

**DATE:** April 9, 2013  
**TO:** Board of Commissioners  
**FROM:** Patrick Quinton, Executive Director  
**SUBJECT:** Report Number 13-12  
FY 2013-14 Budget Development Update and Stakeholder Testimony

**BOARD ACTION REQUESTED**

No action requested, informational only.

**SUMMARY**

The April 9, 2013, Portland Development Commission (PDC) Board of Commissioners (Board) meeting will provide an opportunity for the public, stakeholders, and Urban Renewal Advisory Committee (URAC) members to provide testimony on PDC's fiscal year (FY) 2013-14 Requested Budget. This will be the final opportunity for the public to provide input on the budget prior to it being published and presented to Portland City Council on May 15, 2013. A number of letters have already been received and they are included as attachments to this report; any additional written materials received prior to the meeting will be provided to the Board at that time.

**BACKGROUND AND CONTEXT**

The FY 2013-14 Budget development process began in October 2012. Stakeholders were asked to provide information on priorities as part of the process that culminated with the FY 2013-14 Requested Budget submitted to City Council on February 4, 2013. Several URACs and other stakeholders provided information on priorities and/or submitted a letter as part of that initial process. After releasing the FY 2013-14 Requested Budget on February 4, 2013, PDC staff met with URACs and other stakeholders to review the budget and solicit comments. At these meetings staff also conveyed the timeline to provide written testimony by April 9, 2013, and the opportunity to provide testimony at the April 9, 2013, Board meeting. To date, staff has received comments from the following committees regarding the FY 2013-14 Requested Budget (included in Attachment A):

- Central Eastside URAC
- Gateway Program Advisory Committee (PAC)
- Lents URAC
- River District URAC

Since the release of the Requested Budget, PDC has also participated in two City Budget Work Sessions, on February 20 and April 2, 2013. These work sessions focused on PDC's City General Fund budget request of \$5.3 million and the City Budget Office's analysis of PDC's Requested Budget. The City Budget Office's financial analysis is included as Attachment B. City Council asked several questions during the meeting; PDC's formal response can be found in Attachment C.

Staff has begun working on the next version of the budget (FY 2013-14 Proposed Budget) that will be finalized in April, presented to City Council, acting as the PDC Budget Committee, on May 15, 2013, and

scheduled to be approved on May 29, 2013. The Proposed Budget will amend the FY 2013-14 Requested Budget with the following changes:

- 1) Updated resources and expenditure appropriation being removed from the FY 2012-13 Revised Budget and moved to the FY 2013-14 Proposed Budget. Projects include:
  - a. Veterans Memorial Coliseum, Headquarters Hotel, and EcoDistrict implementation in Oregon Convention Center URA
  - b. Park and streetscape projects in Interstate and Lents URAs, including, Dawson Park, Lombard, Killingsworth, 122nd, Holgate/Ramona, and Lents Entryway projects.
  - c. Centennial Mills predevelopment expenditures in River District URA
  - d. Housing set aside requirements based on projections from the Portland Housing Bureau.
- 2) Decrease from the Requested Budget in Personnel Services related to Phase 1 of the Reduction in Force.
- 3) Decrease from the Requested Budget in Administrative Materials and Services related to identified cost savings.

#### **ATTACHMENTS**

- A. Stakeholder Letters on PDC FY 2013-14 Requested Budget
- B. City Budget Office Analysis on PDC FY 2013-13 Requested Budget
- C. Response to City Council Work Session Questions

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**REPORT NO. 13-12**

**ATTACHMENT A**

**FY 2013-14 BUDGET DEVELOPMENT UPDATE AND STAKEHOLDER TESTIMONY**

Attachment A includes this cover page and contains 9 pages:

- Urban Renewal Advisory Committee Letters
  - Central Eastside URAC
  - Gateway PAC
  - Letns Town Center URAC
  - River District URAC



April 2013

**Dear PDC Board Chair and fellow Commissioners:**

As you convene over the coming months to create a Requested Budget for FY 2013-14 please consider the following input from the Central Eastside URAC when setting priorities and determining outcomes from your investments.

The Central Eastside has been an urban renewal area since 1985 and its core area has played a prominent role in Portland's light and heavy industrial past and hopefully future.

Specifically we hope PDC focuses its investments to achieve the following outcomes over the course of 2012-13 and 2013-14:

- **Invest in Programs that Generate Leverage:** The Central Eastside is nearing the end of its ability to issue debt, therefore we urge you to be very strategic with the remaining resources to assure you maximize private investment and public benefit and returns with your loan programs. This should include investments not identified as one of PDC's current economic "Cluster Profiles". Given the short time remaining to invest in the district, waiting for the right profile to emerge risks lost opportunities that will not be available through Urban Renewal once the district sunsets.
- **Avoid Commercial Gentrification:** We have heard a lot about PDC being very intentional in its investments, particularly in Portland's more fragile neighborhoods. For the Central Eastside, we would like PDC to be very careful about accidentally turning a district that has lower rents (particularly for commercial space north of the Hawthorne Bridge) into one that becomes unaffordable to the very start-ups and entrepreneurs your strategies are currently targeting. As well as one that pushes out longstanding businesses who have contributed to the area established identity. We have an emerging culture where newer business owners are leveraging the experience and wisdom of those who have operated in the district for decades. This is creating an informal mentoring culture which brings great benefit to Portland. We realize PDC cannot control all of the regulations and market forces which cause rents to climb, but please do not let your programs inadvertently displace or create cost barriers to the a culture which is attracting new businesses with innovative ideas.

- **Allow for Adjustment of Loan Criteria:** We heard from companies such as Boothster and Grove Made that improvements such as adjustments to loading docks or replacement of aging freight elevators would help them become more efficient. We also heard your existing loan products could help with these improvements, consider including these as examples of eligible improvements when marketing your existing loans and programs in the CES.
- **Real Estate Focus:** We encourage the development of more inexpensive incubator space to help keep the CES affordable to startups. Also, please make sure your larger real estate investments generate property taxes; and are completed in a manner which is compatible with existing uses. Portland needs to continue to grow and attract skilled workers and a strong workforce to compete economically. We feel the CES can play a significant role with your assistance.
- **Washington High School:** There are dedicated funds in the overall budget of the CEURA to help support a community center at the Washington High School site, as well as housing funds now managed by the Portland Housing Bureau which could assist with the rehabilitation of old Washington High. Ensure that these funds remain available for these important projects.
- **Crescent Park Assets:** The former “Crescent Park” site was sold to OMSI in 2012 with the proceeds becoming “program income” in the CES budget. As the site is located in the Hosford-Abernethy Neighborhood, which is designated as “parks deficient” in the Parks 2020 Plan, the URAC recommends that the funds, estimated at \$425,000, be set aside for recreational purposes/public project(s) within the Hosford-Abernethy Neighborhood portion of the CES URA.

We are hopeful PDC can help us move closer to this vision of a economically robust and community-centered **Central Eastside**. We look forward to reviewing your Requested Budget in February, 2013.

Thank you and sincerely yours,

Susan Lindsay  
Chair, Central Eastside Urban Renewal Advisory Committee  
Representing the Central Eastside URAC



**Program Advisory  
Committee**

**Susan Brady**  
Mt. Hood Community College  
**Tim Brunner**  
East Ptld. Chamber of Comm.  
**Frieda Christopher**  
Business Owner at Large  
**Bob Earnest**  
Co-Chair, Hazelwood at Large  
**Colleen Gifford**  
Gateway Resident  
**Ted Gilbert**  
Housing Developer  
**Arlene Kimura**  
Hazelwood Nbh. Assoc.  
**Shawn Klinkner**  
Adventist Medical Center  
**Jerry Kolke**  
Gateway Resident  
**Jeff MacDonald**  
IRCO  
**Lynn Powell**  
Gateway Elks  
**Jackie Putnam**  
Co-Chair, Gateway Resident  
**Linda Robinson**  
Hazelwood at Large  
**Fred Sanchez**  
Gateway Business  
**Sarah Zahn**  
Human Solutions

March 27, 2013

Chair Andrews  
Commissioner Dickson  
Commissioner Mohlis  
Commissioner Straus  
Commissioner Wilhoite

**RE: Gateway Regional Center Program Advisory Committee (Gateway PAC)  
FY 2013-14 Adopted Budget Recommendations**

Dear Commissioners:

As you finalize PDC's FY 2013-14 Proposed and Adopted budget over the next few months please consider the following input from the Gateway PAC. This letter is intended to provide you with recommendations for what the Gateway area will look like over the next coming years. We are hopeful your projects and programs align with our aspirations.

Gateway has been an Urban Renewal Area (URA) since June 2001. Over that time we have experienced the highs and lows of being identified as a Regional Center, yet never leveraging the potential of that designation. We, like many other parts of Portland have experienced, and are still suffering from the recession. However, we are very optimistic about how PDC's new approach to neighborhood economic development will begin to help our local businesses boost commerce, create jobs, and become known as a destination for certain industries.

We have extensively reviewed with staff the PDC Strategic Plan, Neighborhood Economic Development Strategy, and high-level agency work plans. Our preference is that PDC helps us achieve the following over the course of FY 2012-13 and FY 2013-14:

- Lend your expertise with local capacity building and organizational alignment so Gateway can establish a long-term management/sustainability model in a manner being used in the Lloyd area and other parts of the city. We are hopeful this effort includes participation from current employers, non-profit organizations, with an established branding campaign placing Gateway as a center for health and wellness services, education, and other industries;
- Focus business development investments along the Halsey/Weidler and Stark/Washington corridors helping existing businesses flourish and reducing vacancies;
- Assure flexibility in your business development budget line items to capitalize on the ability to pool resources, and leverage the new Enterprise Zone designation for the pursuit of industrial companies and headquarters;
- Continue pursuing a larger scale redevelopment project near the Regional Transit Center similar to the Oregon Clinic project; and
- Actively pursue funding and agency partnerships to complete a long held community priority, the Gateway Plaza and Neighborhood Park project.

March 27, 2013

We would also like to highlight that in order for your investments in our smaller businesses to be long-lasting we need more market-rate housing which draws populations with disposable incomes. The Gateway Regional Center PAC realizes this is not your charge but appreciate your consideration of this request in deliberations with your City of Portland partners.

In summary, our grand vision is that by June 2014, people entering the Gateway district will see thriving commercial corridors and construction cranes building multi-story office and industrial structures, creating jobs and drawing new residents to the district.

We need PDC's partnership to reach Gateway's full potential and establish a thriving district and a true "Regional Center" designation.

Sincerely,



**Bob Earnest**  
Gateway PAC Co-Chair  
1119 NE 107th Place  
Portland, OR 97220



**Jackie Putnam**  
Gateway PAC Vice-Chair  
10246 SE Mill Ct  
Portland, OR 97216



Urban Renewal  
Advisory Committee

John Notis  
Chair, Resident At-large #1

Adam Simmons  
Vice Chair, Business #1

Michael Cummings  
Resident At-large #4

Tracy Gratto  
Foster-Powell NA

David Hyde  
Lents NA

Dan Jung  
Taxing Jurisdiction – PPS

Roberta Krogman  
Powellhurst-Gilbert NA

Annette Mattson  
Resident At-large #3

Steve Messinetti  
Community Organization #2

Cora Potter  
Resident At-large #2

Roger Rees  
Community Organization #1

Seth Richardson  
Foster Area Business Assoc.

Gary Sargent  
82<sup>nd</sup> Ave. Business Association

Sia Sellu  
Lents NA

Send Correspondence to:  
LTC URAC  
Portland Development Commission  
Attention: Keith Witcosky  
222 NW 5<sup>th</sup> Avenue  
Portland, OR 97209

503.823.3209  
[www.pdc.us](http://www.pdc.us)

March 26, 2013

Chair Andrews  
Commissioner Mohlis  
Commissioner Wilhoite  
Commissioner Straus  
Commissioner Dickson  
Portland Development Commission  
222 NW 5<sup>th</sup> Avenue  
Portland, OR 97209

**RE: Lents Town Center URA Vision for FY 2013-14**

Dear Commissioners:

The acquisition of key properties and clearing of distressed buildings in the Lents Town Center has provided abstract opportunities and we look forward to seeing the return on investments. However, URAC members are much more excited to see highly visible and tangible progress being made to the Foster-Woodstock and Ramona streetscape improvements in the Lents Town Center area. In the near future, we look forward to similar improvements being implemented west of the couplet and encourage you to continue funding high-priority transportation improvements which supports access to our business districts and job growth.

To maintain the momentum of positive development, it would be ideal to see new development begin on various empty lots at a reasonable pace. While the local economic climate does not currently favor a large development effort at this time, we strongly urge PDC to recruit and support any relatively low-cost and/or temporary use opportunities.

Some temporary/interim-use suggestions made by URAC members include food carts, urban farm plots, short-term business/nonprofit incubator spaces, demonstration plantings for stormwater management or habitat projects, art installations, or even simple, attractive parking areas to encourage people to stop and use existing business within the district. In most urban areas, experimental space is a rare luxury; we should do our best to approach it as a resource instead of a liability.



We strongly support the on-going storefront improvements as well as the cosmetic improvements PDC installed, such as the historic photo installation in the windows of the Architectural Iron Works building located at SE 93rd and Foster Blvd. The Lents Town Center is facing a perception issue on many levels, and these relatively low-cost projects help to make the commercial areas within the district more inviting to consumers and investors alike. For this reason, creative mechanisms to further the success of PDC's Storefront Improvement Program (improving signage and lighting), including staff's assistance to connect tenants and property owners with customized funding resources and/or matching grants should be explored and supported. We feel that at this stage of urban renewal, our commercial corridors and the Lents Town Center are both poised to see a catalytic number of storefront improvements over a short period of time, if appropriate staff focus and support these efforts.

With regard to specific budget items, we support the Leach Botanical Garden's master plan implementation, and encourage budget resources toward possible infrastructure projects, such as installing sidewalks on Ellis Street between SE 83rd and 92<sup>nd</sup> Avenues. While these types of projects do not directly support the growth of employment and economic vitality in the URA, they do improve the safety, access, and appeal of the area. We believe these are important steps toward improving the perception of the environment in which we would like to see private investment. It sends a strong message when the city invests in traditional, visible projects.

It is, however, critical to maintain the focus of our limited financial and management resources on investments that will generate economic activity and increase taxable value to justify the diversion of TIF dollars. For this reason, we encourage decision makers to resist the urge to use urban renewal funds for the support of schools or other public services. There are many worthy causes for which it is inappropriate to use TIF, no matter how many challenges current budget cuts present.

In summary, we like what we see happening now, and we want to do everything possible to maintain momentum and grow future success. Let's do everything we can to dispel the idea that PDC is not treating the Lents Town Center URA as a priority.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Notis".

John Notis, Chair



March 12, 2013

Chair Andrews  
Portland Development Commission  
222 NW 5th Ave  
Portland OR 97209

RE: 2013-14 River District Urban Renewal Budget Priorities

Dear Chair Andrews:

The River District Urban Renewal Advisory Committee has reviewed the PDC draft Five Year Forecast Detail along with the 2013-2014 River District budget priorities. As always our point of view for the focus of the River District Urban District is to leverage our remaining limited TIF resources on catalytic redevelopment, infrastructure and job creation that in turn will continue to attract private sector investment for the neighborhood and the City. The 2013-2014 budget illuminates the competing interests for those limited funds well, serving to make collective wisdom and foresight more of a priority than ever.

To that end, Centennial Mills and the Post Office remain two of the most important projects for the District, the Central City, and the Region. Both of these projects can change the profile of the City in deep and lasting ways.

Centennial Mills speaks to the entire city of our history. Supporting the current developer and helping them understand the public nature of that project should continue to be a key facet of the PDC River District Staff. Models such as the Mill Museum in Milwaukee and its surrounding district must not be forgotten as this project moves forward. Ensuring that the public is engaged in the process must also continue to be a priority.

The Post Office project continues to be the most critical project for the City. The easy solution would be to let it slip through PDC's fingers and be sold off block by block to become more Pearl. The harder, more rewarding solution is for PDC acquire it and create a unique asset for the entire state. This 10+ acre site is ideally located next to the Max Line, Union Station, and the Transit Mall and could be used to create a campus for an international corporation with thousands of jobs, a hub for Oregon Universities to leverage private investment similar to the Pittsburgh Technology Center, or an equally game changing idea. We testified before you that we would wait forever for that type of project and reiterate that firmness of resolve for this state level site.

Our next area of concern resolves entirely around Old Town Chinatown. Our primary goal for supporting the expansion of the River District was to leverage the success of the Pearl District to create long looked for improvements in Old Town Chinatown. Although

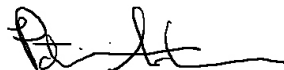
we are collectively disappointed watching catalytic projects struggle and ultimately vanish for this part of the River District, we must commend PDC staff for pushing as hard as possible for those projects. We urge staff and the board to not be discouraged in their efforts and double down in creative thinking and flexibility. To that end, we would welcome a public effort to create ideas for a catalytic project for OTCT. We continue to support the DOS and Storefront Improvement Programs for what they are able to do to the streetscape of this district. We urge you to look again at including the Seismic Loan Program and Quality Jobs Program which made a measurable difference in Old Town Chinatown.

Our understanding is that there are viable projects in our district in competition for the NOFA from the Housing Bureau. We urge the board to advocate with us for the Bridge Project in the Pearl District with the Housing Bureau. As you know, the agreement with Hoyt Street Properties for low income housing expires in 2014. The Bridge project will fulfill that agreement, bring low income family housing to the Central City, and most importantly curtails more low income housing within Old Town Chinatown at least for a few more years. As always, we ask that the Portland Housing Bureau continue to work with the River District URAC to ensure that housing goals are met in the district and specifically in Old Town Chinatown, in both the rental market for workforce and student housing in the 60%-120% MFI as well as home ownership opportunities. Balancing the mix of low income housing between Old Town Chinatown and the Pearl District is critical to the overall health of the River District.

We strongly urge the board to financially support PBOT's efforts for traffic lights in the district. These traffic lights have been on the planning books for over a decade. As the Pearl continues to become more dense with each new development, it creates more conflicts between pedestrians and automobiles in the most important business areas. The lights on Broadway, Couch, and 13<sup>th</sup> at NW Glisan & Everett are all located by major employers in the district and are critical for employee safety. The lights for Old Town Chinatown enable that district to be accessed which increases the viability of the developable sites within that neighborhood. These lights are supported by both neighborhood and business associations and have been advocated for in multiple plans from the past decade. Moreover, as projects are built out in Old Town Chinatown, parking will become a higher and higher priority. Plans should be made to get in front of that problem.

Lastly, we recommend flexibility as the market continues to improve. The ability to take advantage of unanticipated opportunities will be an important skill over the next few years. 2021 is not far away and what we do with these remaining resources will impact the district long after its expiration. We must leverage every dollar for a maximum public return.

Regards,



Patricia Gardner  
Co-Chair, RD URAC



Patrick Gortmaker  
Co-Chair, RD URAC

cc. Mayor Hales, Ed McNamera

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**REPORT NO. 13-12**

**ATTACHMENT B**

**FY 2013-14 BUDGET DEVELOPMENT UPDATE AND STAKEHOLDER TESTIMONY**

Attachment B includes this cover page and contains 12 pages:

- City Budget Office Analysis

## PORTLAND DEVELOPMENT COMMISSION

Budget Summary	Adopted FY 2012-13	Request Base FY 2013-14	Decision Pkgs FY 2013-14	Request Total FY 2013-14	Percent Change
<b>Resources</b>					
Intergovernmental Revenues	\$500,000	\$0	\$0	\$0	-100.0%
General Fund Discretionary	5,844,591	5,344,437	593,826	5,938,263	1.6%
<b>Total Resources</b>	<b>6,344,591</b>	<b>5,344,437</b>	<b>593,826</b>	<b>5,938,263</b>	<b>-6.4%</b>
<b>Expenditures</b>					
External Materials and Services	6,344,591	5,344,437	593,826	5,938,263	-6.4%
<b>Total Requirements</b>	<b>6,344,591</b>	<b>5,344,437</b>	<b>593,826</b>	<b>5,938,263</b>	<b>-6.4%</b>
<b>Total Bureau FTE</b>	<b>135.30</b>	<b>135.30</b>	<b>0.00</b>	<b>135.30</b>	<b>0.0%</b>

Percent Change is the change from FY 2012-13 Adopted Budget to FY 2013-14 Total Requested Budget.

### Key Issues

#### Resource Diversification

The largest issue impacting this agency has been and continues to be the forecasted rapid decline in available TIF revenue. Over the next decade all but one district will reach its last date to issue debt, and debt for past projects will consume an increasing share of URA resources over this trajectory. In FY 2013-14 there is \$87 million available in net URA resources after debt service is paid and the Portland Housing Bureau receives its allocation. That net resources remain so large is due to \$66 million in beginning fund balance, programmed to be gradually spent down over the next several years. Net URA resources available are projected to hover around \$60 million for the following five years, and then drop to \$5 million annually by FY 2021-22. Although all districts but the Education URA will have reached their last date to issue debt within ten years, the full repayment of debt issued extends another 20 years, constraining the creation of new URAs. Even if debt is repaid more rapidly – which is typically the case – the agency plans to shift to a new business model providing sustainable funding to support a consistent agency size.

Beyond the five year forecast, PDC has developed a long-term internal planning model with a target operating budget of roughly \$26 million, a 24% decrease from current operations (all expenses other than capital investments). The model relies upon increasing fee revenue. Draft revenue components are listed below.

- **TIF:** decreasing from 65% to 14% (\$22.4 to \$3.7 million).

- **Loan net interest:** increasing from 7% to 18% (2.4 to 4.7 million). This requires underwriting a larger share of lower risk market rate loans, to decrease the agency's loan losses to 10%. PDC reports that it expects to collect 50% of its currently outstanding loans.
- **Real estate operations:** increasing from 2% to 7% (\$0.7 to \$1.8 million). This movement would require disposing of current property holdings that lose money and looking for opportunities to acquire fee-generating real estate. Most agencies PDC looked to as examples of self-sustaining operations held real estate, for instance in the form of parking garages and land leases. PDC could also contract out its real estate expertise to other agencies: the City, for instance, has not inventoried its properties from an economic development perspective, to assess what should be developed, held, or disposed.
- **Public funding:** increasing from 24% to 32% (but dollars held constant at \$8.3 million). This assumes funding sources hold steady: City General Fund, \$5.8 million; CDBG, \$2.1 million; federal grants, \$0.4 million.
- **New business lines:** increasing from 1% to 28% (\$0.3 to \$7.3 million). The agency describes the components of this revenue category as most in flux. It includes ideas such as loan servicing and property management fees, EB-5 fees (visas for immigrant investors), and return on investments in infrastructure, real estate and business equity.

The planned emphasis on fee revenue means that the agency's activities and investments will be determined by their ability to contribute to the agency's continued operations. This is a significant departure from the previous lenses through which activities and investments have been evaluated.

It is worth noting that the agency's desired shift towards income generation moves it away from a City bureau model of service delivery. Staff reports that the agencies researched with the most promising models for revenue generation were non-profit entities or public authorities, overseeing multiple nonprofits as well as public entities.

### **Right Sizing the Agency**

PDC's target operating budget of \$26 million requires continued reductions in personnel and materials and services. The Requested Budget reports 135.3 FTE, however, PDC plans to revise this number for the Adopted Budget to eliminate roughly nine current vacancies and additional vacancies generated through its current retirement incentive initiative, through which an estimated six vacancies may be generated. These adjustments would result in roughly 120.3 authorized FTE in FY 2013-14, compared to a target FTE of just over 100 by FY 2014-15.

### **General Fund Support for Economic Development**

In FY 2012-13, the agency received \$2.6 million in ongoing General Fund and \$3.2 million in one-time General Fund (prior to one-time reduction Council requested in the Fall BMP). This is the second year the agency has been funded at this level, and reflects a 67% increase over FY 2010-11 funding.

The FY 2012-13 Adopted Budget includes a Budget Note on Economic Development Sustainable Funding:

Council directs the Officer of Management and Finance to add sustainable funding for the Portland Development Commission's Economic Development program to the FY 2013-14 5-year forecast. The Office of Management and Finance should increase the Portland Development Commission's FY 2013-14 current appropriation level target by \$3,187,065.

CBO adjusted the forecast accordingly; PDC's 90% base budget for FY 2013-14 is \$2.87 million higher than it would have been absent this budget note.

The City's General Fund support of PDC's economic development initiative is categorized into two primary components of Traded Sector Economic Development and Neighborhood Economic Development. Its 12 individual initiatives fall within these two categories, and while funds are allocated per initiative, the IGA has historically allowed funds to move between initiatives as long as each budget category is not exceeded.

The Economic Opportunities Initiative (EOI) – a program and associated \$1.6 million General Fund funding stream that PDC inherited from the Portland Housing Bureau in FY 2009-10 – has this year been incorporated into the umbrella of Neighborhood Economic Development, bringing the balance between the two programs to 60% Neighborhood, 40% Traded Sector.

In its 90% base budget development, PDC shifts its allocation of resources in the following ways:

- Elimination of Portland4Biz website (\$55,000 support in the FY 2012-13 Adopted Budget). PDC reports that the site was not generating sufficient traffic to warrant the investment; it plans to roll some of the site's content into pdc.us.
- Cluster industry work: 25% reduction (from \$1.49 to \$1.12 million), with an additional \$168,462 requested as the fourth priority add package (out of five). This reduction is in part enabled by the agency's greater use of TIF to support recruitment dollars when it is likely that the business will locate within a URA.
- EOI: 13% reduction (from \$1.6 to \$1.4 million), with an additional \$300,000 requested as the first priority add package.
- Portland Seed Fund/Start Up Funding and Investment: 50% increase (from \$300,000 to \$450,000), with \$50,000 additional requested as the third priority add package. In FY 2011-13 PDC redirected \$300,000 of its \$500,000 Seed Fund allocation to PSU and OSHU for use in commercialization grants for promising start ups. This budget line item reflects PDC's continued interest in partnering with PSU/OHSU business generation efforts and the agency's assessment of start up investment as an effective use of public funds.
- \$20,000 - \$50,000 reductions in Small Business Technical Assistance, Main Street, International Development and the Small Business Working Capital loan fund.

CBO supports the realignment of PDC's base budget.

## Economic Development Performance Metrics

PDC reports on agency-wide outcomes via its Economic Development Strategy status reports. Its primary metrics are jobs retained and added, businesses assisted, and investment leveraged. Its July 2012 Three Year Status Report cites the latest number available, three-year financial assistance and recruitment outcomes of:

- Jobs created: 1,878 (avg. 490 per year)
- Jobs retained: 1,471 (avg. 626 per year)
- Jobs recruited: 898 (avg. 299 per year)
- Total jobs: 4,247 (avg. 1,416 per year)

Job impacts are estimated by the company at the time that financial assistance is provided; jobs realized are verified at two and five year intervals when Oregon Employment Department reporting is available.

Metrics at the Traded Sector program level are less consistently reported. Portland Seed Fund regularly reports outcome measures; PDC estimates and verifies job growth for firms that receive Small Business Working Capital loans. PDC does not isolate outcome metrics for its cluster industry General Fund dollars. Its tracking emphasizes output: number of business visits and number of businesses connected with various forms of assistance. A new tracking system (Portfol Customer Relations Management) was implemented in 2012. The following table reports business contacts by Traded Sector staff over six months (July – December 2012):

<b>Assistance Type</b>	<b>Examples</b>	<b>Assists</b>
Analysis/Research	Provide research and referrals to resources	12
Site Development	Assist in identifying sites; connect to brokers; coordinate/host site tours	27
Supply Chain	Facilitate connections within and across industries. Trade show participation; facilitation of buyer-supplier workshops	6
Partnership Development	Meeting with other technical, financial, education providers; event collaboration & coordination; marketing PDC's work	89
Exports/International	Develop cluster specific export strategies; develop partnerships to assist Portland firms enter new markets	22
Cluster Development	Coordinate and participate in networking events, trade shows, advisory boards, industry panels	49
Product Deployment	Demonstration projects, networking firms to partnership opportunities	9
Other		6
		<hr/> 220



Cluster industry output also tends to be more project-specific, in alignment with industry council work plans. Projects generally facilitate industry networking and collaboration. Highlights of these efforts are included in PDC's Requested Budget. These multi-year efforts are gauged via industry response, rather than a uniform measurement such as jobs created. Private sector willingness to pay is a good measure of value added; meeting this threshold appears to be the default gauge of an effort worth continuing. Businesses are now paying to attend a semi-monthly guest speaker networking event dubbed Peer2Peer that PDC coordinates within the Athletic and Outdoor industry cluster. Other efforts are waiting for the private sector to demonstrate similar interest and commitment: continued investment in Design Forum PDX, a PDC-sponsored materials design library that intersects with Athletic and Outdoor as Clean Tech clusters, is contingent upon the organization developing a long-term funding model.

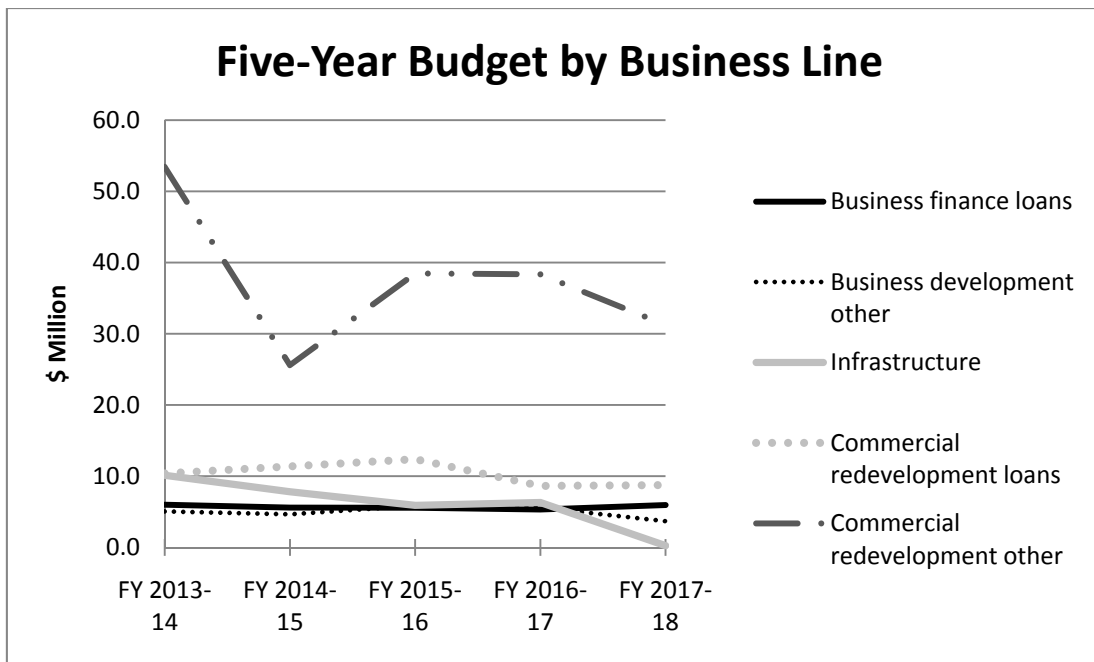
Neighborhood Economic Development programs – for the most part delivered by partner agencies – are more metric driven. In part this is due to programs that offer similar services to a new cohort of clients each year. For instance, EOI's target is that participants realize a 25% increase in income after three years participation. Main Street goals are three businesses, three fulltime jobs and 3,000 volunteer hours per district; Neighborhood Prosperity goals are similar but more moderate (two businesses, two jobs). The newly reorganized Small Business Development program tracks jobs, sales, owner income and business survival; staff are determining the most appropriate targets and reporting. Past accomplishments and FY 2013-14 targets were included in PDC's work session PowerPoint.

Annual program metric reporting is a crucial component in the allocation of public funds, enabling the City to assess the effectiveness of its investment. CBO encourages continued refinement of program metric selection and consistent reporting to City Council and the CBO in line with the City's budget timeline.

### **URA Budgets**

PDC currently manages 12 traditional URAs, four of which have reached their last date to issue debt, and six micro URAs with a nine year horizon and no planned use of long-term debt. The five-year budgets for these URAs indicate the following trends:

- Relatively steady investment in business finance loans and other business development initiatives.
- Decreasing resources for commercial redevelopment (both direct investments and grants), although this spending category continues to comprise more than 60% of expenditures by FY 2017-18. In FY 2013-14, half of this line item (\$26 million) is associated with the County's planned health center in the River District.
- Precipitous decline in infrastructure investment, in line with the agency's newly focused mission to invest in jobs, innovation and economic opportunity. Infrastructure dollars have in the past supported significant transit investments which do not reoccur within the five-year forecast period. This budget category also includes public facilities (Union Station, Life Science building parking).



Significant URA investments (\$1.5 million +) planned over the five year forecast period across all business lines are listed below.

#### Airport Way (last date to issue debt reached)

- Business lending: \$395,000 in FY 2013-14; \$2.0 million over 5 years

#### Central Eastside (last date to issues debt: 2018)

- Business lending: \$300,000 in FY 2013-14; \$1.5 million over 5 years
- Commercial real estate lending: \$600,000 in FY 2013-14; \$3 million over 5 years

#### Convention Center (last date to issue debt reached)

- Business lending: \$260,000 in FY 2013-14; \$1.4 million over 5 years
- Rose Quarter energy improvements: \$2.0 million in FY 2013-14
- Convention Center Headquarters Hotel: \$4.0 million in FY 2013-14
- Inn at Convention Center: \$823,000 in FY 2013-14; \$2.5 million over 5 years (offset by operating income)

#### Downtown Waterfront (last date to issue debt reached)

- Business lending: \$500,000 in FY 2013-14; \$1.9 million over 5 years
- Commercial real estate lending: \$4 million in FY 2013-14; \$8.0 million over 5 years
- Storefront improvement grants: \$200,000 in FY 2013-14; \$1.0 million over 5 years
- 3<sup>rd</sup> & Oak parking garage: \$2.8 million in FY 2013-14

#### Education District (last date to issue debt: 2041)

- Business lending: \$100,000 in FY 2013-14; \$3.1 million over 5 years

- Multnomah County placeholder: \$400,000 in FY 2013-14; \$3.1 million over 5 years

#### Gateway (last date to issue debt: 2022)

- Business lending: \$400,000 in FY 2013-14; \$1.8 million over 5 years
- Commercial real estate lending: \$300,000 in FY 2013-14; \$6.3 million over 5 years
- Commercial development placeholder: \$2.2 million in FY 2013-14

#### Interstate (last date to issue debt: 2021)

- Business lending: \$1.1 million in FY 2013-14; \$5.61 million over 5 years
- Dawson Park improvements (infrastructure): \$1.1 million in FY 2013-14; \$2.1 million over 5 years
- Bridgeton Trail Connection (infrastructure): \$1.5 million in FY 2013-14
- Killingsworth streetscape (infrastructure): \$1.0 million in FY 2013-14; \$2.9 million over 5 years
- Lombard streetscape (infrastructure): \$70,000 in FY 2013-14; \$3.0 over 5 years
- Storefront improvement grants: \$790,000 in FY 2013-14; \$4.0 million over 5 years
- Community livability grants (for non-profits): \$300,000 in FY 2013-14; \$1.5 million over 5 years

#### Lents (last date to issue debt: 2020)

- Business lending: \$400,000 in FY 2013-14; \$2.2 million over 5 years
- Foster Rd streetscape (infrastructure): \$1.0 million in FY 2013-14; \$1.7 million over 5 years
- Town Center redevelopment: \$2.0 million in FY 2013-14; \$4.7 million over 5 years

#### North Macadam (last date to issue debt: 2020)

- Business lending: \$500,000 in FY 2013-14; \$2.5 million over 5 years
- Life Sciences parking garage (infrastructure) : \$1.7 million in FY 2013-14
- Commercial property project placeholder: \$500,000 in FY 2013-14; \$2.5 million over 5 years

#### River District (last date to issue debt: 2021)

- Business lending: \$800,000 in FY 2013-14; \$3.8 million over 5 years
- Commercial real estate lending: \$3.0 million in FY 2013-14; \$12.0 million over 5 years
- Community redevelopment storefront grants: \$300,000 in FY 2013-14; \$1.5 million over 5 years
- Multnomah County health services building: \$26.9 million
- 10<sup>th</sup> & Yamhill Parking Garage: \$0 in FY 2013-14, \$17.5 million over five years
- Post Office redevelopment: \$500,000 in FY 2013-14, \$61.5 million over five years
- Union Station (infrastructure): \$2.2 million in FY 2013-14, \$8.4 million over five years
- Centennial Mills: \$700,000 in FY 2013-14, \$15.8 million over five years

#### South Park Blocks (last date to issue debt reached)

- Business lending: \$200,000 in FY 2013-14; \$1.0 million over 5 years

#### Willamette Industrial URA (last date to issue debt: 2024)

- Business lending: \$500,000 in FY 2013-14; \$2.5 million over 5 years

Veteran's Memorial Coliseum funding of \$22 million (Oregon Convention Center) still appears in the FY 2012-13 budget; these funds will likely be carried over.

Seven Urban Renewal Advisory Committees (URACs) submitted letters to the PDC Commission on budget priorities. Several recommendations crossed URAs:

- Avoid gentrification
- Commit to long-term URAC priority projects such as the Washington High School site, Bridgeton Trail project, small parks projects, transportation connectivity, and Lents grocery store.
- Enable widespread use of Storefront and Development Opportunity Study dollars.
- Foster development at specific sites and corridors, and within specific real estate types.
- Do not focus on cluster industries to the exclusion of more immediate investment opportunities.
- Pool resources to deliver catalyst projects.

URAC letters indicate the inherent tension of community stakeholders with a variety of priorities beyond job creation. The URA budgets reflect longtime agency commitments, decreasing dollars for parks and transportation infrastructure, and \$15 million + annually in loans with the potential to provide an ongoing source of economic development investment funds.

### **Newly Formed URAs**

Seven URAs were incorporated in FY 2012-13.

- Education URA. As a newly formed URA, in FY 2013-14 this district anticipates \$1.2 million in du jour revenue, increasing to \$2.6 million by FY 2017-18. The bulk of its short-term expenditures are in commercial property redevelopment, and include investments in Neuberger Hall, PSU's School of Business, and one county building.

This URA is a case study in how the urban renewal climate has shifted over the past decade: It will be subject to the state's 2009 revenue sharing provisions, which slow the district's revenue generation by sharing revenues with other taxing jurisdictions; it was developed in close partnership with the entities from which TIF diverts revenue (the County and schools); its project list includes \$30+ million for PSU, \$19 million for Multnomah County, and \$10 million for Portland Public Schools (out of \$169 million), and rather than an Urban Renewal Advisory Committee it will host a URA Stewards Group, made up of institutional representatives and stakeholders representing a citywide economic development perspective.

- Neighborhood Prosperity Initiative (NPI). These six micro URAs more closely resemble the Main Street program than traditional URA management, in that a District Manager and board will oversee management of and investment in each district. The districts were incorporated in April 2012. Each encompasses sufficient residential area to generate \$1.25 million in TIF revenue over nine years to invest in a lower-income, East Portland commercial corridor. The districts are in various phases of working towards non-profit incorporation. In the current year the districts will

grant \$10,000 towards one improvement project, not all of which have been identified. The NPI budgets call for a similar level of direct district investment in FY 2013-14, as organizational capacity gradually develops.

The NPI program responds to equity concerns that City investment in East Portland is lagging. It has garnered support from the neighborhoods as well as the schools and County, which will grant back revenues each receives via shared TIF. The budget calls for General Fund investment of \$640,000 in FY 2013-14, 48% of the program's support. Required General Fund support is projected to fall as TIF increases, but average over \$390,000 annually through FY 2021-22. The program targets two net businesses, two full time and two part time jobs annually per district (total of 12 businesses and 24 jobs). This is a significant investment at about 60% of the \$1.1 million in General Fund the agency has budgeted for its cluster development and business recruitment initiatives.

## Decision Package Analysis & Recommendations

### **Economic Opportunity Initiative, ZD\_01, \$300,000**

EOI provides three years of workforce development and microenterprise assistance to low income individuals. Its goal is to increase participant income by 25%. Since 2004, five classes have graduated, with 53% of participants achieving the income target. This package would bring total EOI General Fund support to \$1.7 million. PDC anticipates an additional \$1.9 million in CDBG funds, bringing the program total to \$3.6 million. PDC co-invests these funds with Worksystems Inc (WSI), the region's workforce development recipient of Department of Labor funds.

In the absence of this package, PDC anticipates serving 1,096 individuals in FY 2013-14 (roughly \$3,000 per participant, or \$6,000 per participant achieving target results). This package would extend services to an additional 120 participants. Based on the lack of discretionary resources, CBO does not recommend funding this request at this time.

*CBO Recommendation: \$0*

### **Small Business Development Program, ZD\_02, \$50,000**

This package increases the Small Business Development Program – funded exclusively by General Fund – from \$550,000 to \$600,000 (its current year funding level). The program provides technical assistance to businesses owned by low-income individuals. A total of 234 businesses received assistance in FY 2011-12, the program's first year after being resurrected with newly selected service providers (at roughly \$2,500 per business). The program has not selected target metrics but is tracking jobs, sales, owner income and business survival. In FY 2013-14 it anticipates serving 208 businesses. This package would allow an additional 26 businesses to be served. Based on the lack of discretionary resources, CBO does not recommend funding this request at this time.

*CBO Recommendation: \$0*

**Startup Investment & Access to Capital, ZD\_03, \$50,000**

This request would support future Startup PDX:Challenges, which provides successful competitors with \$10,000 in working capital, technical assistance and one year free rent. PDC launched its inaugural class in February 2013 and will select up to six companies in which to invest in April, supported by Entrepreneurial program funds. Five additional companies could be served through this request. Based on the lack of discretionary resources, CBO does not recommend funding this request at this time.

*CBO Recommendation: \$0*

**Cluster Industry Development, ZD\_04, \$168,463**

This request would bring cluster industry investment to its current year service level (\$1.14 million) and support implementation of cluster industry work plans, as summarized in PDC's Requested Budget. Based on the lack of discretionary resources, CBO does not recommend funding this request at this time.

*CBO Recommendation: \$0*

**Greater Portland Inc, ZD\_05, \$25,000**

This request increases funding for GPI to \$125,000 in recognition of GPI's role in coordinating regional economic development initiatives, and particularly its role in implementing the Greater Portland Export Plan. Based on the lack of discretionary resources, CBO does not recommend funding this request at this time.

*CBO Recommendation: \$0*

**City of Portland**  
 Decision Package Recommendations  
 (Includes Contingency and Ending Balance)

	Bureau Requested					CBO Analyst Recommendations					
	Bureau Priority	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
<b>Portland Development Commission</b>											
<i>Bureau Adds</i>											
ZD_01 - Economic Opportunities Initiative	01	0.00	300,000	0	0	300,000	0.00	0	0	0	0
ZD_02 - Small Business Development Program	02	0.00	50,363	0	0	50,363	0.00	0	0	0	0
ZD_03 - Startup Investment and Capital	03	0.00	50,000	0	0	50,000	0.00	0	0	0	0
ZD_04 - Cluster Industry Development	04	0.00	168,463	0	0	168,463	0.00	0	0	0	0
ZD_05 - Greater Portland Inc.	05	0.00	25,000	0	0	25,000	0.00	0	0	0	0
<i>Total Bureau Adds</i>		<i>0.00</i>	<i>593,826</i>	<i>0</i>	<i>0</i>	<i>593,826</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total Portland Development Commission</b>		<b>0.00</b>	<b>593,826</b>	<b>0</b>	<b>0</b>	<b>593,826</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**REPORT NO. 13-12**

**ATTACHMENT C**

**FY 2013-14 BUDGET DEVELOPMENT UPDATE AND STAKEHOLDER TESTIMONY**

Attachment C includes this cover page and contains 11 pages:

- Response to February 20 Council Work Session Questions
  - Attachment A – Community Partners
  - Attachment B – Adult Workforce Development
  - Attachment C – Youth Workforce Development
  - Attachment D – PDC Micro and Small Business Development Programs
  - Attachment E – Small Business Target Areas



## Response for City Council on PDC's General Fund Request

### 1. Estimate of number of people and businesses that meet the qualifications for PDC's workforce development and business assistance programs.

To support implementation of the [Neighborhood Economic Development Strategy](#) (NED Strategy) and the [Plan to End Homelessness](#), PDC invests in initiatives aimed at low income residents and business owners. PDC prioritizes resources to serve historically underserved populations and areas – particularly to people of color who face a disproportionately high level of poverty and a substantially lower net worth. Current providers/partners are listed in Attachment A.

#### A. Adults meeting the qualifications of PDC's adult workforce development program:

Annually, WorkSource Portland Metro (WSPM) system, which is administered by Worksystems, Inc, enrolls and assists approximately 46,000 jobseekers from Multnomah County. The goal of this system is to help individuals get the skills they need to connect to career track employment and to help employers find qualified workers. Services within the WSPM system are delivered in collaboration with the Oregon Employment Department (OED) and an array of public agency, college, and community-based partners. Of the WSPM enrollees approximately 7,000 will receive more intensive skill development training and other assistance.

Some low income, high need populations require significant additional supports and training to reach their employment goals. In order to provide this additional supports and training to individuals seeking this level of “wrap-around” support, in FY 2013-14 PDC and WSI propose to co-invest approximately \$1 million each to continue to support individuals with significant barriers including: criminal records, homelessness and those with limited English proficiency. Through the Economic Opportunity Program, we anticipate being able to serve 450 individuals with tailored, and intensive support over time (1-3 years) to secure employment, retain employment and advance along their individual career path. This program has a goal of serving approximately 40% people of color and 18% people who are English language learners/immigrants. Please see Attachment B for graphic.

#### B. Youth meeting the qualifications of PDC's youth workforce development program:

There are approximately 6,000 young people aged 16-21 years living in poverty who potentially qualify for Youth Workforce Services in City of Portland based on their income. PDC co-invests with Worksystems Inc in the Youth Career Connect Network (YCCN), a network of organizations that deliver career preparation services for very low-income youth who are disconnected from school or work. In FY 2012-13 this program will serve approximately 450 youth and anticipate that 60% will be youth of color. Youth received multiple-years supports to secure career pathway employment or progress along a path to complete post-secondary education. Both PDC and WSI organizations are investing approximately \$1.3 million each in YCCN to serve Portland youth. Please see Attachment C for graphic.

C. Businesses meeting the qualifications of PDC’s business assistance programs:

PDC has two small business technical assistance programs: the Economic Opportunity Initiative (EOI) Microenterprise Program and the Small Business Development Program. Both programs focus on businesses owned by people with lower incomes, people of color and those with limited English proficiency. The programs are described in further detail in Attachment D.

In September 2011, following the adoption of the NED Strategy, PDC created the Small Business Target Areas (Attachment E), which include the new Neighborhood Prosperity Initiative (NPI) districts and underserved areas of East and N/NE Portland. PDC has asked EOI Microenterprise and Small Business Development program providers to prioritize outreach within the target areas.

There are approximately 3700 businesses in the target areas. Almost all businesses in the target areas are technically eligible for PDC’s business assistance programs (approximately 98% have less than 50 employees, 67% have less than 5 employees and 16% are owned by people of color). Of the 3700 businesses, PDC and its partners believe that some 25% of businesses in any year (approximately 925) may be in need of business technical assistance services. At current funding levels we have capacity to serve approximately 500 businesses per year.

We anticipate that approximately 50% of people served through the EOI Microenterprise and Small Business Development programs will be people of color; 100% will have incomes below 120% MFI and 100% below 80% MFI.

**2. Main Street: are all created businesses still in business?**

All but one of the 34 net new businesses<sup>1</sup> between July 2010 and June 2012 are still open and the Main Street districts continue to achieve expected outcomes.

Main Street Program	Volunteer Hours	Net Businesses	Net FTE	Net PTE	Total Jobs	Private Funding for Operations
FY 2010-11	10881	10	8	4	12	\$ 159,000
FY 2011-12	9927	24	70	45	115	\$ 197,137

**3. Please provide more information on Clean Slate funding and program background**

Clean Slate first received funding from the City in FY 2007/08 at the request of Commissioner Randy Leonard. The program provides lower cost and expedited access to Clean Slate services for clients of specified City programs and initiatives. The referring program pays a fee of \$150 and services begin shortly after the client completes a profile for assistance form. Members of the general public pay a fee

<sup>1</sup> PDC has reviewed data submitted by districts on business openings and closures in FY 2010-11 and FY 2011-12. Upon review it was discovered that one business “opening” was mistakenly double counted; therefore there were 34 net new businesses between July 2010 and June 2012 rather than 35 as previously reported to City Council.

## Attachment C

of \$250 and the waitlist for services can be many months. Funding from the City also provides broader support for the Clean Slate Project so that they could be available to the general public.

Staff and volunteers of Clean Slate provide assistance to residents of Multnomah County to address:

- Drivers License Problems, Fines and Suspensions
- Minor criminal matters
- Civil fines (excluding parking tickets, restitution, victim repayments)
- Juvenile matters
- Past Due Child Support – Payment Plan (Clean Slate will not help end payments or modify court orders. Project Clean Slate is designed to possibly help make new payment arrangements through State of Oregon Support Enforcement Division.)

Program funding has been varied with overall funding for the Economic Opportunity Initiative EOI program and other City priorities have changed.

Fiscal Year	Contract Amount	City Program Referring Clients for Expedited Access:
FY 11/12	\$35,000	<ul style="list-style-type: none"> <li>• Economic Opportunity Initiative (EOI)</li> <li>• Portland Prisoner Re-entry Project (PPRI)</li> </ul>
FY 12/13	\$50,000	<ul style="list-style-type: none"> <li>• Economic Opportunity Initiative (EOI)</li> <li>• Portland Prisoner Re-entry Project (PPRI)</li> <li>• JOIN</li> <li>• Transition Projects</li> </ul>

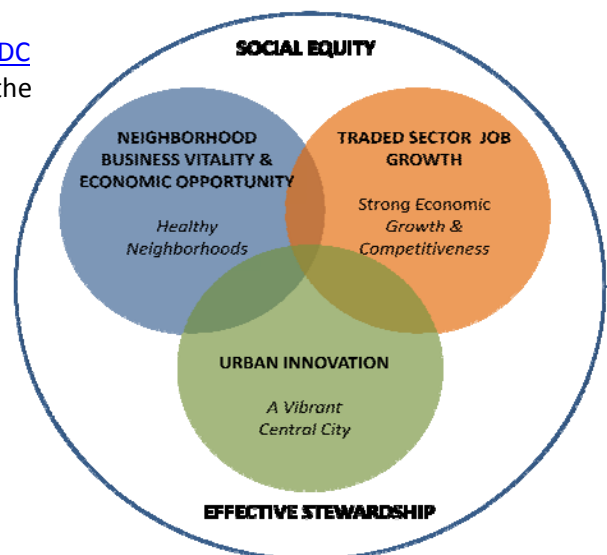
In FY 11-12, approximately 30 EOI and PPRI clients went to the Clean Slate orientation and on to receive some or all of Clean Slate’s services. So far in FY 12-13 there have been 16 EOI and PPRI clients who have attended the orientation session and are working on cleaning up their records. For many it will take more than a year to get through the process.

#### 4. Please explain any board policy decisions that may be driving changes in the organization or URA budgets.

The PDC budget is guided by the board-adopted revised [PDC 2010-2014 Strategic Plan](#). This plan continues to serve as the basis for PDC’s annual work plans and budgetary requests across funding sources, as well as our annual report on accomplishments and performance.

PDC’s guiding principles remain consistent with last year. There are no material changes in the Requested Budget and updated five-year financial forecast from last year that impact other City bureaus.

This revised 2010 – 2014 Strategic Plan focuses PDC’s efforts around five goals:



## Attachment C

- Strong Economic Growth and Competitiveness
- Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Effective Stewardship over our Resources and Operations, and Employee Investment

The Requested FY2013-14 budget is intended to support each of these goals and the desired outcomes PDC is working toward over the remaining year of this strategic plan. Specifically, the requested budget supports key actions PDC commits to undertake in furtherance of the goals.

**ATTACHMENT A – Community Partners**

<b><i>Youth Workforce Development</i></b>
<b><i>Community Partners</i></b>
Native American Youth and Family Center
Open Meadow Alternative School
Immigrant Refugee and Community Organization
New Avenues for Youth
Portland Opportunities Industrialization Center
Portland Youth Builders

<b><i>Adult Workforce Development</i></b>
<b><i>Community Partners*</i></b>
SE Works
Central City Concern
Human Solutions Inc.
Immigrant Refugee and Community Organization
Constructing Hope
Oregon Tradeswoman
Verde NW
Mt Hood Community College
Project Clean Slate
<i>* Note: RFP process currently underway to procure services starting in FY 2013-14</i>

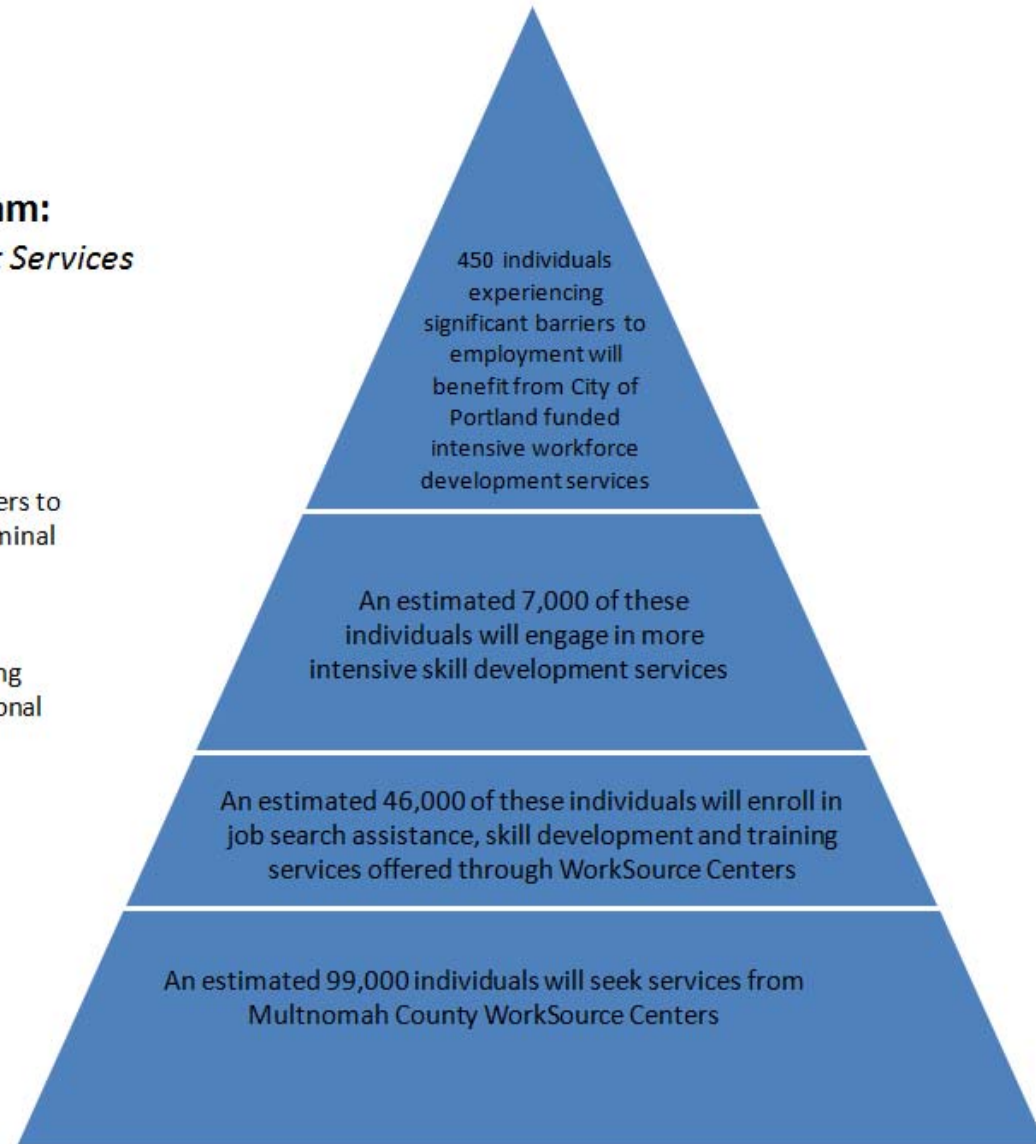
<b><i>EOI Microenterprise &amp; Small Business Development Program</i></b>
<b><i>Community Partners</i></b>
Hispanic Chamber
PCC -- Small Business Development Center
PSU
Microenterprise Services of Oregon
Hacienda
Neighborhood House
Immigrant Refugee and Community Organization
Native American Youth and Family Center
Small Business Legal Clinic
Oregon Microenterprise Network - Market Link Program
Metropolitan Family Services - Credit Repair Program

## ATTACHMENT B: Adult Workforce Development



### **Economic Opportunity Program:** *Intensive Workforce Development Services for High Need Portland Residents*

- The City of Portland's \$1M investment supports very low-income residents of Portland who experience significant barriers to self-sufficiency (eg housing instability, criminal background, DHS involvement, etc.)
- City of Portland's investment \$1 M in WorkSource services including skill building workshops, on-the-Job training, occupational training, and basic education.



## ATTACHMENT C: Youth Workforce Development



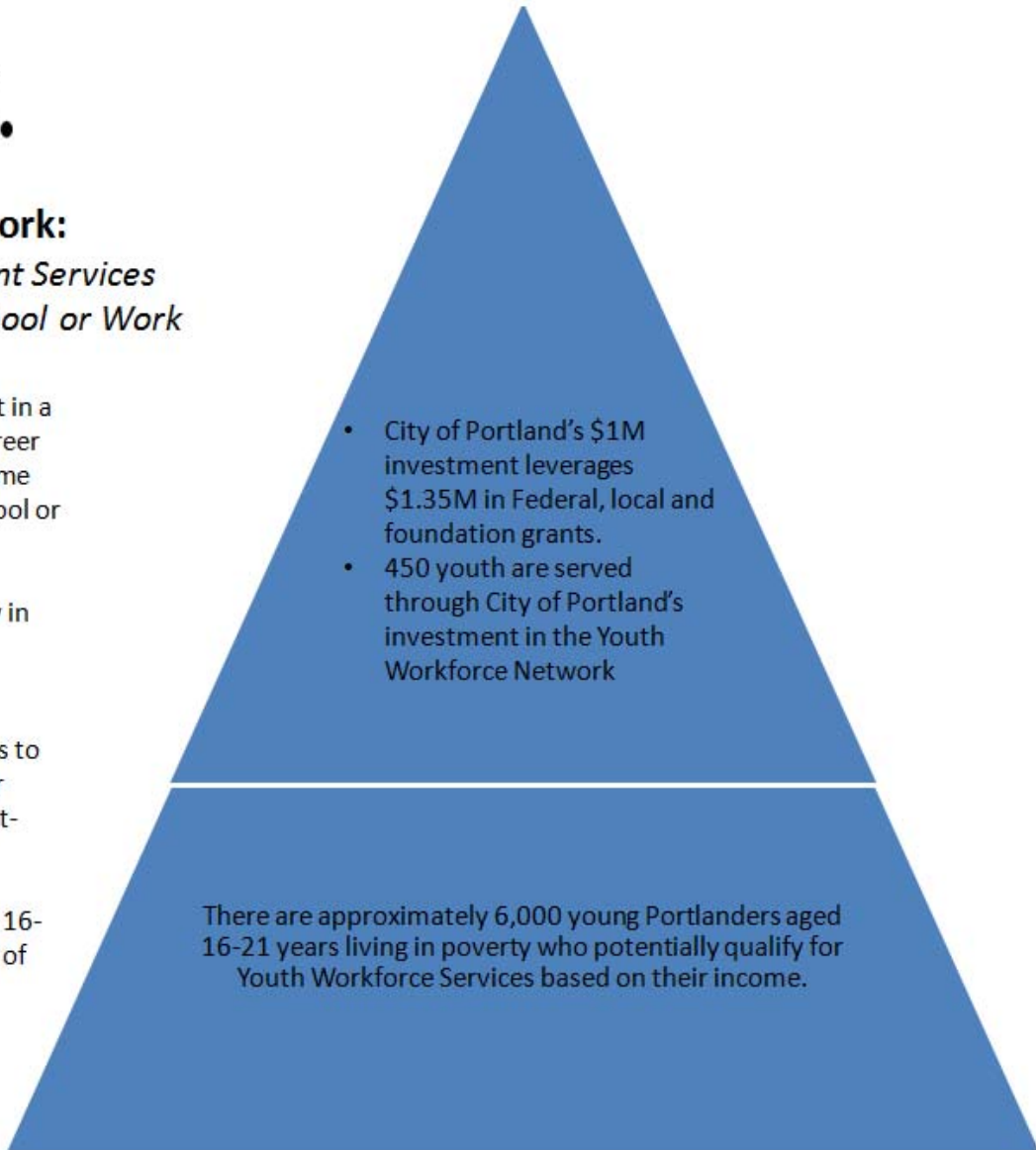
### **Youth Career Connect Network:**

*Intensive Workforce Development Services for Youth Disconnected from School or Work*

- City of Portland via PDC and WSI invest in a network of organizations to deliver career preparation services for very low-income youth who are disconnected from school or work.
- 1,000-1,200 youth are served annually in City of Portland, Multnomah and Washington Counties.
- Youth received multiple-years supports to secure career pathway employment or progress along a path to complete post-secondary education.
- Youth served by this network are aged 16-21 years and disproportionately youth of color.

- City of Portland's \$1M investment leverages \$1.35M in Federal, local and foundation grants.
- 450 youth are served through City of Portland's investment in the Youth Workforce Network

There are approximately 6,000 young Portlanders aged 16-21 years living in poverty who potentially qualify for Youth Workforce Services based on their income.



## ATTACHMENT D: Portland Development Commission (PDC) Micro and Small Business Development Programs

The **Small Business Development Program (SBDP)** and the **Economic Opportunity Initiative Microenterprise Program (EOI-Micro)** are initiatives of the Portland Development Commission and the City of Portland that aim to create, grow and strengthen micro and small businesses through technical assistance and training. Non-profit organizations will deliver technical assistance and training to approximately 500 businesses each year. Businesses may also receive business legal services, credit repair assistance and access to market research.

**Businesses eligible** for services must live or operate within the City of Portland and:

### EOI

- Have 5 or less employees (micro business) and
- Median Family Income (MFI) of 80% or below

### SBDP

- Have 50 or fewer employees (small business) and
- MFI of 120% or below; or
- Owned by a person of color; or
- Owned by a person with limited English proficiency

Additionally, the programs will target outreach to businesses:

- Owned by a person of color;
- Owned by a person with limited English proficiency;
- [Located in targeted areas of North, Northeast, and East Portland](#)

The organizations selected through a competitive process to provide business development services are:

### EOI

- Hacienda Community Development Corp.
- Immigrant and Refugee Community Organization (IRCO)
- Micro Enterprise Services of Oregon (MESO)
- Native American Youth and Family Center (NAYA)
- Neighborhood House – Childcare Improvement Project
- Portland State University's Business Outreach Program (BOP)

### SBDP

- Hispanic Metropolitan Chamber of Commerce
- Portland Community College's Small Business Development Center (SBDC)



**PDC** | PORTLAND  
DEVELOPMENT  
COMMISSION  
[www.pdc.us](http://www.pdc.us)

Technical assistance & trainings will cover basic business skills including but not limited to:

- business review and assessment
- business and marketing plan preparation
- development of business income statements
- cash flow analysis
- bookkeeping and business management
- loan packaging
- marketing & merchandising basics
- business tax preparation
- sustainable business practices
- market research

Contact information for providers and a brief description of services is provided on the back of this page.

Services are limited. Priority outreach for service will be to areas in the **Neighborhood Prosperity Initiative and Main Streets**. Providers may screen applicants to ensure appropriate fit for service. Fees apply to some services. For more information please visit the [PDC website](#).



## PDC's Business Development Programs – Service Providers – ATTACHMENT D CONT.

For information, or to determine appropriate provider for a client, please contact: Gina Bell, PDC Program Manager at: [bellg@pdc.us](mailto:bellg@pdc.us) or 503-823-3340.

Organization	Approach	Assistance Provided, Target Audience, Business Type, #'s Available to Serve & Lead Priority Area	Contact Information
Hacienda CDC	<ul style="list-style-type: none"> <li>Individualized 1:1 technical assistance and training.</li> <li>Some small group training and classes</li> </ul>	<ul style="list-style-type: none"> <li>Basic business skills, financial literacy, licensing</li> <li>Spanish speaking immigrants, Latinos</li> <li>50 micro businesses</li> <li>Lead for: 42<sup>nd</sup> Avenue and Cully</li> </ul>	5136 NE 42 <sup>nd</sup> Avenue 503.595.2111 <a href="mailto:nteske@haciendacdc.org">nteske@haciendacdc.org</a> <a href="http://www.haciendacdc.org">www.haciendacdc.org</a>
Hispanic Metropolitan Chamber of Commerce	<ul style="list-style-type: none"> <li>Individualized 1:1 technical assistance and training.</li> <li>Some small group training.</li> <li>Business mentorship as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment, analysis, marketing, certification, basic business skills, growth strategies, financial literacy, loan packaging and more.</li> <li>151 micro or small businesses</li> <li>Lead for: Parkrose, St. John's and Rosewood</li> </ul>	333 SW 5 <sup>th</sup> Avenue, Suite 100 503.222.0280 <a href="mailto:info@hmccoregon.com">info@hmccoregon.com</a> <a href="http://www.hmccoregon.com">www.hmccoregon.com</a>
Immigrant & Refugee Community Organization (IRCO)	<ul style="list-style-type: none"> <li>Individualized 1:1 technical assistance and training.</li> <li>Some small group training.</li> <li>Business mentorship as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Basic business skills, financial literacy, tax prep, and best practices for doing business in US for immigrants and refugees.</li> <li>30 micro businesses</li> <li>Lead for: SE Division &amp; 82<sup>nd</sup> &amp; SE Division &amp; 124<sup>th</sup> – 148<sup>th</sup></li> </ul>	10301 NE Glisan 503.234.1541 <a href="mailto:tinad@irco.org">tinad@irco.org</a> <a href="http://www.irco.org">www.irco.org</a>
Micro Enterprise Services of Oregon (MESO)	<ul style="list-style-type: none"> <li>Individualized 1:1 technical assistance and training.</li> <li>Some small group training.</li> <li>Business mentorship as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment, analysis, marketing, certification, basic business skills, loan packaging and more.</li> <li>70 micro businesses</li> <li>Lead for: Alberta and 42<sup>nd</sup> Avenue</li> </ul>	4008 NE MLK Jr. Blvd. 503.841.3351 <a href="mailto:nshah@mesopdx.org">nshah@mesopdx.org</a> <a href="http://www.mesopdx.org">www.mesopdx.org</a>
Native American Youth and Family Center (NAYA)	<ul style="list-style-type: none"> <li>Individualized 1:1 technical assistance and training.</li> <li>Some small group training.</li> <li>Business mentorship as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Basic business skills, financial literacy, savings strategies, and assistance with tax preparation.</li> <li>Native-owned businesses</li> <li>30 micro businesses     Lead for: Cully</li> </ul>	5135 NE Columbia Blvd. 503.288.8177 <a href="mailto:cjw@nayapdx.org">cjw@nayapdx.org</a> <a href="http://www.nayapdx.org">www.nayapdx.org</a>
Neighborhood House	<ul style="list-style-type: none"> <li>Individualized 1:1 technical assistance</li> <li>Some small group training.</li> <li>Focus on Child Care Providers</li> </ul>	<ul style="list-style-type: none"> <li>Basic business skills for childcare providers</li> <li>Licensing and early child education information</li> <li>52 micro businesses</li> </ul>	7780 SW Capitol Highway 503.246.1663 x3105 <a href="mailto:mgritz@nhweb.org">mgritz@nhweb.org</a>
Portland Community College - SBDC (\$200.00 fee)	<ul style="list-style-type: none"> <li>Classroom style learning (10-session course) accompanied by 1:1 business coaching.</li> </ul>	<ul style="list-style-type: none"> <li>Basic business skills and business fundamentals</li> <li>Best for classroom learners &amp; experienced biz owners</li> <li>54 micro or small businesses</li> </ul>	1626 SE Water Avenue 971.722.5080 <a href="mailto:sbdc@pcc.edu">sbdc@pcc.edu</a> <a href="http://www.bizcenter.org">www.bizcenter.org</a>
Portland State University-Business Outreach Program	<ul style="list-style-type: none"> <li>Individualized 1:1 technical assistance</li> <li>Some small group &amp; Classroom training.</li> <li>Student coaching as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment, analysis, marketing, certification, basic business skills, QuickBooks and more.</li> <li>65 micro businesses</li> <li>Lead for: SE Division &amp; 82<sup>nd</sup> &amp; SE Division &amp; 124<sup>th</sup> – 148<sup>th</sup></li> </ul>	2828 SW Corbett Avenue 503.725.9820 <a href="mailto:lara@sba.pdx.edu">lara@sba.pdx.edu</a> <a href="http://www.pdx.edu">www.pdx.edu</a>

# ATTACHMENT E – Small Business Target Areas



## Small Business Development Program



-  Small Business Target Areas
-  Parks
-  City of Portland

August 9, 2011

Information Source: Portland Development Commission Geographic Information System (GIS), 2010 US Census, and the City of Portland Corporate GIS.  
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