

XXcelerate



November 17, 2021

Mayor Wheeler, Commissioners Hardesty, Rubio, Ryan, Mapps:

We are writing today as business organizations whose members make up the small retailers and restaurants that define our neighborhoods and communities. They are the makers and creators who made the Portland brand a critical magnet for high-wage talent and tourism. They are the entrepreneurs who create economic opportunities for their families and employees.

We were disappointed to learn that out of a \$62 million surplus, none was set aside for small Portland businesses who are struggling in this COVID recession. Ignoring small businesses, particularly those hit the hardest by the pandemic, ignores the imperative of an equitable economic recovery.

We recognize that you are rightly responding to a humanitarian crisis on our streets and that many small businesses have called upon you to do just that. However, given the critical role that small businesses play in our city's economy and communities and the degree to which low income communities have been disproportionately impacted by the pandemic job loss, it's a significant strategic oversight to not support small businesses at this juncture. While we are fully in support of Prosper Portland's requests for the Fall BMP and support the planning capacity needed for our recovery, we respectfully request a meeting with each of your offices so that we can begin working with you immediately to identify ways to secure resources in the next budget process and/or during the next round of ARPA allocations for immediate relief efforts as well.

We only need to look at the Great Recession of 2009-10 to see what happens when we do not invest in an equitable recovery. In 2018, the Oregon Office of Economic Analysis showed that the gains of a "booming economy"¹ were highly concentrated by race and geography, leaving a large segment of the population to straddle a widening gap between stagnant wages and increased costs of living. East of 82nd Avenue, there were actually no real income gains within an otherwise "thriving regional economy" between 2009 and 2018.² Had our city pursued a different economic recovery strategy over a decade ago, you would not be facing the magnitude of the humanitarian crisis as you are today. Let's not make that same mistake this time.

¹ https://www.oregonlive.com/business/2018/04/oregons_economy_booms_but_raci.html

² <https://oregoneconomicanalysis.com/2018/04/24/economic-disparities-geographic-racial-and-ethnic/>

As you all heard from the City's budget office on November 4, this unprecedented revenue surplus is primarily due to historic profits from a very small portion of our city's registered businesses. Your city economist reported that of the city's 435,000 registered businesses, just 10 of them contributed 20% of our city's business tax revenues in calendar year 2020. And a whopping 43% of our city's business tax revenues in calendar year 2020 came from just 100 of our city's registered businesses. **If you do not want to see the income inequality in our city further exacerbated by this pandemic recession, you must take swift action and invest some of those tax dollars to support small businesses.**

Our organizations -- however thinly staffed -- have dutifully participated in Prosper Portland's Economic Recovery Task Force for the past 18 months as well as countless "action table" meetings. Our members are not flooding your offices with calls and emails because they are neck deep in their work to keep their businesses afloat. They share with us that they feel abandoned by their city.

We need your help now.

- **Invest more in Sustainable Organizational Capacity Building** that is reflective of the need. Ours are trusted organizations providing critical services to small businesses. Please do not create new programs inside agencies that lack community connection and trust.
- **Invest in a grant writer** who submits proposals on behalf of our organizations and others providing support to small businesses. Collectively, we are likely to leverage more philanthropic dollars if we have a collaborative strategy, and our organizations are not resourced to pursue these funding opportunities.
- **Invest in Supportive Services** such as childcare subsidies, technology allowance and mental health support
- **Identify resources to cover the still outstanding commercial rents (roughly \$11 million)**

We recognize that you are under enormous pressure and thank you for your public service.

Sincerely,

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