

FINANCIAL IMPACT STATEMENT

For Council Action Items

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

1. Name of Initiator Ken Rust, Chief Administrative Officer		2. Telephone No. (503) 823-6953	3. Bureau/Office/Dept. Office of Management and Finance
4a. To be filed (date) November 10, 2009	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: November 17, 2010

1) Legislation Title:

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

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 2010-11 Revised Budget.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated 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.

4) Expense:

What are the costs to the City as a result of 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)

The total value of this contract is for \$ 2,325,482. This amount is appropriated in the revised FY 2010-11 budget.

Staffing Requirements:

5) 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.

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

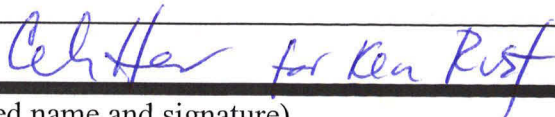
NA

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 Center Code column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

Ken Rust, CAO



APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

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Kenneth L. Rust, Chief Administrative Officer
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DATE: November 9, 2010
TO: Mayor Sam Adams

184241

FROM: Ken Rust, Chief Administrative Officer

Cliff Hagan for Ken Rust

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

1. **INTENDED THURSDAY FILING DATE:** November 10, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** November 17, 2010
3. **CONTACT NAME & NUMBER:** Andrew Scott, (503) 823-6845
4. **PLACE ON:** XX **CONSENT** **REGULAR**
5. **BUDGET IMPACT 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 2010-11 Adopted Budget. The following projects were included in the budget and authorized by this ordinance:

- 1) Community Economic Development - \$565,000, consisting of:
 - a. Neighborhood Main Street Revitalization Program – \$500,000. The Portland Main Street program is designed to stimulate neighborhood business vitality throughout the City in order to help achieve Portland's goal of 20-minute neighborhoods, with specific focus on delivering resources and expertise to business districts outside urban renewal area.
 - b. One-Stop Permitting and Business Services Website - \$65,000. The One-Stop Permitting and Business Services Website will help rationalize the 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.
- 2) Traded Sector Job Creation And Retention - \$1,231,607 consisting of:
 - a. Cluster Research and Industry Development - \$369,200. The City's Economic Development Strategy seeks to raise the national and international visibility and competitive profile of four industry clusters (clean tech and sustainable industries; active wear; advance manufacturing; and software).
 - b. Cluster Retention and Catalytic Industry Initiatives - \$393,207. Catalytic Initiatives are high impact, coordinated activities that advance the long-term competitiveness of target industry clusters designed to grow our job base and build the Portland region's competitive advantage and brand.

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.

- c. Targeted Business Recruitment - \$269,200. PDC engages in proactive, strategic industry recruitment for the City of Portland and on behalf of the region through a partnership with Regional Partners. PDC's current focus is on International and Clean Tech recruitment.
 - d. Seed Fund Initiative - \$200,000. This Fund will make investments of between \$25,000 and \$100,000 to start-ups at the earliest stage of development. The Fund will fill 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.
- 3) Other - \$528,875 consisting of:
- a. APNBA - \$278,875. Funds provided for Alliance of Portland Neighborhood Business Associations' activities with small businesses.
 - b. Milepost 5 - \$250,000. Milepost 5 Studios is renovating the historic Baptist Manor into affordable live/work studios for artists. Funds shall pass through PDC and be loaned for construction, including kitchens, bathrooms, fire/life safety systems, a new boiler, domestic hot water system, painting, and landscape improvements at the 50,763 square foot historic building. This funding is carried over from FY 2009-10 and is contingent on passage of the Fall supplemental ordinance.

8. FINANCIAL IMPACT

This contract would obligate the full amount of the Economic Development appropriation - \$2,325,482.

9. RECOMMENDATION/ACTION REQUESTED

Authorize the IGA with PDC.