



PDC | PORTLAND
DEVELOPMENT
COMMISSION
www.pdc.us

FY 2014-15 Proposed Budget

May 14, 2014



Overview

1) Stabilized PDC Operations

- Full implementation of reduction in force
- Reductions in administrative costs and services

2) Carrying forward funds for big ticket projects from FY 2013-14 to FY 2014-15

- Veteran's Memorial Coliseum
- Convention Center Hotel
- PNCA and Daimler loans

3) Revival of Real Estate Markets

4) Restructure of Budget Advisory Process

- Neighborhood Economic Development Leadership Group (expanded to include former Lents, Gateway and Interstate URAC members)
- Central City Budget Advisory Committee (newly established with key stakeholders from all Central City URAs)

Key Changes

River District/DTWF

- Focus on OT/CT
- Reduction in USPS & 10th & Yamhill line items

Lents

- Implementation of Lents Action Plan

Central Eastside

- Strategic site redevelopment

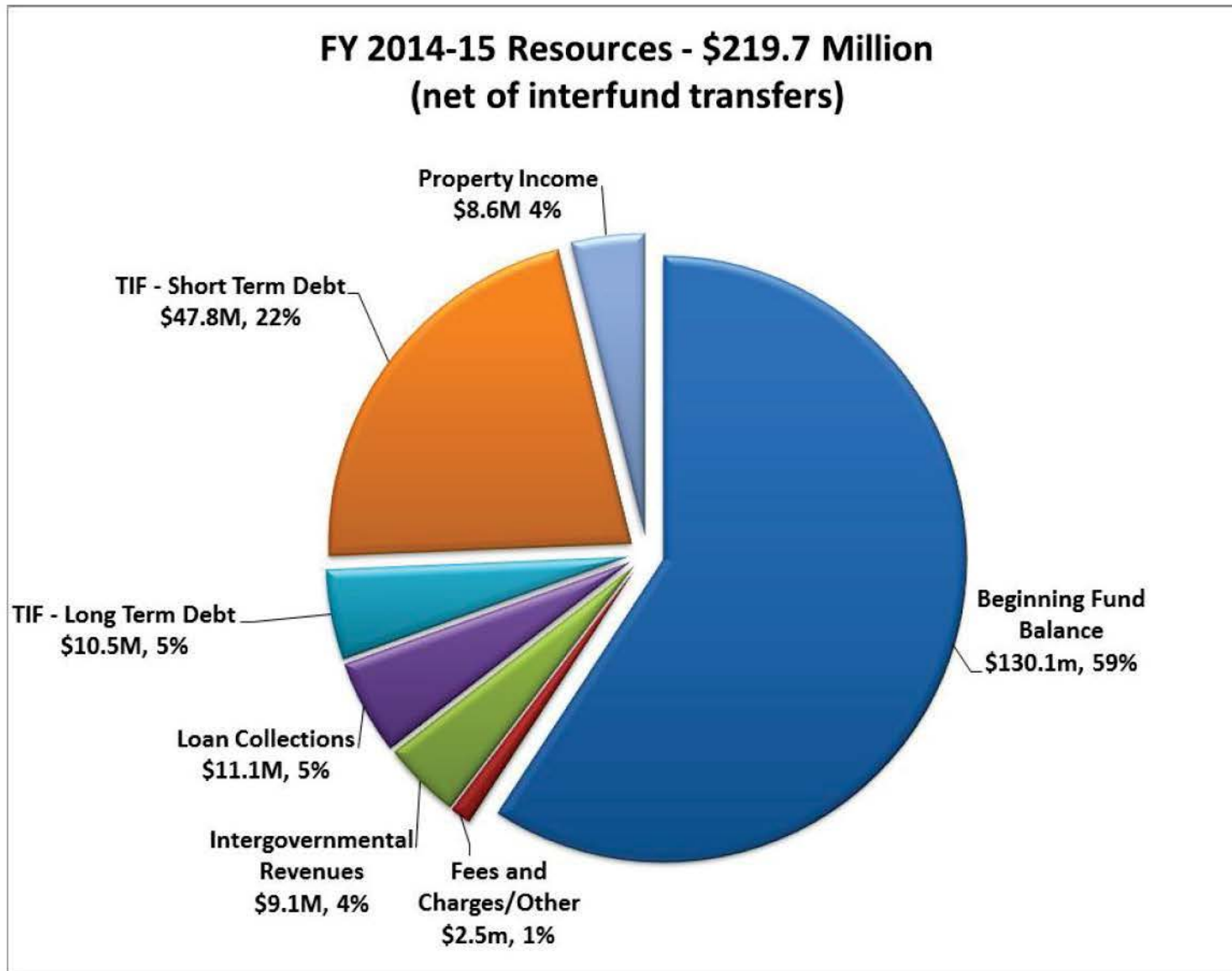
Interstate

- Additional \$20M over five years for affordable Housing
- Reduction in business finance opportunity funds
- Additional \$4M in new borrowing over 5 year forecast

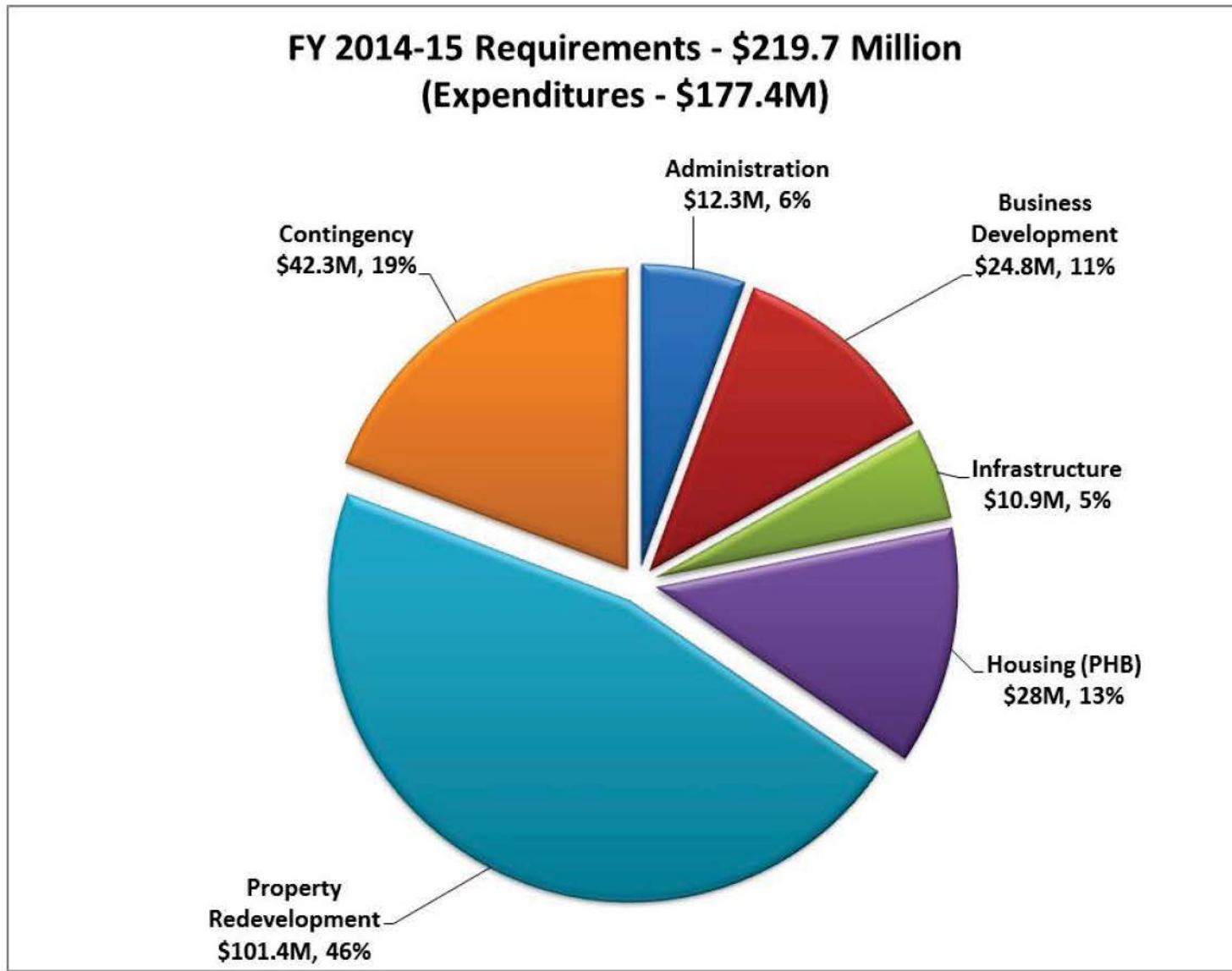
WIURA

- No new tax increment resources

2014-15 Proposed Budget



2014-15 Proposed Budget



Housing Set Aside

Housing Set Aside Summary		FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Revised Budget	FY 2014-15 Proposed	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Downtown Waterfront 21% Target	Cumulative Housing	17,393,809	17,393,809	17,393,809	19,111,154	19,365,719	19,365,719	19,365,719	19,365,719
	Base	80,888,905	91,402,338	91,402,338	91,402,338	91,402,338	91,402,338	91,402,338	91,402,338
	Percent	22%	19%	19%	21%	21%	21%	21%	21%
South Park Blocks 52% Target	Cumulative Housing	28,840,517	30,489,335	32,992,593	32,992,593	37,992,593	37,992,593	37,992,593	37,992,593
	Base	50,547,424	61,096,622	61,096,622	61,096,622	61,096,622	61,096,622	61,096,622	61,096,622
	Percent	57%	50%	54%	54%	62%	62%	62%	62%
Oregon Convention Center 26% Target	Cumulative Housing	7,478,590	7,620,746	8,722,631	15,097,631	15,097,631	15,097,631	15,097,631	15,097,631
	Base	32,322,440	78,850,597	78,850,597	78,850,597	78,850,597	78,850,597	78,850,597	78,850,597
	Percent	23%	10%	11%	19%	19%	19%	19%	19%
Central Eastside 15% (30% after \$35M reached) 18% Average	Cumulative Housing	5,344,040	5,378,794	5,419,413	6,097,091	8,049,961	8,160,657	8,232,555	8,232,555
	Base	29,330,900	32,180,960	35,058,080	37,935,200	40,812,320	43,689,440	44,435,219	44,435,219
	Percent	18%	17%	15%	16%	20%	19%	19%	19%
Lents 30% Target	Cumulative Housing	18,982,741	21,903,969	24,210,169	25,781,353	27,480,112	29,577,444	31,722,699	34,218,612
	Base	50,323,422	57,333,417	65,767,456	73,326,233	81,389,449	90,188,679	99,599,488	109,623,137
	Percent	38%	38%	37%	35%	34%	33%	32%	31%
Interstate 30% Target	Cumulative Housing	19,516,416	24,884,401	30,408,371	36,027,221	42,720,748	50,795,803	59,440,895	68,440,895
	Base	56,569,701	67,389,371	83,526,981	97,915,941	108,671,785	123,060,745	134,089,705	145,118,665
	Percent	34%	37%	36%	37%	39%	41%	44%	47%
Gateway 30% Target	Cumulative Housing	3,534,818	5,612,264	8,385,406	10,727,571	11,357,290	11,907,756	12,268,454	12,475,108
	Base	12,637,347	15,996,003	19,352,643	23,669,283	27,025,923	30,272,177	33,628,817	36,985,457
	Percent	28%	35%	43%	45%	42%	39%	36%	34%
North Macadam 39% (30% after \$58M CD complete) 36% Average	Cumulative Housing	17,349,862	28,262,761	29,156,745	29,237,628	29,314,399	29,399,399	30,409,399	32,279,527
	Base	44,216,007	65,643,066	70,224,546	71,529,839	72,079,350	77,611,030	83,480,731	89,597,172
	Percent	39%	43%	42%	41%	41%	38%	36%	36%
River District 30% Target	Cumulative Housing	59,764,196	60,137,575	63,966,043	71,821,314	83,462,804	91,532,560	94,786,093	96,286,093
	Base	121,446,655	145,715,344	169,715,344	191,795,344	235,413,086	302,375,209	320,297,717	332,214,119
	Percent	49%	41%	38%	37%	35%	30%	30%	29%
Education 30% Target	Cumulative Housing	0	0	108,437	526,265	1,024,636	1,651,284	2,366,735	3,905,912
	Base	0	0	985,284	2,217,354	3,750,993	5,636,875	10,917,811	16,040,331
	Percent	0%	0%	11%	24%	27%	29%	22%	24%
Total		178,204,989	201,683,655	220,763,617	247,419,820	275,865,893	295,480,845	311,682,773	328,294,645
Base*		478,282,803	615,607,718	675,979,890	729,738,751	800,492,463	904,183,710	957,799,044	1,005,363,657
Combined Percentage		37%	33%	33%	34%	34%	33%	33%	33%
Annual Increase in Set Aside			23,478,665	19,079,962	26,656,203	28,446,073	19,614,952	16,201,928	16,611,872

*Note - Methodology changed in FY 2012-13 to calculate set-aside based on TIF resources instead of total expenditures.

Cumulative Housing expenditures and Base begin in 2007 (Beginning of the Housing Set Aside).

Planned FY 2013-14 Budget Amendments will add carryover from FY 2013-14 to FY 2014-15 based on project timing - however 13-14 reflects removal of

\$6 million from Housing Budget in Oregon Convention Center.

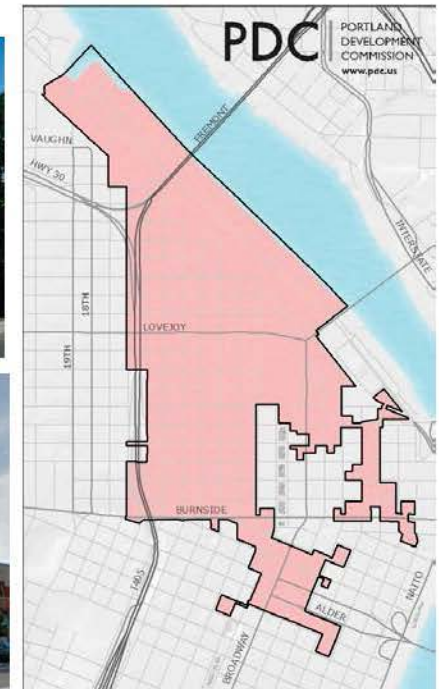
Budget by Strategic Goal

Healthy Neighborhoods	Non-TIF	TIF	Total	
Community Capacity (<i>NPI, Main Street, Venture Portland, Workforce, CLGs</i>)	4,231,208	1,292,229	5,523,437	
Business Growth (<i>Business TA, Lending, Neighborhood SIP & DOS</i>)	1,497,905	11,827,625	13,325,530	
Commercial Districts (<i>112nd, Foster & Killingsworth Streetscapes; Gateway Park, Redevelopment at LTC, Hallsey/Weidler, Kenton</i>)	0	14,502,854	14,502,854	
Total Healthy Neighborhoods	5,729,113	27,622,708	33,351,821	22%
Traded Sector				
Job Growth (<i>Business Development, Lending, Ezone</i>)	2,632,878	3,291,840	5,924,718	
Industry Growth & Competitiveness (<i>Cluster Initiatives, International Trade</i>)	1,726,558	285,668	2,012,226	
Innovation & Entrepreneurship (<i>Seed Fund, StartupPDX Challenge, I3</i>)	404,192	0	404,192	
Total Traded Sector	4,763,628	3,577,508	8,341,136	6%
Vibrant Central City				
Employment Districts (<i>CES Strategic Sites, SWF development, Streetcar</i>)	0	7,706,712	7,706,712	
Next Generation Placemaking (<i>OT/CT Redevelopment, Lloyd Ecodistrict, PNCA, Central City SIP & DOS, W. Burnside, Redevelopment Lending</i>)	0	50,687,249	50,687,249	
Regional Assets (<i>Centennial Mills, Convention Center hotel, VMC, Union Station, 10 & Yamhill</i>)	0	28,284,007	28,284,007	
Total Vibrant Central City	0	86,677,968	86,677,968	58%
Effective Stewardship				
Real Estate, Finance and Business Operations, Administration			21,300,000	14%

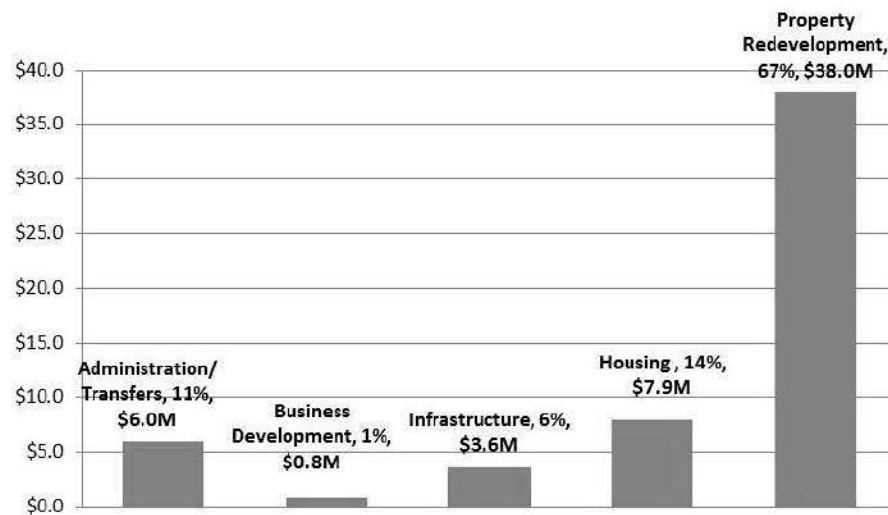
River District Budget Summary

Key Activities

- Old Town Chinatown Action Plan
 - PDC properties (Grove Hotel, Block A&N)
 - Private property redevelopment
 - Entrepreneurship & business support
- PNCA Loan
- Centennial Mills
- Union Station



River District FY 2014-15 Proposed Budget

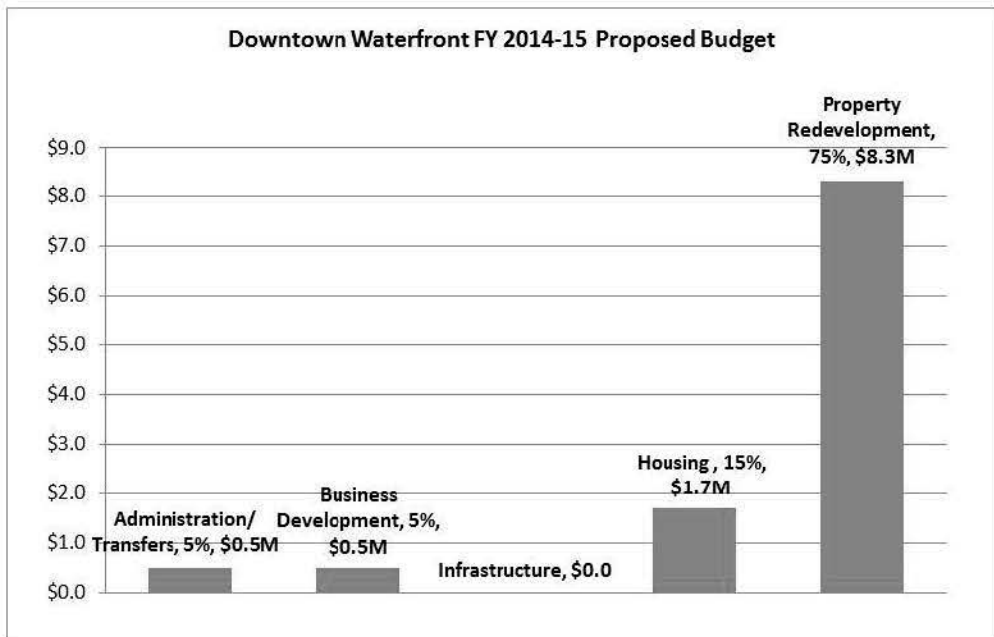


River District URA Fast Facts

Maximum Indebtedness	\$489.5M
Maximum Indebtedness Used	\$302.2M
Last Date to Issue Debt	2021
Acres	351.2
Housing Set Aside - Target : 14-15-Budget	30% : 37%

Downtown Waterfront Budget Summary

- Key Activities**
- Old Town Chinatown Action Plan
 - PDC properties (Block 8L)
 - Private property redevelopment
 - Entrepreneurship & business support

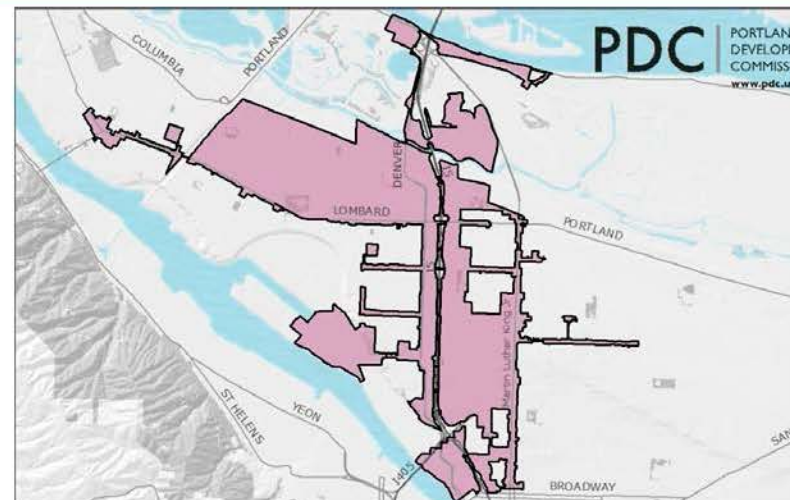


Downtown Waterfront URA Fast Facts	
Maximum Indebtedness	\$165M
Maximum Indebtedness Used	\$165M
Date Reached Max Indebtedness	2008
Acres	233.1
Housing Set Aside – Target : 14-15 Budget	21% : 21%

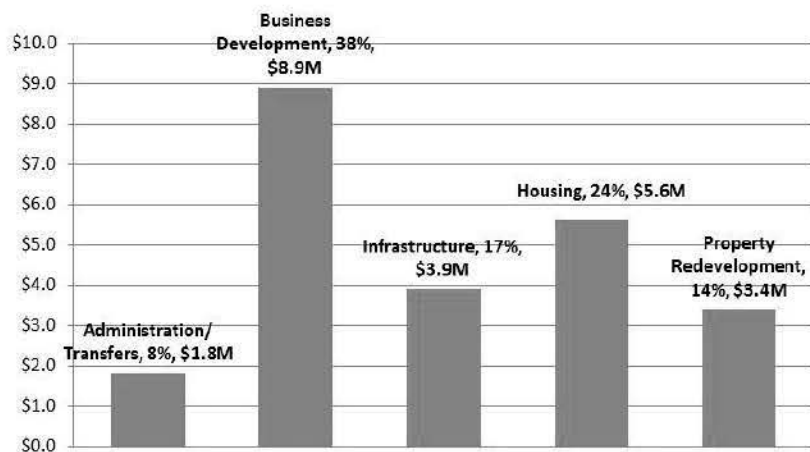
Interstate Budget Summary

Key Activities

- Daimler loan & business support
- Dawson Park
- Killingsworth Streetscape II
- MLK South
- Lombard Investment Strategy
- Long time property owners



Interstate FY 2014-15 Proposed Budget



Interstate Corridor URA Fast Facts

Maximum Indebtedness	\$335.0M
Maximum Indebtedness Used	\$162.1M
Five-Year Plan additional indebtedness	\$64.2M
Acres	3,990
Assessed Value 2001-02	\$1,078M
Assessed Value 2013-14	\$2,221M
Housing Set Aside – Target : 14-15 Budget	30% : 37%

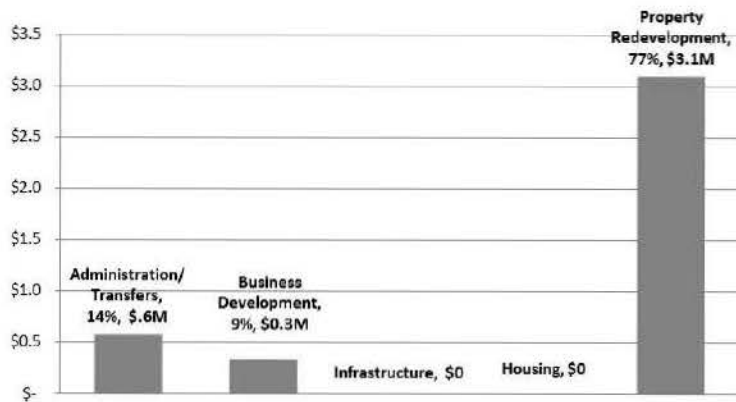
Convention Center Budget Summary

Key Activities

- Convention Center Hotel
- Veterans Memorial Coliseum
- Rose Quarter redevelopment
- Lloyd EcoDistrict support
 - Commercial Energy Efficiency Retrofits



Convention Center FY 2014-15 Draft Budget



Oregon Convention Center URA Fast Facts

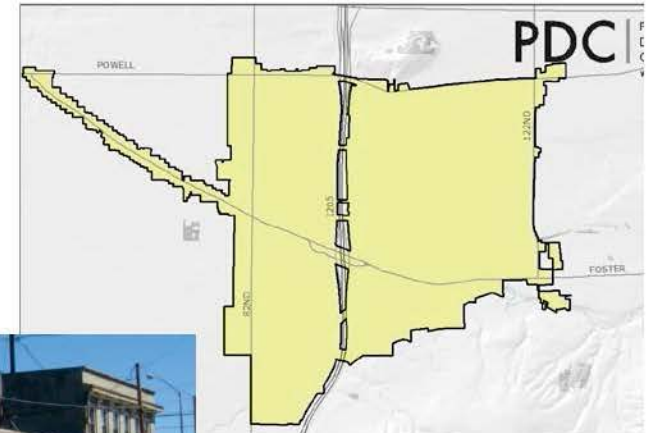
Maximum Indebtedness	\$167.5M
Maximum Indebtedness Used	\$167.5M
Last Date to Issue Debt	2013
Acres	410
Housing Set Aside – Target : 14-15 Budget	26% : 19%



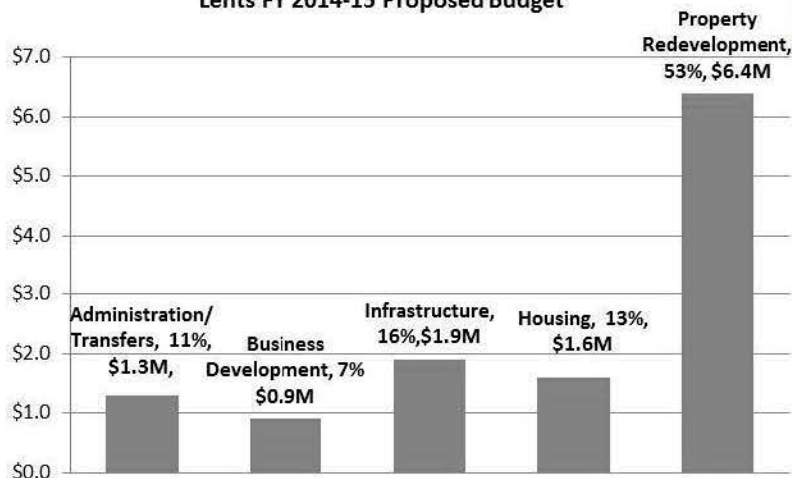
Lents Town Center Budget Summary

Key Activities

- Lents Action Plan
 - PDC properties (92H, Mercado, 93rd/Woodstock)
 - Private investment on 92nd; west foster node
 - Business development on commercial corridors;
- SE Foster streetscape
- 122nd sidewalk and safety improvements



Lents FY 2014-15 Proposed Budget



Lents Town Center URA Fast Facts

Maximum Indebtedness	\$245M
Maximum Indebtedness Used	\$115.9M
Five-Year Plan additional indebtedness	\$46.0M
Acres	2,846.30
Assessed Value 1999-00	\$687M
Assessed Value 2013-14	\$1,336M
Housing Set Aside – Target: 14-15	
Budget	12 30% : 35%



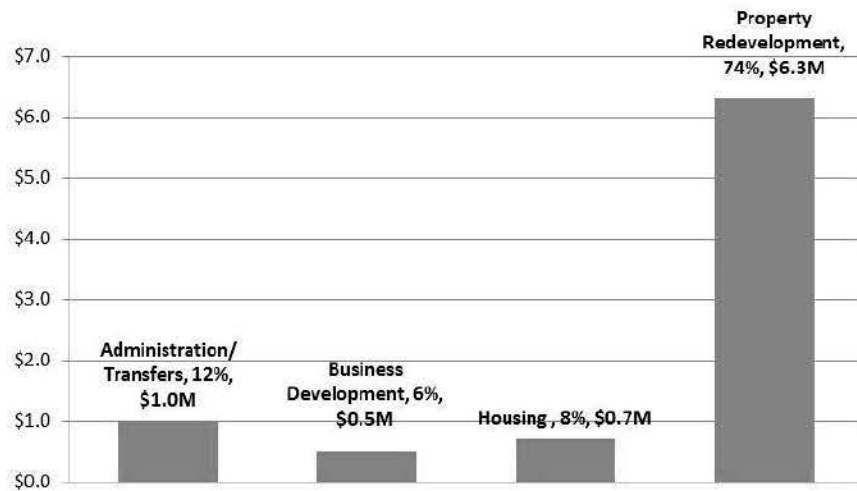
Central Eastside Budget Summary

Key Activities

- Burnside Bridgehead completion
- PMLR station area redevelopment
- ODOT blocks redevelopment
- Entrepreneurship support



Central Eastside FY 2014-15 Draft Budget



Central Eastside URA Fast Facts

Maximum Indebtedness	\$105M
Maximum Indebtedness Used	\$90.6M
Last Date to Issue Debt	2018
Acres	692.3
Housing Set Aside – Target : 14-15 Budget	18% : 16%



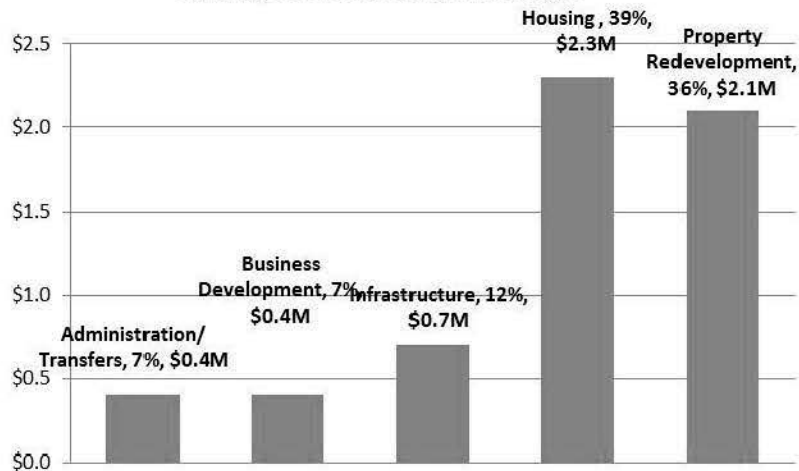
Gateway Budget Summary

Key Activities

- Halsey/Weidler commercial corridor investment strategy
- PDC/Parks owned site at 106th & Halsey
- Construction of NE 102nd Phase II (Glisan to Burnside)



Gateway FY 2014-15 Proposed Budget



Gateway Regional Center URA Fast Facts

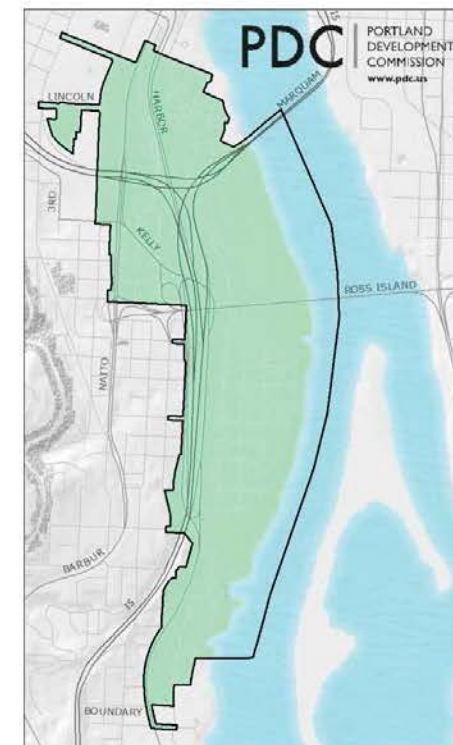
Maximum Indebtedness	\$164.2M
Maximum Indebtedness Used	\$37.5M
Five-Year Plan additional indebtedness	\$18.4M
Acres	658.5
Assessed Value 2002-03	\$343M
Assessed Value 2013-14	\$510M
Housing Set Aside – Target : 14-15 Budget	30% : 45%



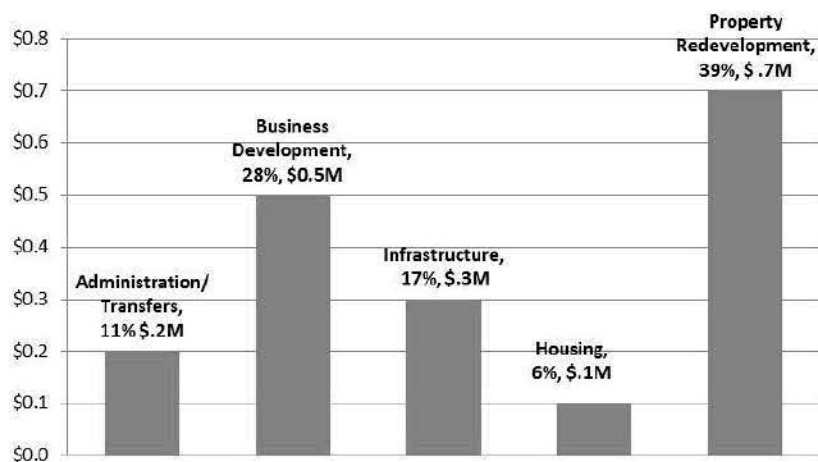
North Macadam Budget Summary

Key Activities

- Prepare for next phase of ZRZ and OHSU redevelopment – including related infrastructure improvements
 - SW Bond
 - Greenway
 - South Portal



North Macadam FY 2014-15 Proposed Budget



North Macadam URA Fast Facts

Maximum Indebtedness	\$288.6M
Maximum Indebtedness Used	\$129.5M
Last Date to Issue Debt	2020
Acres	401.9
Housing Set Aside – Target : 14-15 Budget	36% : 41%



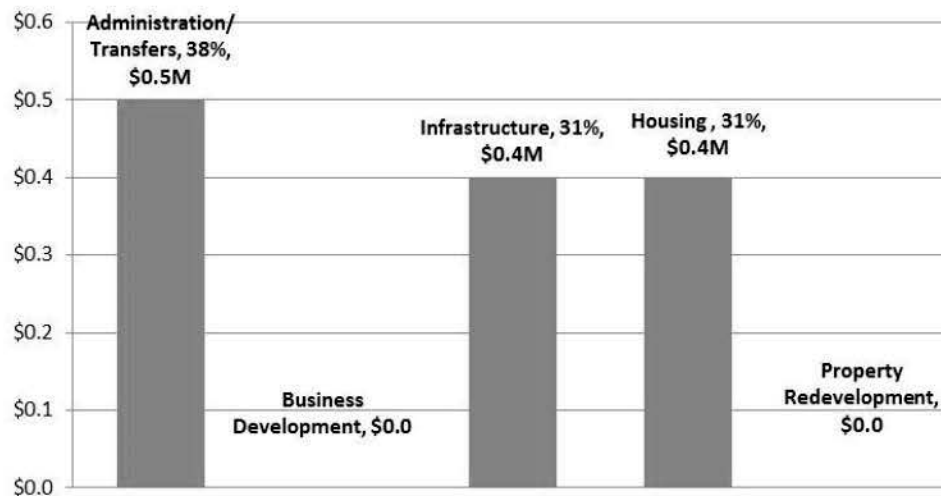
Education District Budget Summary

Key Activities

- Jasmine disposition
- Permanent streetcar alignment @ 4th and Montgomery



Education URA FY 2014-15 Proposed Budget



Education URA Fast Facts

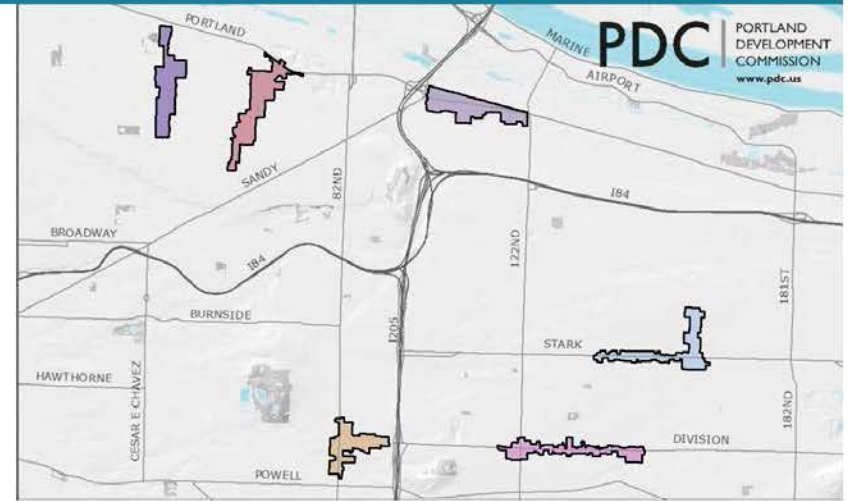
Maximum Indebtedness	\$169M
Maximum Indebtedness Used	\$.8M
Last Date to Issue Debt	2041
Acres	144
Housing Set Aside – Target : 14-15	
Budget	30% : 24%



Neighborhood Prosperity Initiative Districts

Key Programs/Project Goals

- District Improvement & Promotion Grants
- Full time district managers
- Capacity building & trainings



NPI URA (Combined) Fast Facts

Last Date to Issue Debt	n/a
Maximum Indebtedness	\$7.5M
Maximum Indebtedness Used	\$0
Acres	803.7
Housing Set Aside – Target : Proposed	n/a



General Fund Budget

Program	FY 2013-14 Requested	Proposed Changes	FY 2014-15 Proposed
NPI and Main Street Network*	\$ 748,000	\$ 55,000	\$ 803,000
Venture Portland	\$ 302,994		\$ 302,994
Small & Micro Business Technical Assistance	\$ 888,831	\$ 105,000	\$ 993,831
Adult and Youth Workforce EOI	\$ 1,186,778	\$ 40,000	\$ 1,226,778
Neighborhood Subtotal	\$ 3,126,603	\$ 200,000	\$ 3,326,603
Cluster Development	\$ 1,360,704	\$ (25,000)	\$ 1,335,704
Entrepreneurship Support	\$ 404,192		\$ 404,192
Traded Sector Subtotal	\$ 1,764,896	\$ (25,000)	\$ 1,739,896
Small Business Working Capital	\$ 154,065		\$ 154,065
TOTAL/TARGET	\$ 5,045,564	\$ 175,000	\$ 5,220,564

*\$100,000 for new OT/CT, MLKjr Blvd, Lents Neighborhood Technical Assistance
 Funded from reductions in Alberta and St. John's Mainstreet and GPI (Cluster Development)



Questions & Discussion



Change in Interstate Budget & Forecast

Resources	Prior Forecast	Current Forecast	Change ⁽¹⁾
Beginning Balance	12,852,946	12,852,946	0
TIF Proceeds	70,509,001	75,646,504	5,137,503
Program Income	5,184,302	4,124,670	-1,059,632
Total Resources	88,546,249	92,624,120	4,077,871
Requirements			
Administration	135,192	139,660	4,468
Business Development			
Business Lending	17,800,000	11,650,000	-6,150,000
Business Development	1,951,500	994,000	-957,500
Infrastructrue			
Parks			
Dawson Park ⁽²⁾	2,000,000	1,900,000	-100,000
Small Scale Improv	50,000	50,000	0
Albina Triangle	0	37,380	37,380
Bridgeton	1,500,000	1,500,000	0
Transportation			
Interstate Transportation	160,000	160,000	0
Denver Streetscape	380,000	48,500	-331,500
Killingsworth Stscape	4,100,000	3,000,000	-1,100,000
Lombard Investment	3,670,000	1,570,000	-2,100,000
Commercial Property			
Lending	7,460,000	6,675,000	-785,000
Grants	8,470,000	6,450,000	-2,020,000
Property Mgt/Other	2,344,860	2,915,514	570,654
Staff and Overhead	14,606,710	11,169,790	-3,436,920
Sub Total - Excluding Housing	64,628,262	48,259,844	-16,368,418
Housing	22,836,577	42,836,577	20,000,000
Total	87,464,839	91,096,421	3,631,582

FY 2012/13 OVERVIEW

Program	# of BIZ	PDC Financial Assistance	Private or Outside Investment	Total Investment	Est. Construction Jobs	Leverage Ratio
Business Finance	5	\$656,000	\$2,277,311	\$2,933,311	20	1:3
Enterprise Zone	8	\$8,550,119	\$145,350,000	\$153,900,119	1032	1:17
Storefront	107	\$1,847,457	\$6,109,952	\$7,957,408	53	1:3
Green Features Grant Program	11	\$185,004	\$361,349	\$546,354	4	1:2
Redevelopment Loan Fund	4	\$2,670,500	\$17,982,795	\$20,653,295	139	1:7
Portland Seed Fund*	19		\$16,933,460			
Clean Energy Works	31	\$1,712,245	\$ 11,060,289	\$12,772,534	78	1:6
Totals	185	\$15,621,325	\$ 200,075,156	\$198,763,021	1326	1:13

- Total of 591 jobs created and retained from business development financial assistance activities (*432 new jobs, 103 from recruitment, 159 retained*)
- Total of 39 Portland businesses financially assisted through business loan, redevelopment loan, ezone or Portland Seed Fund (*29 small businesses*)



Neighborhood Economic Development – FY12/13

Metric	Micro	Small Biz
Businesses served	257	219
Technical assistance hours	8,500	3,800
Businesses of color served	66%	56%
English proficiency	37%	26%
Owner MFI range	<80% MFI	<120% MFI
Avg client satisfaction ranking	4.6 out of 5	4.15 out of 5
Avg value to client ranking	3.7 out of 5	3.28 out of 5

Small & Micro Business Technical Assistance
 476 businesses received services through local technical assistance providers

Adult and Youth Workforce Development
 760 adult and youth participated in workforce development and training services.

Metric	Actual Performance
Adult WF Participants	273 enrollees (167 graduates in the cohort)
Adult WF Participants of color	42% of graduates and 46% of enrollees
Adult Avg % change in wage	61%
Youth Participants	487 (103: paid internship; 96: GED / diploma; 39: Training Certificate)
Youth Participants of color	66%

Main Street (MS) and Neighborhood Prosperity Initiative (NPI) Network

* Initial year of data collection; baseline information collection in process

Year, Program	Volunteer Hours	Net Businesses	Net FTE	Net PTE	Total Jobs	Operations Leverage
FY 10-11, MS	10881	10	8	4	12	\$ 159,000
FY 11-12, MS	10252	24	81	50	131	\$ 197,137
FY 12-13, MS	9043	15	80	13	93	\$ 267,631
FY 12-13 NPIs*	8896	--	--	--	--	\$ 213,500

TRADED SECTOR – FY12/13

Business Assistance - PDC traded sector economic development staff completed ~250 business visits focused on direct and referral assistance to support retention and expansion of local companies as outlined in the table below:

Assistance Type	Analysis/ Research	Site Development	Supply Chain	Partnership Dev.	Exports/ Int'l	Cluster Development	Product Deployment
Assists	25	66	26	140	72	104	51

Entrepreneurship Support - the Portland Seed Fund

Metric	Actual Performance (cumulative)
City contribution	\$700,000
Total fund size	\$3.12 million
Private capital leverage (Fund)	3:1
Private capital leveraged (companies)	~21:1
Jobs created	200+
Company exits	1