

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Tess Jordan	2. Telephone No. (503) 823-6807	3. Bureau/Office/Dept. OMF-BFS
4a. To be filed (date): August 23, 2012	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to Commissioner's office and FPD Budget Analyst: August 23, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed

1) Legislation Title:

*Authorize an intergovernmental agreement with the Portland Development Commission (PDC) for economic development activities. (Ordinance)

2) Purpose of the Proposed Legislation:

This ordinance authorizes the agreement with PDC to fund the various economic development initiatives, as outlined and appropriated in the FY 2012-13 Adopted Budget.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT**4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

No direct increases in revenue are anticipated as a result of this ordinance. However, it is anticipated that the results of PDC's economic development efforts will lead to job growth and retention as well as to increased economic activity, leading, in turn, to potentially increased revenue to the City.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

The total value of the contract is for \$5,844,591. This amount is appropriated in the FY 2012-13 Adopted Budget.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☒ **YES:** Please proceed to Question #9.
☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

This funding supports a variety of new and ongoing programs intended to grow local businesses, improve neighborhood business vitality, and support individuals in gaining job skills.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

This item funds the implementation of the budget. The budget process is designed by the Mayor's Office in coordination with OMF. This year, that process included a number of community budget forums, a public hearing, and a telephone survey. Public involvement in the City-funded portion of PDC's operations has been an iterative process over several years involving a number of groups, PDC, and the Mayor's office.

c) How did public involvement shape the outcome of this Council item?

See b) above.

d) Who designed and implemented the public involvement related to this Council item?

See b) above.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Tess Jordan, OMF (503) 823-6807

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Any revision to this contract amount would be subject to the budget process and the public involvement related to that budget process.



RICH GOWARD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Jack Graham, Chief Administrative Officer
1120 SW Fifth Ave., Suite 1250
Portland, Oregon 97204-1912
(503) 823-5288
FAX (503) 823-5384
TTY (503) 823-6868

DATE: August 23, 2012
TO: Mayor Sam Adams

185564

FROM: Rich Goward, Chief Financial Officer

SUBJECT: Authorize an intergovernmental agreement with the Portland Development Commission (PDC) for economic development activities.

1. INTENDED THURSDAY FILING DATE: August 23, 2012

2. REQUESTED COUNCIL AGENDA DATE: August 29, 2012

3. CONTACT NAME & NUMBER: Tess Jordan, (503) 823-6807

4. PLACE ON: xx **CONSENT** **REGULAR**

5. FINANCIAL IMPACT AND PUBLIC INVOLVEMENT STATEMENT ATTACHED: XX **Y** **N**
 N/A

6. (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY
ATTACHED: Yes XX No **N/A**

7. BACKGROUND/ANALYSIS

This ordinance authorizes the agreement with PDC to fund the various economic development initiatives, as outlined and appropriated in the FY 2011-12 Adopted Budget. The following projects were included in the budget and authorized by this ordinance:

- 1) Neighborhood Economic Development - \$3,448,368, consisting of:

Neighborhood Main Street Revitalization Program (\$290,000)

Portland Main Street is a community-led revitalization program designed to stimulate neighborhood businesses. In June 2010, Portland designated Alberta, Hillsdale, and St Johns as its first three Main Street districts. The districts receive grants for district administration, property and sustainability improvements, and promotional events. PDC also provides technical assistance to the districts in implementation of the Main Street approach, district design support, and organizational capacity building.

Small Business Technical Assistance (\$600,000)

This is technical assistance for citywide small businesses. This will allow the City to support delivery of these services by qualified non-profit providers. Funding will be directed to fill gaps in business technical assistance services with a focus on stabilizing and growing small businesses with modest incomes, businesses located in economically challenged areas, and businesses whose owners may need services provided in languages other than English.

Venture Portland (\$288,350)

Funds provided to Venture Portland to support training, technical assistance, and small grants to Portland's neighborhood business district associations.

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.

Economic Opportunity Initiative (\$1,605,018)

Established in 2004, the Economic Opportunity Initiative (EOI) provides workforce and microenterprise development and other support services to vulnerable individuals at 0% to 50% of the Median Family Income (MFI) for youth and adult workforce development projects and 0% to 80% of MFI for microenterprise development projects. Individuals enrolled in EOI receive long-term (up to three years) microenterprise or workforce development services. Program participants often face barriers to employment and business development such as limited English proficiency, criminal histories, homelessness, and drug and alcohol addictions. Individualized plans to address education, training, job or life skill needs are developed for each participant.

Neighborhood Prosperity Initiative (\$665,000)

This program will focus on six economically challenged business areas in East and outer Northeast Portland that are either not yet ready for a full scale Main Street approach or that are not a good fit for this model. City General Funds will be used to build the capacity of community-based organizations to become active partners in neighborhood economic development. In addition to ongoing technical assistance and training provided by PDC, the districts will be eligible for a district administration and operations grant, a marketing, promotions and branding grant, and a property improvement grant.

2) Traded Sector Job Creation And Retention - \$2,396,223 consisting of:

Cluster Industry Development (\$1,121,080)

The City's Economic Development Strategy seeks to raise the national and international visibility and competitive profile of four industry clusters (clean technology; athletic & outdoor; advance manufacturing; and software). The Cluster Industry Development Program includes:

- market analysis and research
- business and technical assistance
- industry initiatives defined as high impact coordinated activities to advance the long-term competitiveness of target industry clusters such as workforce development, promotion, education, and supply chain development

The program is designed to grow Portland's job base and build the Portland region's competitive advantage and brand.

Targeted Business Recruitment (\$365,143)

PDC engages in proactive, strategic industry recruitment for the City of Portland and on behalf of the region through a partnership with Greater Portland Inc. Funds will pay for recruitment trips, fly-outs and trade show attendance, including expenses to perform market research on likely recruitment targets and marketing activities designed to promote the region's clusters at these shows.

Small Business Working Capital (\$200,000)

This program will provide flexible working capital financing to small companies that are primed for growth but lack the cash to invest.

Seed Fund Initiative (\$300,000)

This Fund will make investments of between \$25,000 and \$100,000 to start-ups at the earliest stage of development. The Portland Seed Fund is intended to address the most critical gap in funding for growing companies, increasing the job creation prospects for start-up firms and the pipeline of viable companies for later stage investors.

International Business Development (\$205,000)

This program will implement the international business development strategy developed by PDC and the Mayor's office. A key component will be implementing the Brookings Metro Export Initiative and Strategy with an emphasis on increasing the level of target industry exports and foreign direct investment activity in Portland.

Entrepreneurial Development (\$150,000)

This program provides direct funding to programs that provide intensive assistance to entrepreneurs and early-stage startups. The objective is to enhance the entrepreneurial ecosystem in the Portland region and statewide by implementing the Entrepreneurship and Innovation Strategy unveiled in October 2011.

Portland 4 Biz Website (\$55,000)

The One-Stop Permitting and Business Services Website will continue to contribute to a more efficient small business delivery system by creating a one-stop-shop for business owners seeking permits, information, and assistance from the City and service delivery partners. This funding will continue the development and maintenance of the website.

8. FINANCIAL IMPACT

This contract would obligate the full amount of the PDC General Fund appropriation - \$5,844,591.

9. RECOMMENDATION/ACTION REQUESTED

Authorize the IGA with PDC.