



DATE: April 20, 2016
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 16-21
Update on the Portland Development Commission Fiscal Year 2016-17 Proposed Budget

BOARD ACTION REQUESTED

No action requested, informational only.

SUMMARY

At the April 20, 2016, Portland Development Commission (PDC) Board of Commissioners (Board) meeting, staff will provide an update on the fiscal year (FY) 2016-17 PDC Proposed Budget (Proposed Budget). Subsequent to PDC Board input and direction, PDC staff will finalize the Proposed Budget in April and present to Portland City Council (City Council), acting as the PDC Budget Committee, on May 11, 2016. City Council is expected to approve the Proposed Budget on May 18, 2016. PDC staff will seek the PDC Board's approval of the City Council approved Proposed Budget at its June 8, 2016, meeting.

BACKGROUND AND CONTEXT

The PDC FY 2016-17 budget development process began in October 2015 with the creation of draft work plans for FY 2016-17. From November 2015 through January 2016, PDC staff created draft expenditure budgets and revenue forecasts that were reviewed by the PDC Board on January 27, 2016, during the FY 2016-17 Budget Work Session.

Two advisory groups with stakeholders representing a broad cross-section of the community provided input on the draft budget. The Central City Budget Advisory Committee and the Neighborhood Economic Development Leadership Group Budget Sub-Committee each met three times since December 2015 to review the FY 2016-17 draft work plans and begin reviewing draft budgets. The FY 2016-17 Requested Budget included letters from both groups.

Since its release in early February, the Requested Budget has been reviewed by the City of Portland (City) Budget Office, and PDC participated in a City Budget Work Session on March 28, 2016, which focused on PDC's recommended decision packages for General Fund cuts and additions.

The Proposed Budget will amend the FY 2016-17 Requested Budget with the following changes:

- 1) Update resources and expenditure appropriations being removed from the FY 2015-16 Revised 2 Budget and move to the FY 2016-17 Proposed Budget. Projects include:
 - a. Housing Set Aside Requirements based on timing of Portland Housing Bureau projects;
 - b. Commercial lending program funding carryover (Lents Town Center, Gateway Regional Center, River District, and Downtown Waterfront urban renewal areas (URAs) to support

action plans and investment strategies in the FY 2016-17 Proposed Budget and Five-Year Forecast.

- c. Estimated timing for major redevelopment projects including the Convention Center Hotel Garage and United States Post Office acquisition.
- 2) Update PDC's General Fund resources and expenditures to reflect the Mayor's Proposed Budget decisions. Decisions will not be released by the Mayor's Office until April 28, 2016, and are therefore unknown at this time.

Following City Council approval of the FY 2016-17 budget on May 18, 2016, the budget will be submitted to the Tax Supervising and Conservation Commission to review and determine compliance with local budget law. Final changes approved by City Council will be presented along with final recommended changes for the PDC Board to adopt following the June 8, 2016, Tax Supervising and Conservation Commission Hearing.

ATTACHMENTS

- A. Draft Proposed Budgets / Five-Year Forecasts – River District and Oregon Convention Center URAs
Draft Proposed Budgets

Revised- 2 Proposed Forecast Forecast Forecast Forecast
FY 2015-16 FY 2016-17 FY 2017-18 FY 2018-19 FY 2019-20 FY 2020-21

Convention Center URA

Resources

Beginning Fund Balance	41,116,424	29,674,765	1,004,426	2,428,750	173,326	1,051,050
Fees and Charges	1,500	1,931	200	800	500	800
Interest on Investments	30,000	10,000	10,000	5,000	0	0
Loan Collections	351,008	342,114	421,823	1,183,500	834,036	699,347
Property Income	2,017,290	6,517,290	2,017,290	2,017,290	2,017,290	2,017,290
Transfers In	0	5,102,510	7,495,842	900,817	9,289,177	953,348
Total Resources	43,516,222	41,648,610	10,949,581	6,536,157	12,314,329	4,721,835

Requirements

Program Expenditures

Administration

Financial Administration

A45101350 Debt Management-CNV	11,795	30,045	30,045	30,045	30,045	30,045
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Total Administration	11,795	30,045	30,045	30,045	30,045	30,045
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Business Development

Business Lending

L00210350 BL -General-CNV	100	110,110	110,000	150,150	150,000	150,150
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Total Business Development	100	110,110	110,000	150,150	150,000	150,150
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Housing

PHB Housing

H15430350 Affordable Housing-CNV	6,140,000	1,710,000	4,000,000	0	0	0
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Total Housing	6,140,000	1,710,000	4,000,000	0	0	0
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Property Redevelopment

Commercial Property Redevelopm

P35060515 Inn at Conv Ctr Mgmt-CNV	1,793,173	1,769,357	1,769,357	1,769,357	1,769,357	1,769,357
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P35092015 Real Estate Mgmt-CNV-Adm	5,000	5,000	5,000	5,000	5,000	5,000
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P35060615 Block 49-CNV-Adm	100,925	3,350	3,350	3,350	3,350	3,350
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P35060415 Metro Park-CNV-Adm	2,131	0	0	0	0	0
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P35060315 Shilo Inn-CVN	15,000	0	0	0	0	0
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P35060115 910 NE MLK Building-CNV-Adm	18,731	16,600	16,600	16,600	16,600	16,600
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P35051415 Rose Qtr Master Plan-CNV	0	5,000,000	2,000,000	4,000,000	9,000,000	0
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P35060715 Hotel Garage-CNV	559,383	0	0	0	0	0
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P35051115 Block47-CNV-Adm	6,200	6,200	0	0	0	0
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P35050715 ConventionCenter Hotel-CNV-Adm	4,000,000	0	0	0	0	0
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P35050515 Eco District-CNV-Adm	2,500	2,500	2,500	2,500	0	0
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P35060215 Frmr B&K Car Rental-CNV-Adm	10,500	10,500	0	0	0	0
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Total Property Redevelopment	6,513,543	6,813,507	3,796,807	5,796,807	10,794,307	1,794,307
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Total Program Expenditures	12,665,438	8,663,662	7,936,852	5,977,002	10,974,352	1,974,502
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Personal Services	147,226	93,517	83,979	85,829	88,927	90,794
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Transfers - Indirect	1,028,793	1,287,005	500,000	300,000	200,000	100,000
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Total Fund Expenditures	13,841,457	10,044,184	8,520,831	6,362,831	11,263,279	2,165,296
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Contingency	29,674,765	1,004,426	2,428,750	173,326	1,051,050	2,556,539
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Operating Transfers Out	0	30,600,000	0	0	0	0
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Ending Fund Balance	0	0	0	0	0	0
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Total Requirements	43,516,222	41,648,610	10,949,581	6,536,157	12,314,329	4,721,835
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Revised- 2 Proposed Forecast Forecast Forecast Forecast
FY 2015-16 FY 2016-17 FY 2017-18 FY 2018-19 FY 2019-20 FY 2020-21

River District URA

Resources

Beginning Fund Balance	52,655,293	83,039,398	26,703,740	18,506,670	33,203,650	10,368,234
Debt Proceeds	11,673,378	14,277,183	157,562	9,500,000	0	0
Fees and Charges	10,000	7,579	11,203	10,244	6,686	2,110
Interest on Investments	200,000	0	0	0	0	0
Intergovernmental Revenues	1,969,511	1,088,734	630,248	0	0	0
Loan Collections	5,359,380	235,823	1,040,599	768,830	438,228	457,132
Long Term Debt	39,968,145	19,805,906	0	0	0	4,427
Miscellaneous	4,834	0	0	0	0	0
Property Income	9,548,749	6,966,015	2,466,015	6,466,015	2,466,015	2,466,015
Reimbursements	179,235	0	0	0	0	0
Short Term Debt	19,948,515	24,441,139	20,007,466	20,668,051	10,623,491	0
Transfers In	0	0	0	0	39,900,000	0
Total Resources	141,517,040	149,861,777	51,016,833	55,919,810	86,638,070	13,297,918

Requirements

Program Expenditures

Administration

Financial Administration

A45101330 Debt Management-RVD	77,435	65,000	65,000	65,000	65,000	65,000
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Total Administration	77,435	65,000	65,000	65,000	65,000	65,000
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Business Development

Business Lending

L00210330 BL -General-RIV	500,100	0	0	0	0	0
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Small Business & Community Dev

B55005330 OT/CT Action Plan-RVD	145,000	65,000	65,000	65,000	0	0
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Traded Sector Business Dev

B15100330 Cluster Development-RVD	50,000	50,000	50,000	50,000	0	0
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Total Business Development	695,100	115,000	115,000	115,000	0	0
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Housing

PHB Housing

H15430330 Affordable Housing-RVD	7,930,070	21,304,023	11,253,533	2,428,468	7,000,000	0
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Total Housing	7,930,070	21,304,023	11,253,533	2,428,468	7,000,000	0
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Infrastructure

Public Facilities

N33033415 Pearl District Cir-RVD-Adm	1,100,000	0	0	0	0	0
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N33022015 Union Station Grant-RVD-Adm	2,461,889	1,439,503	719,752	0	3,500,000	0
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Transportation

N33030115 District Parking-RVD	0	2,500,000	2,500,000	0	0	0
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Total Infrastructure	3,561,889	3,939,503	3,219,752	0	3,500,000	0
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Property Redevelopment

Commercial Property Redevelopm

P33060115 Block Y-RVD-Adm	45,400	45,100	45,100	45,100	45,100	45,100
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P33060715 One Waterfront North-RVD-Adm	8,400	508,400	0	0	0	0
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P33060615 Block R-RVD-Adm	9,800	9,800	9,800	9,800	0	0
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P33060545 Station Place Prkng-RVD-Adm	424,924	266,811	266,811	266,811	266,811	266,811
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P33060525 Station Place Lot 5-RVD-Adm	204,000	504,000	0	0	0	0
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P33092015 Real Estate Mgmt-RVD-Adm	10,550	10,250	10,250	10,250	10,250	10,250
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P33060215 Union Station-RVD-Adm	1,368,757	1,363,757	1,363,757	1,363,757	1,363,757	1,363,757
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P33060815 Old Fire Station Mgmt-RVD-Adm	23,000	18,000	0	0	0	0
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Five-Year Forecast Program Requirements Detail

	Revised- 2 FY 2015-16	Proposed FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21
P33054315 RD Enviro Reimb-RVD	4,500	0	0	0	0	0
P33052815 PNCA Contract-RVD	585	0	0	0	0	0
P33052215 CC 2035-RVD-Adm	32,772	0	0	0	0	0
P33052115 10th & Yamhill Redev-RVD-Adm	1,750,000	3,250,000	0	0	0	0
P33050315 Broadway Corridor-RVD	310,000	590,000	0	0	0	0
P33050215 4th and Burnside-RVD	46,400	0	0	0	0	0
P33050115 Dtnw Retail Strat-RVD-Adm	30,000	30,000	0	0	0	0
P33050015 Post Office-RVD-Adm	103,447	0	0	0	20,795,580	0
P33055115 Multnomah County-PDV-Adm	16,948,460	0	0	9,500,000	0	0
P33060415 Centennial Mills-RVD-Adm	10,706,976	9,853,355	48,355	48,355	0	0
Commercial Real Estate Lending						
R01100330 CPRL-General-RVD	3,500,000	5,502,000	8,502,000	562,604	0	0
Community Redevelopment Grants						
G04100330 GFGP-General-RVD	25,000	50,000	50,000	50,000	0	0
G03100330 SIP-General-RVD	300,000	300,000	300,000	300,000	300,000	0
G02100330 DOS-General-RVD	100,000	100,000	100,000	100,000	100,000	0
G01100330 CLG-General-RVD	100,000	100,000	100,000	100,000	100,000	100,000
Total Property Redevelopment	36,052,971	22,501,473	10,796,073	12,356,677	22,981,498	1,785,918
Total Program Expenditures	48,317,465	47,924,999	25,449,358	14,965,145	33,546,498	1,850,918
Debt	583,669	1,297,528	1,305,406	1,780,406	36,498,326	0
Personal Services	624,464	630,035	590,529	603,535	625,320	638,452
Transfers - Indirect	5,085,559	4,694,346	5,164,870	5,367,074	5,599,692	5,761,738
Total Fund Expenditures	54,611,157	54,546,908	32,510,163	22,716,160	76,269,836	8,251,108
Contingency	83,905,883	26,703,740	18,506,670	33,203,650	10,368,234	5,046,810
Operating Transfers Out	3,000,000	68,611,129	0	0	0	0
Ending Fund Balance	0	0	0	0	0	0
Total Requirements	141,517,040	149,861,777	51,016,833	55,919,810	86,638,070	13,297,918