

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Claudio Campuzano		2. Telephone No. (503) 823-6848	3. Bureau/Office/Dept. OMF-BFS
4a. To be filed (date): August 11, 2011	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: August 4, 2011
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 2011-12 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 \$5,788,326. This amount is appropriated in the FY 2011-12 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, a Curbsider Survey, 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?

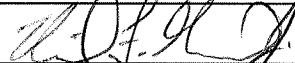
See b) above.

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

Claudio Campuzano, OMF (503) 823-6848

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.



BUREAU DIRECTOR (Typed name and signature)




CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

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DATE: August 4, 2011
TO: Mayor Sam Adams

184815

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 11, 2011
2. **REQUESTED COUNCIL AGENDA DATE:** August 17, 2011
3. **CONTACT NAME & NUMBER:** Claudio Campuzano, (503) 823-6848
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 - \$3,263,692, 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.

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.

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.

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.

8. FINANCIAL IMPACT

This contract would obligate the full amount of the PDC General Fund appropriation - \$5,788,326.

9. RECOMMENDATION/ACTION REQUESTED

Authorize the IGA with PDC.