
A Message from Patrick Quinton Executive Director

To the Members of the Portland Development Commission (PDC) and Portland City Council:

In the midst of a rebounding economy, new development, and growing jobs, Portland continues to face the challenge of balancing the disparities in income and opportunity within the city. Our work over the past year has focused increasingly on investments in programs and projects with the potential to develop shared prosperity for all Portland residents.

As we look ahead, PDC is devoting time and resources to work that goes beyond the status quo to foster innovation and entrepreneurship, community-centered economic development, and broader opportunities for people throughout the city. We are grateful to our numerous private and public partners for their collaboration and cooperation in making our accomplishments possible

The fiscal year (FY) 2015-16 PDC Proposed Budget, which will be distributed on Monday, May 11, supports the agency's aggressive efforts to promote healthy, complete neighborhoods; access to employment; equitable wealth creation; and civic networks, institutions, and partnerships in pursuit of the goal of prosperity among all Portlanders.

BUDGET OVERVIEW AND PROCESS

PDC's FY 2015-16 Proposed Budget totals \$213.2 million in expenditures. The Proposed Budget was informed by the 2015-2020 PDC Strategic Plan and draft FY 2015-16 Agency-Wide Work Plans, reviewed by the Central City and Neighborhood Budget Advisory Committees and by the PDC Board of Commissioners (Board) at its December 18, 2014 Board Retreat. Staff, stakeholders, and PDC Board members are aligned on key URA project budget decisions which include shifting resources to reflect current priorities in the River District and Convention Center URAs.

The FY 2015-16 Proposed Budget includes 95 staff positions and the latest estimates for project and program expenditures that were included in the Requested Budget and more recently updated for changes in PDC and PHB project timing. The Proposed Budget is balanced using 1) The latest tax increment forecasts developed in conjunction with debt management staff at the City Office of Management and Finance, 2) The City Budget Office's current service level funding of General Fund resources for economic development, and 3) Updated estimates for loan portfolio and property income revenues.

The budget and five-year forecast also include changes related to the six urban renewal area (URA) amendments which include the following changes:

- A reduction in tax increment resources in the River District URA budget and forecast;

- No longer collecting tax increment resources in the Willamette Industrial URA budget and forecast;
- Ending and no longer collecting tax increment resources in the Education URA budget and forecast;
- An increase in area and extension in the final date to issue debt for the Central Eastside URA;
- An increase in area for the North Macadam URA.

BUDGET HIGHLIGHTS

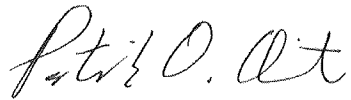
Similar to previous years, PDC's total budget is divided across three business lines (Business Development, Infrastructure, and Property Redevelopment) that include major redevelopment and economic development activities, lending programs, and grant programs that further the 2015-2020 PDC Strategic Plan objectives. All affordable housing Set Aside resources that are transferred to the Portland Housing Bureau are accounted for within the Housing category.

PDC's General Fund request prioritizes resources essential to continue neighborhood economic development and business assistance through implementing the fourth Startup PDX Challenge, executing target cluster action plans and international strategies, and funding workforce development and small business development programs. The budget request represents current appropriation levels and originally included two decision packages that were supported by the PDC Board and stakeholders to help diversify the city's growing entrepreneurship ecosystem and increase tools for catalytic neighborhood projects outside URAs. The PDC Proposed Budget does not include these decision packages as they were not funded by the Mayor's Proposed Budget.

The FY 2015-16 Proposed Budget includes the implementation of the following URA strategies and plans:

- Centennial Mills: Complete selective demolition and public realm improvements;
- Old Town/Chinatown Action Plan in River District and Downtown Waterfront: Finalize agreements on additional/remaining PDC properties and pursue redevelopment of additional Old Town sites;
- Convention Center: Support Metro's development of a Convention Center Hotel and implement redevelopment opportunities within the Rose Quarter along NE Broadway in coordination with City Council resolution on the Veterans Memorial Coliseum;
- Lents Action Plan: Execute development agreements for all development partners from Lents property solicitation;
- Gateway: Move forward with development at 106th and Halsey and the Halsey-Wielder investment strategy;

- North Macadam: Support ZRZ Phase I development and move forward with PBOT on SW Bond design and construction;
- Central Eastside: Complete Burnside Bridgehead, pursue Clinton Station redevelopment, and advance ODOT site acquisition;
- Interstate: Complete MLK Alberta project including local business as retail tenants; construct Lombard street improvements.

A handwritten signature in black ink, appearing to read "Patrick O. Quinton". The signature is fluid and cursive, with the first name "Patrick" and last name "Quinton" clearly legible.

Patrick Quinton
Executive Director

Council to convene as Portland Development Commission Budget Committee to receive the proposed budget (Mayor convenes Portland Development Commission Budget Committee)

MAY 13 2015

PLACED ON FILE

Filed MAY 08 2015

MARY HULL CABALLERO
Auditor of the City of Portland

By 

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Fish		
3. Saltzman		
4. Novick		
Hales		