount of funding that is equal to the ratio of 66/14.8. (As an example, in the case of an estimated assessed value of \$50M, PDC would make available funding in the approximate amount of \$11.2M: $66/14.8=4.56$; $50/4.56=11.2$)

3.5.4.3 Should the intended Project generate taxable real estate assessed value less than \$14.8M, then PDC shall make available \$13 million in funding between 2023 and 2024. PDC may transfer the funding directly to PSU or to a private development partner responsible for the construction. Under

this section PSU shall ensure that not less than \$14.8 million in taxable, TIF generating space is generated at the Project.

3.5.5 Unused TIF. If less than \$13 million is needed for the University Place Project then the unused residual shall be allocated by PDC, in consultation with PSU, to other taxable, TIF-generating, PSU-related Projects in the URA under similar taxable, TIF generating obligations and schedule as Section 3.5.4 above.

3.5.6 Failure to Construct. If, for whatever reason, commencement of construction has not begun on the University Place Project by fall 2022, or an alternative Project or Projects has not commenced construction by spring of 2020, PDC shall no longer be obligated to provide \$13 million in funding to PSU.

3.6 Fourth Avenue Building: The Fourth Avenue Project, located at the 1900 SW 4th Avenue Building, provides PSU the opportunity to develop commercial space within the same building as PSU currently houses part of its Maseeh College of Engineering and Computer Science. The Fourth Avenue Project involves the renovation and possible expansion of the building to provide new research, commercialization or other commercial uses linked to PSU's incubator activities.

3.6.1 Site Location/Description: Fourth Avenue Building Project

Parcel 1: Condo Units 1, 2 and 3

Tax Map: 1S1E03CB 90000

Site Address: 1900 SW 4th Avenue

3.6.2 PDC Support. As early as possible, should additional resources be available, but not later than June 30, 2025, PDC will provide at least \$2 million in TIF funding to assist in the renovation of the Fourth Avenue Building via an IGA or alternative agreement form.

3.6.3 Unused TIF. If less than \$2 million is needed for commercial renovation of the Fourth Avenue Project then the unused aspect of that fund shall be allocated by PDC, in consultation with PSU, to other PSU related Projects in the Urban Renewal Area. PDC may transfer the funding directly to PSU or to a private development partner responsible for the construction or funding of not less than \$2 million in taxable, TIF-generating space.

4 POLICIES AND PROGRAMS. The following PDC policies shall be applicable to the Projects:

4.1 PDC’s Business and Workforce Equity Policy. (See Exhibit G) PDC has adopted a Business and Workforce Equity Policy to ensure fair and equitable opportunities to Portland’s diverse populations, promote prosperity in all segments of Portland’s diverse communities, foster economic growth, and expand competition in the market. The Business and Workforce Equity Policy is comprised of two (2) separate and distinct programs:

PDC has determined that the application of PDC resources to the Projects is subject to both the Business Equity Program and the Workforce Equity Program as follows:

4.1.1 Business Equity Program Specifications. PSU shall or shall compel a development partner to comply with the provisions of the specifications made a part hereof in Exhibit H.

4.1.2 Workforce Equity Program Specifications. PSU shall or shall compel a development partner to comply with the provisions of the Workforce Equity Program specifications made a part hereof in Exhibit I.

4.2 PDC’s Green Building Policy. PSU shall or shall compel a development partner to comply with the provisions of the Green Building specifications made a part hereof in Exhibit J.

4.3 PDC’s EEO Certification. PSU shall or shall compel a development partner to comply with the City’s EEO Certification Program – Portland City Code provision 3.100.041.

4.4 Prevailing Wage. It is likely that most of the Projects or major elements of the Projects contemplated in this Agreement will be subject to prevailing wage requirements, either under PSU guidelines or pursuant to ORS 279C.800(6)(a)(A) or federal law. When a Project reaches preliminary design stage the Parties shall convene to determine whether that Project is subject to prevailing wage requirements and how those requirements will be satisfied.

4.5 RACC’s 2% for the Arts. It is possible that the City’s 2 percent for the Arts Policy may apply to one or more elements of the anticipated Projects. When a Project reaches preliminary design stage the Parties shall convene to determine whether public uses, funding levels or other factors will trigger the policy. If PDC deems the policy applicable then the PDC shall communicate the impact, if any, that the policy may have on release of PDC funds. The 2 percent for the Arts Policy is made a part hereof in Exhibit K.

4.6 PSU shall be subject to the provisions of the policies noted above that have been adopted by PDC at the time a Project IGA is signed.

5 MISCELANEOUS.

- 5.1 No Assignment.** PSU shall not partially or wholly dispose of or agree to dispose of PSU's interest in this Agreement or the Property without the prior written approval of the PDC. PDC may require as conditions to such approval that the transfer is not in violation of other provisions of this Agreement.
- 5.2 Notice.** Any notice or communication under this Agreement by either Party to the other shall be deemed given and delivered (a) forty-eight (48) hours after being dispatched by registered or certified U.S. mail; postage prepaid, return receipt requested, or (b) when received if personally delivered, and:

In the case of a notice to PSU, addressed as follows:

Portland State University
Jason Franklin, Director of Campus Planning & Design
PO Box 751 (mailing address)
Portland, OR 97207

1600 SW 4th Ave #340 (physical address)
Portland, OR 97201

With a copy to:

Portland State University
Office of General Counsel
PO Box 751 (mailing address)
Portland, OR 97207

1600 SW 4th Ave #810 (physical address)
Portland, OR 97201

In the case of a notice or communication to PDC, addressed as follows:

Portland Development Commission
Irene Bowers
222 NW Fifth Avenue
Portland, Oregon 97209

With a copy to:

Portland Development Commission
General Counsel
222 NW Fifth Avenue
Portland, Oregon 97209

5.3 DEFAULT; REMEDIES

5.3.1 PDC's Remedies

5.3.1.1 PSU Defaults. PDC may assert a Minor PSU Default or a Major PSU Default.

5.3.1.1.1 A Minor PSU Default is the failure to accomplish a task set forth in this agreement that is a prelude to development. Specifically, a PSU Minor Default occurs for failure to comply with the following sections:

Jasmine with Private Partner

3.3.2.1 Development Solicitation

3.3.2.2 Feasibility Assessment

3.3.2.3 Submit for State Funding

3.3.2.5.1 Commence Design

Jasmine with Public Partner

3.3.3.1 Feasibility Assessment

3.3.3.2 Submit for State Funding

3.3.3.4.1 Commence Design

Fourth/Lincoln

3.4.3 Development Solicitation

3.4.6.1 Complete Design

3.4.9 In Lieu

University Place

3.5.3.1 Request for Proposal

3.5.3.3 Design/Permitting

5.3.1.1.2 A Major PSU Default is the failure to commence construction or complete a Project by a specified date or time frame as prescribed in this Agreement (A Major Default may only be associated with the following Projects: Jasmine, Fourth and Lincoln, and University Place or an alternative to University Place).

5.3.1.2 PDC Remedies. The following remedies are PDC's sole remedies for a Minor PSU Default or Major PSU Default:

5.3.1.2.1 Upon a Minor PSU Default PDC shall provide PSU a written notification of default within thirty (30) days of default. PSU shall provide a written response to PDC within thirty (30) days explaining the corrective actions that shall be taken to remedy the default. If PSU does not accomplish the described remedies within ninety (90) days of the date of default or by a later date specified in the response or, in the case of a default that cannot with due diligence be cured within a period of ninety (90) days, PSU does not commence the cure of the default within ninety (90) days after PSU receives written notice from PDC and thereafter diligently prosecutes to completion such cure, then PDC may no longer reserve TIF funds for the Projects under this Agreement in accord with the schedule in Exhibit E. PDC may, at its election, identify and fund other taxable, TIF generating Projects that are likely to generate a similar or greater amount of taxable value as anticipated under Exhibit D. While this remedy is not intended to relieve PDC of all obligations to fund Projects the effect of this section may be to significantly delay the availability of funds for PSU or limit the amount of funds that will be available.

5.3.1.2.2 PDC's remedy for a Major PSU Default under this Agreement is prescribed within the particular Project section of this Agreement. No remedy is associated with the School of Business Administration Project and the Fourth Avenue Project.

5.4 Force Majeure. Neither a Party nor Party's successor in interest shall be considered in breach of or in default with respect to any obligation created hereunder or progress in respect thereto if the delay in performance of such obligations (the "Unavoidable Delay") is due to causes that are beyond its control, and without its fault or negligence, including but not limited to (a) acts of God, acts of the public enemy, acts of the government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquake, explosion, mob violence, and riot or (b) inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a Party or others relating to zoning or other governmental action or inaction pertaining to the Project, delay in the issuance of necessary permits for the Project, malicious mischief, condemnation action delays of litigation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar events and/or occurrences beyond the control of such Party. It is the purpose and intent of this provision that, in the event of the occurrence of any such Unavoidable Delay, the time or times for

performance of the obligations of PDC or PSU, as the case may be, shall be extended for the period of the Unavoidable Delay; provided, however, that the Party seeking the benefit of this Section shall, within thirty (30) days after the Party becomes aware of the causes of any such Unavoidable Delay, notify the other Party in writing of the cause or causes of the delay and the estimated time of correction.

5.5 Dispute Resolution. PSU and PDC agree that for disputes arising pursuant to this Agreement that they will confer and attempt to resolve their disputes. If the parties are unable to resolve the dispute in question, the Parties shall further confer as to whether mediation or arbitration (“alternative dispute mechanism”) is appropriate to resolve the dispute. In the absence of agreement on use an alternative dispute mechanism, either party may seek legal recourse through the state courts in Multnomah County, Oregon.

5.6 Counterparts. To facilitate execution of this Agreement, this Agreement may be executed in multiple counterparts, each of which, when assembled to include an original or faxed signature for each party contemplates to sign this Agreement, will constitute a complete and fully executed agreement. All such fully executed original or faxed counterparts will collectively constitute a single agreement.

5.7 Pending Litigation.

5.7.1 The case of *McGuire et al v. City of Portland, Portland Development Commission and Portland State University*, Case No. 5226 (the “Case”), is currently pending in the Oregon Tax Court. In this litigation, plaintiffs are seeking a declaration that Article XI, Section 11b of the Oregon Constitution and ORS 310.060 apply to some or all of the projects contemplated under this Agreement and that certain value be characterized as used for “education.”

5.7.2 While the Case is pending or under appeal PDC shall not be obligated to make payments or to transfer real estate value to PSU under this Agreement nor shall PSU be obligated to accept payments or real estate from PDC and PSU shall not be obligated to undertake project-related activities.

5.7.3 Should the Oregon courts determine that some or all of the projects under this Agreement are subject to Article XI, Section 11b of the Oregon Constitution and ORS 310.060, and that fulfillment of the terms of the Agreement would necessitate characterization of value conveyed by PDC to PSU as educational, then this Agreement may, at the election of either PDC or PSU, terminate. PDC may elect to fulfill provisions of this Agreement following a court determination if fulfillment thereof will not generate a need to characterize the expenditure as education. In the event that part or all of the Agreement is terminated as a result of a court determination under this section then PDC agrees to enter into negotiations with PSU

to explore and identify potential alternative resources and mechanisms to achieve the goals of this Agreement.

- 5.7.4** To support this purpose, all funds or the value of property or resources provided by PDC for a project shall be tracked by PSU. PSU shall establish an accounting system for such purposes. PDC may require, in addition to this Agreement, the execution of documentation by PSU confirming and restricting the ongoing use of such funds and/or property to uses that do not generate a need to characterize such value as educational under Article XI, Section 11b(1) of the Oregon Constitution and ORS 310.060. PSU agrees that PDC shall have full enforcement rights concerning PSU's adherence to such restricted use of PDC-contributed funds or property.
- 5.8 Amendments and Modifications.** Any modifications to this Agreement shall be made in writing and executed by all Parties, and approved by the PDC Commission, if required. Notwithstanding this general requirement, the PDC Executive Director may approve minor modifications to this Agreement without Commission approval.
- 5.9 Entire Agreement.** While this Agreement anticipates subsequent instruments to facilitate particular Projects, this Agreement and the attachments hereto are the entire agreement between the Parties as of the time of execution. There is no other oral or written agreement between the Parties with regard to this subject matter. There are no oral or written representations made by either Party, implied or express, other than those contained in this Agreement.
- 5.10 Choice of Law.** Oregon law shall govern this Agreement.
- 5.11 Calculation of Time.** All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or legal holiday.
- 5.12 Construction.** In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.
- 5.13 Legal Purpose.** PSU agrees that it shall use the Property solely for lawful purposes.
- 5.14 Severability.** If any clause, sentence or any other portion of the terms and conditions of this Agreement becomes illegal, null or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law.

- 5.15 Entire Agreement.** This Agreement and the attachments hereto are the entire agreement between the Parties. There is no other oral or written agreement between the Parties with regard to this subject matter. There are no oral or written representations made by either Party, implied or express, other than those contained in this Agreement.
- 5.16 Waivers.** No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of any other rights of the Party making the waiver. No waiver by PDC or PSU of any provision of this Agreement or any breach thereof shall be of any force or effect unless in writing; and no such waiver shall be construed to be a continuing waiver.

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the Effective Date.

PORTLAND DEVELOPMENT COMMISSION

By: _____
Patrick Quinton, Executive Director

Approved as to form:

Office of General Counsel

By: _____
Eric Iverson, General Counsel

STATE OF OREGON, acting by and through the State Board of Higher Education on behalf of Portland State University

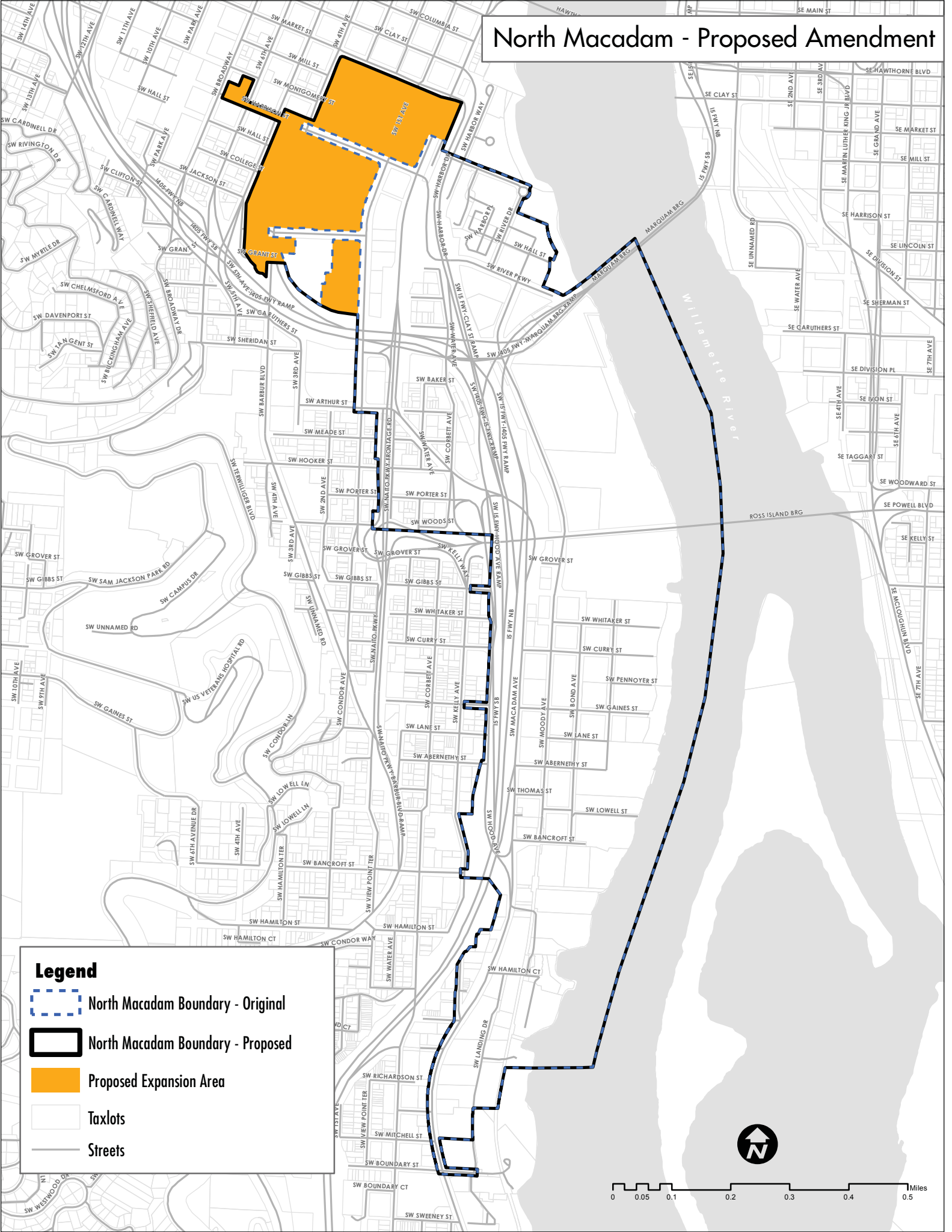
By: _____
Wim Wiewel, President

Dated: _____






EXHIBITS

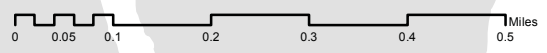
	<u>Exhibit Description</u>	<u>First Referenced</u>
A	North Macadam Urban Renewal Area	Recitals H, page 2
B	Projects Map	Recitals J, page 2
C	Glossary of Defined Terms	Section 1, page 4
D	Funding Strategy Plan	Section 2.2, page 4
E	PSU – Project Schedule	Section 2.7, page 5
F	COP/PSU Letter of Intent (LOI)	Section 3.1, page 6
G	PDC’s Business & Workforce Policy	Section 4.1, page 22
H	Business Equity Program Specification	Section 4.1.1, page 22
I	Workforce Equity Program Specification	Section 4.1.2, page 22
J	Green Building Policy	Section 4.2, page 22
K	2% for the Arts Policy	Section 4.5, page 22

North Macadam - Proposed Amendment



Legend

-  North Macadam Boundary - Original
-  North Macadam Boundary - Proposed
-  Proposed Expansion Area
-  Taxlots
-  Streets



PSU Project Map



Projects

- A. Graduate School of Education
- B. School of Business
- C. Jasmine Project
- D. University Place
- E. Budget Rent A Car (4th/Lincoln Project)
- F. Fourth Avenue Building

GLOSSARY OF DEFINED TERMS

The capitalized terms used in this Agreement have the following meanings:

“**Agreement**” means this Development Agreement between the PDC and PSU.

“**Agreement IGAs**” means the IGAs between PDC and the Partner Agencies necessary to effectuate this Agreement.

“**Anticipated IGAs**” means a Project specific IGA as described in Section 3.

“**Art Building**” means the property owned by PSU at SW 5th and Lincoln.

“**BOLI**” means the Oregon Bureau of Labor and Industry.

“**Budget Rent A Car Project**” means the Project known as the **Fourth and Lincoln Project**, currently owned by TriMet located at SW Fourth and Lincoln, adjacent to PSU’s Art Building property. The Project means the near-term interim uses, as well as the eventual design and construction work as outlined in Section 3.4.

“**City**” means the City of Portland, Oregon.

“**Commencement of Construction**” means the date on which PSU has begun, or has caused a partner, developer or contractor to begin mass excavation, major geotechnical, major utility, full lateral foundation or other major, related construction work on the property that indicates PSU is committed to Project completion.

“**Council**” means the Portland City Council.

“**Effective Date**” means the date on which the last Party to sign has executed this Agreement.

“**Fourth and Lincoln Project**” means the Project also known as the Budget Rent A Car Project, currently owned by TriMet located at SW Fourth and Lincoln, adjacent to PSU’s Art Building property. The Project means the near-term interim uses, as well as the eventual design and construction work as outlined in Section 3.4.

“**Graduate School of Education**” means the design and construction of a new building located at SW Park Avenue and SW Mill Street as described in Section 3.1.

“**IGA**” means intergovernmental agreement.

“**Intent to Implement**” means that the Parties intend to advance each Project as soon as is practical and as outlined in Section 3 and Project Schedule - Exhibit D.

“Jasmine Project” means the design and construction of a mixed-use, multi-story new development of two adjoining parcels located between SW4th and 5th and SW Montgomery and Harrison and as outlined in Section 3.3.

“OHSU” means the Oregon Health & Science University.

“Party” means PDC or PSU individually.

“Parties” means PDC and PSU jointly.

“PHB” means the City of Portland Housing Bureau.

“Plan” means the North Macadam Urban Renewal Plan adopted by the Council on August 11, 1999 by Ordinance No 173651, including all amendments thereto.

“PDC” means the Portland Development Commission.

“Project or Projects” means the PSU development projects described at Section 3.

“Proposed URA Amendment” means the anticipated amendment to the North Macadam Urban Renewal Area.

“PSU” means Portland State University.

“School of Business” means the design and construction of large scale renovations to the existing building located at SW 6th and SW Harrison as described in Section 3.2.

“State Funding” means sufficient funds approved by the State legislature to augment other financial resources so as to make a particular Project financially feasible.

“TIF” means Tax Increment Financing pursuant to ORS 457.

“TIF Eligibility” means in accordance with the provisions of Oregon Revised Statutes Chapter 457.

“TSDC” means City of Portland Transportation System Development Charge.

“URA” means the North Macadam Urban Renewal Area.

“UR Plan” means the adopted North Macadam Urban Renewal Plan.

“URA TIF” means TIF generated in the North Macadam Urban Renewal Area.

“XSB Property” (Extended Study Building) means the property owned by PSU located at SW 9th and Mill.

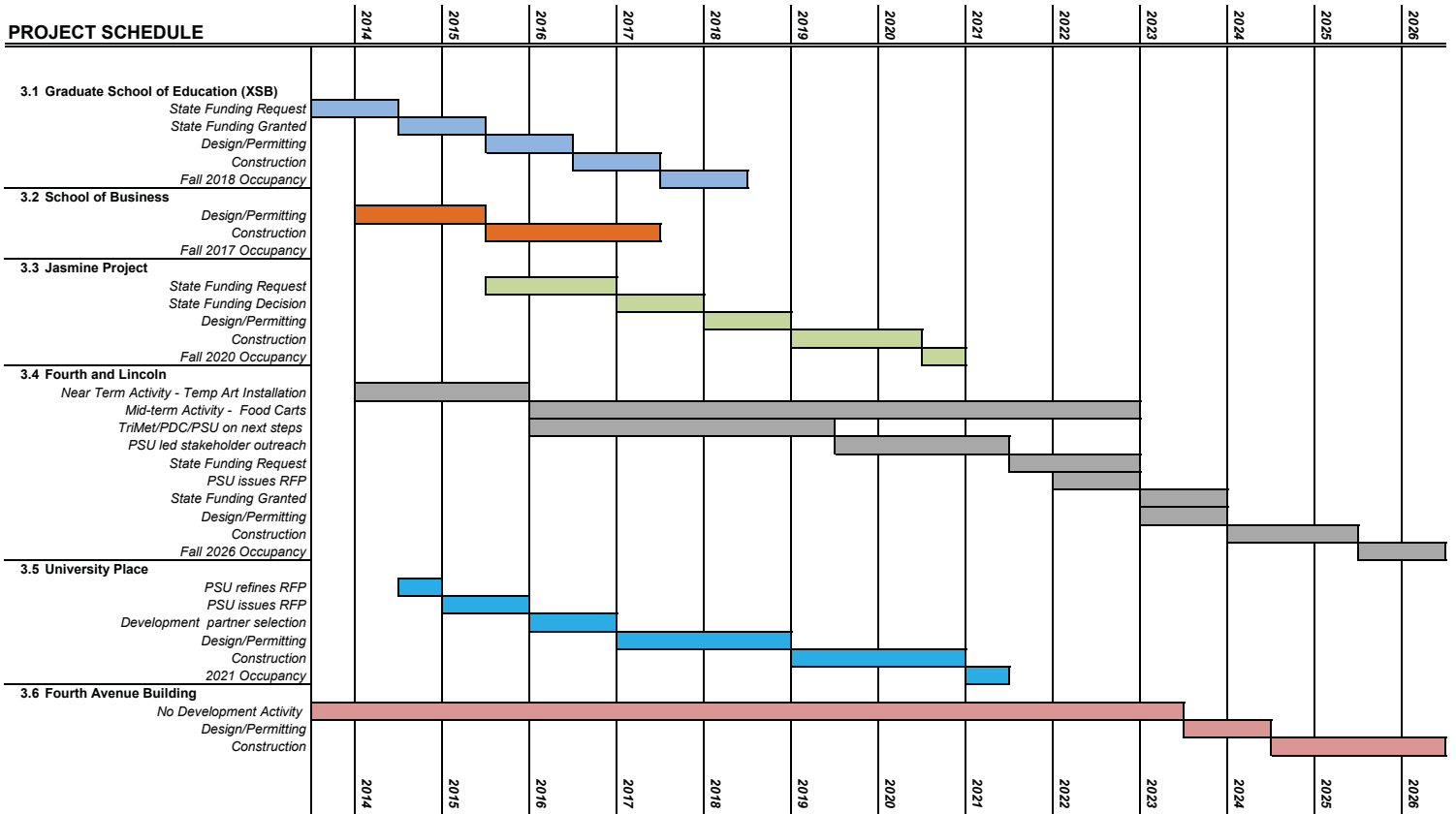
“**ZRZ**” means the ZRZ Realty Company, an Oregon corporation.

Funding Strategy Plan

	Fiscal Year									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PROJECTED TIF REVENUES										
Increment - Existing North Macadam URA	740,000	6,260,000	6,640,000	7,230,000	8,060,000	16,370,000	16,160,000	16,050,000	15,530,000	13,280,000
Increment - New Development Existing URA <i>(inc. OHSU/ZRZ development)</i>	0	9,000	95,000	160,000	810,000	2,750,000	3,790,000	4,840,000	5,720,000	5,780,000
Increment - Amendment Area to URA	0	230,000	360,000	510,000	700,000	1,680,000	1,900,000	2,120,000	2,260,000	2,110,000
Increment - New Development Amendment Area <i>(inc. University District/PSU development)</i>	0	0	0	0	0	390,000	760,000	1,140,000	1,470,000	1,570,000
Other Income (projected loans, land sales, etc.)	220,000	230,000	220,000	200,000	150,000	150,000	150,000	150,000	150,000	150,000
Beginning Balance	7,060,000	4,484,000	2,027,000	5,306,000	2,580,000	3,004,000	4,858,000	13,297,000	21,311,000	35,105,000
Total Projected TIF Revenues Available For Projects	8,020,000	11,213,000	9,342,000	13,406,000	12,300,000	24,344,000	27,618,000	37,597,000	46,441,000	57,995,000

EXPENDITURES										
Phase 1 (2015-2019)										
SW Bond Street <i>(RiverPlace to SW Grover)</i>	700,000	1,450,000	2,400,000	3,650,000						
ZRZ Phase 1 Economic Development Investments		2,500,000								
PSU School of Business Administration <i>(commercial use)</i>		2,000,000								
Phase 2 (2019-2024)										
University Place Redevelopment				5,000,000	4,600,000	3,400,000				
South Waterfront Greenway <i>(RiverPlace to Ross Island Bridge)</i>					100,000	8,150,000	3,475,000			
Ross Island Bridge Park Acquisition								5,000,000		
ZRZ Phase 2 Economic Development Investments							2,000,000	2,000,000	2,000,000	
Phase 3 (2024+)										
4th & Lincoln Acquisition										2,000,000
4th Avenue Building										2,000,000
ZRZ Phase 3 Public Improvements <i>(TBD)</i>										TBD
Districtwide										
Housing (30%)	2,000,000	2,000,000		340,000	2,760,000	6,100,000	6,510,000	6,950,000	7,200,000	6,550,000
Cluster Development							500,000	500,000	500,000	500,000
Property Management	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Central District Greenway										
Project Staffing/Indirect	800,000	1,200,000	1,600,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,600,000	1,000,000
Total Expenditures	3,536,000	9,186,000	4,036,000	10,826,000	9,296,000	19,486,000	14,321,000	16,286,000	11,336,000	12,086,000

PROJECT SCHEDULE





CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Charlie Hales, Mayor
Fred Miller, Chief Administrative Officer
Bryant Enge, Director, Bureau of Internal Business Services

Robert F. Kieta, Manager
Facilities Services
1120 S.W. Fifth Avenue, Rm. 1204
Portland, Oregon 97204-1912
(503) 823-5288
FAX (503) 823-6924
TTY (503) 823-6868

Letter of Intent

City of Portland (Oregon)
&
Portland State University

This Letter of Intent ("LOI") is made this 13 ^{October} day of ~~August~~, 2014, between the City of Portland ("COP"), a municipal corporation of the State of Oregon and Portland State University ("PSU").

The City of Portland has multiple office space leases in privately held properties. COP's long-term goal is to reduce or eliminate the need for privately owned leased office space in the downtown core area and the development proposed in this agreement will help the COP meet this goal.

In order to obtain State funding, PSU requested this LOI from COP with respect to COP's planned participation in a real property development conceived as the School of Education Building which would provide office and classroom space for COP and PSU. This LOI identifies the Parties' shared understanding, purpose and vision for the development. Although this LOI is not binding on the Parties, it memorializes general terms for their discussion and evaluation in developing agreements related to the project.

1. Development Concepts

- a) PSU will construct a new building, which may include a remodel of the existing Extended Studies Building, to create a high density urban mixed-use office and classroom building for the purpose of PSU and COP cooperative partnership, occupancy and uses.

The proposed development site is a half block located at SW Park Avenue and SW Mill Street described as:

Parcel 1:

Tax Map: 1S 1E 4AD Tax Lot: 7200
Original Address: 901-917 SW Mill St.
M Co. Deed Book & Pg. # Unavailable
Purchased from: Dillsbaugh, C. R. 05/1962

Lot 4 of Blk. 227, Portland Blocks Addition, in SE1/4 of NE1/4 of Section 4, Township 1S, Range 1E from western meridian in Multnomah Co., Oregon.

Parcel 2:

Tax Map: 1S 1E 4AD Tax Lot: 7300
Lot 3 of Blk. 227, Portland Blocks Addition, in SE1/4 of NE1/4 of Section 4, Township 1S, Range 1E from western meridian in Multnomah Co., Oregon.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

Original Address: 1633 SW Park Ave.
M Co. Deed Book & Pg. # Unavailable
Purchased from: Tiffits Estate 06/1956

- b) The space will be available for COP occupancy by August 1, 2018.
- c) COP would be an owner or long term tenant of the constructed space.
- d) If PSU is unsuccessful at obtaining funding by July 31, 2015 for the development at SW Park Avenue and SW Mill, PSU would begin planning another new development that would include space available to COP by August 1, 2020 on either the Jasmine Block (SW Montgomery and SW 4th Avenue) or Budget Rent a Car property (2033 SW 4th Avenue) so that COP can incorporate the opportunity in its space planning. By November 1, 2015 PSU will offer COP an alternative space that COP deems acceptable.

2. Policy Visions

- a) This project will continue to advance the mutually beneficial relationship similar to the existing COP - PSU condominium relationships of the 1900 Building and the Academic Student Recreation Center. The Parties will incorporate mutual respect and partnership in all aspects of the project, from initial scoping to final occupancy.
- b) The project will showcase and promote sustainability, community development and public engagement.
- c) The project shall comply with Oregon's Percent for Solar requirement.
- d) Recognizing that the Parties may have different green building/green construction requirements for improvement projects, (e. g., Leadership in Energy and Environmental Design (LEED) or State Energy Efficiency Design (SEED)), the Parties shall adopt the more advanced sustainability program goals unless the Parties mutually agree in writing that a lesser standard should be applicable to identified aspects of the project. To the extent that the SEED program is used instead of LEED, certain City green building policies may need to be formally amended, and PSU would need to work with COP staff to obtain the required policy changes.
- e) The project will support the Parties' commitment to actions which provide for economic development, equity, their roles as diligent stewards of public funds and resources and other important public policies.
- f) Recognizing that the Parties might have different public works requirements such as project labor rates per Bureau Of Labor and Industries (BOLI) or Davis-Bacon, the Parties may need to fashion mutually acceptable goals for participation of minority, women, and emerging small business's (MWESB's) that may exceed any legally required minimums. The Parties will need to incorporate mutually acceptable workforce goals and MWESB requirements into all professional services and construction contracts for the project.
- g) The project shall comply with applicable State public arts funding and COP's Percent for Art Program requirements. Cooperation amongst the Parties and outside partners such as Regional Arts and Culture Council (RACC) would be required. If required, project documents need to clearly contemplate the requisite set-asides to meet requirements of the two public arts programs.

3. COP Financial Evaluation

- a) Given the objective of using COP's interest in ownership or tenancy as match for State financing for the project, COP financing terms may need to reflect minimum standards required to be considered match for PSU's purposes.
- b) The terms of the purchase agreement or long term lease agreement, including but not limited to price per square foot, length of lease and desired target funding strategy, will be negotiated by June 1, 2015 concurrent with an intergovernmental agreement(s) currently proposed between the Parties ("IGA"). Both parties understand the City's intended funding source is redirected lease payments which range from \$27 to \$30 per square foot. This target range represents either a NNN lease cost, or the City's total project contribution including debt repayment, tenant improvements, furniture, fixtures, and equipment, project management, operating cost, and reserve funds; in either scenario a turnkey space is required.
- c) Under the COP ownership option, COP and PSU will evaluate the School of Education Building with a shared understanding construction and occupancy costs of the COP portion of this development will be significantly less or certainly no greater than the COP's current annual payment for comparable leased space based on a 17 year debt payment schedule (in 2014 dollar values).
- d) COP understands that PSU needs to receive its financial contributions as a match for state backed debt.

4. Building and Space Requirements, Desired Scope and Operation

- a) COP's minimum space requirement will be 30,000 gross square feet of useable office space. COP spaces within the building must be as contiguous as possible by floor and on exterior facing floors of the building, unless COP expresses other desired placement of its space during the design phase.
- b) COP space needs to be of quality comparable to other COP buildings. The building needs to be designed for standard office and general classroom use. The building must not be used for: wet-lab; research, testing or laboratory activities involving chemicals, drugs, hazardous material or other materials that would be hazardous, environmentally detrimental or unsafe for office workplace environment; recreational facilities other than modest size employees workout facility.
- c) The building must include sufficient bicycle parking to support the business needs of the City agency located within the building. PSU acknowledges that the COP will need some vehicle parking nearby. The COP and PSU will work together to identify vehicle parking needs and possible ways to accommodate vehicle parking in a near-by PSU parking garage as part of the proposed IGA.
- d) The project must be built to a "life-safety" standard and not to "essential facility" standard.
- e) The building needs to include a backup generator sized to meet essential electrical needs during the event of power outage. The COP and PSU will work together to better understand the COP's needs for a UPS system within the City owned spaces and will include the approach for providing this system in the proposed IGA.

5. Project Development

- a) PSU will procure and manage construction contract in the form (e. g., Design/Build, CMGC, or Design/Bid/Build) that would best protect the Parties' interests. PSU will consult with COP prior to selecting the contracting form and the contractor. PSU shall provide a copy of the construction contracts to the City for review and comment prior to finalizing the agreement.
- b) PSU will procure and manage professional services contracts (i.e., designer, architect, engineers, etc.) required to complete the project. The Parties will share in ownership and intellectual property rights of project work product.
- c) PSU will provide COP the opportunity to review and comment on all phases of design and construction. COP needs opportunity to inspect, review, comment and have equal approval authority on design and construction documents including but not limited to concept plans, schematic designs, contract documents, written specifications, designs, proposals or revisions that pertain to shared systems and spaces and to COP spaces within the building.
- d) PSU will be responsible for building the core and shell of the building along with all mechanical, electrical, and plumbing system, as well as tenant improvements per COP's specifications and seeking permitting for all phases of work. The tenant improvements to be delivered and completed by PSU contractor will include all interior walls and finishes such as carpet, paint, finished ceiling, window coverings, casework, code-required signage, and roughed-in data and telephone lines throughout the space.
- e) PSU shall be responsible for designing and installing a security (card-reader access) system for city-owned spaces per COP's current Schneider Electric/TAC/INet 7 system.
- f) The Parties will each be responsible for procuring and installing the technology components (e. g., computers, laptops, telephones, etc.) for their own spaces within the proposed building.
- g) The COP and PSU will work together to identify the interior space needs of the agency proposed for relocation to the new building. In the IGA, the parties will further clarify and identify the responsibilities between the parties for procuring and installing furniture, fixtures, and equipment within the COP's finished occupant space.
- h) COP will procure and install head-end equipment in communications rooms on its floor(s) for data, telephone and IRNE. PSU will be responsible for technology infrastructure conduit and trunk lines into the building and terminated to each floor. PSU will install the fiber-optic conduit and trunk lines of the City's IRNE network from the exterior of the building into the building, which will terminate in the communication rooms.
- i) At completion of the project, PSU will provide COP with a full set of As-built drawings and Operations and Maintenance documents. These documents will be delivered in a mutually-agreed electronic format.
- j) Specific technical requirements for COP space would be detailed in future discussions and included into the project IGA. These requirements will be written in "performance specification" language and, in general, will include any mechanical, electrical, plumbing, space layout, telecommunication components, and other technical needs for COP to function in the building. PSU shall include all performance requirements into the building design documents and will assure implementation during construction.
- k) PSU will provide COP with a title report, environmental report (at a minimum a Phase I

environmental assessment) and a geotechnical report of the project site. PSU will disclose all known environmental hazards (hazardous substances and contaminated media) that may be discovered at any point in the project.

- l) If the project results in COP ownership and if the parties decide to structure ownership in condominium form, then PSU will take the lead in creating the condominium in accordance with the Oregon Condominium Act. General common elements need to include fee simple interest in the land unless COP specifically agrees otherwise and the Parties have the opportunity to adjust for less than fee simple. PSU will be responsible for preparing condominium documents.
- m) If the project results in long term lease, or lease option to buy outright, or lease payments applied to purchase price, terms of lease shall be for at least 99 years with renewal options, with terms and conditions of leasing or purchase, reflective of COP's capital investment in the project

6. Miscellaneous

- a) The Parties understand that participation in this LOI will not preclude PSU or COP from pursuing other development opportunities, which may come from public interest in connection to this LOI.
- b) This LOI will not preclude the Parties from discussing economic development opportunities with any other public agencies, or prevent the Parties from entering into an agreement with any other party in accordance with their individual or collective interests.
- c) Nothing in this LOI waives any Party's policy or prohibits a Party from maintaining or enforcing its current policies or agreements, including, but not limited to, contracting, competitive bidding, workforce and other requirements.

The Parties understand that this Letter of Intent expresses the intentions and desires of the Parties to enter into discussions with respect to this project in mutually beneficial collaborative efforts. The Parties agree that this Letter of Intent is not binding on the Parties, does not give rise to any legally binding or enforceable obligation, liability or agreement of the Party.

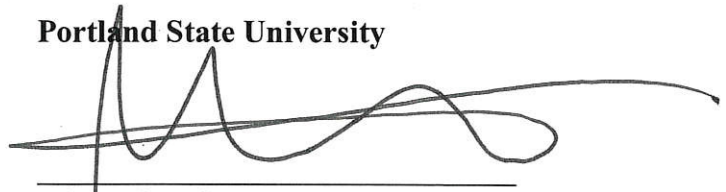
City of Portland (Oregon)



Charlie Hales
Mayor

Date: 10/13/2014

Portland State University



Wim Wiewel
President

Date: 10/19/14

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6988

**ADOPTING THE EQUITY POLICY OF THE PORTLAND DEVELOPMENT
COMMISSION**

WHEREAS, the Portland Development Commission (“PDC”) is committed to ensuring that PDC’s strategic goals, outcomes, programs, and initiatives advance social and economic equity;

WHEREAS, PDC is committed to increasing economic opportunity and income for all Portland residents and historically disadvantaged Portlanders in particular;

WHEREAS, PDC is committed to making use of all of PDC’s revitalization and economic development activities to create equitable access to living wage jobs and wealth creation opportunities for Portlanders;

WHEREAS, PDC will demonstrate its commitment to and leadership in social equity through internal business practices, robust community partnerships, and accountability measures;

WHEREAS, the Equity Policy expands the scope and reach of PDC’s equity efforts from construction activities under the Business and Workforce Equity Policy (PDC Resolution No. 6561, as amended by PDC Resolution No. 6667, as amended by PDC Resolution No. 6787) to significant projects, community benefit agreements, all PDC investments and resources, and internal business practices including recruitment and retention; and

WHEREAS, the Equity Policy reflects the recommendations received from the PDC stakeholder committee on the 2012 PDC Disparity Study.

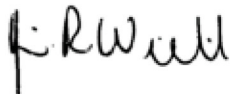
NOW, THEREFORE, BE IT RESOLVED that PDC Resolution No. 6561, as amended by PDC Resolution No. 6667, as amended by PDC Resolution No. 6787, are hereby rescinded;

BE IT RESOLVED that the Board adopts the Equity Policy in the form attached hereto as Exhibit A;

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to create procedures necessary to implement the Equity Policy; and

BE IT FURTHER RESOLVED, that this resolution shall become effective 30 days after its adoption.

Adopted by Portland Development Commission on January 9, 2013



PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6988
EXHIBIT A

**ADOPTING OF THE EQUITY POLICY OF THE PORTLAND DEVELOPMENT
COMMISSION**

Exhibit A – C includes this cover page and contains 5 pages:

- PDC Equity Policy

PDC Equity Policy
January 9, 2013

PDC's mission is to create one of the world's most desirable and equitable cities by investing in job creation, innovation and economic opportunity throughout Portland.

1. OBJECTIVES OF THE PDC EQUITY POLICY

The objective of the PDC Equity Policy (this "Equity Policy" or "this policy") is to ensure that PDC's strategic goals, outcomes, programs, and initiatives advance social and economic equity by:

- A. Increasing economic opportunity and income for all Portland residents and historically disadvantaged Portlanders (i.e., communities of color and people in priority neighborhoods);
- B. Making use of all of PDC's revitalization and economic development activities to create equitable access to living wage jobs and wealth creation opportunities for Portlanders; and
- C. Demonstrating PDC's commitment to and leadership in social equity through internal business practices, robust community partnerships, and accountability measures.

2. ORGANIZATIONAL SCOPE

The Equity Policy is a PDC-wide policy.

3. DEFINITIONS

For purposes of this policy, unless otherwise stated, the following definitions shall apply:

Equity: Equity is when everyone has access to opportunities necessary to satisfy essential needs, advance their well-being, and achieve their full potential¹.

Priority

Neighborhoods: Geographic areas that are either: 1) Experiencing lagging commercial investment and increased or persistent poverty; or 2) Experiencing gentrification pressures.

¹ As defined in the Portland Plan.

Communities

of Color: People who self-identify as Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian-Pacific Americans, and/or first-generation immigrant populations for the purpose of minority business ownership².

Capitalized terms used in this policy without definition have the meaning ascribed to such terms in the Administrative Procedures (as hereinafter defined) to this policy.

4. POLICY CONTENT AND GUIDELINES

4.1 OVERVIEW

The Equity Policy objectives are pursued in three primary ways:

- A. Manage all investments, projects and programs in a manner which explicitly considers beneficiaries, addresses disparities, and supports equitable outcomes as further described in Section 4.2 of this policy and the Administrative Procedures;
- B. Ensure that significant PDC investments provide opportunities for living-wage construction jobs, career advancement, and business opportunities for historically disadvantaged populations as further described in Section 4.3 of this policy;
- C. Ensure that PDC's internal business practices increase diversity and social equity within PDC and support partnership, transparency, and accountability with community stakeholders as further described in Section 4.4 of this policy.

4.2 SUPPORTING EQUITABLE OUTCOMES WITH PDC INVESTMENTS, PROJECTS, AND PROGRAMS

Description: PDC activities that impact the community (e.g., real estate projects, community and economic development programs, lending and grant policies, budgetary/investment prioritization, and the processes that govern such decisions and investments) will be evaluated from an equity perspective to (1) answer "who benefits?," (2) ensure that existing disparities are explicitly addressed, and (3) mitigate unintended negative consequences.

1. *Practices:* The following practices will inform PDC investments, projects, and programs not addressed under section 4.3:
 - a) **Equity Lens for loans and grants.** A designated tool (the "Equity Lens") shall be used to evaluate all PDC loans and grants to ensure financial resources address

² As defined by the Coalition of Communities of Color.

disparities, advance strategic equity objectives, and do not result in unintended consequences.

- b) **Equity plan for non-financial investments (i.e., not loans and grants).** Each program, major activity or initiative, non-loan/grant investment, the recipients thereof, and the processes that govern such activities shall address disparities in access or outcomes and reduce unintended consequences such as displacement within the scope of the activity.
- c) **Public accountability.** Analyze and monitor PDC financial and non-financial investments to assess where PDC dollars are going, measure progress against stated social and geographic equity goals, and take corrective action if necessary.

4.3 ENSURING THAT SIGNIFICANT PDC INVESTMENTS PROMOTE OPPORTUNITY OBJECTIVES

Description: When making sizable investments, PDC aims to (1) ensure fair and equitable opportunities for Portland’s diverse populations, (2) promote prosperity in all segments of Portland’s diverse communities, (3) foster economic growth, and (4) expand competition in the market through explicit agreements with developers and contractors benefiting from the public investment.

Practices: The following practices will inform PDC investments designated as “significant”:

- a) **The Business Equity Program.** PDC will ensure that its work provides professional, supplier, and construction contracting opportunities to small businesses that have been historically underutilized, including minority-owned (“MBE”), women-owned (“WBE”), and emerging small businesses (“ESB”) as certified by the State of Oregon Office of Minority, Women, and Emerging Small Business, as well as Disadvantaged Business Enterprises (“DBE”) certified by the U.S. Department of Transportation (collectively, “Certified Firms”), and encourages the participation of businesses owned by veterans on Direct Contracting, Land Transactions, and work utilizing PDC resources, including Interagency and Intergovernmental Agreements.
- b) **The Workforce Equity Program.** PDC will seek to maximize apprenticeship opportunities in the construction trades, promote employment opportunities for Communities of Color and Women, and encourage the employment of people with disabilities and veterans on Direct Contracting, Land Transactions, and on work utilizing PDC resources.
- c) **Community benefits agreements.** Projects receiving “significant” investments through PDC will be evaluated for community benefits in addition to those related to the project’s pre-development and construction work. Projects with opportunities for additional community benefits shall be encouraged or required, depending on the specific project, to enter into a community benefits agreement to provide benefits such

as access for local residents to long-term employment opportunities, supply-chain opportunities for local businesses, and publicly-accessible amenities.

4.4 SUPPORTING COMMUNITY PARTNERSHIPS AND INCREASING DIVERSITY AND TRANSPARENCY THROUGH INTERNAL BUSINESS PRACTICES

Description: PDC's internal business practices (e.g., human relations, public affairs, community engagement) will strengthen the diversity and cultural competence of its staff, achieve meaningful public involvement for historically disadvantaged populations, and provide economic opportunity to businesses of color.

Practices: The following practices will inform internal PDC processes:

- a) **Human Resources Equity Plan.** PDC will research and document benchmarks and best practices of similar organizations with successful internal/staff-focused diversity and equity programs. The Human Resources division will subsequently develop, adopt and implement a plan to retain, promote, and recruit a diverse staff reflective of the local community.
- b) **Community engagement.** PDC shall engage the community in ways that allow for meaningful public involvement of those impacted by projects, programs, and processes. Advisory groups shall reflect the communities affected by PDC activities. Multicultural and multilingual considerations and translations shall be consistently made available. PDC will work closely with all communities, particularly those that have been historically disadvantaged, to explicitly address structural disparities, create pathways to prosperity, and determine the process for community involvement and governance.
- c) **Accountability and Governance.** Cultural competency and inclusionary practices that support the PDC Strategic Plan and annual work plans will be integrated into employees' mid-year and annual performance evaluations.
- d) **PDC Equity Council** (or other body designated by the Executive Director) will serve as an internal advisory group to monitor organizational progress, make recommendations for improving diversity and cultural competency, and provide training and other assistance, as necessary, to promote progress toward policy objectives.

5. IMPLEMENTATION

The Executive Director is hereby authorized to create and periodically update administrative policies or procedures to guide implementation of this policy (the "Administrative Procedures").

RESOLUTION NO. 6988

RESOLUTION TITLE:

ADOPTING THE EQUITY POLICY OF THE PORTLAND DEVELOPMENT COMMISSION

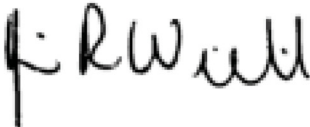
Adopted by the Portland Development Commission on January 9, 2013

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Steven Straus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Charles Wilhoite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

	<p>Date:</p> <p>January 24, 2013</p>
<p>Gina Wiedrick, Recording Secretary</p>	

BUSINESS EQUITY PROGRAM SPECIFICATIONS

LOAN AGREEMENT/DEVELOPMENT AGREEMENT PROCESS REQUIREMENTS

1. PURPOSE OF THE PROGRAM

The Portland Development Commission (“PDC”) has a compelling interest to ensure that PDC projects provide opportunities for State of Oregon Certified firms i.e. (Minority-Owned, Women-Owned, Disadvantaged and Emerging Small Businesses or M/W/D/ESBs) in order to promote economic growth, to increase capacity and to expand competition in the market. Therefore, PDC has established a 20% utilization goal for PDC-supported projects receiving more than \$300,000 in PDC resources, provided the project’s hard construction costs are greater than \$200,000. **The goal is calculated as 20% of the project’s Hard Construction Costs and 20% of Professional Services Costs, specifically architectural, engineering or technical service provider, if applicable (excluding overhead, administration or taxes).** The Developer/Borrower through their prime contractor *and/or consultant* is expected to meet the 20% utilization goal. **When the Developer/Borrower through their Prime Contractor *and/or Prime Consultant* meets the business equity goal with majority ESB participation, the Developer/Borrower through their Prime Contractor *and/or Prime Consultant* must document that all reasonable and necessary steps have been taken to contract with M/W/DBE firms for each scope of work anticipated to result in a subcontract of \$2,500 or greater. In the event that this goal is not met, the Developer/Borrower will be considered non responsive and the loan rejected.** If the Developer/Borrower is deemed non responsive, they will be provided an opportunity for reconsideration in writing, followed by a personal appearance with the reconsideration official, if desired. As part of the reconsideration process, the Developer/Borrower is required to submit proof showing that all reasonable and necessary steps were taken to contract with Certified subcontractors *and/or subconsultants*. PDC will submit a written decision on reconsideration, explaining, if applicable, the basis for finding that the Developer/Borrower did not meet the goal or make adequate reasonable and necessary steps to do so.

2. EFFORTS REQUIRED REGARDING CERTIFIED FIRMS

The Developer/Borrower through their Prime Contractor *and/or Prime Consultant* is required to make all reasonable and necessary steps to contract with Certified firms for each scope of work anticipated to result in a subcontract of \$2,500 or greater. Outreach is encouraged for all subcontract, subconsultant and supplier opportunities. Also, the Developer/Borrower is required to submit a plan that addresses proposed methods of implementing the Business Equity Program on large construction or design projects (as determined by PDC).

Prime Contractors who intend to self-perform more than 10% of the trade work to complete a project or an entire Construction Specifications Institute (CSI) Master Format trade division (e.g., excluding superintendence, supervision, mobilization, etc.) will be required to have the written authorization of the Communications and Social Equity Director or their designee, who may approve a higher percentage based on the type, size, available subcontractors, and other relevant criteria. **These requirements are contractual obligations and are included in the development/loan agreement. Failure to comply may result in a finding of breach of contract, disqualification of the Developer/Borrower to receive PDC funds in the future, or a claim for damages.**

NOTE: Documented outreach is not required for scopes of work anticipated to result in a subcontract of \$2,500 or less under these provisions but is encouraged.

Who to contact

For *each* scope of work identified in these documents that will be performed by a subcontractor *and/or* subconsultant, unless a Certified subcontractor *and/or* subconsultant is directly selected for the work, the Prime Contractor *and/or* Prime Consultant **must** contact:

Every Certified firm that attended the pre-bid meeting (if one was held) *or* requested a Request for Proposal (RFP) who specializes in a scope of work that will be subcontracted *and/or* subconsulted.

Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.

The Metropolitan Contractors' Assistance Program (MCIP) for assistance with identifying and contacting capable and available Certified firms. MCIP can be reached at: Office: 503-288-1211 · Fax: 503-288-5786 · Email:

Chris@mcip-pdx.org: www.mcip-pdx.org

Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.

In addition to the above, a minimum of five (5) Certified firms from the **Office of Minority, Women and Emerging Small Business Certification Directory** must be contacted in each division of work identified for subcontracting *and/or* subconsulting. If there are less than 5 firms listed for a particular scope of work, *all* of the contractors *or* consultants in that scope must be contacted. [The **Office of Minority, Women and Emerging Small Business** web site:

<http://www4.cbs.state.or.us/ex/dir/omwesb/>]

Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.

In the case of architectural, engineering and professional-technical service providers (A/E/PT) subconsulting opportunities, the Developer/Borrower through their Prime Consultant must post the opportunity(s) on the Lateral Agile Partnerships (LAPs) website; and solicit subconsultant fees from Certified firms whose qualifications match the opportunity. A minimum of three (3) Certified firms must be solicited for each subconsulting opportunity specialty identified. If there are less than three (3) firms available for solicitation, *all* consultants in the opportunity specialty must be solicited.

[LAPs is an online collaborative network custom designed (and sponsored by PDC) for posting consulting opportunities with the objective of identifying a 'short-list' of Certified firms whose qualifications match the requested service areas. Once Certified consultants are screened and their qualifications and certification status verified, they may post their profiles on the network.]

Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.

When to contact

The Developer/Borrower through their Prime Contractor *and/or* Prime Consultant shall make first contact with each Certified subcontractor/subconsultant a minimum of fourteen (14) business days before bids/fees are due. Any changes or amendments to this schedule must be approved in writing by PDC. Any extended time for the preparation of bids/fees allowed to non-Certified subcontractors/subconsultants must also be extended to Certified subcontractors/subconsultants and verified in writing.

Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.

How to contact

First Contact: The Developer/Borrower through their Prime Contractor *and/or* Prime Consultant, shall contact Certified subcontractors *and/or* subconsultants by letter, fax or E-mail to advise them of potential subcontracting *and/or* subconsulting opportunities.

Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.

Follow-up: The Developer/Borrower through their Prime Contractor *and/or* Prime Consultant, shall follow up with telephone calls to each Certified firm contacted to determine if a bid/fee will be submitted or if further information is required. A firm need not be contacted if that firm responds to the first contact with a statement that the firm will not bid or submit a fee on this project.

Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.

Information that must be provided

The Developer/Borrower through their Prime Contractor *and Prime Consultant* must provide project information, including dates and times bids/fees are due, to Certified firms.

Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.

3. SUBSTITUTION OR ADDITION OF SUBCONTRACTORS/SUBCONSULTANTS

The Developer/Borrower through their Prime Contractor *and/or Prime Consultant* will not be permitted to substitute a new subcontractor *and/or subconsultant* for a Certified subcontractor/ *and/or subconsultant* without the written consent of PDC.

If any 1st tier subcontractor *or subconsultant* is added or replaced after the Subcontractor/ *Subconsultant* and Self Perform Work List (**FORM 1**) has been submitted, the Prime Contractor *and/or Prime Consultant*, shall make all reasonable and necessary efforts to contract with a Certified firm for the work to be performed by that subcontractor *and/or subconsultant*. Documentation of these efforts is required, and must be submitted to PDC. If the Prime Contractor *and/or Prime Consultant* find cause to replace a Certified firm, PDC strongly encourages substitution with either a Certified subcontractor *and/or subconsultant*. The Prime Contractor *and/or Prime Consultant* shall report substitutions to PDC for the purposes of tracking and reporting overall utilization.

NOTE: For the purposes of the Certified firm Recruitment Guidelines / Process Requirements a first tier subcontractor/subconsultant is any construction contractor *or consultant* who has (or is anticipated to have) a direct contractual relationship to the prime contractor/*prime consultant*, specific to this project.

4. SUBMISSION OF REQUIRED DOCUMENTATION OF SUBCONTRACTOR AND/OR SUBCONSULTANT PARTICIPATION AND BUSINESS EQUITY RECRUITMENT AND PARTICIPATION EFFORTS

One (1) Week Prior to Loan Closing and Construction Start:

- **Business Equity (FORM 1)** Submit a Subcontractor/Subconsultant And Self-Perform Work List on FORM 1 (or equivalent) showing **ALL** first-tier subcontractors *and subconsultants* and first-tier material suppliers to be used on this contract. Suppliers will be calculated as part of the 20% utilization. Certified 2nd tier subcontractors *and subconsultants* and 2nd tier suppliers may be considered as part of the business equity recruitment and participation efforts if the 20% business equity goal is not attained. Certified 2nd tier subcontractors *and subconsultants* and 2nd tier suppliers should be listed on Form 1 and Form 4 (monthly report) with a clear indication of which first tier subcontractor *and subconsultant* they are working for on this project. Additionally, the Developer/Borrower through their Prime Contractor *and/or Prime Consultant* shall identify **ALL** divisions of work (DOW) to be self-performed. **If the Developer/Borrower through their Prime Contractor *and/or Prime Consultant* does not account for all DOW, it will result in the Developer/Borrower being non-responsive and the loan rejected.**

PLEASE NOTE, IF PDC APPROVES THE BUSINESS EQUITY PARTICIPATION SUBMITTED ON BUSINESS EQUITY (FORM 1) THE FOLLOWING SUBMITTALS MAY NOT BE REQUIRED:

- **Log of contacts with 1st tier Certified firms (FORM 2)** Submit a completed log of contacts with Certified firms on FORM 2 (or equivalent). The Developer/Borrower through their Prime Contractor *and/or Prime Consultant* shall provide **ALL** required information in each column as applicable. **Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.**
- **Copy of letter, email or fax sent to Certified firms.** Submit one copy of the letter, email or fax sent to Certified firms to solicit bids/fees for this project. If more than one form of letter, email or fax was sent, submit a copy of each form sent. The Developer/Borrower through their Prime Contractor *and/or Prime Consultant* shall submit additional information upon request if the PDC believes it needs to clarify their reasonable and necessary steps expended to achieve business equity utilization. **Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.**
- **List of 1st tier Certified Bids/Feas (FORM 3):** Submit FORM 3 (or equivalent) providing **ALL** the requested information. **Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.**

- Documentation that **The Metropolitan Contractors' Assistance Program (MCIP)** was contacted for assistance with identifying and contacting capable and available Certified firms. **Failure to comply will result in the Developer/Borrower being non-responsive and the loan rejected.**
- Documentation of the implementation of a PDC approved **Equity Contractor Development Program** or **Mentor-Protégé Program** (the 'Program') may be considered as part of the business equity recruitment and participation efforts if the 20% business equity goal is not attained. PDC approval of the submitted 'Program' must be obtained in writing one (1) week prior to loan closing and construction start. The submitted documentation must verify that the 'Program' implementation preceded the loan closing date by three (3) months. **Failure to meet all the stipulated criteria of the 'Program' documentation will result in the Developer/Borrower being non-responsive and their submittal deemed not eligible as part of the business equity recruitment and participation efforts.**

NOTE: Outreach documentation can be submitted after the construction/*design* start date for projects with a phased bid *or fee* process. Failure to provide all requested reasonable and necessary steps expended to achieve business equity utilization documentation by the Developer/Borrower may affect the Developer/Borrower's eligibility to participate on future PDC-supported projects.

5. DOCUMENTATION TO BE SUBMITTED MONTHLY DURING THE PROJECT: Documentation to be submitted monthly during project:

- Monthly Subcontractor/ Subconsultant Payment and Utilization Report: (Form 4): The Developer/Borrower through their Prime Contractor *and/or Prime Consultant* shall list the contract amounts and payment amounts on Form 4 to all subcontractors *and/or subconsultants* (including Certified subcontractors *and/or subconsultants*) previously listed on Form 1.
- Report Submission: Monthly reports are due by the 15th day of the month for work performed the prior month. The Developer/Borrower through their Prime Contractor *and/or Prime Consultant*, as part of the final disbursement/payment, shall submit a Final Report documenting all subcontracting *and/or subconsulting*. Failure to submit timely Subcontracting *and/or Subconsulting* Payment and Utilizations Reports may result in a delay in processing applications for disbursement/payment.

6. OPTIONAL REASONABLE AND NECESSARY STEPS EXPENDED TO ACHIEVE BUSINESS EQUITY UTILIZATION

Prime Contractors/*Prime Consultants* should also consider efforts such as:

- Advertisements in ethnic newspapers and small business trade journals.
- Alternative methods of participation with Certified firms through arrangements such as joint ventures, negotiated subcontract agreements and competitive bids.
- Purchase of construction materials and equipment from Certified suppliers.
- Providing information on subcontracting and *subconsulting* opportunities to PDC for posting on the PDC website and distributing to interested Certified firms.

**PORTLAND DEVELOPMENT COMMISSION
BUSINESS EQUITY PROGRAM (BEP)
SUBCONTRACTOR/SUBCONSULTANT AND SELF-PERFORM WORK LIST
(FORM 1)**

NOTE: IF THE PRIME CONTRACTOR/PRIME CONSULTANT IS NOT USING ANY SUBCONTRACTORS/SUBCONSULTANTS ON THIS PROJECT, THE PRIME CONTRACTOR MAY WRITE "SELF PERFORMING ALL WORK" ON THE FORM

Prime Contractor/Consultant:		Hard Construction Cost/Consultant Fee:	
Project Name:		Date:	

PRIME CONTRACTOR SELF-PERFORMING: Identify below, all Divisions of Work (DOW) to be self-performed. The value of the self-performed work must be 10% or less of the total contract value. Otherwise, all reasonable and necessary steps to subcontract/subconsult are required.

DOW PRIME CONTRACTOR/CONSULTANT WILL SELF PERFORM

PRIME CONTRACTOR/CONSULTANT MUST DISCLOSE AND LIST ALL SUBCONTRACTORS/SUBCONSULTANTS including those Certified firms that you intend to use on the project

List all subcontractors/subconsultants below. Use correct legal Name of Firm.				DOW (i.e., Architectural, Engineering, Painting, Landscaping, Electrical, Etc.)	DOLLAR AMOUNT OF SUBCONTRACT/ FEE	If Certified Firm, Check box and fill in Cert. #			
Name		Fax				MBE	WBE	DBE	ESB
Address									
City/St/Zip									
Phone #									
Email									
CCB #									
Fed. ID #									
						Cert#			
Name		Fax				MBE	WBE	DBE	ESB
Address									
City/St/Zip									
Phone #									
Email									
CCB #									
Fed. ID #									
						Cert#			
Name		Fax				MBE	WBE	DBE	ESB
Address									
City/St/Zip									
Phone #									
Email									
CCB #									
Fed. ID #									
						Cert#			

Completed form may be faxed *OR* Emailed to Patricia Weekley at 503-823-3368. weekleyp@pdc.us

PRIME CONTRACTOR/CONSULTANT MUST DISCLOSE AND LIST ALL SUBCONTRACTORS/SUBCONSULTANTS including those Certified firms that you intend to use on the project

List all subcontractors/subconsultants below. Use correct legal Name of Firm.				DOW (i.e., Architectural, Engineering, Painting, Landscaping, Electrical, Etc.)	DOLLAR AMOUNT OF SUBCONTRACT/FEE	If Certified Firm, Check box and fill in Cert. #			
Name		Fax				<u>MBE</u>	<u>WBE</u>	<u>DBE</u>	<u>ESB</u>
Address						Cert#:			
City/St/Zip									
Phone #									
Email									
CCB #									
Fed. ID #									
Name		Fax				<u>MBE</u>	<u>WBE</u>	<u>DBE</u>	<u>ESB</u>
Address						Cert#:			
City/St/Zip									
Phone #									
Email									
CCB #									
Fed. ID #									
Name		Fax				<u>MBE</u>	<u>WBE</u>	<u>DBE</u>	<u>ESB</u>
Address						Cert#:			
City/St/Zip									
Phone #									
Email									
CCB #									
Fed. ID #									
Name		Fax				<u>MBE</u>	<u>WBE</u>	<u>DBE</u>	<u>ESB</u>
Address						Cert#:			
City/St/Zip									
Phone #									
Email									
CCB #									
Fed. ID #									
Name		Fax				<u>MBE</u>	<u>WBE</u>	<u>DBE</u>	<u>ESB</u>
Address						Cert#:			
City/St/Zip									
Phone #									
Email									
CCB #									
Fed. ID #									

Completed form may be faxed *OR* Emailed to Patricia Weekley at 503-823-3368. weekleyp@pdc.us

MONTHLY SUBCONTRACTOR/SUBCONSULTANT PAYMENT AND UTILIZATION REPORT (FORM 4)

Project Name _____

Prime Contractor/Prime Consultant _____

Hard Construction/Professional Service Cost\$ _____

Report Dates (Beginning & Ending) _____

List all First Tier Subcontracts/Fees & First Tier Suppliers*	Original Subcontract/ Subconsultant \$Amount	Amended Subcontract/Subconsultant \$Amount	Payments made this month	Retainage this Month	Payments Made to Date	Retainage to Date

IT IS HEREBY CERTIFIED THAT THE ABOVE LISTED FIRMS HAVE BEEN UTILIZED BY OUR COMPANY IN THE AMOUNTS REPRESENTED ABOVE AND THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE AND ACCURATE.

Authorized Signature of Contractor/Consultant Representative _____ **Date** _____

Completed form may be faxed to: Paula Wendorf (503) 823-1090

For additional information contact:
 Patricia Weekley, Business and Workforce Equity, Portland Development Commission, 222 NW 5th Ave., Portland, OR 97209
 (503) 823-3057 Fax# 503 823-3368 E-mail: weekleyp@pdc.us

*See instructions on next page for 2nd tier subcontractors.

INSTRUCTIONS FOR COMPLETING THE SUBCONTRACTORSUBCONSULTANT PAYMENT AND UTILIZATION REPORT

1. **PROJECT NAME:** Indicate the project name as shown on the contract documents.
2. **PRIME CONTRACTOR/PRIME CONSULTANT:** Indicate the name of the prime contractor.
3. **PRIME CONTRACT AMOUNT:** Indicate the total dollar amount of the prime contract.
4. **REPORT DATES:** Indicate the beginning and ending dates corresponding to the progress payment period or use calendar month.
Example: 1/1/10 thru 1/31/10. Reports should be sequential and not overlap.
5. **SUBCONTRACTOR/SUBCONSULTANT NAME:** List the names of all first-tier subcontractors and first-tier material suppliers having performed work on this project during the reporting period.
6. **ORIGINAL SUBCONTRACT/FEE AMOUNT:** Indicate the dollar amount for each subcontract at time of award.
7. **AMENDED SUBCONTRACT/FEE AMOUNT:** Indicate the cumulative dollar value of each contract with any changes.
8. **PAYMENTS MADE THIS REPORTING MONTH:** Enter payments made to the subcontractor for the reporting month excluding retainage.
9. **RETAINAGE FOR THIS MONTH:** Enter retainage withheld for reporting month.
10. **PAYMENTS MADE TO DATE:** Cumulative payments made to date including amounts for current report excluding any retainage.
11. **RETAINAGE TO DATE:** Cumulative retainage withheld to date including amounts on current report.
12. **SECOND TIER SUBCONTRACTORS/SUBCONSULTANTS:** Certified 2nd tier subcontractors/subconsultants and 2nd tier suppliers may be considered as part of the good faith effort requirements if 20% goal is not attained. Certified 2nd tier subcontractors/subconsultants and 2nd tier suppliers should be listed on Form 1 and Form 4 (monthly report) with a clear indication of which first tier subcontractors/subconsultants they are working for on this project.

The Monthly Subcontractor/Subconsultant Payment and Utilization Reports are due by the 15th day of the month for work performed for the prior month. Completed form may be faxed to: Paula Wendorf (503) 823-1090

For additional information:

Patricia Weekley (503) 823-3057
Portland Development Commission

Fax (503) 823-3368
E-mail: weekleyp@pdc.us

Workforce Equity Program Specifications

The PDC Board of Commissioners has directed that all Contractors, Developers and Borrowers conducting work on behalf of the Portland Development Commission (PDC) maximize apprenticeship and employment opportunities for women and people of color in the construction trades. The goal of the Workforce Equity Program (Program) is for the Contractor’s workforce to reflect the diversity of the workforce found in the City of Portland, and that PDC contracting dollars provide fair and equal opportunities to the jurisdictions’ diverse populations. Also, while not required, the Developer/Borrower is encouraged to submit a plan that addresses proposed methods of implementing the Business Equity Program on large construction projects.

This Program applies to PDC-Owned Construction Contracts greater than \$200,000, to the Prime Contractor on PDC-Sponsored projects with Hard Construction Costs of \$1,000,000 or more and to all subcontracts of \$100,000 or more, at any tier level, provided PDC is providing at least \$300,000 towards the project.

Requirements:

- 1) Projects subject to the Program shall:
 - a) Comply with the Workforce Training & Hiring Program to among other things, ensure that a minimum of twenty percent (20%) of labor hours in each apprenticeable trade performed by the contractor and subcontractors are worked by State of Oregon registered apprentices, as such requirements are further described therein; and
 - b) Work toward achieving the Workforce goals as outlined in the table below. The percentage of hours set forth, includes both apprenticeship hours and journey level hours. Using the table, the Contractor shall determine the applicable workforce diversity goal, for the project (i.e. if the project will be completed during Fiscal Year 2011/2012, the workforce diversity goals for the project are 9% Women and 27% People of Color). The fiscal year runs from July 1st through June 30th. A person of Color includes members of either sex who are African-Americans, Hispanic Americans, Asian or Pacific Islanders, Native Americans or Alaskan Native Americans.

Fiscal Year	08/ 09	09/10	10/ 11	11/12	12/ 13	13/14	14/ 15	15/16	16/ 17	17/18
Female	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
People of Color	25.5%	26%	26.5%	27%	27.5%	28%	28.5%	29%	29.5%	30%

- c) Make all reasonable and necessary efforts to employ a workforce that reflects the diversity of the City of Portland, including recruitment of a diverse workforce through the unions, the apprenticeship programs and other community resources.
- 2) Contractors subject to the Program are encouraged to employ people with disabilities and veterans.
- 3) Contractors and subcontractors subject to the Program must be certified by the City of Portland as an Equal Opportunity Employer.

Workforce Training & Hiring Program Contractor Checklist

Contractor Checklist

The following Workforce Training & Hiring Program (WTHP) requirements are a summary of the key contractual obligations of contractors working on PDC owned construction projects or PDC sponsored projects. It is the Contractor's responsibility to read and fully understand this section of the bid specifications and to comply with all provisions of the program, regardless of whether they appear on this checklist. The City administers this program for the Portland Development Commission (PDC).

CHECKLIST:

1. Prime Contractor:

A. Submit Projected Hiring Needs form (Exhibit 2) to Compliance Agency within 15 calendar days after bid opening or prior to contract award, whichever occurs first.

B. Ensure compliance by all subcontractors with subcontracts of \$100,000 or more, and provide them with a copy of the WTHP specifications.

2. Subcontractors, at all tiers, with contracts of \$100,000 or more:

Submit Projected Hiring Needs form (Exhibit 2) prior to beginning work on the project or within 5 days of signing subcontracts, whichever occurs first.

3. Prime Contractor and all subcontractors with contracts of \$100,000 or more must:

A. Before starting work on this project: Submit proof of registration as a Training Agent with the Bureau of Labor & Industry (BOLI), Apprenticeship & Training Division. Not a BOLI registered training agent? Contact BOLI at (971) 673-0760 or the City of Portland at (503) 823-6888 for information on how to become a BOLI registered training agent.

B. Throughout the duration of the project:

1. Ensure that a minimum of 20% of labor hours in each apprenticeable trade performed by the prime and subcontractors of \$100,000 or more are worked by State-registered apprentices.
2. Strive in good faith to meet the applicable workforce diversity goals of employing people of color and women (including both journey level and apprentice workers).
3. Make all reasonable and necessary efforts to employ a workforce that reflects the diversity of the City of Portland, including recruitment of diverse workforce through the unions, apprenticeship programs and other community resources, as described herein.
4. Maintain written documentation of all requests for workers from the unions, apprenticeship programs, and community organizations.
5. When an apprentice is hired, notify the City's Contract Compliance Specialist at (503) 823-6888.
6. Submit the Monthly Employment Record (Exhibit 4) by the 5th of each month to the City's Contract Compliance Specialist. This report can be submitted by either hard-copy by mail or via email, murmer@portlandoregon.gov.

Refer questions or requests for additional information to the City's Contract Compliance Specialist Paula Wendorf at (503) 823-1090.

WORKFORCE TRAINING AND HIRING PROGRAM SPECIFICATION

I. PURPOSE

A. General Program Description

The PDC Board has directed that all Contractors, Developers and Borrowers conducting construction work on behalf of PDC maximize apprenticeship and employment opportunities for minorities and women workers in the construction trades. The goal is for the Contractor's workforce to reflect the diversity of the workforce found in the City of Portland, and that their contracting dollars provide fair and equal opportunities to the jurisdictions' diverse populations.

II. PROGRAM APPLICABILITY

The Workforce Training & Hiring Program (WTHP) is administered by the City of Portland, Bureau of Internal Business Services, Procurement Services Division (Compliance Agency). The WTHP applies to **PDC-Owned Construction Contracts greater than \$200,000, PDC-Sponsored Projects with hard construction costs of \$1,000,000 or more with \$300,000 or more in PDC resources and to each subcontractor having a subcontract of \$100,000 or more** on the project. Contractors and/or Developers shall make reasonable efforts to ensure that their workforce reflects the diversity of the City of Portland.

The Contractor shall thoroughly read this WTHP specification and commit to perform all requirements described herein. The Contractor shall submit Exhibit 2, Projected Hiring Needs at least fourteen (14) calendar days prior to starting work on the project. The Exhibit shall provide complete information. The Projected Hiring Needs must demonstrate how the workforce on this project will fulfill all program requirements, including utilization of apprentices and workforce diversity goals.

III. DEFINITIONS

For purposes of the WTHP, the following definitions shall apply:

Compliance Agency – City of Portland, Bureau of Internal Business Services, Procurement Division

Contract – The Contract awarded as a result of these bid specifications

Contractor – The Prime Contractor to whom a Contract is awarded and any subcontractors with subcontracts of \$100,000 or more

Hard Construction Costs – The cost to build improvements on a property, including all related construction labor and materials, including fixed and built-in equipment costs. Costs not directly related to the construction of an improvement, such as entity overhead, administration or taxes, shall not be considered a part of the Hard Construction Costs.

Owner – The government agency that awarded the Contract or leveraged public involvement in the project through a loan or development agreement

Project – Includes all work performed pursuant to the Contract

IV. ACTIONS NECESSARY TO SATISFY PROGRAM REQUIREMENTS

The Contractor and its subcontractors with subcontracts of \$100,000 or more, at any tier level, shall strive to achieve the applicable workforce diversity goal of employing women and people of color (including both journey level and apprentice workers) on the project.

To the extent allowed by law, Contractors and Subcontractors are encouraged to hire apprentices and journey level workers with consideration of gender and ethnicity.

A. Ensure Compliance by Subcontractors

1. The Contractor shall ensure that each subcontractor having a subcontract of \$100,000 or more, at all tiers, shall comply with all of the provisions of the WTHP specifications. Contractors shall include in their bid all costs associated with this requirement. No change order will be executed in order for the contractor to comply with this section.
2. The Contractor shall provide a copy of this WTHP specification to all subcontractors with contracts of \$100,000 or more executed for the project.

B. Register as a Training Agent

The Contractor shall register with the Oregon Bureau of Labor and Industries (BOLI) as a Training Agent and ensure that all subcontractors who have contracts in the amount of \$100,000 or more are registered as Training Agents. However, registration as a Training Agent in a specific trade is not required if there are no training opportunities in that trade on the project, based on the maximum ratio allowed by BOLI.

1. Only training programs approved by and registered with BOLI may be used to fulfill training requirements under the Workforce Specifications.
2. Training is intended to be primarily on-the-job training in apprenticeable crafts, and does not include classifications such as flag person, timekeeper, office engineer, estimator, bookkeeper, clerk/typist, fire fighter, or secretary. Hours performed in crafts which are not apprenticeable occupations are exempt from the training requirements.
3. Exemptions to the training requirements must be approved by the Compliance Agency in writing prior to starting work on the project. Written requests for exemptions related to the training requirements will be considered by the Compliance Agency during the course of the project, only for extreme circumstances, and must also be approved in writing. All requests to exempt all or any portion of the work on a project shall be submitted to the Compliance Agency (14) days before any work on the project begins. Requests for exemptions should be directed to the City Contract Compliance Specialist.

C. Submit Documentation

The contractor shall submit documentation regarding the following subjects to the Compliance Agency. The Compliance Agency's failure to object to documentation submitted by the Contractor or subcontractor shall not relieve them of the requirements of this section.

1. Training Agent Status

The Contractor and all required subcontractors must submit proof to the Compliance Agency that they are registered Training Agents with BOLI prior to beginning any work on the project.

Failure to sign up as a Training Agent prior to beginning work may subject the contractor to liquidated damages.

2. Subcontractor Workforce Information

Exhibit 2, Projected Hiring Needs, must also be submitted for each subcontractor required to register as a Training Agent prior to beginning work on the project or within 5 calendar days after the execution of the applicable subcontract, whichever occurs first. Work by a subcontractor shall not begin prior to submission of such documentation. Failure to sign up as a Training Agent prior to beginning work may subject the contractor to liquidated damages.

3. Contractor and Subcontractor Reports After Work Begins.

The Monthly Employment Report (Exhibit 4) must be submitted by the prime Contractor and any subcontractor having a subcontract of \$100,000 or more to the Workforce Equity Program by the 5th day of each month. The Contractor shall follow the submittal instructions on the report form. All hours subject to prevailing wage rates on public projects, in addition to supervisors, foremen, and superintendents, shall be reported on Exhibit 4.

4. A copy of certified payroll reports may be requested by the Compliance Agency to verify information in the Report. The payroll reports shall be provided within 7 days of the date when the contractor receives the request for the payroll.

D. Use of Apprentices

The Contractor shall:

1. Ensure that a minimum of 20% of labor hours in each apprenticeable trade performed on the project by the prime contractor, and subcontractors with subcontracts of \$100,000 or more, are worked by state registered apprentices throughout the duration of the project. Contractors and subcontractors shall fulfill the 20% apprenticeship hours requirement without exceeding the apprentice ratios approved by the applicable apprenticeship program.
2. Pay all apprentices the wages required by any applicable collective bargaining contract or pursuant to state or federal law and regulations.
3. Not use workers previously employed at journey-level or those who have successfully completed a training course leading to journey-level status to satisfy the requirements of these provisions.
4. Notify the Compliance Agency when an apprentice is hired for this project.
5. Count apprentice hours as follows:
 - (a) Hours worked on the project by apprentices enrolled in state-approved apprenticeship programs. If the Contractor is unable to fulfill its 20% requirement, then the Contractor may also use methods (b) and (c) below;
 - (b) Hours worked on the project by apprentices who are required to be away from the job site for related training during the course of the project, but only if the apprentice is rehired by the same employer after completion of training; and
 - (c) Hours worked on the project by graduates of state-registered apprenticeship programs, provided that such hours are worked within the 12-month period following the apprentice's completion date.

E. Use Apprenticeship Programs for Referrals

Contractors must follow all of these steps in seeking apprentice referrals:

1. Contact the appropriate apprenticeship program or dispatch center to request apprentices who are enrolled in the apprenticeship program; and
2. Request female or minority apprentices from the union or open shop apprenticeship program if such an action will help remedy historical underutilization in the Contractor's workforce; and
3. Keep a written record of the request for apprentices, including name of contact person at apprenticeship program, phone, fax, date, time, job location, start date, etc.; and
4. Make reasonable and necessary efforts to recruit apprentice applicants from community organizations/recruitment resources, and seek to enroll them into an apprenticeship program, if the apprenticeship program is unable to supply an apprentice and if the program is open for applications or allows direct entry from community resources.

NOTE: Contractors may contact the Contract Compliance Specialist for assistance regarding the apprentice referral process, or may utilize Exhibit 3, Request for Apprentice form, to document their efforts. A list of community organizations/recruitment resources is also available. Instructions are on the last page of this section of the specifications.

F. Utilize Unions and Community Organizations When Recruiting For Any Positions on this Project

When hiring, requesting, recruiting, or replacing workers for this project, the Contractor shall:

1. Make reasonable and necessary efforts to employ a diverse workforce. Such actions should include requests for minority and female applicants. Contractors are notified that direct hiring of employees (such as "walk-ons") without providing notification of that job opportunity, in accordance with paragraph G.2 below, may not constitute a reasonable effort.
2. Document its employment efforts. Documentation should be sufficient to establish the Contractor's efforts, and should include:
 - a) Requests to union halls for signatory contractors;
 - b) Requests to union or open shop apprenticeship programs;
 - c) Requests to community resources who assist contractors with recruitment and referral of workers.

Documentation will be requested by the Compliance Agency from Contractors that are not meeting the workforce diversity goals if it appears that the Contractor has not made reasonable and necessary efforts to acquire a diverse workforce. When requested, the Contractor shall provide that documentation to the Workforce Equity Program within 7 calendar days.

IV. **CONSEQUENCES OF NONCOMPLIANCE WITH WORKFORCE REQUIREMENTS**

The Owner's commitment to this program is reflected, in part, by the cost of administering the program. Failure to meet the requirements of this section of the specifications negates such funding and impairs the Owner's efforts to promote workforce diversity and to provide fair and equal opportunities to the public as a whole as a result of the expenditure of public funds. Therefore, the parties mutually agree

that failure to meet the requirements of this section of the specifications, including but not limited to the submission of required documentation, constitutes a material breach of contract.

In the event of a breach of this section of the contract, the Compliance Agency may take any or all of the following actions:

A. Withholding Progress Payments

The Owner may withhold all or part of any progress payment or payments until the Contractor has remedied the breach of contract. In the event that progress payments are withheld, the contractor shall not be entitled to interest on said payments.

If a subcontractor(s) is responsible for noncompliance with the WTHP requirements, the Compliance Agency may choose to withhold only their portion of the progress payment.

B. Retain sums as damages for failure to comply with Workforce Equity Program Specifications

The parties mutually agree that it would be difficult, if not impossible, to assess the actual damage incurred by the Compliance Agency for the Contractor's failure to comply with the Workforce Specifications. The parties further agree that it is difficult, if not impossible, to determine the cost to the Compliance Agency when workforce opportunities are not provided.

Therefore, if the Contractor fails to comply with the workforce provisions of this contract, the Contractor agrees to pay the sum of \$250 per day for each day of missed apprenticeship hours or until the breach of contract is remedied. Damages may be assessed for failure to meet the 20% apprenticeship training requirements by the prime and each required subcontractor in each trade employed. Damages will be calculated based on the training hours not provided to the Compliance Agency at a rate of \$250 per day. For example, if the Contractor was required to provide 200 hours of carpenter training (20% of 1,000 total carpenter hours), and the Contractor only provided 150 training hours, then the difference (50 hours) is divided by 8 (one day of work) to determine number of days of undelivered training. ($50/8 = 6.25 \times \$250 = \$1,562.5$).

Damages may also be assessed for failure to fulfill the inclusive hiring process described in Section III, subsections F.

These damages are independent of any liquidated damages that may be assessed due to any delay in the project caused by the Contractor's failure to comply with the Workforce Training & Hiring Program provisions of the contract.

C. Notification of Possible Debarment

By executing this contract, the contractor agrees that it has been notified that failure to comply with the requirements of this portion of the contract may lead to the Contractor's disqualification from bidding on and receiving other Compliance Agency contracts for a minimum of two years and a maximum of three years based on the violation.

E. Other Remedies

The remedies that are noted above do not limit any other remedies available to the Compliance Agency in the event that the Contractor fails to meet the requirements of the Workforce Specifications.

V. REVIEW OF RECORDS

In the event that the Compliance Agency reasonably believes that a violation of the requirements of this section has occurred, the Compliance Agency is entitled to review the books and records of the Contractor and any subcontractors employed on the project to whom the requirements of this section are applicable to determine whether such a violation has or has not occurred.

In the event that the Contractor or any subcontractor fails to provide the books and records for inspection and copying when requested, such failure shall constitute a material breach of this contract and permit the imposition of any of the remedies noted in Section IV above, including the withholding of all or part of any progress payment.

VI. APPRENTICESHIP RATIO DATA

The BOLI ratios of apprentices to journey level workers on the jobsite shall apply. For information regarding the ratios for the various trades, view the BOLI website link below. The information can be found under the Active Approved Standards tab on for each trade and is usually under section VI, "Ratio of Apprentice to Journey Level Workers." The ratios that apply are those listed in the standards of the apprenticeship committee to which the Training Agent (Contractor) is a member. If the applicable trade is not listed, contact the Bureau of Labor and Industries at (971) 673-0760 or your apprenticeship committee

http://www.oregon.gov/BOLI/ATD/A_AG_Standards_8000-8999.shtml

ATTACHMENTS:

Exhibit 1: Recommended Recruitment & Retention Practices

Exhibit 2: Projected Hiring Needs

Exhibit 3: Request For Apprentice form

Exhibit 4: Sample Monthly Employment/will be sent electronically

Exhibit 5: Ratios

Questions Regarding Apprenticeship:

Bureau of Labor & Industries
Apprenticeship & Training Division
800 N.E. Oregon St. # 32
Portland, OR 97232
(971) 673-0760

Questions Regarding Portland Development Commission Workforce Equity Program or Workforce Training & Hiring Program:

Paula Wendorf
City of Portland/Bureau of Internal Business Service, Procurement Services
1120 S.W. Fifth Ave., Room 750
Portland, OR 97204
(503) 823-1090
paula.wendorf@portlandoregon.gov

Patricia Weekley
Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209-3859
(503) 823-3309
Weeklyp@portlandoregon.gov

EXHIBIT 1

RECOMMENDED GOOD FAITH RECRUITMENT & RETENTION PRACTICES

A. Recruitment Efforts

Good faith recruitment efforts are those intense, aggressive, sincere, and result-oriented actions taken by the Contractor designed to accomplish the objectives of the PDC Workforce Equity Program including the Workforce Training & Hiring Program, and Equal Employment Opportunity Programs. These efforts may assist the Contractor in achieving an "A" level EEO certification and may assist the Contractor in reaching the workforce diversity goals. Good faith recruitment efforts include, but are not limited to:

1. Work aggressively with Contractor's Joint Apprenticeship Training Committee (JATC) to recruit minorities, women and disadvantaged individuals. Provide evidence of these efforts.
2. Assist the JATC by conducting a workshop with minority and women employees to enlist their assistance as recruiters and request their ideas on how to increase employment of underutilized groups.
3. Support the efforts of the Contractor's JATC by giving all apprentices referred to the Contractor a fair chance to perform successfully, allowing for possible lack of previous experience. Recognize that the Contractor is responsible for providing on-the-job training, and that all apprentices should not be expected to have previous experience.
4. Participate in job fairs, school-to-work, and community events to recruit minorities, women, and disadvantaged individuals into the construction trades.
5. Allow scheduled job site visits by participants in community programs, as safety allows, to increase awareness of job and training opportunities in the construction trades.
6. Keep applications of those not selected for an opening. Contact when opening occurs.

B. Retention Efforts

The Contractor shall endeavor to retain minorities, women, and disadvantaged individuals by implementing steps such as the following:

1. Maintain a harassment-free work place.
2. Ensure that employees are knowledgeable about the company's policies if they need to report a harassment problem.
3. Make reasonable attempts to keep apprentices working and train them in all work processes described in the apprenticeship standards.
4. Review and disseminate, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions.
5. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.
6. Take steps to reduce feelings of isolation among minorities and women to curb hostile attitudes and behavior (e.g., have several minorities and women at the job site, provide access to support group system).
7. Provide adequate toilet facilities for women on the job site.
8. Match minority, female, or disadvantaged apprentices who may need support to complete their apprenticeship programs with a journey-level mentor.

EXHIBIT 2

PROJECTED HIRING NEEDS

This form must be completed by the prime and each subcontractor with a subcontract of \$100,000 or more. Please state how you plan to perform the work on this project, indicating the number of journey workers and apprentices by trade. This workforce plan must demonstrate how your company will fulfill all Workforce Training & Hiring & Workforce Equity Program requirements, including utilization of apprentices. Refer to Exhibit 5 for apprenticeship ratio data. **Complete all columns, with project-specific information.**

BID# _____ CONTRACT AMOUNT \$ _____ PROJECT NAME: _____

COMPANY NAME _____

Federal ID # _____ Prime Contractor Subcontractor

List all Trades to be used on this Project	Total # of Journey Workers	Total # of Apprentices	Total # of Female Workers	Total # of Minority Workers	# and Level of New Positions (i.e. 1A or 1J)	Anticipate d Start Date	Estimated Total Hours (all workers in each trade)

Please list the apprentices who will work on this project. If you need more space, attach an additional sheet of paper. The Compliance Agency must approve all apprentices on the project.

Name of Apprentice	Trade	Race	Gender	Date of Hire	STAFF USE ONLY

If no current apprentices, indicate when and how they will be hired:

Person in your company who does hiring: _____

COMPANY: _____ CCB# _____ PHONE: _____ FAX: _____

E-mail address for submitting Monthly Employment Reports via e-mail: _____

Are you a registered Training Agent? Yes No Are you a Union Open Shop contractor?

With which JATCs are you registered to train apprentices? _____

Apprentice committee or union contact person who dispatches apprentices to your company:

Name: _____ Phone: _____ Fax: _____

Name: _____ Phone: _____ Fax: _____

PREPARED BY: _____ (sign and print) DATE: _____

Prime contractor must complete and submit to as designated to Compliance Agency:

**Workforce Training & Hiring Program
1120 S.W. Fifth Avenue #750, Portland, OR 97204
Phone (503) 823-6850 or FAX (503) 823-5539**

EXHIBIT 3

Request for Apprenticeship

The contractor may use this form to document efforts when recruiting apprentices.

FAX To: _____ / _____
(Apprenticeship Committee) (Contact/ Dispatcher)

Fax Number : _____ Number of Pages _____

Request From:

Company Name _____ / _____
(Registered Training Agent) (Contact Person)

Phone _____ Fax _____

Date: _____ Time: _____

Apprentice Request:

As a registered Training Agent, I am using this form to request referral of an apprentice for employment with my company in cooperation with the City Workforce Training & Hiring Program. I would like to continue to diversify my workforce. Therefore, please refer ethnic minorities and women for my consideration. If I am unable to receive a referral from my apprenticeship program within a reasonable time, and my apprenticeship program is open for applications or allows direct entry, I may use this form to request a referral to the apprenticeship program from community recruitment resources.

Apprentice referral is needed by this date: _____ Work Starts: _____

Job Site Location: _____ Expected Length of Employment: _____

Project _____ Compliance Agency (City of Portland) _____

Number of Apprentices: _____ Trade/Occupation: _____

Number of Apprentices: _____ Trade/Occupation: _____

Minimum qualifications (if different from apprenticeship standards): _____

Safety needs: ___ Hard hat ___ Gloves ___ Hard-toed boots Other? _____

Please fax this Request for Apprenticeship form to your apprenticeship committee.

To document your good faith efforts, copies may also be sent to:

City Workforce Training & Hiring
1120 SW 5th Ave. Rm 750
Portland, OR 97204
Phone: (503) 823-6850
FAX: (503) 823-5539

(a) For Apprenticeship Program Only

Please check the appropriate box and fax to City Workforce Equity Program:
[] I was able to dispatch an apprentice to the project listed above.
Name of Apprentice _____ Race _____ Gender _____ Term _____
[] I was unable to dispatch an apprentice to the project listed above because _____

Fax this form with dispatch information to 823-5539. Thank you.

EXHIBIT 4

MONTHLY EMPLOYMENT REPORT

MONTHLY EMPLOYMENT REPORT

COMPANY NAME	FEDERAL TAX ID	MONTH ENDING	BIDNO	PRIME?	FINAL REPORT?

The Monthly Employment/Training Report must be completed by the prime contractor and all subcontractors with contracts of \$100,000 or more. The prime contractor shall submit a report for its workforce on the project. Each subcontractor shall separately submit a report for its workforce on the project. It is the responsibility of the prime contractor to assure that all subcontractors submit Monthly Employment/Training Reports in a timely manner.

Complete the form on the worksheet titled MER (third tab), filling in all categories for each employee working on the project during the reporting period.

Email the completed worksheet as an Excel attachment to mur-mer@portlandoregon.gov no later than the 5th of each month for work performed during the previous month. The emailed worksheet must be titled **mer.xls**. Please do not change the worksheet's layout or contents.

Please direct questions about electronic data submission to the same email address.

REVISED 3.11.11

FEDID	MONTHENDING	BIDNO	LASTNAME	FIRSTNAME	ZIP	SSN	JOBCLASS	LEVEL	RACE	GENDER	HOURS	PRIME?
123456789	8/31/2002	100758	DOE	JANE	97214	9874	1010	A	C	F	32	NO
123456789	8/31/2002	100758	DOE	JOHN	97204	7489	1018	J	C	M	154	NO

EXHIBIT 5

Ratios

The following data may be used to determine the ratio of apprentices on a jobsite in proportion to journey-level workers on the jobsite. The ratios that apply are those listed in the standards of the apprenticeship committee to which the Training Agent (Contractor) is a member. If the applicable trade is not listed, contact the Bureau of Labor & Industries, or your apprenticeship committee.

*Ratios may change pursuant to actions taken by the Oregon State Apprenticeship & Training Council. For the purposes of this contract, the ratios approved by BOLI on the date the bid is advertised shall prevail.

Trade	1 st Apprentice	2 nd Apprentice	Max
Asbestos/Insulation Workers	1:1	1:4	
Brick/Marble/Terrazzo/Tile Finisher	1:1	1:3	
Bricklayer/Masonry	1:1	1:5	
Carpenter	1:1	1:1 (1:5 union)	1:1 for 1 st 3; Additional apprentices authorized at 1:5
Carpet Installers/Floorlayers	1:1	1:3	
Cement Masons	1:2	1:3	
Drywall Applicator (Ext/Int. Specialist)	1:3	1:5	
Drywall Finisher (Taper)	1:1	1:3	
Electricians			
Inside	1:1	1:2 (1:3 union)	
Outside	1:6	1:6	
Ltd. Energy/Ltd. Residential	1:1	1:2 (1:1 union)	
Construction Lineman	1:1	1:1	
Ltd. Maintenance	1:1	1:2	
Stationary Engineer	1:1	1:3	
Elevator Contractor	1:1	1:1	1:2 thereafter
Environmental Control (HVAC)	1:1	1:1	
Glazier	1:1	1:3	
Hod Carrier/Mason Tender	1:1	1:3 (1:5 union)	
Ironworker	1:1	1:6	
Laborer (Construction)	1:1	1:3 (1:5 union)	
Maintenance Mechanic	1:1	1:3	
Millwright	1:3 (1:5 union)	1:3 (1:5 union)	
Operating Engineer	1:1 (1:1-4 union)	1:1	
Painter	1:1	1:3	
Pile Driver	1:3	1:5	
Pipe Fitter/Steam Fitter	1:1	1:3	
Plasterer	1:1	1:3	
Plumber	1:1	1:1	1:3 thereafter
Roofer	1:1	1:1	
Sheet Metal Worker	1:1	1:1	1:3 thereafter
Sprinkler Fitter	1:1	1:1	
Structural Fabricator	1:1	1:3	
Terrazzo Worker	1:1	1:3	
Marble Setter	1:1	1:3	
Truck Driver (Heavy)	1:1	1:1	

Investing in Portland's Future



Green Building Policy

To support the intent and application of the Green Building Policy of the City through advocating and incorporating sustainable and green building practices in all projects to the maximum extent practicable, and as a condition of receiving financial assistance from the Commission as applicable.

.....Adopted by the PDC Board of Commissioners on June 22, 2005 - Resolution #6262



Green Building Program Guidelines

A. Description

The PDC Green Building Program ("Program") requires developers receiving financial assistance from the Commission and direct Commission funded construction projects to integrate green building practices into construction projects and meet the established U.S. Green Building Council Leadership in Energy and Environmental Design ("LEED") or Earth Advantage Small Commercial rating system standards.

B. Authority

1. Resolution Number 36310 adopted by the Portland City Council on April 27, 2005, amending the Green Building Policy adopted by the Portland City Council on January 10, 2001, requires the Portland Development Commission to enforce certain development standards when providing financial assistance to various projects.
 - a. These Program Guidelines ("Guidelines") are intended to implement the responsibilities assigned to the Commission by the City Council in these actions.
 - b. Definitions contained in the City Green Building Policy (BCP-ENB-9.01) are hereby included by reference in these Guidelines.
2. The PDC Board of Commissioners adopted Resolution 6262 on June 22, 2005 authorizing the Green Building Program Guidelines.

C. 3. The Executive Director approved these Guidelines based on the authority granted him in Section J.2 in these Guidelines on June 17, 2010, for implementation on July 1, 2010. Development Projects Subject to These Guidelines

1. A project receiving PDC financial assistance in an amount:
 - a. > 10% of the total project cost; **AND**
 - b. > \$300,000

NOTE: "PDC financial assistance" shall include any:

- Loan or grant of funds directly provided by PDC.
 - Indirect financial benefit provided by PDC as the result of writing down the value of land.
2. These Guidelines further apply only to the construction or rehabilitation of a building or structure that is > 10,000 square feet in total area **and** is part of a project meeting the criteria in Section C-1.

D. Types of Construction Within a Qualifying Project Subject to These Guidelines

1. **New Construction** - new buildings or structures for the following uses:
 - a. Commercial / Mixed-Use
 - b. Residential

2. **Rehabilitation Construction** - an existing building or structure that is modified, renovated or remodeled; including tenant improvements, and intended for the following uses:
- a. Commercial / Mixed-Use
 - b. Residential
 - c. City-Owned Buildings

E. Individual Project Requirements

NEW CONSTRUCTION	
Development Type	Green Building Standard Required
<ul style="list-style-type: none"> • Commercial / Mixed Use for buildings > 70,000 square feet 	LEED™ NC (New Construction) Silver Certification
<ul style="list-style-type: none"> • Commercial / Mixed Use for buildings 10,000 to 70,000 square feet 	LEED™ NC (New Construction) Silver Certification OR Earth Advantage Small Commercial
<ul style="list-style-type: none"> • Residential 	Greening Portland's Affordable Housing (ALL)
< 5 stories of the structure	Earth Advantage Green Certification
= 5 stories	Earth Advantage Green or LEED NC Silver based on the particular configuration of entire building
> 5 stories	LEED NC Silver Certification
<ul style="list-style-type: none"> • City-owned Buildings 	<ul style="list-style-type: none"> - LEED™ NC Gold Certification - Eco-roof or Energy Star approved roofing materials - Operations & maintenance according to guidelines established by the Bureau of General Services

REHABILITATION	
Development Type	Green Building Standard Required
<ul style="list-style-type: none"> • Commercial / Mixed Use 	
Full Building Commercial / Mixed Use for buildings > 70,000 square feet	LEED™ NC (New Construction) Silver Certification
Full Building Commercial / Mixed Use for buildings	LEED™ NC (New Construction) Silver Certification OR

10,000 to 70,000 square feet	Earth Advantage Small Commercial
<ul style="list-style-type: none"> ○ Partial–building ○ Tenant Improvements 	LEED™ CI (Commercial Interiors) Silver and/or G-Rated Tenant Improvement Guide Certification
<ul style="list-style-type: none"> ● Residential 	Greening Portland’s Affordable Housing (ALL)
< 5 stories of the structure	Earth Advantage Green Certification
= 5 stories	Earth Advantage Green or LEED NC Silver based on the particular configuration of entire building
> 5 stories	LEED NC Silver Certification
<ul style="list-style-type: none"> ● City-owned Buildings 	LEED™ CI (Commercial Interiors) Silver and/or G-Rated Tenant Improvement Guide Certification

F. Good Faith Deposit

In all financial assistance agreements where compliance with these Guidelines is required and not otherwise exempted, the developer will be required to provide PDC with a deposit in the amount of \$10,000 and in the form of either a cashier’s check or promissory note, as determined by the project manager, as security that the developer will make a good faith effort to comply with these Guidelines (“Good Faith Deposit”).

1. The Good Faith Deposit will be returned if and when PDC has determined the developer has “complied” with these Guidelines.
2. The Good Faith Deposit will be forfeited to PDC if the developer is determined to be “non-compliant” with these Guidelines

G. Compliance

1. **Progress Reports.** According to a schedule agreed to by both parties in the financial assistance agreement, the developer shall submit an up-dated *LEED or Earth Advantage Checklist* and any additional supporting documentation to PDC indicating:
 - a. The progress towards meeting requirements of these Guidelines.
 - b. The likelihood that requirements will be met or exceeded.
 - c. Any issues or circumstances that may prevent the developer from meeting Requirements.
2. **Final Report.** Within five (5) business days of receiving notification of LEED or Earth Advantage certification approval or denial, the developer shall notify and submit to PDC evidence of,
 - a. LEED or Earth Advantage Certification approval; **OR**
 - b. LEED or Earth Advantage Certification denial.
3. **Determination**

- a. If the developer's required certification is approved, the developer will be deemed to have "complied" with these Guidelines and the Good Faith Deposit will be returned.
- b. If the developer's required certification is denied, the developer will be deemed to be "non-compliant" with these Guidelines.

H. Non-Compliance Request for Waiver

If a developer's request for certification is denied by LEED or Earth Advantage, the developer may, within 10 (ten) business days of receiving such notice, submit to PDC a "Request for Waiver" from required compliance with these Guidelines based on the "good faith effort" made by the developer to comply.

1. A *Request for Waiver* must contain:
 - a. The following documentation appropriate to the type of construction.
 - i. **Commercial:** Final LEED or Earth Advantage certification application, documentation and response from U.S. Green Building Council.
 - ii. **Residential:** Final LEED or Earth Advantage certification application, documentation and response from certification agency(s).
 - b. An explanation of the efforts and accomplishments made by the developer to achieve compliance with these Guidelines.
 - c. An explanation of the practical or economic infeasibility of implementing certain green building design or construction techniques that if implemented would otherwise have likely resulted in certification.
 - d. Any other supporting documentation or information the developer wishes to submit.
2. Within 30 (thirty) days of receiving the *Request for Waiver*, the PDC Executive Director shall make a determination as to whether a Waiver should be approved or denied based on the good faith effort the developer made to comply with these Guidelines.

In order to establish the developer's good faith efforts, the documentation and information submitted by the developer with the *Request for Waiver*, and any other information obtained by PDC from the developer during design and construction, must establish that the developer:

- a. Complied with the LEED or Earth Advantage certification application process;
 - b. Submitted timely progress reports to PDC;
 - c. Undertook reasonable, appropriate and on-going efforts to obtain certification;
AND
 - d. That compliance would otherwise have been obtained but for the practical or economic infeasibility of implementing certain green building design or construction techniques.
3. If a *Request for Waiver* is approved by the PDC Executive Director, the developer will be relieved from meeting the requirements of these Guidelines, and the Good Faith Deposit returned to the developer.

4. If a *Request for Waiver* is denied by the PDC Executive Director, the developer will be deemed to have not made a “good faith effort” to meet requirements of these Guidelines and shall forfeit the Good Faith Deposit to PDC

I. **Exemptions**

1. **Programs.** The following programs are categorically exempt from these guidelines due to the generally small amount of financial assistance provided by the Commission.
 - a. Storefront Improvement Program
 - b. Neighborhood Housing Program will be exempt from meeting Green Building Standards otherwise required in Section E of these Guidelines, except Greening Portland’s Affordable Housing
2. **Affordable Housing Project.** A project otherwise required to follow these Guidelines, but where at least 51% of housing units are either:
 - a. rental housing affordable to households at 60% area Median Family Income and have a regulatory agreement with PDC; and/or
 - b. ownership housing in which sales prices are no greater than 95% of the Multnomah County average sales price **and** homebuyer incomes are no greater than 100% of the area median income.
 - c. **Definitions.**
 - i. **Median Family Income:** Area median income is established annually by the U.S. Department of Housing and Urban Development, or its successor agency, and applies to the year of sale for ownership units, and applies annually during the period of the PDC affordability agreement for rental units.
 - ii. **Sales Price:** a price which does not exceed 95 percent of the Federal Housing Administration mortgage maximum for a single unit in the Portland Metropolitan area as established annually will be exempt from meeting all Green Building Standards otherwise required in Section E of these Guidelines, except Greening Portland’s Affordable Housing
3. **Individual Projects.** A project otherwise required to follow these Guidelines may be exempted from program requirements subject to the following.
 - a. **Exemption Criteria.** The project developer must demonstrate that complying with these Guidelines,
 - i. would burden the project with extraordinary costs affecting the economic feasibility of the project; **OR**
 - ii. is not reasonably feasible due to unique construction or reconstruction circumstances of the project.
 - b. **Exemption Process.**
 - i. The developer must request an exemption in writing, and provide an explanation and provide any supporting documents necessary to demonstrate the need for an exemption.

- ii. The request is reviewed by PDC staff in consultation with the Portland Office of Sustainable Development to assess the request for exemption and make a recommendation to the PDC Board of Commissioners.
- iii. The exemption must be approved or denied by the PDC Board of Commissioners.
- iv. If an exemption is granted, the developer must agree to:
 - Integrate green building practices into the design and construction of the project to the maximum extent possible and feasible.
 - Provide PDC with reports during construction on the effort to incorporate green building practices into the project.

J. Administration of Guidelines

1. **Administrator.** The PDC Executive Director, or designee, shall be responsible for the administration of these Guidelines.
2. **Changes.** The PDC Executive Director is authorized to change or revise these Guidelines as necessary to remain current with City of Portland Green Building Policy, or implement changes to improve the administration, effectiveness or practical application of the PDC Green Building Policy.
3. **Disputes.** The Executive Director is authorized to resolve any dispute arising from the application, administration or enforcement of these Guidelines, with the exception of the PDC Board of Commissioner's decisions regarding the issuance of an exemption.

Administrative Policy

Subject:	Percent for Art	Number:	AP-12.03
Effective Date:	June 27, 2012	Page:	1 of 2
Approved By:	Patrick Quinton, Executive Director	Supersedes:	
Policy Sponsor:	Chief Financial Officer		
Policy Owner:	Finance and Asset Management Division Manager		

The City of Portland (City) and the Portland Development Commission (PDC) recognize the value of including public art in City-financed construction projects. As the City's designated urban renewal agency, PDC manages tax-increment funds, which are Eligible Funds under Portland City Code & Charter Chapter 5.74 Acquisition of Public Art. This policy addresses compliance with Chapter 5.74.

A. General

1. Portland City Code Chapter 5.74 Acquisition of Public Art states that the City shall dedicate two percent of Eligible Costs or Eligible Funds (whichever is less) of certain City-funded Improvement Projects to the selection, acquisition, fabrication, installation, maintenance, management, deaccessioning, community education, documentation and registration of public art.
2. Funds expended by PDC, or provided by PDC to a City Participating Bureau, for construction of certain Improvement Projects, are Eligible Funds under Chapter 5.74.
3. PDC shall comply with Chapter 5.74 by evaluating each Improvement Project for eligibility and contributing the appropriate Percent for Art amount.
4. PDC shall use the Public Art Eligibility Form, created and maintained by the City Office of Management and Finance, to calculate the appropriate Percent for Art amount for each eligible Improvement Project, based on the Eligible Funds and Eligible Costs, as defined in Chapter 5.74.

B. Selection of art

1. The City has designated the Regional Arts and Culture Council (RACC) as the party responsible for selection and management of public art associated with an eligible Improvement Project.
2. Per the City's service agreement with RACC (last approved in November 2010 via City Ordinance 184247), the PDC project manager and the Participating Bureau project manager (if applicable) shall have the option of participating in the selection process.
 - a) If the Improvement Project is directly managed by PDC then the PDC project manager should communicate to RACC in writing if he/she plans to participate in the selection process.

- b) If the Improvement Project is directly managed by a Participating Bureau then the PDC project manager and the Participating Bureau project manager should communicate to RACC in writing if he/she plans to participate in the selection process, and shall include such decision in the language of the associated inter-governmental agreement (IGA).
3. If previously unused public art funds are available in the urban renewal area (URA) the PDC project manager, with the approval of the URA manager and RACC, may elect to add some or all of the available pooled funds to the public art funds from an eligible Improvement Project for the purpose of increasing the total public art funds for that project.
4. If it is determined that inclusion of public art is not appropriate for an eligible Improvement Project, whether due to the type of project or the amount of funds available, the PDC project manager, along with the Participating Bureau project manager (if applicable) and RACC, may assign the Percent for Art funds from the project to a pool of funds for the applicable URA to be used for another project in that URA at a later time.

C. Payment of Percent for Art amounts

1. If PDC directly manages an eligible Improvement Project, PDC shall submit the payment of the Percent for Art amount to RACC, upon receipt of an invoice from RACC.
2. If PDC provides funds to a Participating Bureau through an IGA for the construction of an eligible Improvement Project managed by the Participating Bureau, then:
 - a) PDC shall include language in the associated IGA specifying the amount of PDC's Percent for Art contribution to the project;
 - b) The Participating Bureau shall invoice PDC for its Percent for Art amount;
 - c) The Participating Bureau shall calculate and submit the total appropriate Percent for Art amount, including PDC's portion, to RACC.

D. Responsibilities and authorities

1. The Chief Financial Officer (CFO) shall designate a PDC employee to act as the PDC liaison to RACC.
2. The PDC liaison to RACC shall be responsible for maintaining regular communication with RACC regarding policy updates, annual Improvement Project reporting, etc.
3. RACC shall be responsible for tracking the pool of unused Percent for Art funds in each URA and providing updates to PDC as requested.

Policy History

Adopted: June 27, 2012

RESOLUTION NO. 7088

RESOLUTION TITLE:

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A DISPOSITION AND DEVELOPMENT AGREEMENT WITH PORTLAND STATE UNIVERSITY FOR REDEVELOPMENT OF MULTIPLE PROPERTIES WITHIN THE UNIVERSITY DISTRICT AREA AND UNIVERSITY PLACE SITE

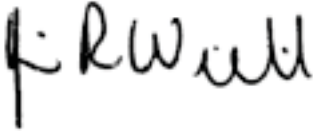
Adopted by the Portland Development Commission on December 11, 2014

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Aneshka Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

	<p>Date:</p> <p>December 30, 2014</p>
<p>Gina Wiedrick, Recording Secretary</p>	