



DATE: June 13, 2012
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 12-16
FY 2012-13 Budget Development: Review of City Council Approved Budget

BOARD ACTION REQUESTED

No action is requested, information only.

SUMMARY

The Portland Development Commission (PDC) Proposed Budget was presented to City Council, acting as PDC's Budget Committee, on May 16, 2012. This was followed by public testimony on the PDC Budget on May 17, 2012, and approval of the PDC Budget on May 30, 2012.

Moving forward, staff have identified recommended technical changes that will be requested for inclusion in the adopted budget and are preparing for the Tax Supervising and Conservation Commission review and public hearing to be held on June 27, 2012, prior to adoption by the Board. The meeting on June 13, 2012, will provide an opportunity for information and discussion prior to this hearing.

BACKGROUND AND CONTEXT

The FY 2012-13 Budget Development Process began in November 2011 with prioritization outreach activities, revision of the Strategic Plan and departmental work plans. These efforts guided budget development through December and the creation of the FY 2012-13 Requested Budget that was reviewed by the Board in January and submitted to the City of Portland Office of Management and Finance on January 31, 2012.

Since January, PDC staff have reviewed the budget with stakeholders and received public testimony and have gone through an intensive process in March and April to refine project cost estimates and in some cases shift staffing estimates between different priority projects. This effort culminated with the release of the Proposed Budget in May that was presented to Council on May 16 and later approved by Council, with two recommended changes on May 30, 2012. The two changes included in the approved budget are (1) adding \$50,000 to the Interstate URA budget for small parks projects and (2) adding \$5 million to the Oregon Convention Center URA budget to take into account an updated estimate of when disbursements for the Veterans Memorial Coliseum project would occur.

Moving forward, staff has received some updated estimates concerning project cost or timing that will be a requested change for the adoption of the Budget by the Board on June 27, 2012. Recommended changes include:

- 1) Matching the PDC Housing Set Aside Budget to the PHB budget for assumptions on project timing (project carry over to FY 2012-13 from FY 2011-12);
- 2) Adding \$500,000 to the Lents Housing Set Aside Budget for moving forward with an intergenerational community and early childhood education center (related to an ordinance introduced by Mayor Adams and Commissioner Saltzman); and
- 3) Final updates to any staff allocations between specific projects and programs and business lines.

ATTACHMENTS

- A. Resolution 6947 Approving the Annual Budget of the Portland Development Commission for the Fiscal Year Ending June 30, 2013, with Exhibit A, PDC Approved Budget

Attachment A

FY 2012-13 Budget Development: Review of City Council Approved Budget

Portland Development Commission

Board of Commissioners

June 13, 2012

Report No. 12-16

Attachment A includes this cover page and contains 22 pages:

- Resolution 6947
- PDC Approved Budget

PORTLAND CITY COUNCIL

Portland, Oregon

**ACTING IN ITS CAPACITY AS
PORTLAND DEVELOPMENT COMMISSION BUDGET COMMITTEE**

RESOLUTION NO. 6947

**APPROVING THE ANNUAL BUDGET OF THE PORTLAND DEVELOPMENT
COMMISSION FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

WHEREAS, Portland City Charter Chapter 15 states the Portland Development Commission (“PDC”) shall annually prepare and adopt, in accordance with state law, a budget that incorporates the City goals adopted by the City Council and shall submit the budget to the Council in conjunction and in conformity with the City’s budget process, for inclusion as a part of the total City budget;

WHEREAS, since FY 2008-09, City Council has served as the Budget Committee for PDC and assumed the duties and responsibilities of a Budget Committee as provided in state law;

WHEREAS, under the direction of the Executive Director and Mayor, PDC staff formulated a Requested Budget and a Proposed Budget for the 2012-13 fiscal year that provides resources and expenditures for projects and programs that carry out the goals of the Commission;

WHEREAS, the City Council, acting as the Portland Development Commission Budget Committee (“PDC Budget Committee”), was presented the Proposed Budget on May 16, 2012, and the Proposed Budget was submitted to the City of Portland’s Office of Management and Finance;

WHEREAS, the PDC Budget Committee has reviewed the Proposed Budget and held and received public testimony at a hearing on May 17, 2012;

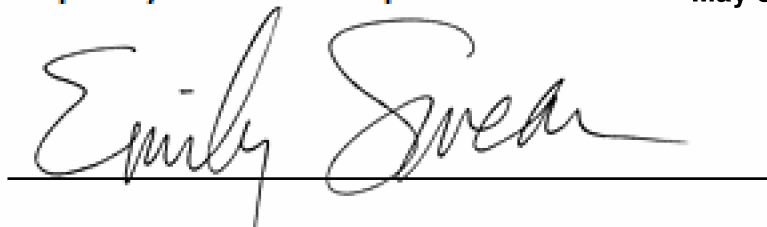
WHEREAS, PDC staff has prepared changes to the Proposed Budget as recommended by the PDC Budget Committee and authorized by the Executive Director; and

WHEREAS, the recommended changes will produce balanced resource and expenditure changes as summarized in the attached Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the Portland Development Commission’s FY 2012-13 Budget, in the form attached as Exhibit A (the “Budget”), is hereby approved by the PDC Budget Committee pursuant to ORS 294.428 and the Executive Director is authorized to submit the Budget to the Tax Supervising and Conservation Commission; and

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption.

Adopted by Portland Development Commission on May 30, 2012

A handwritten signature in black ink, appearing to read "Emily Swensen", is written over a horizontal line. The signature is fluid and cursive.

Emily Swensen, Recording Secretary

Exhibit A - Approved Budget Appropriation

Total Appropriation Summary

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	84,759,170	5,050,000	89,809,170
Revenue			
Fees and Charges	324,309	0	324,309
Interest on Investments	338,760	0	338,760
Intergovernmental Revenues	8,387,943	0	8,387,943
Loan Collections	4,064,884	0	4,064,884
Long Term Debt	40,300,000	0	40,300,000
Miscellaneous	161,569	0	161,569
Property Income	3,264,213	0	3,264,213
Reimbursements	931,277	0	931,277
Service Reimbursements	15,062,027	0	15,062,027
Short Term Debt	47,683,233	0	47,683,233
Total Revenue	120,518,215	0	120,518,215
Total Resources	205,277,385	5,050,000	210,327,385
Requirements			
Expenditures			
Administration	17,066,787	0	17,066,787
Business Development	23,090,153	0	23,090,153
Infrastructure	27,133,929	50,000	27,183,929
Housing	41,790,099	0	41,790,099
Property Redevelopment	53,343,909	5,000,000	58,343,909
Total Expenditures	162,424,877	5,050,000	167,474,877
Transfers	15,062,027	0	15,062,027
Contingency	27,790,481	0	27,790,481
Ending Fund Balance	0	0	0
Total Requirements	205,277,385	5,050,000	210,327,385

Appropriation by Fund

Airport Way URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	2,949,492	0	2,949,492
Revenue			
Interest on Investments	25,000	0	25,000
Loan Collections	275,000	0	275,000
Total Revenue	300,000	0	300,000
Total Resources	3,249,492	0	3,249,492
Requirements			
Expenditures			
Administration	24,721	0	24,721
Business Development	803,171	0	803,171
Property Redevelopment	500,841	0	500,841
Total Expenditures	1,328,733	0	1,328,733
Transfers	480,562	0	480,562
Contingency	1,440,197	0	1,440,197
Ending Fund Balance	0	0	0
Total Requirements	3,249,492	0	3,249,492

Ambassador Program Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	20,770	0	20,770
Total Resources	20,770	0	20,770
Requirements			
Expenditures			
Business Development	17,084	0	17,084
Total Expenditures	17,084	0	17,084
Transfers	3,686	0	3,686
Ending Fund Balance	0	0	0

PDC Budget Committee – Approved Budget Appropriations
May 30, 2012

Total Requirements	20,770	0	20,770
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Central Eastside URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	1,357,972	0	1,357,972
Revenue			
Interest on Investments	13,580	0	13,580
Loan Collections	621,633	0	621,633
Property Income	1,020,000	0	1,020,000
Short Term Debt	2,682,053	0	2,682,053
Total Revenue	4,337,266	0	4,337,266
Total Resources	5,695,238	0	5,695,238
Requirements			
Expenditures			
Administration	28,173	0	28,173
Business Development	1,171,286	0	1,171,286
Infrastructure	389,270	0	389,270
Housing	34,937	0	34,937
Property Redevelopment	2,373,004	0	2,373,004
Total Expenditures	3,996,670	0	3,996,670
Transfers	852,316	0	852,316
Contingency	846,252	0	846,252
Ending Fund Balance	0	0	0
Total Requirements	5,695,238	0	5,695,238

Convention Center URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	41,487,725	5,000,000	46,487,725
Revenue			
Interest on Investments	25,000	0	25,000
Loan Collections	300,000	0	300,000
Total Revenue	325,000	0	325,000
Total Resources	41,812,725	5,000,000	46,812,725
Requirements			
Expenditures			
Administration	40,217	0	40,217
Business Development	693,318	0	693,318
Infrastructure	156,285	0	156,285
Housing	9,335,071	0	9,335,071
Property Redevelopment	23,721,725	5,000,000	28,721,725
Total Expenditures	33,946,616	5,000,000	38,946,616
Transfers	2,652,182	0	2,652,182
Contingency	5,213,927	0	5,213,927
Ending Fund Balance	0	0	0
Total Requirements	41,812,725	5,000,000	46,812,725

Downtown Waterfront URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	11,636,749	0	11,636,749
Revenue			
Interest on Investments	116,367	0	116,367
Loan Collections	523,519	0	523,519
Property Income	700	0	700
Total Revenue	640,586	0	640,586
Total Resources	12,277,335	0	12,277,335
Requirements			
Expenditures			
Administration	17,078	0	17,078
Business Development	1,021,800	0	1,021,800
Property Redevelopment	6,476,490	0	6,476,490
Total Expenditures	7,515,368	0	7,515,368
Transfers	554,956	0	554,956
Contingency	4,207,011	0	4,207,011
Ending Fund Balance	0	0	0
Total Requirements	12,277,335	0	12,277,335

Enterprise Loans Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	1,001,321	0	1,001,321
Revenue			
Interest on Investments	6,406	0	6,406
Loan Collections	418,156	0	418,156
Total Revenue	424,562	0	424,562
Total Resources	1,425,883	0	1,425,883
Requirements			
Expenditures			
Business Development	1,172,991	0	1,172,991
Total Expenditures	1,172,991	0	1,172,991
Transfers	100,909	0	100,909
Contingency	151,983	0	151,983
Ending Fund Balance	0	0	0
Total Requirements	1,425,883	0	1,425,883

Enterprise Management Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Revenue			
Property Income	1,287,564	0	1,287,564
Total Revenue	1,287,564	0	1,287,564
Total Resources	1,287,564	0	1,287,564
Requirements			
Expenditures			
Housing	1,287,564	0	1,287,564
Total Expenditures	1,287,564	0	1,287,564
Ending Fund Balance	0	0	0
Total Requirements	1,287,564	0	1,287,564

Enterprise Zone Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	1,333,279	0	1,333,279
Revenue			
Interest on Investments	12,405	0	12,405
Miscellaneous	161,569	0	161,569
Total Revenue	173,974	0	173,974
Total Resources	1,507,253	0	1,507,253
Requirements			
Expenditures			
Administration	10,412	0	10,412
Business Development	664,339	0	664,339
Total Expenditures	674,751	0	674,751
Transfers	5,761	0	5,761
Contingency	826,741	0	826,741
Ending Fund Balance	0	0	0
Total Requirements	1,507,253	0	1,507,253

Gateway Regional Center URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	2,237,324	0	2,237,324
Revenue			
Interest on Investments	8,000	0	8,000
Loan Collections	11,011	0	11,011
Long Term Debt	3,200,000	0	3,200,000
Short Term Debt	2,705,290	0	2,705,290
Total Revenue	5,924,301	0	5,924,301
Total Resources	8,161,625	0	8,161,625
Requirements			
Expenditures			
Administration	23,470	0	23,470
Business Development	473,864	0	473,864
Infrastructure	376,191	0	376,191
Housing	4,112,962	0	4,112,962
Property Redevelopment	1,622,030	0	1,622,030
Total Expenditures	6,608,517	0	6,608,517
Transfers	539,347	0	539,347
Contingency	1,013,761	0	1,013,761
Ending Fund Balance	0	0	0
Total Requirements	8,161,625	0	8,161,625

General Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	2,066,627	0	2,066,627
Revenue			
Interest on Investments	8,480	0	8,480
Intergovernmental Revenues	5,788,326	0	5,788,326
Loan Collections	100,000	0	100,000
Property Income	358,601	0	358,601
Reimbursements	178,455	0	178,455
Service Reimbursements	15,062,027	0	15,062,027
Total Revenue	21,495,889	0	21,495,889
Total Resources	23,562,516	0	23,562,516
Requirements			
Expenditures			
Administration	16,348,919	0	16,348,919
Business Development	5,220,272	0	5,220,272
Housing	442,101	0	442,101
Property Redevelopment	434,455	0	434,455
Total Expenditures	22,445,747	0	22,445,747
Transfers	665,031	0	665,031
Contingency	451,738	0	451,738
Ending Fund Balance	0	0	0
Total Requirements	23,562,516	0	23,562,516

HCD Contract Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Revenue			
Intergovernmental Revenues	2,138,667	0	2,138,667
Total Revenue	2,138,667	0	2,138,667
Total Resources	2,138,667	0	2,138,667
Requirements			
Expenditures			
Administration	143,921	0	143,921
Business Development	1,801,423	0	1,801,423
Total Expenditures	1,945,344	0	1,945,344
Transfers	193,323	0	193,323
Ending Fund Balance	0	0	0
Total Requirements	2,138,667	0	2,138,667

Interstate Corridor URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	22,579	50,000	72,579
Revenue			
Interest on Investments	20,000	0	20,000
Loan Collections	450,000	0	450,000
Long Term Debt	8,600,000	0	8,600,000
Short Term Debt	7,992,000	0	7,992,000
Total Revenue	17,062,000	0	17,062,000
Total Resources	17,084,579	50,000	17,134,579
Requirements			
Expenditures			
Administration	34,044	0	34,044
Business Development	3,105,158	0	3,105,158
Infrastructure	3,071,776	50,000	3,121,776
Housing	6,090,091	0	6,090,091
Property Redevelopment	2,638,466	0	2,638,466
Total Expenditures	14,939,535	50,000	14,989,535
Transfers	2,126,743	0	2,126,743
Contingency	18,301	0	18,301
Ending Fund Balance	0	0	0
Total Requirements	17,084,579	50,000	17,134,579

Lents Town Center URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	1,472,677	0	1,472,677
Revenue			
Interest on Investments	7,000	0	7,000
Loan Collections	173,000	0	173,000
Long Term Debt	9,000,000	0	9,000,000
Reimbursements	300,000	0	300,000
Short Term Debt	6,561,365	0	6,561,365
Total Revenue	16,041,365	0	16,041,365
Total Resources	17,514,042	0	17,514,042
Requirements			
Expenditures			
Administration	32,952	0	32,952
Business Development	1,403,037	0	1,403,037
Infrastructure	3,061,214	0	3,061,214
Housing	2,072,730	0	2,072,730
Property Redevelopment	5,685,566	0	5,685,566
Total Expenditures	12,255,499	0	12,255,499
Transfers	2,095,095	0	2,095,095
Contingency	3,163,448	0	3,163,448
Ending Fund Balance	0	0	0
Total Requirements	17,514,042	0	17,514,042

North Macadam URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	2,345,962	0	2,345,962
Revenue			
Fees and Charges	324,309	0	324,309
Interest on Investments	23,460	0	23,460
Loan Collections	128,882	0	128,882
Long Term Debt	19,500,000	0	19,500,000
Property Income	15,000	0	15,000
Short Term Debt	5,772,048	0	5,772,048
Total Revenue	25,763,699	0	25,763,699
Total Resources	28,109,661	0	28,109,661
Requirements			
Expenditures			
Administration	24,623	0	24,623
Business Development	570,214	0	570,214
Infrastructure	10,216,795	0	10,216,795
Housing	12,916,068	0	12,916,068
Property Redevelopment	879,007	0	879,007
Total Expenditures	24,606,707	0	24,606,707
Transfers	830,505	0	830,505
Contingency	2,672,449	0	2,672,449
Ending Fund Balance	0	0	0
Total Requirements	28,109,661	0	28,109,661

Other Federal Grants Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	884,514	0	884,514
Revenue			
Interest on Investments	8,845	0	8,845
Intergovernmental Revenues	460,950	0	460,950
Loan Collections	317,026	0	317,026
Total Revenue	786,821	0	786,821
Total Resources	1,671,335	0	1,671,335
Requirements			
Expenditures			
Business Development	1,092,024	0	1,092,024
Total Expenditures	1,092,024	0	1,092,024
Transfers	64,667	0	64,667
Contingency	514,644	0	514,644
Ending Fund Balance	0	0	0
Total Requirements	1,671,335	0	1,671,335

Risk Management Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	248,265	0	248,265
Revenue			
Interest on Investments	500	0	500
Total Revenue	500	0	500
Total Resources	248,765	0	248,765
Requirements			
Expenditures			
Administration	248,765	0	248,765
Total Expenditures	248,765	0	248,765
Ending Fund Balance	0	0	0
Total Requirements	248,765	0	248,765

River District URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	8,641,256	0	8,641,256
Revenue			
Loan Collections	600,000	0	600,000
Property Income	582,348	0	582,348
Reimbursements	452,822	0	452,822
Short Term Debt	21,264,027	0	21,264,027
Total Revenue	22,899,197	0	22,899,197
Total Resources	31,540,453	0	31,540,453
Requirements			
Expenditures			
Administration	75,170	0	75,170
Business Development	2,322,655	0	2,322,655
Infrastructure	8,501,084	0	8,501,084
Housing	2,172,333	0	2,172,333
Property Redevelopment	8,737,847	0	8,737,847
Total Expenditures	21,809,089	0	21,809,089
Transfers	3,569,367	0	3,569,367
Contingency	6,161,997	0	6,161,997
Ending Fund Balance	0	0	0
Total Requirements	31,540,453	0	31,540,453

South Park Blocks URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	5,371,699	0	5,371,699
Revenue			
Interest on Investments	53,717	0	53,717
Loan Collections	146,657	0	146,657
Total Revenue	200,374	0	200,374
Total Resources	5,572,073	0	5,572,073
Requirements			
Expenditures			
Administration	8,604	0	8,604
Business Development	641,313	0	641,313
Infrastructure	1,361,314	0	1,361,314
Housing	3,326,242	0	3,326,242
Property Redevelopment	135,946	0	135,946
Total Expenditures	5,473,419	0	5,473,419
Transfers	96,798	0	96,798
Contingency	1,856	0	1,856
Ending Fund Balance	0	0	0
Total Requirements	5,572,073	0	5,572,073

Willamette Industrial URA Fund

	Proposed FY 2012-13	Recommended Change	Approved FY 2012-13
Resources			
Beginning Fund Balance	1,680,959	0	1,680,959
Revenue			
Interest on Investments	10,000	0	10,000
Short Term Debt	706,450	0	706,450
Total Revenue	716,450	0	716,450
Total Resources	2,397,409	0	2,397,409
Requirements			
Expenditures			
Administration	5,718	0	5,718
Business Development	916,204	0	916,204
Property Redevelopment	138,532	0	138,532
Total Expenditures	1,060,454	0	1,060,454
Transfers	230,779	0	230,779
Contingency	1,106,176	0	1,106,176
Ending Fund Balance	0	0	0
Total Requirements	2,397,409	0	2,397,409

RESOLUTION NO. 6947

RESOLUTION TITLE:

APPROVING THE ANNUAL BUDGET OF THE PORTLAND DEVELOPMENT COMMISSION FOR THE FISCAL YEAR ENDING JUNE 30, 2013


Adopted by the Portland Development Commission on May 30, 2012

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Mayor Sam Adams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Nick Fish	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Amanda Fritz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Randy Leonard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Dan Saltzman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

	<p>Date:</p> <p>June 1, 2012</p>
<p>Emily Swensen, Recording Secretary</p>	