

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7241

**AUTHORIZING EXECUTION OF FISCAL YEAR 2017-18
INTERGOVERNMENTAL SERVICE LEVEL AGREEMENT WITH THE CITY OF
PORTLAND FOR GENERAL FUND SPECIAL APPROPRIATIONS OF
\$6,021,909 FOR ECONOMIC DEVELOPMENT ACTIVITIES**

WHEREAS, Prosper Portland (“Prosper Portland”), as the duly-designated urban renewal agency of the City of Portland (“City”), is granted broad powers under Oregon Revised Statutes 457.170 for the planning and implementation of urban renewal projects;

WHEREAS, Prosper Portland has established expertise in economic development activities which, to the extent they are financed through the use of urban renewal tax increment revenues, are restricted to the City’s urban renewal areas;

WHEREAS, Prosper Portland’s 2015-2020 Strategic Plan goal is to achieve widely shared prosperity among all residents of Portland by harnessing and expanding Prosper Portland’s tools for job creation, place-making, and economic opportunity;

WHEREAS, the City and Prosper Portland desire that Prosper Portland implement certain economic development activities on a citywide basis, primarily community economic development and traded sector job creation and retention, and the City has approved providing funding to Prosper Portland to do so;

WHEREAS, implementing these economic development activities supports Prosper Portland’s mission and strategic goals related to increasing access to jobs, creating healthy and vibrant neighborhoods, and fostering equitable wealth creation; and

WHEREAS, the City and Prosper Portland desire to enter into an agreement to establish the terms and conditions by which the City will provide funding to Prosper Portland to implement economic development activities on a citywide basis.

NOW, THEREFORE, BE IT RESOLVED that the Prosper Portland Board of Commissioners authorizes the Executive Director to execute the Fiscal Year 2017-18 Intergovernmental Service Level Agreement – General Fund Special Appropriations with the City of Portland, substantially in the form affixed hereto as Exhibit A, to provide \$6,021,909 to Prosper Portland for economic development activities; and

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

Adopted by the Prosper Portland Commission on June 28, 2017

A handwritten signature in black ink that reads "Pam Micek". The signature is written in a cursive, flowing style.

Pam Micek, Recording Secretary

FY 2017-18 Intergovernmental Service Level Agreement General Fund Appropriation

This Intergovernmental Service Level Agreement (“Agreement”), dated this [redacted] day of [redacted], 2017 (“Effective Date”), is made and entered into by and between the **City of Portland** (the “City”) and **Prosper Portland** (“Prosper Portland”) (collectively the “Parties”).

RECITALS

- A.** Prosper Portland, as the duly-designated Urban Renewal agency of the City of Portland, is granted broad powers under ORS 457.170 for the planning and implementation of urban renewal projects.
- B.** A cooperative relationship between Prosper Portland and the City will be beneficial to the implementation of specific economic development activities including target industry development, entrepreneurial development and community economic development on a citywide basis.
- C.** Funding has been appropriated in the City’s FY 2017-18 Adopted Budget to fund the abovementioned economic development activities.
- D.** Both parties desire to enter into an agreement that will establish terms and conditions by which one party will engage and compensate the other party for performing specific services.
- E.** The City Budget Office (“CBO”), as the City’s budget liaison to Prosper Portland has been identified as the bureau responsible for managing this agreement.

AGREEMENT

1. Parties

Prosper Portland
Main Contact: Tony Barnes
City of Portland, City Budget Office
Main Contact: Josh Harwood

2. Term and Termination

This Fiscal Year 2017-18 Agreement runs from July 1, 2017 to June 30, 2018.

- a. The full amount of funds for 2017-18 is authorized in the City’s FY 2017-18 Adopted Budget.
- b. If funding is authorized for an additional program or transfer, City may add that program or transfer by written amendment to this Agreement, subject to Prosper Portland approval.
- c. Either party may terminate the entire Agreement with 30 days prior written notice to the other.

- d. If this Agreement is terminated, the City shall reimburse Prosper Portland for expenses incurred and funds contractually committed, prior to the date of termination, in the course of performing the activities described in the Scope of Services.

3. Roles & Responsibilities

The City will send funds to Prosper Portland pursuant to the terms of Section 4 of this agreement.

4. Scope of Services

The City will provide to Prosper Portland a total of \$6,021,910 in funding in the following amounts for the following economic development activities during FY 2017-18. Prosper Portland shall successfully implement the economic development activities described below and meet the programmatic performance measure targets as defined below:

Programs:

- 1) Neighborhood Economic Development, hereafter known as Entrepreneurship and Community Economic Development (ECED) - \$4,614,518- consisting of:

Neighborhood Prosperity Initiatives (NPI) and Main Street Network (\$1,040,887)
This program consists of:

Main Street Network is a community-led revitalization program designed to stimulate neighborhood businesses. In June 2010, Portland designated Alberta, Hillsdale, and St. Johns as its first three Main Street districts. The districts receive grants for district administration, property and sustainability improvements, and promotional events. Prosper Portland also provides technical assistance to the districts in implementation of the Main Street approach, district design support, and organizational capacity building.

Neighborhood Prosperity Initiative focuses on six economically challenged business areas in East and outer Northeast Portland to build the capacity of community-based organizations to become active partners in neighborhood economic development. In addition to ongoing technical assistance and training provided by Prosper Portland, the districts will be eligible for a district administration and operations grant, marketing, promotions and branding grant, and a property improvement grant.

Neighborhood Commercial Corridors also includes an initial appropriation of \$234,299 for transfer of NPI tax increment shared revenue forecast to be received by the City General Fund that will be transferred to Prosper Portland in accordance with the Neighborhood Prosperity Initiative for Granted Revenues IGA approved in 2012. The amount will be reconciled in the Spring Budget Monitoring Process based on actual taxes received during FY 2017-18.

Funding for the above programming is intended to produce the following outcomes:

Main Street and NPI Districts Performance Measures	Target FY 2017-18
Number of volunteer hours provided by NPI and Main Streets Districts	35,000
Net number of businesses (NPI and Main Street Districts)	25
Net number of full-time hires (NPI and Main Street Districts)	55
Net number of part-time hires (NPI and Main Street Districts)	30
Operating funds raised by NPI & Main Streets	\$500,000

Venture Portland (\$492,726)

Funds provided to Venture Portland to support training, technical assistance, and small grants to Portland’s neighborhood business district associations. The total includes one-time funding of \$166,000 for the Catalytic Investment Initiative which is a follow up to the East Portland pilot.

Funding for the above programming is intended to produce the following outcomes:

Venture Portland Performance Measures	Target FY 2017-18
Amount of private funds raised by Business District Associations to match Venture Portland grants	\$300,000
Amount of technical assistance hours to Business District Associations by Venture Portland	1,000
Number of training hours provided to Business District Associations by Venture Portland	700
Amount of grants to Venture Portland to support business districts	\$68,000
Number of projects funded by Venture Portland	30
Number of Business District Associations receiving grants from Venture Portland	30
Number of volunteer hours provided by Venture Portland Board Members and other volunteers	1,700

Small and Microenterprise Business Development Program (\$1,193,190)

This program provides business technical assistance and support to businesses owned by people with low incomes, people of color, and people with limited English proficiency. Technical assistance and support is delivered through managed contracts with non-profit community-based organizations. In early 2017,

Prosper Portland issued a Request for Proposals to build and implement the Small Business Development Technical Assistance Partnership (SBTAP). The Small and Micro Business Development Program will maintain its existing focus, but the composition of service providers may change. The Small and Microenterprise Business Development Program also includes one-time carryover funding for Innovation Funds of \$70,000 (Bridging the Digital Divide).

Inclusive Entrepreneurship Support program (\$546,420)

This program supports the growth of innovative startups and scalable small businesses in Portland. Prosper Portland is leading a number of initiative to develop and assist entrepreneurs seeking to grow companies with a national or international impact.

The Inclusive Entrepreneurship Support program also includes, one-time carryover funding for \$30,000 for the remainder of a grant provided to the Portland Economic Investment Corporation, and \$175,000 in on-time funding for one Small Business Growth program cohort.

Funding for the above programming is intended to produce the following outcomes:

Small and Micro Business Development Program Performance Measures	Target FY 2017-18
Number of technical assistance hours provided by the Small and Micro Business Development Program	12,000
Percent of business owners of color served by the Small and Micro Business Development Program	75%
Percentage of business owners with limited English proficiency served by the Small and Micro Business Development Program	30%
Percent of low-income business owners (Median Family Income at or below 80% at enrollment) served by the Small and Micro Business Development Program	90%
Rating of overall client satisfaction with business technical assistance (range 1-5)	4.5
Number of businesses served by the Small and Micro Business Development Program	320

Small Business Working Capital (\$51,299)

The Small Business Working Capital Program is utilized to increase access to capital for small businesses. The aim of the program is promote wealth creation for small-scale, low-income, immigrant, and/or minority-owned firms (target businesses) who aim to grow their businesses. As such, resources are prioritized

for businesses that have historically faced barriers accessing financing from traditional lenders.

Funding for the above programming is intended to produce the following outcomes:

Small Business Working Capital Performance Measures	Target FY 2017-18
Number of transactions	10*
Leverage per transaction	Minimum 3:1
Default rate	5%

*Assumes an average loan size of \$15,000

Workforce EOI (\$1,289,995)

The goal of this program is to raise the incomes of low income Portland residents through workforce development. All participants have incomes of 50 percent or less of the Portland area median family income and often face barriers to employment such as limited English proficiency, criminal histories, homelessness, drug and alcohol addictions, and lack of educational credentials and basic skills.

Funding for the above programming is intended to produce the following outcomes:

Workforce Development Program Performance Measures	Target FY 2017-18
Percentage of youth participants people of color in workforce development	70%
Percentage of adult participants people of color in workforce development	50%
Number of youth participants in workforce development	656
Number of adult participants in workforce development	825

2) **Traded Sector Job Creation & Retention - \$1,407,392** consisting of:

Cluster Development (\$1,407,392)

The City’s Economic Development Strategy seeks to raise the national and international competitive profile of four target industry clusters (clean technology; athletic & outdoor; metals and machinery; and software and digital media) through the retention and expansion of local companies and the strategic recruitment of firms to the city. Cluster efforts support creation of middle wage jobs and broadening the talent pipeline to generate inclusive growth in these targeted industries.

The Cluster Initiatives and Business Development Program include:

- Business development to support quality job growth through business and industry expansion;
- Business development to alleviate barriers to growth;
- Business recruitment in partnership with Greater Portland Inc.; and
- International business development and export promotion.

The Cluster Development program includes \$142,240 in one-time General Fund resources to support the Film & Video Office for one year. By FY 2018-19, this office is expected to be self-sustaining.

Funding for the above programming is intended to produce the following outcomes:

Traded Sector Economic Development Performance Measures	Target FY 2017-18
Number of Traded Sector business retention/expansion visits	425
Percent of workforce in Multnomah County earning at least a middle wage	48%
Number of new middle-wage jobs	13,000
Number of Traded Sector business relocations (within Portland)	10
Number of Traded Sector Business Clients	300
Number of Traded Sector direct assistance, referral activities	400
Number of Portland Traded Sector firms receiving export assistance	40
Number of Traded Sector international contracts (Portland only)	10

5. Deliverables & Payment Schedule

Deliverables from Prosper Portland will be as follows

- a. Prosper Portland will provide periodic activity billings. The current year appropriations will be broken out into the following categories: Personnel Services, Materials & Supplies, Financial Assistance, and Overhead and include actuals and balances. Any major contracts (more than \$5,000) included in billings in either Neighborhood Economic Development or Traded Sector programming will be listed with a brief explanation of service provided.
- b. Prosper Portland will provide CBO with finalized FY 2016-17 program performance data (i.e. outcomes) and key performance measure data during the first quarter of FY 2017-18, consistent with City bureau reporting expectations. Prosper Portland will also provide CBO with updated FY 2017-18 program performance data, key performance measure data, and project-specific metrics upon request throughout the fiscal year.

Payment Schedule

Prosper Portland will bill CBO on a periodic basis based on expenditures incurred, unless and to the extent the Parties agree in writing to alternate disbursement or payment arrangements. The total General Fund Special Appropriations is \$6,021,910.

6. Changes to Funding Allocations

The Prosper Portland Contract Signatory and the CBO Contract Signatory are authorized to adjust funding levels by program or adjust funding between sub-program categories, through a duly executed amendment to this Agreement, so long as sufficient funds have been appropriated in the City budget to cover the maximum amounts payable for economic development activities by the City under this Agreement, and sufficient funds have been appropriated for these economic development activities in Prosper Portland's Budget.

- a. The current year appropriations include up to \$234,299 in General Fund revenue sharing related to the Neighborhood Prosperity Initiative (NPI). Billings for NPI are contingent upon actual taxes collected.

7. Administration & Dispute Resolution

Administration

The Parties will determine the frequency and scope of any necessary City/Prosper Portland meetings. The Parties may amend any provision of this Agreement in a writing signed by both parties hereto.

Dispute Resolution

If a dispute arises regarding the terms and conditions of this Agreement, all parties agree to exercise good faith in expeditiously resolving said conflict in the following manner:

- a. All conflicts should first be discussed and resolved, if at all possible, at the staff level.
- b. If the conflict cannot be resolved at the staff level, then the conflict should be elevated to the Main Contacts specified in Section 1 for discussion and resolution.
- c. Any conflicts not resolved by the Main Contracts shall be elevated to the signatories of this Agreement for discussion and resolution.

Approvals

The City of Portland, through the City Budget Office, and Prosper Portland have executed this Agreement as of the date on Page 1.

CITY OF PORTLAND

PROSPER PORTLAND

Andrew Scott, Budget Director

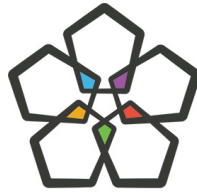
Kimberly Branam, Executive Director

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

Legal Counsel



PROSPER PORTLAND

Building an Equitable Economy

RESOLUTION NO. 7241

RESOLUTION TITLE:

AUTHORIZING EXECUTION OF FISCAL YEAR 2017-18 INTERGOVERNMENTAL SERVICE LEVEL AGREEMENT WITH THE CITY OF PORTLAND FOR GENERAL FUND SPECIAL APPROPRIATIONS OF \$6,021,909 FOR ECONOMIC DEVELOPMENT ACTIVITIES

Adopted by the Prosper Portland Commission on June 28, 2017


PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Alisha Moreland-Capuia MD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Consent Agenda 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 Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	Date: June 28, 2017
Pam Micek, Recording Secretary	