

**PROSPER**  
PORTLAND

**Building an Equitable Economy**

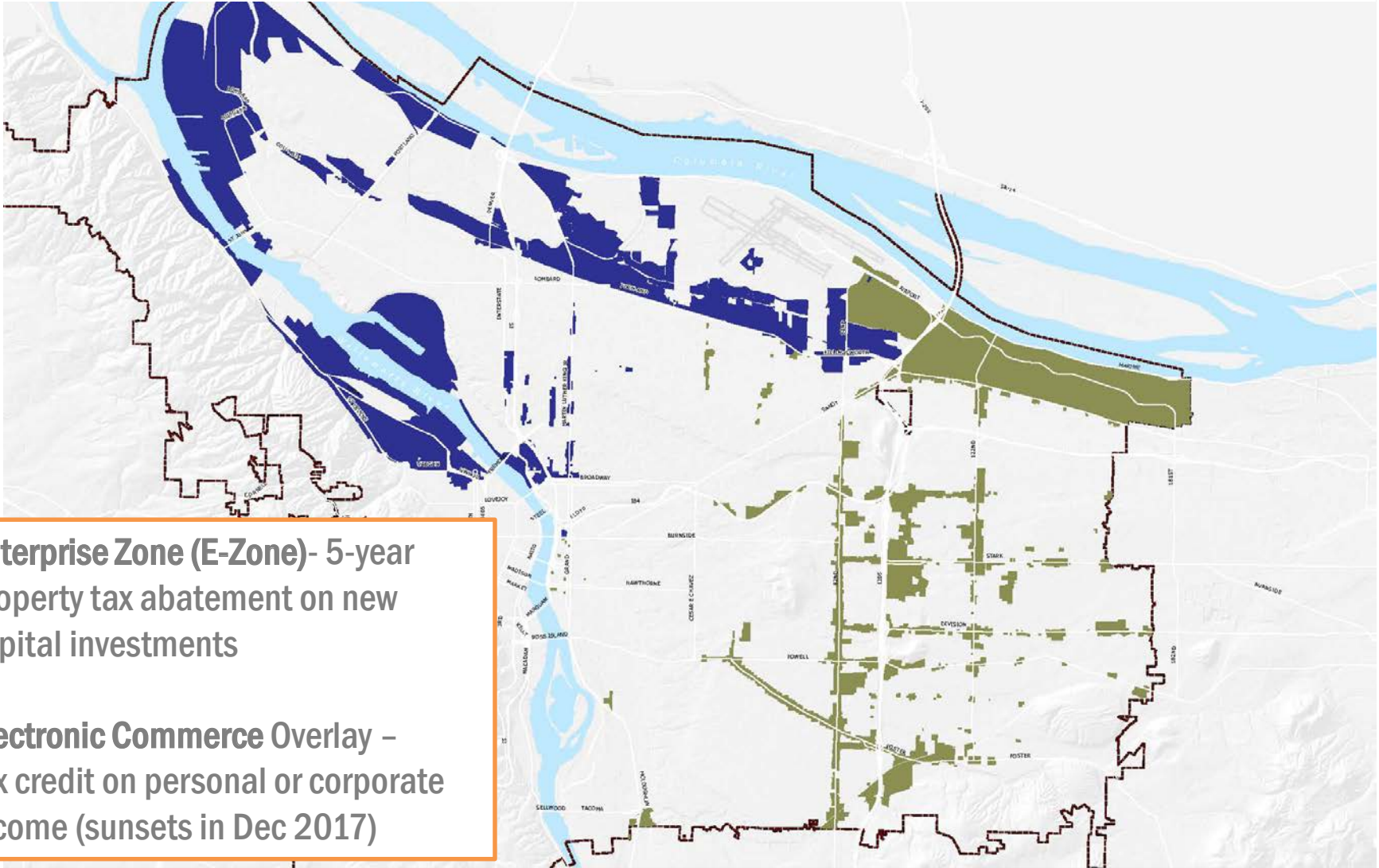
**CITY COUNCIL MEETING**

**Enterprise Zone Program Update, Policy Changes and Boundary Amendment – October 11, 2017**

# SUMMARY AND COUNCIL ACTION

- Enterprise Zone Program Update
- Proposed Policy & Boundary Changes

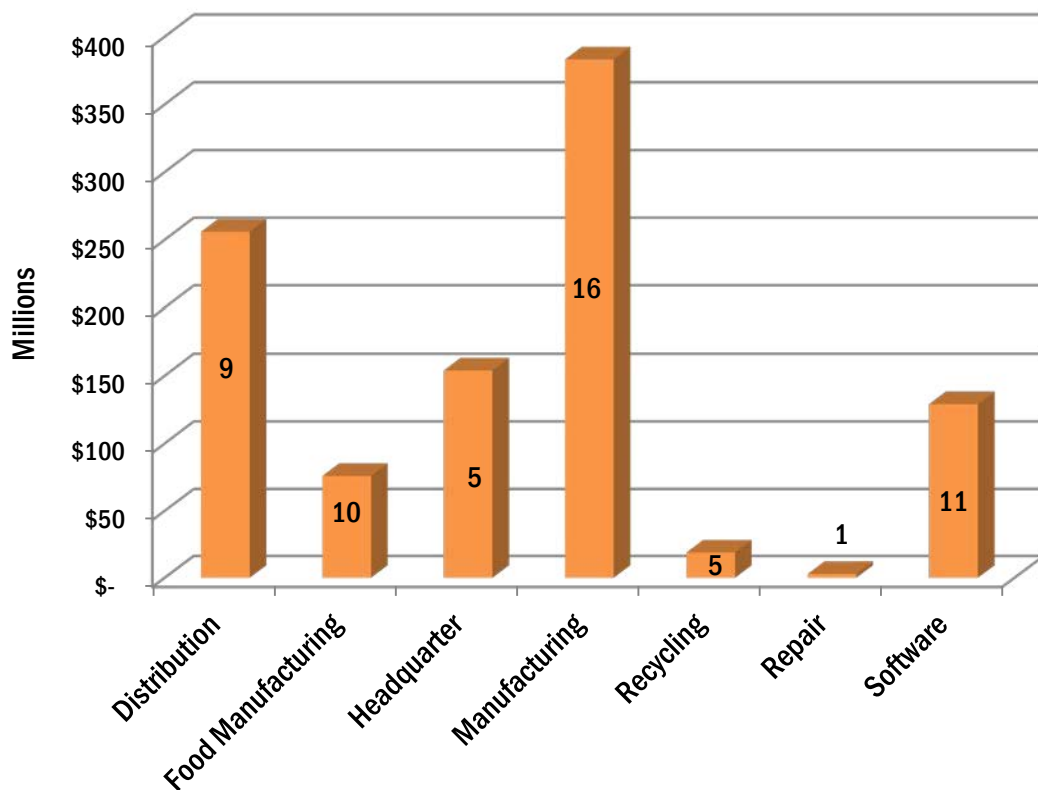
# E-ZONE PROGRAM UPDATE



- **Enterprise Zone (E-Zone)**- 5-year property tax abatement on new capital investments
- **Electronic Commerce Overlay** – tax credit on personal or corporate income (sunsets in Dec 2017)

# E-ZONE PROGRAM UPDATE

Investment by Industry,  
Active E-Zone Companies



## E-Zone Companies by Location:

North: 23

Airport Way: 9

Northeast: 8

Northwest: 8

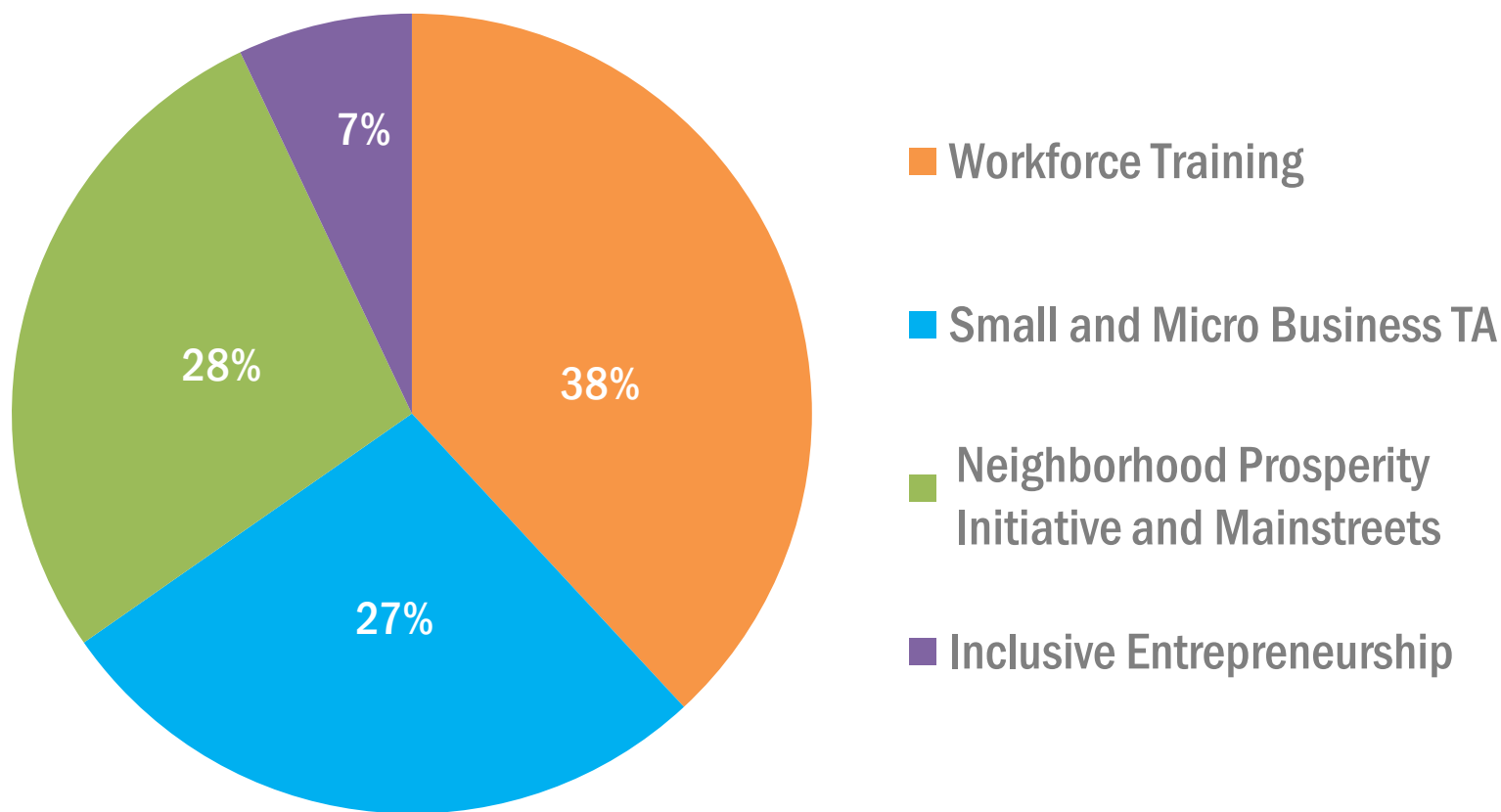
Central Eastside: 7

Lents: 2

**Total: 57**

# E-ZONE PROGRAM UPDATE

2014-2018 Workforce Training Business Development Fund  
Spent and Allocated Funds: \$2.6M



# E-ZONE PROGRAM UPDATE



- 4,166 total jobs at E-Zone companies; 2,000 new jobs
- \$167 million invested in 2015
- Average wages/benefits: \$39.32/hour
- \$92 million in local purchases in 2015





# OTHER PUBLIC BENEFITS



Transit Support (Daimler)



Tech Incubator (Jaguar Land Rover)

Diversity Hiring (Salt and Straw)



Child Care (Instrument)



# POLICY CHANGES





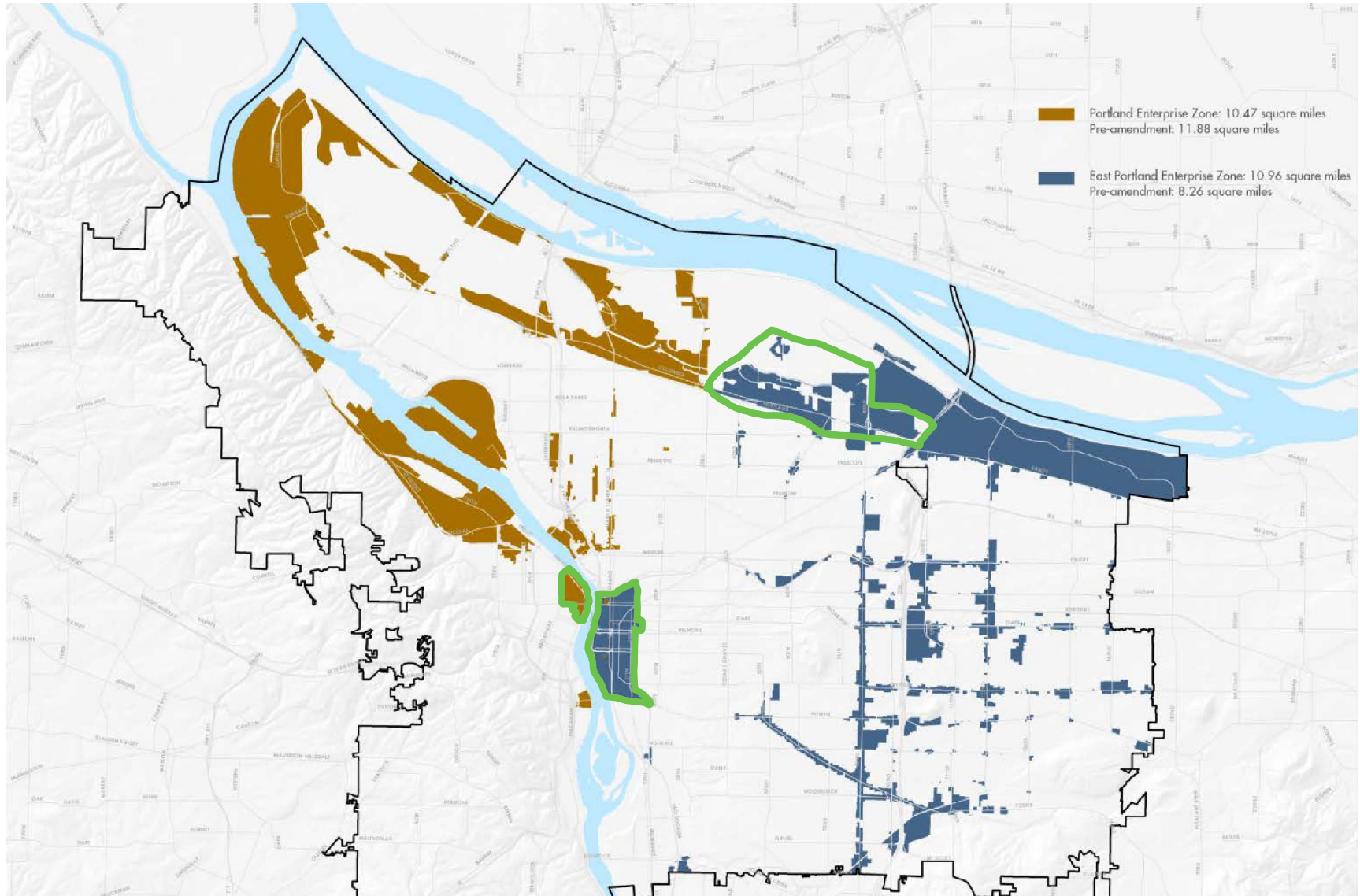
# POLICY CHANGES

	Current Policy	Proposed Policy
<b>Minimum Wage and/or compensation</b>	85 percent of employees shall earn \$16.88 per hour, or, provide benefits package	\$15.00 per hour minimum wage for all employees, or, total compensation (wage & benefits) = \$20.00 per hour for all permanent employees after one year of employment
<b>Procurement Plan</b>	Submit a procurement plan and outline good faith efforts to increase purchasing	Specific good faith efforts to procure from businesses owned by people of color and from businesses located in Portland's lowest income communities
<b>Compliance and Remedies</b>	Currently the only remedy for default under the City of Portland's E-Zone Policy is full disqualification and 100% claw back of tax savings	Authorizes Prosper Portland to designate lesser penalties and remedies if deemed appropriate by Prosper Portland

# POLICY CHANGES

	Current Policy	Proposed Policy
<b>Workforce Training Business Development Fund</b>	Allocate 40% to business development and 60% be allocated to workforce development	Removes the specific percentage split
<b>Additional Public Benefits</b>	Not currently required	Add a requirement that new companies agree to additional public benefit agreements

# BOUNDARY AMENDMENT





# COMMUNITY PARTICIPATION & FEEDBACK



# COMMUNITY FEEDBACK

- Neighborhood Economic Development Leadership Group
- Central Eastside Industrial Council
- E-Zone Taxing Jurisdictions
- Metropolitan Alliance for Workforce Equity
- Neighborhood Prosperity Initiative District Managers
- Old Town Chinatown Community Association
- Port of Portland
- Portland Public Schools, Career & Technical Education/  
Career Pathways Program
- Worksystems, Inc.

# COMMUNITY FEEDBACK

- Oversight committee: Council for Racial and Economic Equity will serve that role; Neighborhood Prosperity Initiative District Managers will serve as conduit for community interests during negotiations
- Alignment with WorkSource: City Resolution will make reference to the public workforce system; resources such as navigators, funded through E-Zone, are moving under contract with Worksystems Inc
- Alignment with schools: Connect with Portland Public Schools, David Douglas, Parkrose, Centennial, Reynolds schools with opportunities for schools and business to collaborate
- East Portland investments: encourage investment in East Portland by E-Zone companies, both location and expenditures

# EQUITY IMPACT



# EQUITY IMPACT

- Policy: jobs, wage requirements, career ladder strategies, procurement
- Community: Council for Racial and Economic Equity
- Partnerships: Prosper Portland, businesses, non-profits, schools can collectively work to create an equitable economy through the proposed changes.



**QUESTIONS?**