



DATE: April 8, 2015
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 15-23
Update on the Portland Development Commission 2015-2020 Strategic Plan

BOARD ACTION REQUESTED

No action is requested; information only.

SUMMARY

The purpose of this report is to provide the Portland Development Commission (PDC) Board of Commissioners (Board) an update on the status of the PDC 2015-2020 Strategic Plan (Strategic Plan) (see Attachment A). PDC staff will return to the PDC Board on May 13, 2015, to seek formal approval of the Strategic Plan, which will guide and prioritize PDC's work, budget, and staffing for the next five years.

BACKGROUND AND CONTEXT

Since August 2014, PDC has been working with City of Portland Mayor Charlie Hales and a 20-member Steering Committee (see Attachment B) to craft the Strategic Plan. Staff provided an update to the PDC Board at its October 29, 2014, meeting and its December 18, 2014, annual retreat; since that time, several milestones have been reached, including:

- Release of a 50 percent draft for public comment
- Completion of Steering Committee work
- Two public open houses
- Extensive outreach to partners

Moving forward, PDC staff will provide a report on the 2015-2020 PDC Strategic Plan to Portland City Council (City Council) on May 8, 2015, and return to the PDC Board for approval on May 13, 2015. For a more detailed project schedule, see Attachment C.

ATTACHMENTS

- A. PDC 2015-2020 Strategic Plan (50 percent draft)
- B. Steering Committee Roster
- C. Project Schedule

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

REPORT NO. 15-23

ATTACHMENT A

**UPDATE ON THE PORTLAND DEVELOPMENT COMMISSION 2015-2020
STRATEGIC PLAN**

Attachment A includes this cover page and contains 20 pages:

- Portland Development Commission 2015-2020 Strategic Plan



Portland Development Commission
STRATEGIC PLAN

Purpose

PDC's Strategic Plan sets a course of action for the agency over the next five years, including a set of **objectives** and desired **outcomes** PDC will work to achieve. Following each outcome are several **key actions** (the tactical work) PDC commits to undertake. Each outcome will be accompanied by a set of metrics to evaluate our performance annually. PDC will develop its annual work plans, budget and individual performance expectations in alignment with this Plan. Our annual strategic planning and performance evaluation ensures our strategic direction remains relevant and our service delivery efficient and effective.

In addition to articulating PDC's objectives and actions over the next five years, this plan reinforces the need

for continued progress on existing citywide objectives, including shared goals to improve the outcomes from public education and the preparedness of the local workforce for the 21st Century economy. This plan also establishes new objectives that are beyond the capacity or purview of PDC alone. This plan details how PDC will contribute to delivering on both existing and new shared objectives and is intended to spur collaboration across City bureaus at the direction of City Council, as well as collaboration with other public institutions and private and non-profit partners to achieve these broader objectives.

Vision

Portland is well positioned to become one of the most globally competitive, healthy and equitable cities in the world.

The city is blessed with an exceptionally high quality of life, abundant transportation options, a vibrant urban core surrounded by dynamic neighborhoods, and an ethos of progressiveness and community participation.

Portland has more recently become recognized for its strong economic recovery – buoyed by a rich culture of entrepreneurship, innovation and sustainability. The Portland local economy is now characterized by strong business and employment growth, a high level of productivity and an increasingly attractive real estate market with significant inflows of new private investment. And today, there is a confluence of catalytic opportunities which will alter the landscape of the region, including the Knight Cancer Challenge; the accelerating growth of Oregon’s universities in Portland, led by PSU and PCC; and once-in-a-generation large scale Central City sites, like Zidell Yards and the Post Office, that will be critical to Portland’s projected population and economic growth over the next 30 years. These cultural and economic dynamics continue to attract young, educated people to contribute to the region’s workforce and dynamic local economy.

Portland as a whole possesses the attributes to thrive in a global economy that rewards a high quality of life, distinctive competitive advantages, diverse, open communities, and a culture that promotes innovation and entrepreneurship.

Portland’s specific assets include:

- Market leading industries such as athletic and outdoor, green development, clean energy, software, digital media, and metals and machinery manufacturing;
- A globally recognized brand for smart planning and sustainability, and for leveraging these values to drive economic growth;
- A growing and increasingly diverse population with a high concentration of talent in key creative, manufacturing and technology industries;
- Strong startup ecosystem, high concentration of small businesses and production of patents per capital;
- A favorable business climate, an enviable physical location with proximity to and relationships in rapidly growing global markets and competitive infrastructure for the movement of people and goods;
- A strong foundation of successful workforce development programs and providers; and
- Growing capacity within community-based organizations to address neighborhood economic development challenges.

Challenges

While Portland is well positioned to compete and thrive in the global economy, the city faces serious challenges that undermine its long-term ability to compete. The challenges that must be addressed over the life of this plan include:

- Insufficient job growth to meet the needs of the city's growing population;
- Wages and income growth that have not kept up with the rising cost of living and lag behind those of peer cities despite productivity gains;¹
- Increasing poverty rates for total population (13.9 percent) and children (18.1 percent) and a reduction in the number of middle-income households;²
- High cost of living, driven by rising housing costs, compared to the national average and peer cities;
- Slower population growth and education attainment, relative to closest competitor metros;
- Lower levels of venture capital for startups and entrepreneurs relative to competitor cities;
- Wide disparities in quality of life, access to services and employment, and quality of infrastructure across Portland neighborhoods;
- Different market realities and private investment levels across communities in Portland;
- Distinct inherited built environments, where more suburban forms serve as barriers to equitable access to a diversity of goods and services;
- Lack of affordability in close-in neighborhoods, resulting in gentrification, displacement and concentration of poverty in East Portland;
- Wide disparities in employment, income and wealth between white communities and communities of color in Multnomah County³; and
- Declining tax increment financing (TIF) and narrow investment tools within traditional urban renewal areas (URAs), insufficient investment tools outside traditional URAs to address business or community needs, and finite staff resources to address these challenges.

Business Case for Social Equity

Portland's growing ethnic and racial diversity can and should be a competitive advantage for Portland's employers in a globally connected economy. The majority of the nation's workforce in 2031 will be people of color and Portland is one of 50 metros nationwide that will experience the most dramatic demographic shift. While a little less than 30 percent of the City of Portland's population is people of color today, almost 50 percent of current students—and thus the future workforce—in Portland's public schools are children of color.

A competitive current and future workforce requires addressing educational, wealth, income and employment disparities. To compete in the growing global economy, it is imperative that Portland's business leaders reflect the diversity around the world.

Moreover, economic inequities undercut economic growth in the long run. Recent research points to the impact on our national economy if Blacks, Hispanics and other minority groups had the same income distribution as whites.⁴ Without this inequality, the nation's GDP would have been \$2.1 trillion or 14% greater in 2012.

¹ Between 2008 and 2013, the median household income in Greater Portland grew by just 0.7 percent, while all comparison metros saw growth rates that were at least twice as high. As of 2013, Greater Portland's median income was just \$59,168, with all other comparison metros at \$61,520 or higher.

² Communities of Color face a child poverty rate of 33 percent, while that of white children is 13 percent in Multnomah County.

³ For example, median household income among African American and Native American residents is only 47 percent and 48 percent of the citywide median.

⁴ Source: <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/10/28/what-the-u-s-economy-would-look-like-if-racial-inequality-didnt-exist/>

Goal

Portland's leadership is no accident. Throughout its history, PDC has brought together public and private resources to address what matters to Portland residents and businesses, whether the needs are place-making and quality of life, job creation, or economic opportunity. To achieve the vision of becoming one of the most globally competitive, healthy and equitable cities in the world, PDC must leverage the momentum of a growing economy and accelerating physical development to intentionally and explicitly foster economic opportunity for all Portlanders.

The goal of this plan is thus to harness and expand PDC's tools for job creation, place-making, and economic opportunity to achieve widely shared prosperity among all residents of Portland.

To achieve this goal requires a dramatic increase in the percentage of households at or above self-sufficiency⁵ by 2020, with a long-term goal of moving 80% of all households in Portland to self-sufficiency.

The Plan

This Strategic Plan directs PDC's efforts and investments toward five mutually reinforcing objectives designed to achieve a dramatic increase in households with an income sufficient to meet their basic needs (*housing, food, healthcare, transportation, and childcare*). Collectively, the actions to achieve each objective will both grow household income and wealth and increase physical access throughout the city to employment opportunities (including transit-adjacent housing and commercial development), public amenities, and critical goods and services.

The approach and each objective, outcome and action are based on three fundamental values:

- PDC's place-making, job-creation and community development efforts must consider "who benefits?" and build approaches to secure equitable benefits (*to high-amenity neighborhoods, high quality employment or wealth creation*) – especially for people of color and those in low income neighborhoods - from their inception;

- Portland must continue to grow. Economic expansion and physical development create new opportunities. To compete in the global economy Portland must embrace trade, technology, innovation and talent assets along with a commitment to environmental stewardship and broadly-shared benefits; and
- Transformative place-making, job creation, and economic opportunity efforts depend on effective collaboration and partnerships between the public sector, business and industry partners, community-based organizations, academia, organized labor, non-profits and the philanthropic community. PDC will empower and support communities and private sector partners to work with one another towards achieving shared objectives and public benefits.

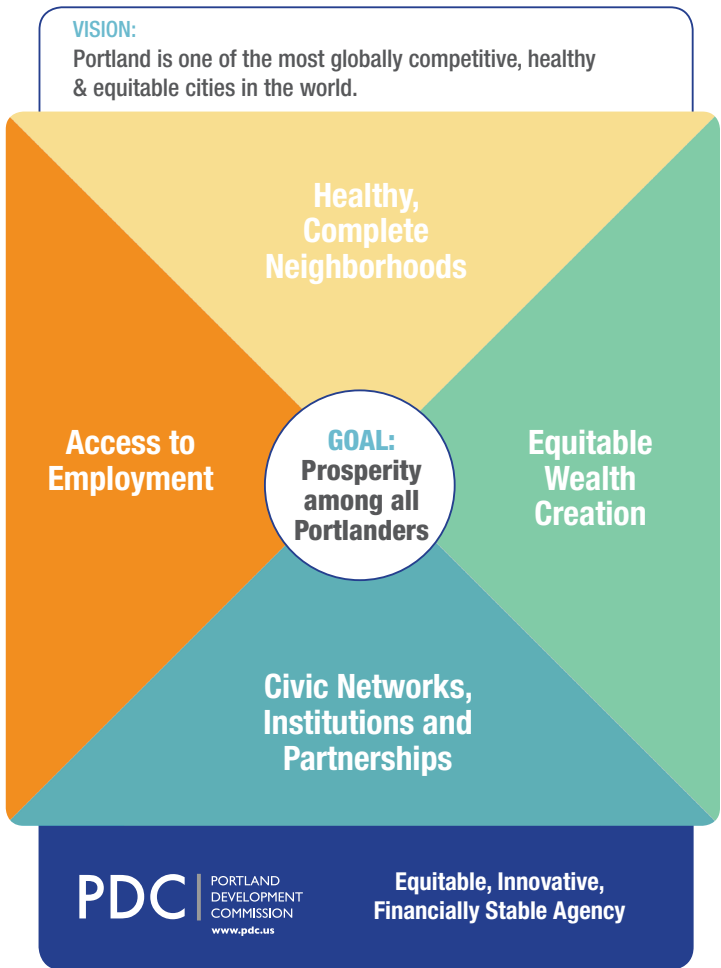
⁵ Self-sufficiency is defined according to The Self-Sufficiency Standard for OREGON 2014, by Diana M. Pearce, PhD; published in October 2014. <http://www.selfsufficiencystandard.org/docs/Oregon2014.pdf>.

Attaining the goal of widely shared prosperity among all residents of Portland requires a deliberate and equal focus on building healthy communities, maintaining economic competitiveness, and creating equitable opportunities. As the diagram highlights, the plan will:

- Strengthen Portland’s communities by striving to build and increase access to **healthy, complete neighborhoods**⁶- those with essential goods and services, transportation options, connections to employment centers, community and open spaces - throughout Portland;
- Leverage and maintain Portland’s economic competitiveness and create **access to high quality employment**⁷ by supporting traded sector business growth, access to new domestic and foreign markets, and connections for Portland residents to quality employment opportunities across both traded sector and local serving industries;
- Increase equitable opportunities by growing small and promising new business ventures, commercializing research, and supporting real estate ownership and development that fosters **wealth creation** within communities of color and low-income neighborhoods;⁸
- Align efforts by **forming 21st century civic networks, institutions, and partnerships** to address the most pressing barriers to prosperity and establish creative, effective, silo-busting solutions;
- Model the values of this plan and maintain PDC’s ability to be an agent of positive change in the city of Portland by operating an **equitable, innovative and financially sustainable agency**.

These elements must work together to achieve the goal of widely-shared prosperity:

- Healthy, connected neighborhoods decrease the cost of access to employment and services for low-income people, while mixed income communities increase the likelihood of intergenerational economic mobility, which is significantly reduced by growing up in neighborhoods with concentrated poverty⁹;
- Continued place-making within the Central City and neighborhoods throughout Portland are crucial in developing, retaining, and attracting a talented workforce;
- A productive, innovation-based economy with connections to growing global markets i) enables access to employment when coupled with intentional connections between underserved populations and quality jobs; ii) supports the



viability of local businesses and helps create wealth as income growth increases purchasing power; and iii) increase the tax base, which provides more resources for infrastructure and other essential public services; and

- Socio-economic diversity of business and property ownership leads to healthier neighborhoods as property and business ownership increase community stability and resilience throughout economic cycles.

⁶ The term “neighborhood” intentionally refers to communities both inside and outside the Central City.

⁷ High quality jobs pay a self-sufficient wage, provide benefits, and offer a career pathway. In this plan \$42,000 is used as an average “self-sufficient wage” but actual self-sufficient wages depend on family composition.

⁸ Low income neighborhoods are those experiencing lagging commercial investment, concentrated poverty and/or gentrification pressures.

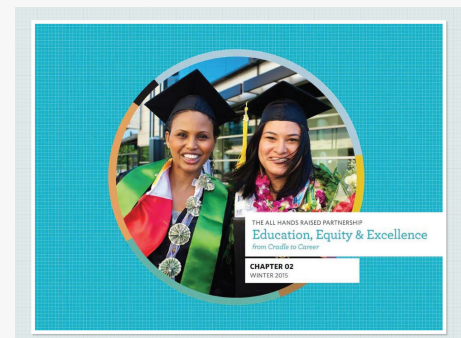
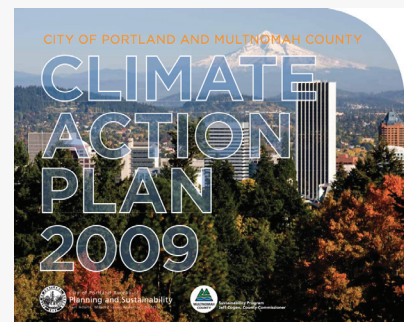
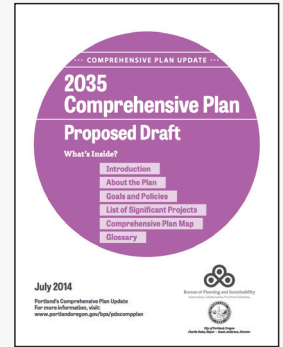
⁹ Cortright, Joe and Mahmoudi, Dillon; “Lost in Place: Why the persistence and spread of concentrated poverty- not gentrification – is our biggest urban challenge;” City Observatory, December 2014.

Related Plans and Initiatives

Achieving the five objectives and the goal of widely shared prosperity among all residents of Portland depends on the success not only of PDC's and partner's work to deliver on this plan but also on ensuring connectivity between and implementation of related plans and initiatives, which include the following:

- Portland Plan and Comprehensive Plan:** The strategic roadmap and 20-year plan set a framework for the physical development of the city with the aim of realizing economic prosperity, human and environmental health, socio-economic equity and resilience. Shared priorities include building healthy, connected communities, increasing self-sufficiency, centers and corridors and implementing the Central City 2035 plan;
- Climate Action Plan:** Builds on legacy climate protection initiatives and puts Portland on a path to achieve a 40 percent reduction in carbon emissions by 2030. It includes policies to ensure green building, infrastructure and energy systems, neighborhood-scale solutions, resilient natural systems and low-carbon economic growth. The 2015 update will refine the 2009 plan and ensure the application of an equity lens to policies and plan to ensure all actions support equitable community outcomes;
- Regional Workforce Plan:** Guides investments and initiatives to ensure effective and aligned regional workforce system; that adult and youth have the skills they need to fill current and emerging, high-quality jobs and employers have the skilled workers they need to remain competitive;
- Greater Portland 2020:** This emerging regional economic development action plan unifies and aligns economic priorities across the Portland-Vancouver metropolitan region; and
- Cradle to Career:** Collective impact approach convened by All Hands Raised to improve educational outcomes and ensure the sustained success of every child in Portland from birth to career in partnership with local business, government, non-profit organizations, faith community, parents, students and community stakeholders. Collaborative Action Teams are tackling issues such as eliminating disparities in child and youth success.

In addition to the above plans and initiatives, our partners throughout the region continue to convene around challenges facing the region and this plan will be responsive to those collaborative efforts as well.



PDC: WHO WE ARE AND WHAT WE DO

About PDC:

Created by Portland voters in 1958, the Portland Development Commission (PDC) is Portland's urban renewal and economic development agency. PDC's mission is to create economic growth and opportunity for Portland. PDC focuses its resources to stimulate job creation, encourage broad economic prosperity, and foster great places on behalf of the City of Portland.

Our Values:

PDC is guided by principles that inform everything we do: Love Portland. Make a Difference. Do Excellent Work. Build Partnerships. Advance Equity. Honor the Public Trust. Innovate.

PDC by the Numbers:

- 95 Staff
- \$33.3M Operating Budget in FY 2013-2014
- \$73.2M Capital Investment Budget in FY 2013-2014
- Impact of 2009-2014 Strategy:
 - \$156 million in financial assistance leveraged \$1.174 billion of private or outside investment
 - Provided 539 storefront improvement grants to local businesses
 - Made 99 commercial property redevelopment and business loans across the city
 - Above investments spurred creation of 3,158 jobs, retention of 1,698 jobs and stimulated 8,653 construction jobs
 - Served approximately 500 small businesses per year with 1:1 business development support; 60% of business owners served were people of color
 - Served approximately 1100 low-income youth and adults per year with intensive workforce development services; 65% of individuals served were people of color
 - Invested \$76.9 million in transportation, parks, and other infrastructure improvements throughout Portland

Structure

PDC is headed by an executive director, who reports to a five-member board of commissioners, appointed by the mayor and approved by Portland City Council. The structure allows PDC to exercise independence in program implementation and resource allocation.

Future

In the next 10 years, PDC is facing a dramatic decline in its primary funding source, Tax Increment Financing. As a result, PDC can only retain its leadership role in helping grow Portland's economy and promoting widely-shared prosperity by rethinking the fundamentals of our business: how the agency is organized, how we do business, and how we fund our work.




























Examples of Public Services Provided by PDC Partners

- Affordable housing (*Portland Housing Bureau, Home Forward*)
- Development permitting, design review, land use regulation (*Bureau of Development Services, Bureau of Planning & Sustainability*)
- Parks and recreation (*Portland Parks and Recreation, Metro*)
- Transportation and public transit (*Portland Bureau of Transportation, TriMet*)

Measures of Success

The PDC Strategic Plan goal and objectives will be evaluated on the following indicators of success at the end of the five-year plan. These high-level metrics measure not only PDC's efforts but the collective impact of public and private parties. PDC will develop related performance measure for the implementation of the plan, which will be refined as specific initiatives progress.

-  Healthy, Complete Neighborhoods (HCN)
-  Access to Employment (ATE)
-  Equitable Wealth Creation (EWC)
-  Civic Networks, Institutions & Partnerships (CNI)
-  Equitable, Innovative, Financially Stable Agency (PDC)

OUTCOME METRICS	OBJECTIVE				
	HCN	ATE	EWC	CNI	PDC
Increase the percentage of households at or above self-sufficiency ¹⁰ to 68% by 2020 <i>BASELINE: 63%¹¹ of households</i>					
70% of Portland households live in complete neighborhoods ¹² by 2020 <i>BASELINE: 63.7% of households</i>					
Maintain the Central City as a vital regional employment hub with at least 33% of Portland's jobs <i>BASELINE: 33% of jobs</i>					
Reduce the number of Portland households living in high-poverty neighborhoods ¹³ by 50% without promoting displacement by 2020 <i>BASELINE: 24,709 households</i>					
Increase resident satisfaction in East Portland to 80% <i>BASELINE: 64% satisfaction rate¹⁴</i>					
Reduce local per capita carbon emissions to 52% below 1990 levels by 2020. <i>BASELINE: 35% below</i>					
Increase percent of workforce in Multnomah County earning at least a Middle Wage ¹⁵ to 48% by 2020 <i>BASELINE: 45%</i>					
Close the unemployment rate gap between white workers and workers of color by 2020 <i>BASELINE: Unemployment rate for white people: 8.9%; Unemployment rate for people of color: 12.8%</i>					
Create 13,000 new middle wage jobs ¹⁶ in Multnomah County by 2020, with significant net job growth adjacent to low-income neighborhoods ¹⁷ by 2020 <i>BASELINE: 100,008 total middle wage jobs (21% of jobs)</i>					
Increase percentage of small businesses or startups registered in Multnomah County founded or owned by women or people of color by ___% by 2020 <i>BASELINE: Methodology TBD</i>					
Increase investment in small businesses or startups registered in Multnomah County founded or owned by women or people of color by ___% by 2020 <i>BASELINE: Methodology TBD</i>					
Raise annual income of Sole Proprietors by 3% over 5-year period <i>BASELINE: Average income: \$25,254</i>					
Increase homeownership by ___ units for people of color to more closely align with the household distribution of Multnomah County by 2020 <i>BASELINE: 15.2% of homeowners in Mult. Co. are people of color; 21.2% of households are people of color</i>					
Increase percentage of non-TIF resources to 75% of annual operating budget by 2020 <i>BASELINE: 50%</i>					
Increase diversity of PDC workforce to 30% of both total employees and managers by 2020 <i>BASELINE: 21% PDC employees are people of color; 79% are white</i>					
Establish and increase customer satisfaction rate in PDC services <i>BASELINE: TBD</i>					

¹⁰ <http://www.selfsufficiencystandard.org/docs/Oregon2014.pdf>

¹¹ http://www.pdx.edu/ims/sites/www.pdx.edu.ims/files/Where_the_Ends_Dont_Meet_2014_final.pdf

¹² "Complete Neighborhoods" methodology and analysis per Portland Bureau of Planning and Sustainability.

¹³ High-poverty neighborhoods defined as census tracts with 30% or more of households below the Federal Poverty Level

¹⁴ <http://www.portlandoregon.gov/auditor/article/507436>

¹⁵ At least a "Middle Wage" measured by earning at least \$42,000 per year.

¹⁶ Annual wage at or above \$42,000 requiring education level of associates degree or less.

¹⁷ Low-income neighborhoods defined as census tracts at, or below, 80% of the Portland MSA median family income.

Objective 1:

Create Healthy, Complete Neighborhoods Throughout Portland¹⁸

Approach

The quality of place in Portland neighborhoods varies widely, with particular long standing deficiencies in East Portland. This plan strives to ensure that all Portland residents have access to healthy, complete and resilient¹⁹ neighborhoods. In these neighborhoods, residents have ready access to basic public services, including parks and transportation; a diversity of housing across income levels; and basic goods and services. Neighborhoods should feel safe, clean and inspire pride among their residents. In addition, neighborhoods should be places where businesses form and jobs are created, and where the built environment serves to reduce carbon emissions and other harmful impacts to the climate.

A new paradigm has emerged to direct redevelopment and place-making activities in support of neighborhood revitalization. A community-led, community-driven approach is necessary to ensure that investments address the unique conditions of each neighborhood and that the benefits of increased investment flow to those communities. Residents, businesses and other stakeholders need to set their own goals for their communities. Leveraging unique catalytic opportunities, such as OHSU's Knight Cancer Challenge or the redevelopment of PDC-owned properties in Lents Town Center, can also jump-start physical development that maximizes community benefit for a neighborhood, in addition to providing economic and livability benefits²⁰ for residents in neighborhoods throughout the city.

Physical improvements and commercial investment can increase an area's attractiveness to new residents while unintentionally creating affordability issues for lower-income and long-time residents and business owners that accelerate gentrification and displacement pressures. While these pressures are acute and concerning, there are positives: Portland continues to experience a higher level of economic integration within our neighborhoods and region and lower cost of living than cities like San Francisco. This means that there is still time and the ability to preserve income diversity.

Action

The activities in this objective focus on implementing tailored development and place-making approaches within Portland's neighborhoods to reflect each community's unique qualities and interests; to build a more resilient and adaptable City in the face of economic and natural changes; and to calibrate investments to ensure minority and historically disadvantaged neighborhoods are able to absorb and benefit from growth without displacement.

Outcome 1.1:

VIBRANT COMMUNITIES & CORRIDORS

Neighborhoods throughout Portland are anchored by vibrant commercial and mixed use areas that support local demand for goods and services and result in improved business and resident satisfaction with their communities. At a regional level, the Central City's core vitality stimulates regional economic growth and bolsters our competitive economic advantage in a global economy.

Responsible Parties: PDC, Bureau of Planning & Sustainability (BPS), City of Portland infrastructure bureaus and Portland Housing Bureau (PHB), private sector

Key Actions to achieve this outcome:

- Initiate redevelopment projects on a community-serving, neighborhood scale in line with district action plans and tailored to community expressed priorities and opportunities, with a focus on supporting the growth of mixed use, mixed income communities through the Lents, Gateway and Old Town/Chinatown Action Plans;
- Apply PDC resources and tools to activate market-based development in key communities and geographies where there are ongoing gaps in the market in partnership City bureaus to implement the Portland Plan, Comprehensive Plan and Central City 2035 objectives;
- Invest in strategic place-making infrastructure – e.g., streets, parks, public spaces - in North, Northeast, East and Central City neighborhoods;
- Institutionalize the use of public benefits agreements and other mutual investment partnerships (*like the Economic Opportunity Program*) as part of the redevelopment process to address the human impacts from development and be intentional about who benefits from public resources.

¹⁸ The term "neighborhood" intentionally refers to communities both inside and outside the Central City.

¹⁹ In resilient neighborhoods, people, institutions and systems are better prepared to withstand catastrophic events and able to bounce back more quickly.

²⁰ These benefits include high density job creation, social services and recreation that can be accessed by all residents.

Outcome 1.2:

CONNECTED INNOVATION AND JOBS CENTERS

Portland's numerous employment-based centers are critical to the City's overall economic prosperity – from the Central City to industrial districts, like Airport Way and the Central Eastside, to neighborhood hospital and university centers. These centers are where the region's job growth and innovation happen and are strong indicators of the region's economic and physical health.

Responsible Parties: PDC, BPS, Oregon Health & Science University(OHSU), Portland State University (PSU), Portland Community College (PCC), private partners, business organizations.

Key Actions to achieve this outcome:

- Support the Innovation Quadrant and economic opportunities associated with the growth and physical connection between PSU, OHSU, PCC and OMSI;
- Initiate catalytic redevelopment projects in South Waterfront and Central Eastside along Portland Milwaukie Light Rail and to complement adjacent institutional growth (*including ODOT Blocks*);
- Pursue redevelopment and related transportation improvements in East Portland to realize job growth and complement community driven action plans, including at the Gateway Transit Center;
- Enter into private-public partnerships to attract traded sector firms in key industrial districts such as the Portland Harbor, Columbia Corridor and the Central Eastside;
- Strengthen Portland's leadership in green development by keeping the City at the forefront of innovation in the built environment, by pursuing new models of construction, promoting energy efficiency, and exploring solutions at the district and neighborhood scale; and
- Develop tailored public benefits agreements as part of significant redevelopment projects to address the human impacts from development and be intentional about who benefits from public resources.

Outcome 1.3:

REGIONAL ASSETS

Strengthen eastside and Central City landmarks and attractions through strategic partnerships and focused use of urban renewal resources.

Responsible Parties: PDC, BPS, Portland Bureau of Transportation (PBOT), Portland Parks & Recreation (PP&R), private sector and non-profit partners.

Key Actions to achieve this outcome:

- Initiate catalytic redevelopment projects in the Central City that leverage significant public and regional assets, including Union Station, the U.S. Post Office site and the Rose Quarter
- Invest in priority neighborhood and cultural landmarks and economic drivers that are significant contributors to the community's character;
- Develop district utility and infrastructure approaches that realize community wide benefit, including shared parking facilities in strategic locations in the Central City to unlock private development;
- Support effort to link and strengthen East Portland cultural, natural, and recreation-based amenities through public-private partnerships (*e.g., Leach Botanical Garden, Zenger Farm's Urban Grange, Foster Floodplain Natural Area, Beggars Tick Wildlife Refuge, Springwater Corridor, and Portland Mercado*);
- Develop tailored public benefits agreements as part of significant redevelopment projects to address the human impacts from development and be intentional about who benefits from public resources.

Objective 2:

Access to High Quality Employment for Portland Residents

Approach

Five years into the current economic recovery, the questions remains: Can the city position its strong economic growth to provide job opportunities for Portland residents across all geographic and cultural communities? To do so requires the city to embrace its trade, technology, innovation and talent assets in a way that benefits all Portlanders. Achieving this will require more deeply integrated approaches and holistic solutions - incorporating both place-based approaches needed to bring activity into underserved neighborhoods and the business- and people-focused approaches needed to help Portland and all of its residents thrive in an innovation and knowledge-based economy.

Changes in the global economy have made the ability to attract, retain, and develop talent a primary driver of economic growth and prosperity. Portland's growing ethnic and racial diversity will be a competitive advantage but the city must address the significant educational disparities related to race and income in order to have a competitive future workforce; this is not only a moral but an economic and business imperative since economic inequities undercut long term economic growth.

Action

The activities in this objective focus on ensuring inclusive economic growth by supporting the competitive industries that provide high-quality employment opportunities and working to fill those jobs with people of color and low-income residents.

Outcome 2.1:

QUALITY JOB GROWTH

Portland possesses a robust economy that by 2020 has increased employment by 28,000 high quality jobs – including 13,000 middle-wage jobs.

Responsible Parties: PDC, Greater Portland Inc. (GPI), Worksystems, PSU, OHSU, industry organizations, private sector partners.

Key Actions to achieve this outcome:

- Establish key initiatives and deliver on cluster action plans for Portland's targeted industries - Athletic & Outdoor, Green Cities, Technology & Media, Metals & Machinery and Healthcare - to heighten the region's competitiveness for cluster firms and promote robust and inclusive economic growth;
- Institutionalize the use of public benefits agreements as part of business assistance loans, grants, or tax abatements to grow middle-job employment opportunities and diversify the workforce;
- Implement regional Global Trade & Investment Strategy to promote middle-job growth by improving industry access to international markets and attracting smart foreign investment;
- Align public sector programs, financial tools and physical assets to leverage city-wide innovation priorities such as the Innovation Quadrant, OHSU's Knight Cancer Challenge and emerging cross-sector opportunities like "Internet of Things" and health technology;
- Negotiate industry level commitments to diversify workforce, establish career pathways and increase local hiring, establish a standard form of recognition for businesses that provide high-quality employment opportunities and recommend policies in support of "raising the floor" for Portland's low-wage workers; and
- Partner with Greater Portland, Inc., Business Oregon and other key partners to implement a branding strategy that promotes Portland globally as a competitive location to start, grow, or locate a business.

Outcome 2.2: BUSINESS VITALITY

Strong and growing Portland businesses offer robust middle-job employment opportunities.

Responsible Parties: PDC, private sector, anchor institutions, technical assistance providers, trade promotion organizations

Key Actions to achieve this outcome:

- Prioritize business development visits and technical assistance to traded sector companies with middle-job employment opportunities;
- Increase the competitiveness of small- and medium-sized companies through initiatives focused on innovation, lean production, industry certifications, and supply-chain connections;
- Leverage government connections and on-the-ground resources to increase sales opportunities in domestic and foreign markets for small- and medium-sized companies across industry; and
- Establish connections between anchor firms and institutions with supply-chain needs or substantial purchasing power and local businesses.

Outcome 2.3:

TARGET CLUSTER

A cluster-based business development strategy is critical in a market like Portland, where limited resources require targeted investments to growing traded sector industries and improve access to quality employment opportunities. Portland's five clusters – **Athletic & Outdoor Gear and Apparel, Green Cities Products & Services, Technology & Media, Metals & Machinery, and Healthcare** – were selected based on local employment concentration, historic and future growth, global reputation and brand, and middle-job accessibility.

Athletic & Outdoor, Green Cities, Software & Digital Media, and Metals & Machinery industries are traded sector clusters Portland will target to align disparate business development activities such as retention and expansion, recruitment, global trade and investment, and talent development. Led by a fifth target cluster - Healthcare – PDC and partners will pursue an anchor institution strategy with hospitals, universities and larger neighborhood businesses to connect neighborhood residents to employers and create local supply-chain opportunities.

ACCESS TO CAREER-PATH EMPLOYMENT

Job seekers from across the socioeconomic and demographic spectrum are able to access quality employment opportunities.

Responsible Parties: PDC, private sector partners, community-based organizations, K-12 public education providers, Worksystems, PCC, Mt. Hood Community College (MHCC), , PSU, Worksystems.

Key Actions to achieve this outcome:

- Target expansion and recruitment of private and institutional employers with living-wage jobs in and adjacent to underserved neighborhoods including Lents, Gateway, the Columbia Corridor, and East Portland;
- Invest in community based development that leverages adjacent transit and transportation improvements and facilitates connections between East Portland residents and major regional employers;
- Improve connections between traded-sector employers and job seekers by developing internship and apprentice programs, linking industry needs to higher-education curriculum, and targeting skill development programs to underserved populations;
- Employ workforce development initiatives, including the Economic Opportunity Program, and increase transportation options to connect neighborhood residents to nearby quality job opportunities with traded sector firms, local-serving businesses and institutional employers; and
- Partner with Worksystems to develop a clear infrastructure for employers to identify, screen and hire people of color and those with low incomes.

Objective 3:

Foster Wealth Creation within Communities of Color and Low Income Neighborhoods

Approach

Disparities in wealth represent the primary obstacle to promoting lasting prosperity within historically disadvantaged populations. Multigenerational wealth created from property and business ownership drives much of the disparity in wealth between white populations and communities of color, and even gains in employment and income show little progress in erasing differences in wealth.

Small business development efforts have been historically used to provide disconnected populations with opportunities for ownership and wealth creation, but too often these programs supported entrepreneurs in low growth fields with significant obstacles to success and little upside. True wealth creation must connect historically disadvantaged populations with the same pathways to wealth as privileged populations.

Actions

The activities in this objective focus on promoting wealth creation by increasing the diversity of high-growth firms, improving the success rate and growth trajectory of local small businesses, increasing opportunities for property ownership among underserved populations and ensuring PDC's construction and redevelopment projects support the growth of minority-owned construction and development firms.

Outcome 3.1: INCLUSIVE INNOVATION & ENTREPRENEURSHIP ECOSYSTEM

Portland is nationally recognized as a leader in supporting and cultivating high-growth entrepreneurs from under-represented populations, including communities of color, women and low income neighborhoods.

Responsible Parties: PDC, industry organizations, startup support organizations, PSU, OHSU

Key Actions to achieve this outcome:

- Promote high growth entrepreneurs within under-represented populations through targeted technical assistance, the expansion of signature programs such as the Startup PDX Challenge and access to established startup resources;

- Launch an Inclusive Capital Fund to increase access to first time capital for under-represented entrepreneurs, expand the local pool of angel investors from under-represented populations, and encourage the existing venture capital community to invest in startups with diverse founders;
- Expand startup mentoring programs to include industries with significant middle-job potential, including the craft manufacturing of consumer, food and beverage products; and
- Connect research and commercialization initiatives between PSU, OHSU, and other universities to under-represented entrepreneurs and develop entrepreneurship programming for first generation college students and students from under-represented populations.

Outcome 3.2: BUSINESS GROWTH

Thriving businesses provide wealth creation opportunities for Portlanders of color and within or adjacent to low-income neighborhoods

Responsible Parties: PDC, private and philanthropic partners, business technical assistance providers

Key Actions to achieve this outcome:

- Work with lenders and PDC financial tools to achieve greater access to capital among business owners of color and those in low-income neighborhoods;
- Increase market opportunities for local businesses by establishing productive connections to anchor institutions with substantial purchasing power;
- Provide culturally appropriate, easily accessible business technical assistance and mentorship to small businesses owned by under-represented populations; and
- Partner with and incentivize employers of lower-wage workers to establish worker-owned cooperatives or employee stock ownership programs to facilitate long-term wealth creation opportunity.

Outcome 3.3: PROPERTY OWNER DEVELOPMENT

Commercial and residential property ownership provides wealth creation opportunities for Portlanders of color and within low income neighborhoods.

Responsible Parties: PDC, private lenders and development partners, PSU and philanthropic partners

Key Actions to achieve this outcome:

- Reduce barriers to commercial and residential property ownership among people of color and within low-income neighborhoods through education, mentorships, technical assistance, financing, and partnerships with development intermediaries;
- Connect people of color and those in low-income neighborhoods who aspire to develop commercial property with opportunities to network and form partnerships with established developers, community leaders, community-based organizations or development intermediaries;
- Establish a Public-Private Property Development Fellows program of current and emerging leaders within communities of color and those from low-income neighborhoods to grow the talent pool of development professionals in partnership with organizations like the PSU Center for Real Estate Studies; and
- Utilize existing or establish new PDC loans and grants to promote wealth creation among under-represented people in places where the market is not strong and with long-time property owners.

Outcome 3.4: EQUITABLE CONSTRUCTION & CONTRACTING

PDC's construction and contracting business practices support equitable wealth-creation outcomes from projects and programs.

Responsible Parties: PDC, Metropolitan Contractors Improvement Program, private partners

Key Actions to achieve this outcome:

- Secure prime contracting and project management opportunities for under-represented populations on PDC-funded projects;
- Meet and exceed diverse construction objectives by expanding the use of DBE as preferred form of certification and employing use of alternative contracting such as Best Value to be able to use contracting approaches that are more inclusive than low bid;
- Direct bid all PDC-owned projects under existing legal thresholds to certified firms;
- Address potential financial and construction challenges with creative solutions for projects that are prime contracted by under-represented populations; and
- Undertake a new disparity study to provide the most intentional and proactive business equity program possible.

INCLUSIVE ENTREPRENEURSHIP & EMERGING INDUSTRIES

Effective local economic development policy must include a focus on entrepreneurship. In Portland early-stage companies contribute disproportionately to net job creation and small business ownership is a key factor in increasing family wealth. By most measures – new business starts, jobs, capital raised – Portland boasts a vibrant and growing startup ecosystem. The local impact, however, has not been widely-shared; founders are predominantly white and male. Nationally, 87% of venture capital-backed founders are white, 12% Asian, and less than 1% are black or Latino. Similarly, recent data indicates that a mere 15% of startups receiving venture capital investment had a woman on the executive team. Local trends are consistent – if not more acute – than the national data.

A priority for PDC is to improve access to startup and small business resources – capital, mentorship and networking – for under-represented populations, particularly women, communities of color, and entrepreneurs from low-income neighborhoods. To increase economic opportunity PDC is committed to expanding its support of entrepreneurs across an array of industries including the five target clusters as well as emerging industries such as Medical Devices, Health Sciences, and Craft and Artisanal Manufacturing. Support may include entrepreneurship programs, physical development or strategic partnerships with research institutions to grow sectors that hold promise for future entrepreneurs and the introduction of new products and services.

Objective 4:

Form 21st Century Civic Networks, Institutions and Partnerships

Approach

The challenge of addressing wealth and income disparities and managing growth in an equitable manner transcends the charter of any single public or private institution. Moreover, the required interventions no longer fit the top down, command and control attributes of traditional public sector institutions. Addressing these challenges requires a new form of governance that leverages the strengths of public, private, and not-for-profit institutions through ad hoc networks that form to design, execute and finance new solutions that address market and system failures²¹.

While PDC's resources may be insufficient to fully address the challenges identified in this plan, the agency plays a unique role as convener of private and community interests and, in particular, serves as a nexus between the private sector and public agencies. In this capacity, PDC can play a lead role in helping organize the civic networks required to address the most pressing issues facing neighborhoods and the local economy.

Actions

The activities in this objective seek to strengthen and, in some cases, redefine the partnerships and networks required to address the most pressing issues – education, workforce development, neighborhood affordability and infrastructure – that serve as impediments to widely shared prosperity. The nature of these challenges requires responses from broad-based partnerships that extend far beyond the capacity of any single institution or organization.

Outcome 4.1:

WORKFORCE & REGIONAL COMPETITIVENESS

Portland is the center of a thriving equitable regional economy that produces an abundance of quality jobs that residents are able to access, and underserved residents and people of color readily access workforce development resources.

Responsible Parties: PDC, Worksystems, PCC, MHCC, Multnomah County, Home Forward, community-based organizations, All Hands Raised, PSU, OHSU, GPI, Business Oregon

Key Actions to achieve this outcome:

- Expand and deepen alignment between successful efforts to connect disconnected adults and youth to quality employment opportunities and supportive services including the Economic Opportunity Program, Housing Works, Action for Prosperity, Community Works Project and SummerWorks;
- Develop innovative ways for unemployed and under-employed residents to learn about and connect with job training and workforce readiness resources through initiatives such as neighborhood-based workforce navigators in low-income communities, web-based Worksource registration at libraries, community colleges and service organizations, and community mentors;
- Address skill gaps within high-growth, high-demand occupations and support individual career development through partnerships with employers to provide supported on the job training for new employees and training for incumbent workers to advance to higher skilled, higher wage jobs;
- Facilitate the transition of first generation and minority college students into the workforce and create future leadership opportunities through partnerships with major area employers, PSU, and other higher education institutions; and
- Partner with Greater Portland Inc., Business Oregon, and other key partners to advance regional economic development objectives that focus on inclusive job growth through strong leadership, resource development, and alignment of goals, actions, and resources.

²¹ Presentation by Amy Liu, Brookings Institution, to Greater Portland Inc. Annual Economic Summit, October 14, 2014.

**Outcome 4.2:
AFFORDABILITY & NEIGHBORHOOD SOLUTIONS**

Portland neighborhoods remain affordable to residents at all income levels and for small businesses across all industry sectors.

Responsible Parties: PDC, PHB, BPS, Multnomah County, Home Forward, community-based organizations, private sector

Key Actions to achieve this outcome:

- Partner with PHB and BPS to produce and implement an updated affordable housing strategy to meet the growing need for below market rate housing and reflect the current public resources and tools available to address the need;
- Pursue opportunities created by private sector development activity to increase the supply of below market rate housing and long-term affordable commercial space throughout the city;
- Coordinate with partner bureaus and agencies to create an integrated investment approach for low-income or gentrifying neighborhoods that maximizes benefits to neighborhood residents and anticipates and minimizes impacts on affordability; and
- Ensure alignment between redevelopment and place-making priorities established in this plan and those captured in the City's Comprehensive Plan and Central Portland Plan.

**Outcome 4.3:
NEIGHBORHOOD CAPACITY BUILDING**

Local business owners, residents and community experts drive economic development outcomes with support from aligned city government agencies and neighborhood-based and culturally specific organizations have capacity to engage in productive, balanced partnerships between public, private and not-for-profit organizations.

Responsible Parties: PDC, Neighborhood Prosperity Initiative (NPI) and Main Street Districts, Venture Portland, private and philanthropic partners.

Key Actions to achieve this outcome:

- Enhance the ability of existing NPI and Main Street Network to promote the growth of neighborhood small businesses, connect residents to employment, and steer local development towards community desired solutions;

- Support the expansion of the NPI and Main Street Network model to solve unique economic development problems in low-income or gentrifying neighborhoods;
- Launch a Community Development Fund with like-minded investors to provide gap financing for catalytic projects in NPI districts with the goal of supporting community-driven, public benefit development projects; and
- Provide training, technical, and financial assistance to neighborhood business district associations that furthers their ability to create a positive economic development atmosphere for local businesses and the surrounding community.

**Outcome 4.4:
INNOVATION & INFRASTRUCTURE**

Portland is recognized as a leader in civic innovation where the City serves as a market for local technology solutions and pursues infrastructure and utility solutions that are a cost-effective and resilient approach to providing community benefit.

Responsible Parties: PDC, City of Portland, Multnomah County, TriMe, startup support organizations

Key Actions to achieve this outcome:

- Initiate or participate in collaborative networks to address innovation- and employment-enabling infrastructure;
- Serve as the gateway to government for firms seeking strategic business partnerships and establish Portland as the test bed for innovative ideas and technologies from the private sector, with a particular focus on more efficient and cost-effective public services and emerging low-carbon products and services that improve economic opportunity and livability for Portland residents;
- Develop financing tools, such Property Assessed Clean Energy or a seismic fund, that attract private capital to allow residents and businesses to update buildings and realize greater utility affordability and efficiency; and
- Seek opportunities to partner with existing startup support ecosystem (*accelerators, hackathons, pitch & product development events*) to incentivize local entrepreneurs to solve problems for a variety of socioeconomic levels and demographic groups.

Objective 5:

Operate an Equitable, Innovative and Financially Stable Agency

Approach

PDC should consistently model the values of its work in how it operates as an agency. The themes of equity, innovation, talent development and financial sustainability are important elements to this plan and should have equal influence over PDC's operations over the next five years.

Actions

The activities under this objective are intended to ensure that PDC operates in a manner consistent with the values of this plan and the expectations of the public. PDC must become a leader in instilling equity into all facets of its operations, exercise transparent and accountable stewardship of its public resources, incorporate best practices in management and operations, and value and support employees through training and leadership development.

Outcome 5.1: EMPLOYEE DEVELOPMENT, ENGAGEMENT & INTERNAL EQUITY

The work environment displays diversity, fosters productivity, encourages learning and growth and employees understand they are the foundation of PDC's success. Internally, PDC focuses on becoming a Multicultural Anti-Racist²² institution through the implementation of an ambitious equity strategic plan.

Responsible Parties: PDC, Office of Equity & Human Rights

Key Actions to achieve this outcome:

- Complete PDC transition to an Anti-Racist Multicultural organization through implementation of the equity strategic plan developed according to the Crossroads paradigm;
- Reinvent hiring, promotion and employee development practices to become an employer of choice, particularly for employees of color; and
- Cultivate a culture of innovation and empowerment through staff directed initiatives to transform how PDC's work is organized and accomplished.

Outcome 5.2:

EFFECTIVE MANAGEMENT AND GOVERNANCE

PDC's operations are characterized by high quality management and staff who implement a clear strategic plan in an efficient and innovative manner.

Responsible Parties: PDC, City Council

Key Actions to achieve this outcome:

- Deliver on the mission of the agency by consistently producing best practice projects, programs and initiatives;
- Align annual agency and employee work plans and budgets with PDC's Strategic Plan to ensure the goals of the Strategic Plan are achieved;
- Support continuous process improvement and efficient and effective service delivery by eliminating unnecessary policies and processes and investing in new or leveraging existing technology assets; and
- Safeguard public resources and assets through strong internal controls, reliable and transparent financial information and compliance with necessary policies and procedures.

²² Term developed and defined by Crossroads Antiracism Organizing & Training: <https://www.churchpublishing.org/media/5205/ContinuumAnti-Racist.pdf>

Outcome 5.3:
FINANCIAL SUSTAINABILITY & STEWARDSHIP

PDC exercises transparent administration of resources and assets to ensure public funds are effectively and efficiently invested to achieve agency objectives while promoting the long term sustainability of the organization.

Responsible Parties: PDC, City Council, Office of Management & Finance, foundations, private lenders and equity capital providers

Key Actions to achieve this outcome:

- Develop and begin implementation of a long term business plan for the agency that seeks to achieve more balanced and sustainable funding for PDC’s projects, programs and operations;
- Identify new sources of capital and operating funds, including capital from outside the U.S., to advance catalytic development projects and business investment, particularly in neighborhoods without access to tax increment financing;
- Establish new capital sources to equalize investment in businesses founded by entrepreneurs of color and women;
- Implement strategic disposition of PDC’s real estate portfolio to achieve both development and long term financial sustainability objectives; and
- Refine PDC’s financial assistance products to meet changing market needs and long term financial sustainability objectives.

Outcome 5.4:
COMMUNICATIONS, ENGAGEMENT & COMMUNITY PARTNERSHIP

PDC works closely with all communities, and particularly with historically disadvantaged communities, to ensure deep engagement and mutual accountability in addressing structural disparities and creating pathways for prosperity.

Responsible Party: PDC, Office of Neighborhood Involvement, neighborhood organizations, business associations and chambers of commerce

Key Actions to achieve this outcome:

- Establish new models for community engagement and decision-making that provide equal access and opportunity to PDC resources, regardless of level of wealth or influence;
- Refine and maximize use of web-based and social media tools to inform and engage diverse communities, seek their input, and alert them to potential opportunities;
- Implement a strategic communications plan that highlights those projects and activities, including the work of partners, that support the goals of this strategic plan;
- Leverage partnerships with institutional, community, and business organizations to raise awareness and utilization of City and PDC programs and initiatives; and
- Partner with organizations to reach non-native English speaking populations to raise the profile of PDC loan, grant and technical service programs.

Steering Committee Roster

Michael Alexander – President and CEO, Urban League of Portland

Joe Cortright – President, Impresa

Gustavo Cruz – Senior Counsel, Ater Wynne LLP

Bart Eberwein – Executive Vice President, Hoffman

Diane Fraiman – Venture Partner, Voyager Capital

Jay Halladay – Chief Executive Officer, Viewpoint, Inc.

Heather Hoell – Executive Director, Venture Portland

Sarah Iannarone – Assistant Program Director, First Stop Portland; Owner, Arleta Library Bakery & Cafe

Tom Kelly – PDC Chair; President, Neil Kelly Company

Tom Kilbane – Market Leader, Urban Renaissance Group

Debbie Kitchin – Owner, InterWorks, LLC

Dan Klock – CEO, Bridgetown Natural Foods

Nolan Lienhart – Director of Planning & Urban Design, ZGF Architects

Jonathan Malsin – General Manager, Beam Development

Annette Mattson – East Portland Action Plan

Meg Niemi – President, SEIU Local 49

Michele Reeves – Founder, Civilis Consultants

Sam Rodriguez – VP, Mill Creek Development

John Tapogna – President, EcoNW

Holly Whittleton – Executive Director, SE Works

Project Schedule

August	<ul style="list-style-type: none">• Steering Committee Kick-Off Meeting
September	<ul style="list-style-type: none">• Steering Committee Meeting #2
October	<ul style="list-style-type: none">• Market Street Services findings on implementation of the Economic Development & Neighborhood Economic Development strategies• Steering Committee Meeting #3
November	<ul style="list-style-type: none">• Draft framework of PDC 2016-2020 Strategic Plan• Steering Committee Meeting #4
December	<ul style="list-style-type: none">• PDC Board Retreat• City Council Work Session• Steering Committee Meeting #5
January 2015	<ul style="list-style-type: none">• Steering Committee Meeting #6
February	<ul style="list-style-type: none">• 50 percent draft released• Public open house #1
March	<ul style="list-style-type: none">• Public open house #2• Steering Committee Meeting #7
April	<ul style="list-style-type: none">• Brief PDC Board
May	<ul style="list-style-type: none">• Report to City Council• Request for PDC Board Adoption