

**FY 2011-12 Intergovernmental Service Level Agreement
General Fund Special Appropriations**

This Intergovernmental Service Level Agreement (“Agreement”), dated this ___ day of August, 2011 (“Effective Date”), is made and entered into by and between the **City of Portland** (the “City”) and the **Portland Development Commission** (“PDC”) (collectively the “Parties”).

RECITALS

- A.** PDC, as the duly-designated Urban Renewal agency of the City of Portland, is granted broad powers under ORS 457.170 for the planning and implementation of urban renewal projects. As part of this implementation it has established expertise in economic development activities whose scope is restricted to the City’s urban renewal areas.
- B.** A cooperative relationship between PDC and the City will be beneficial to the implementation of specific economic development activities including target industry development, community economic development and small business loans on a citywide basis.
- C.** Funding has been appropriated in the City’s FY 2011-12 adopted budget to fund the abovementioned economic development activities.
- D.** Both parties desire to enter into an agreement that will establish terms and conditions by which one party will engage and compensate the other party for performing specific services.
- E.** The Office of Management and Finance (“OMF”), as the City’s budget liaison to PDC has been identified as the bureau responsible for managing this agreement.

AGREEMENT

1. Parties

Portland Development Commission

Main Contact: George Cornett

City of Portland, Office of Management and Finance

Main Contact: Claudio Campuzano

2. Term and Termination

This Agreement runs for Fiscal Year 2011-2012 that is July 1, 2011 to June 30, 2012.

- a. The full amount of funds for 2011-2012 is authorized in the City’s current fiscal year’s budget.

- b. If funding is authorized for an additional program or transfer, City may add that program or transfer by written amendment to this Agreement, subject to PDC approval.
- c. Either party may terminate the entire Agreement with 30 days prior written notice to the other.
- d. If this Agreement is terminated, the City shall reimburse PDC for expenses incurred and funds contractually committed, prior to the date of termination, in the course of performing the activities described in the Scope of Services.

3. Roles & Responsibilities

The City will send funds to PDC pursuant to the terms of Section 4 of this agreement.

4. Scope of Services

The City will provide to PDC a total of \$5,788,326 in funding in the following amounts for the following economic development activities during the 2011-2012 Fiscal Year and PDC shall use the funding to implement those economic development activities as described below:

Programs:

- 1) Neighborhood Economic Development - \$3,263,692, consisting of:

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 areas. Funding will support the creation of three new Main Street districts.

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. This will continue the development and maintenance of the website.

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.

Alliance of Portland Neighborhood Business Association - \$282,245

Funds provided for Alliance of Portland Neighborhood Business Associations' activities with small businesses.

Economic Opportunity Initiative - \$1,574,382

Economic Opportunity Initiative (EOI) anticipates serving approximately 1,950 multi-barriered individuals and businesses with workforce or microenterprise training and appropriate support services. Approximately 1,650 individuals will receive workforce development services and 300 businesses will receive microenterprise support. EOI anticipates that approximately 50% of enrollees in the program will graduate after three years with a minimum of 25% increase in income or revenues. Approximately 52% of participants enrolled in EOI are minorities and another 15% are non-native speakers.

Partners for Economic Progress Initiative - \$242,065

Like the Main Street Program, Partners for Economic Progress Initiative, aims to improve neighborhood business growth and creation of 20-minute neighborhoods. This program will focus primarily on 2-3 economically challenged areas, outside of the urban renewal areas, that are either not yet ready for a full scale Main Street approach, or that are not a good fit for this model.

2) Traded Sector Job Creation And Retention - \$2,524,634 consisting of:

Cluster Research and Industry Development - \$735,634

The City's Economic Development Strategy seeks to raise the national and international visibility and competitive profile of five industry clusters (clean technology; athletic & outdoor; advance manufacturing; software; and research & commercialization).

Cluster Retention and Catalytic Industry Initiatives - \$375,000

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.

Targeted Business Recruitment - \$359,000

PDC engages in proactive, strategic industry recruitment for the City of Portland and on behalf of the region through a partnership with Regional Partners. Funds will pay for recruitment trips 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 - \$500,000

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.

International Business Development - \$205,000

This is a new program which will implement the international business development strategy developed by PDC and the Mayor's Office to increase the level of export and foreign direct investment activity in Portland.

Entrepreneurial Development - \$150,000

This is a new program to provide direct funding to programs that provide intensive assistance to entrepreneurs and early stage start-ups. PDC will offer a competitive process for organizations to submit proposals to provide these services, and expects to fund 2 to 3 organizations during the fiscal year.

5. Deliverables & Payment Schedule**Deliverables from PDC will be as follows:**

- a. PDC will provide monthly reporting, detailing financial & program activity, within 30 days of the month's end. The current year appropriations will be broken out into the following categories: Personal Services, Materials & Supplies, Financial Assistance, and Overhead and include actual, balances and output measures.
- b. PDC will provide a year-end report, detailing financial & program activity, within 30 days of fiscal year end. The format will show any carry-over budget as well as current year appropriations. The current year appropriations will be broken out into the following categories: Personal Services, Materials & Supplies, and Financial Assistance and include actual, balances and output.

Payment Schedule:

PDC will bill OMF on a periodic basis based on expenditures incurred, unless and to the extent the Parties agree in writing to alternate disbursement or payment arrangements. The total General Fund Special Appropriations is \$5,788,326.

6. Changes to Funding Allocations

The PDC Contract Signatory and the OMF Contract Signatory are authorized to modify the allocation of funding among the programs identified in Section 4 and to increase the funding, through a duly executed amendment to this Agreement, so long as sufficient funds have been appropriated for Neighborhood Economic Development and Traded Sector Job Creation And Retention in the City budget to cover the maximum amounts payable for economic development activities in those respective categories by the City under this Agreement, and sufficient funds have been appropriated for Economic Development in the PDC's Budget.

7. Administration & Dispute Resolution**Administration**

The Parties will determine the frequency and scope of any necessary City/PDC meetings. The Parties may amend any provision of this Agreement in a writing signed by both parties hereto.

Dispute Resolution

If a dispute arises regarding the terms and conditions of this Agreement, all parties agree to exercise good faith in expeditiously resolving said conflict in the following manner:

- a. All conflicts should first be discussed and resolved, if at all possible, at the staff level.
- b. If the conflict cannot be resolved at the staff level, then the conflict should be elevated to the Main Contacts specified in Section 1 for discussion and resolution.
- c. Any conflicts not resolved by the Main Contracts shall be elevated to the signatories of this Agreement for discussion and resolution.

8. Approvals

IN WITNESS WHEREOF, the City of Portland, through the Office of Management and Finance and the Portland Development Commission have executed this Agreement as of the date on Page 1.

CITY OF PORTLAND

PORTLAND DEVELOPMENT COMMISSION

Rich Goward, Chief Financial Officer

Patrick Quinton, Executive Director

APPROVED AS TO FORM:
APPROVED AS TO FORM JVD

Sandra Menez
City Attorney CITY ATTORNEY

APPROVED AS TO FORM:

Legal Counsel