

City of Portland General Fund: Traded Sector Economic Development

Consistent with the Portland Development Commission's (PDC) new 5-Year Strategic Plan, economic development remains a core priority to help create quality family-wage jobs, increase accessibility to traded sector industries for under-represented populations, and foster wealth creation within communities of color and lower-income neighborhoods. The work includes one-on-one business development and cross-industry initiatives intended to enhance Portland's entrepreneurial ecosystem, international trade, business retention, and small business access to capital.

Outside of a few federal grants and a small amount of strategic resources provided by the Enterprise Zone program, PDC's traded sector work relies almost exclusively on City General Fund resources. In past fiscal years, the traded sector general fund base budget averaged approximately \$2 million. In FY 15-16 the General Fund Traded Sector Budget was \$2.5M, including \$500,000 in one-time funds to launch to Inclusive Startup Fund.

FY 15-16 Traded Sector General Fund Budget

Traded Sector Program	Personnel & Overhead	Materials & Services	Total
Cluster Industry Development	\$524,858	\$585,226	\$1,110,084
Entrepreneurship & Wealth Creation	\$264,390	\$307,500	\$571,890
Inclusive Startup Fund (<i>one-time</i>)	\$0	\$500,000	\$500,000
International Trade & Investment	\$186,135	\$100,500	\$286,635
Traded Sector Total	\$975,383	\$1,493,226	\$2,468,609

FY 16-17 Traded Sector General Fund Budget (Target)

Consistent with City Council and City Budget Office instructions, PDC is preparing a FY 16-17 Base Budget request that includes a 5% reduction in ongoing funds. The agency will also submit several Decision Package requests totaling \$650,000.

- Base Budget Request (ongoing) = ~ \$1.8M.
- Decision Package Requests (one-time only) = \$650,000
 - \$350,000 to implement a citywide B-Corp program;
 - \$150,000 to implement Year 2 of the INCREASE project; and
 - \$150,000 to staff a new business development officer focused on Healthcare & Biotechnology.

FY 16-17 Traded Sector Action Plan Priorities

Cluster Industry Development

Key initiatives of Cluster Development are designed to support target industry growth, particularly as it relates to access to quality jobs. The General Fund budget allocates resources for PDC economic development staff to proactively meet with traded sector companies to provide technical assistance. In the current fiscal year staff are on pace to meet with 300+ businesses and provide direct assistance,

encompassing market research, site-selection services, supply-chain development, talent attraction and export promotion. In FY 16-17 staff will pursue similar business development goals and continue to prioritize business development visits with companies in underserved neighborhoods or founded/led by priority populations.

In addition to business development, economic development staff also manages key industry initiatives. FY 16-17 highlights include:

- Tech Diversity Initiative focused on increasing job opportunities for priority populations;
- Small Business Lean Manufacturing Program targeting small, underserved manufacturers;
- Green Cities Corporate Venture Capital Matchmaking program;
- Peer-to-Peer Mentoring program for Athletic & Outdoor and Consumer Product companies;

Entrepreneurship & Wealth Creation

Fostering entrepreneurship is a core component of PDC's effort to create high-paying jobs, support scalable firms, and encourage broad economic and wealth creation opportunities. In FY 15-16 and continuing in FY 16-17 economic development staff are exclusively focused on creating entrepreneurship opportunities for under-represented populations, particularly people of color and women. In FY 16-17 PDC will focus on three core initiatives:

1. INCREASE Project – Cohort-based program for neighborhood small businesses that provides targeted resources, including mentoring and capital, to position firms owned by people of color or from low-income neighborhoods tap national markets.
2. Startup PDX Challenge 4.0 – National competition which began in 2013, focused on incubating early-stage startups founded by diverse teams.
3. Inclusive Startup Fund – Accelerator explicitly targeting high-growth startups founded by women or people from economically disadvantaged communities of color, provides access to investment capital and mentoring to position them for follow-on investment or a financial exit.

International Trade & Investment

With a heightened, intentional focus on international trade, Portland is strengthening its long-term position as a globally integrated economic region. PDC assumes a leadership role in implementing the region's international strategy (Greater Portland Global) and has successfully integrated export promotion and foreign direct investment into business development activities. FY 16-17 priorities include:

- International business development services for 50+ businesses;
- We Build Green Cities (WBGC) export and marketing program in Japan and Latin America;
- Pop-Up PDX (Consumer Product) export assistance and trade show program in Japan; and
- Development of a capital attraction program to increase foreign investment in priority projects.

For more information and questions regarding PDC's Traded Sector work please contact Chris Harder, Economic Development Manager at: 503-823-6854 or harderc@pdc.us.