



DATE: May 11, 2016
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 16-22
Authorizing a \$100,000 Grant to Greater Portland Inc

BOARD ACTION REQUESTED

Adopt Resolution No. 7179.

ACTION DESCRIPTION

This action by the Portland Development Commission (PDC) Board of Commissioners (Board) will authorize the Executive Director to execute a Grant Agreement providing Greater Portland Inc (GPI) in an amount not to exceed \$100,000 for regional business recruitment, marketing, and export coordination. This is the fifth year that PDC has provided a grant to GPI. Since the Executive Director serves on the GPI Board of Directors, this action is being presented to the PDC Board for approval to avoid any perception of conflict of interest.

BACKGROUND AND CONTEXT

GPI is a local non-profit organization whose mission is to help companies expand and relocate to the Portland metropolitan region. Specifically, GPI conducts business development, develops marketing and branding, and coordinates regional strategies on economic development with partner organizations. Staff at GPI and PDC regularly collaborate on economic development activities, and the funding through the Grant Agreement will leverage other public and private investment in GPI to further regional job creation and enhance Portland's competitiveness as a global center of innovation and trade. If approved, PDC would grant \$100,000 from the fiscal year (FY) 2015-16 PDC General Fund budget to GPI for the following purposes:

1. Continuing GPI's lead role in responding to all regional inquiries and information requests from businesses, such as Requests for Interest/Proposals, which focus on Portland's five target industry clusters (advanced manufacturing, athletic and outdoor, green development, healthcare, and software). GPI will participate in outbound trips nationally to continue the long-term investment in recruiting companies to Portland.
2. Developing marketing and branding campaigns for target industry clusters and relevant entrepreneurship and export programs. Actions will include:
 - a. Promote Portland as a top location for investment, and highlight trade/export strengths and Foreign Direct Investment (FDI) compatibility.
 - b. Focus on Japan and Canada to strengthen trade and FDI opportunities.
 - c. Ramp up meaningful exchanges with decision makers and media via digital strategy.

3. Completing the Greater Portland 2020 Comprehensive Economic Development Strategy (CEDS). Convening Greater Portland Economic Development District (GPEDD) Board and GPEDD Strategy Committee as needed to finalize, implement, and conduct oversight. GPI will obtain GPEDD Board approval of Greater Portland 2020 CEDS and submit to the United States Department of Commerce Economic Development Administration for approval.

COMMUNITY AND PUBLIC BENEFIT

The Grant Agreement would provide funding for GPI to more intensely support traded sector job growth in advanced manufacturing, clean technology, athletic and outdoor, healthcare, and software through strategic business recruitment, regional branding and marketing, and coordination/implementation of the Greater Portland Export Plan. Traded sector companies provide family-wage jobs and support local-serving industries such as retail and professional services.

PUBLIC PARTICIPATION AND FEEDBACK

The \$100,000 earmarked for GPI was approved as part of the FY 2015-2016 City of Portland (City) budget process, which provided numerous opportunities for public input. No direct public participation has taken place since the adoption of the FY 2015-16 City General Fund Budget.

BUDGET AND FINANCIAL INFORMATION

There are sufficient resources in PDC's FY 2015-16 General Fund budget to fund the Grant Agreement.

RISK ASSESSMENT

The risks associated with approving the Grant Agreement are minimal. A detailed scope of work within the Grant Agreement requires that GPI report on the completion of all work; GPI has fulfilled this requirement at the end of each of its previous agreement cycles.

ALTERNATIVE ACTIONS

The PDC Board could decide to not authorize execution of the Grant Agreement. GPI would then be working with fewer resources, and the City would no longer be a stated partner.

ATTACHMENTS

- A. FY 2015-16 Rev-2 General Fund Budget

Five-Year Forecast Program Requirements Detail

| | Revised-2 FY 2015-16 | Requested FY 2016-17 | Forecast FY 2017-18 | Forecast FY 2018-19 | Forecast FY 2019-20 | Forecast FY 2020-21 |
|-------------------------------------------|-------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| PDC General Fund | | | | | | |
| Resources | | | | | | |
| Beginning Fund Balance | 148,624 | 0 | 0 | 0 | 0 | 0 |
| Fees and Charges | 1,500 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Revenues | 7,027,486 | 6,235,580 | 5,447,010 | 5,482,713 | 5,548,994 | 5,588,149 |
| Loan Collections | 136,704 | 57,986 | 57,986 | 48,815 | 48,815 | 48,815 |
| Total Resources | 7,314,314 | 6,293,566 | 5,504,996 | 5,531,528 | 5,597,809 | 5,636,964 |
| Requirements | | | | | | |
| Program Expenditures | | | | | | |
| Business Development | | | | | | |
| Business Lending | | | | | | |
| L04100101 SBLF-General_GEN | 158,143 | 46,220 | 46,220 | 46,220 | 46,220 | 46,220 |
| Small Business & Community Dev | | | | | | |
| B55003101 Community Dev Fund | 891,000 | 0 | 0 | 0 | 0 | 0 |
| B55060101 Small Business Technical-GEN | 897,548 | 809,328 | 809,328 | 809,328 | 809,328 | 809,328 |
| B55501101 Small Business Increase-GEN | 0 | 200,000 | 0 | 0 | 0 | 0 |
| B55540101 NPI & Main St Network-GEN | 512,069 | 425,397 | 425,397 | 425,397 | 425,397 | 425,397 |
| B55601101 EcDev Grants-GEN | 0 | 30,000 | 0 | 0 | 0 | 0 |
| B55935101 Venture Portland-GEN | 347,013 | 318,447 | 318,447 | 318,447 | 318,447 | 318,447 |
| B55940101 Powerll-Division AP-GEN | 0 | 400,000 | 0 | 0 | 0 | 0 |
| E10110101 Workforce/Sm Business | 1,100,611 | 1,041,538 | 1,041,538 | 1,041,538 | 1,041,538 | 1,041,538 |
| Traded Sector Business Dev | | | | | | |
| B15130101 International Business Dev-GEN | 100,500 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| B15001101 Adv Mfg - Cluster Dev | 91,300 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 |
| B15630101 Greater Portland-GEN | 100,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| B15904101 Healthcare and Biotech-GEN | 0 | 150,000 | 0 | 0 | 0 | 0 |
| B15100101 Cluster Development-GEN | 30,826 | 4,744 | 5,000 | 5,000 | 5,000 | 5,000 |
| B15701101 Software - Cluster Dev | 230,900 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 |
| B15104101 Mayor's Innovatn Funds-GEN | 58,709 | 0 | 0 | 0 | 0 | 0 |
| B15620101 Entrepreneurial Dev-GEN | 201,040 | 342,628 | 342,628 | 342,628 | 342,628 | 342,628 |
| B15610101 Film/Video-GEN | 11,750 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| B15601101 Athletic - Cluster Dev | 87,050 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 |
| B15505101 Inclusive Capital Fund | 550,000 | 0 | 0 | 0 | 0 | 0 |
| B15301101 Green & Clean - Cluster Dev | 66,300 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 |
| B15903101 B-Corp-GEN | 0 | 350,000 | 0 | 0 | 0 | 0 |
| Total Business Development | 5,434,759 | 4,613,302 | 3,483,558 | 3,483,558 | 3,483,558 | 3,483,558 |
| Total Program Expenditures | 5,434,759 | 4,613,302 | 3,483,558 | 3,483,558 | 3,483,558 | 3,483,558 |
| Personal Services | 1,280,289 | 1,260,351 | 1,586,692 | 1,619,536 | 1,676,975 | 1,713,436 |
| Transfers - Indirect | 312,439 | 361,927 | 376,760 | 379,619 | 388,461 | 391,155 |
| Total Fund Expenditures | 7,027,487 | 6,235,580 | 5,447,010 | 5,482,713 | 5,548,994 | 5,588,149 |
| Contingency | 148,624 | 0 | 0 | 0 | 0 | 0 |
| Operating Transfers Out | 138,203 | 57,986 | 57,986 | 48,815 | 48,815 | 48,815 |
| Ending Fund Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Requirements | 7,314,314 | 6,293,566 | 5,504,996 | 5,531,528 | 5,597,809 | 5,636,964 |