



11/4/15

---

---

---

# Neighborhood Economic Development Strategy

*Year 4 Accomplishment Report*

# Neighborhood Economic Development Strategy

## Year 4 Accomplishment Report

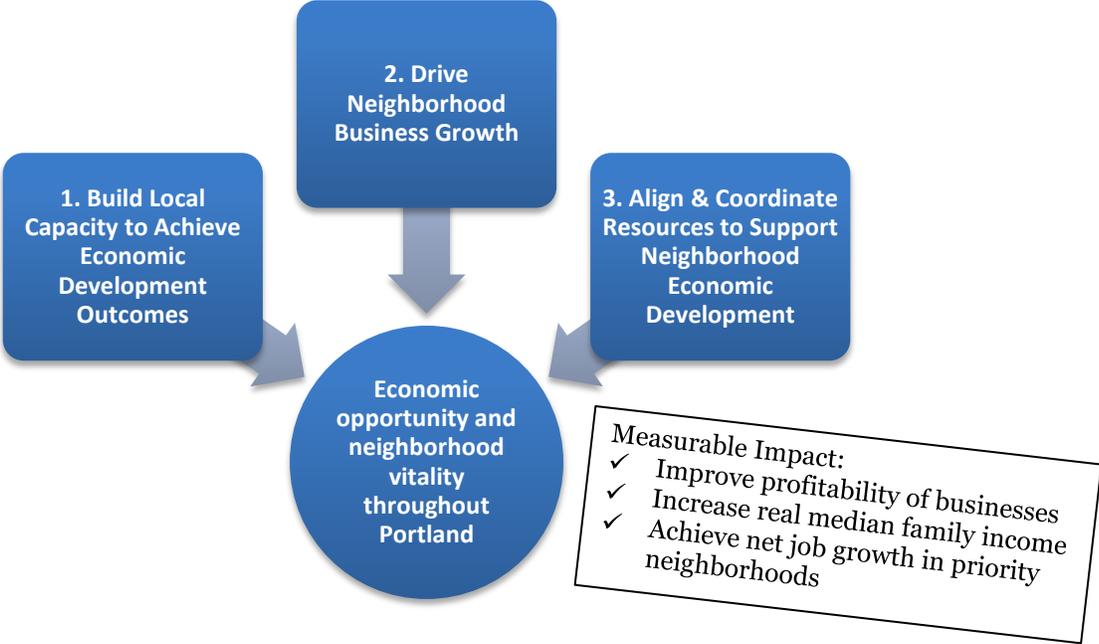
This report highlights the accomplishments of the Portland Development Commission (PDC) and partners in the implementation of the Neighborhood Economic Development (NED) Strategy between July 2011 and June 2015.

The NED Strategy was adopted in May of 2011 by Portland City Council and the PDC Board of Commissioners with the goal of fostering economic opportunity and neighborhood vitality throughout Portland. It emphasizes a best practice approach of community-led, community-driven economic development. Given the disparities in economic outcomes, the NED Strategy’s actions focus on communities of color citywide and on residents and businesses within low-income communities.



**Neighborhood Economic Development**

To carry out the NED Strategy, PDC and its partners have focused on three inter-related objectives:



The accomplishments highlighted in this report are the result of partnerships among public and private entities committed to a shared goal of equitable prosperity.

## Build Local Capacity to Achieve Economic Development Outcomes

With the adoption of the NED Strategy, PDC and the City of Portland began intentional investments in building local capacity to support community-driven economic growth. With the right tools and know-how, community intermediaries – from community-based organizations, to culturally-specific organizations, to business district associations – can most effectively drive neighborhood economic development. Portland has moved forward with key programs and initiatives that put communities in the driver seat for economic growth. Some notable accomplishments include:

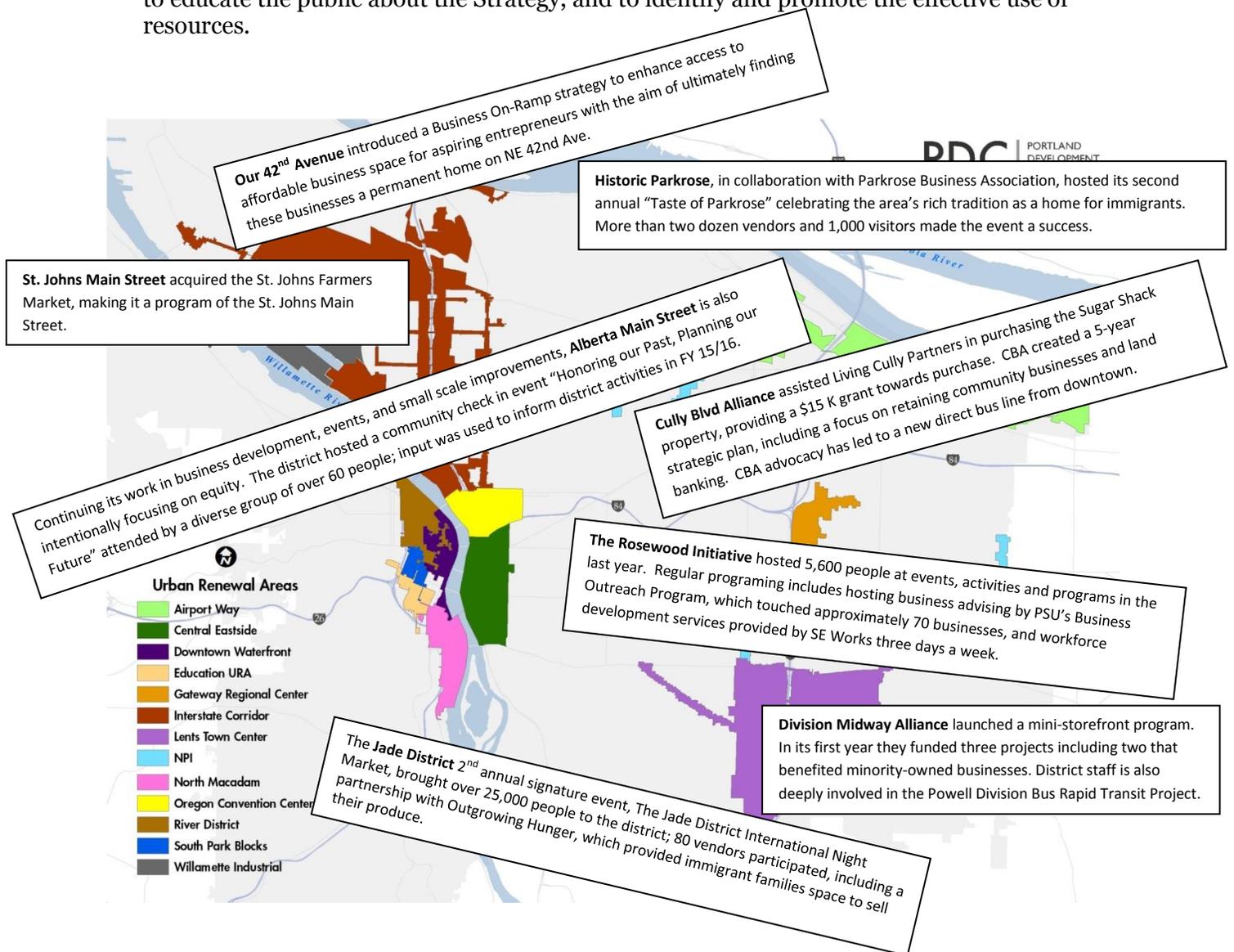
- ✓ **Neighborhood Prosperity Initiative (NPI) and Main Street Network** - Created six new Urban Renewal Areas within diverse, underserved neighborhoods (see NPI on page 3) and provided grants and training to all eight districts. Community members and paid staff positively impact their communities, which have experienced significant investment and growth. Collectively the districts have:
  - \$1.7 million investment by the private and philanthropic sectors to support district operations
  - 90,000 volunteer hours to support district activities
  - 116 new businesses established
  - 427 jobs created
- ✓ **Venture Portland** provided nearly 3,000 hours of technical assistance, over 2,300 hours of training and 106 small grants to Portland’s business district associations to drive positive economic results at the local level.
- ✓ Supported 58 Community Based Organizations with \$2.46 million in **Community Livability Grants**, including Mt. Scott Learning Center, Floyd Light Community Garden, and Oregon Community Warehouse.
- ✓ **Economic Opportunity Initiative** – PDC and Worksystems Inc co-invested workforce development funds to serve approximately 1500 youth and adults each year through 11 non-profits that provide career coaching, work readiness counseling, training and job placement to highly-barriered populations for up to three years. In FY 14-15 the average wage of adults who enter the program was \$10.80 per hour. and average wage at exit was \$13.03 per hour.



**Rachel Hestmark**

**PROFILE:** Hestmark Designs, a maker of custom handbags and pillows using upcycled materials, was the first occupant business of Our 42<sup>nd</sup> Avenue’s Business On Ramp space. Owner/operator Rachel Hestmark is a recent Micro Enterprise Services of Oregon graduate who connected with Our 42nd Avenue through a series of community relationships. With her business growing, Rachel is slated to locate in a larger space on NE 42nd Avenue to expand her production capacity and to develop a bigger retail presence. Rachel has also been active in contributing to the community’s health by running a youth entrepreneurship program. The program, which teaches area youth how to create, market, and manage their own products, is designed to build self-worth and real world communication skills for participating children.

- ✓ **Workforce Navigator Pilot** – PDC and Portland Community College partnered with Our 42nd Avenue and Cully Blvd Alliance NPIs and hired a full-time workforce specialist to assist unemployed and under-employed Cully residents find workforce development and employment opportunities.
- ✓ **Exploring Districts** – In FY 14/15, PDC made grants to Lents Grown Business Association, the N/NE Business Association, and Old Town/Chinatown Community Association with the goal of strengthening them as community development organizations and potential NPI districts.
- ✓ **Community Development Fund** – Secured approximately \$900,000 in City General Fund resources to capitalize a community development fund to assist in community-driven, public benefit projects in NPI areas.
- ✓ Established **Neighborhood Economic Development Leadership Group** to guide the implementation of the NED strategy and to coordinate resources for the Strategy’s actions, to educate the public about the Strategy, and to identify and promote the effective use of resources.



## Drive Neighborhood Business Growth

PDC and partners provide financial investment and technical assistance designed to unleash the full economic potential of both individual businesses and commercial districts. Tangible results include increased business activity, physical improvements to neighborhoods, jobs for local residents, and a stronger economic base. This work has relied on strong public-private partnership and a deep commitment to collaborative problem-solving.

- ✓ **Microenterprise & Small Business Development Program (MSBD)** - Served approximately 500 businesses each year through seven technical assistance providers; walk-in advising is now offered at six sites primarily in NPI districts. Over the last three years the MSBD Program has served over 674 unique businesses; 67 percent are people of color and 90 percent have a median family income of 80 percent or less compared to the Portland average.
- ✓ **Mini-Micro Loans** – Responding to the need for access to small levels of capital and credit building among the businesses served by MSBD Program, PDC established a \$150,000 fund operated by Micro Enterprise Services of Oregon to provide loans from \$100-\$2,500 to low-income and minority-owned businesses. Since its establishment in May 2015, 15 loans have been provided to 14 unique businesses; primarily for equipment and inventory. Seventy-one percent of loans are to people of color.
- ✓ Secured \$1.25M in City, Multnomah County, and State of Oregon resources to establish a new **Inclusive Start-Up Fund**, to invest and mentor entrepreneurial high-growth startups from underrepresented populations in the Portland region. Currently PDC is leading an effort to identify an experienced Fund Manager team. Once selected, the Fund Manager will lead a fundraising effort to capitalize the Fund at \$3M+. Initial investments are anticipated for summer 2016.
- ✓ Partnered with 171 businesses to improve the appearance of their storefront – \$3.2 million.
- ✓ Assisted 67 property/business owners with predevelopment work – \$630,000.
- ✓ Established **East Portland Enterprise Zone (E-Zone)**, expanding **Portland's Enterprise Zone Program**, which provides five-year tax abatement to support business growth, job creation, and community benefits from companies that make capital



Jasmine Tran

**PROFILE:** At the heart of the 2009 recession Jasmine Tran lost her job. With a background in cosmetics, Jasmine began researching aromatherapy and soon started building her business of organic skin care and aromatherapy products from the ground up. She started her business in a 300 square foot space and has recently moved into a 600 square foot space. Jasmine was able to get her products into New Seasons where they are selling well. Last year she was able to double her wholesale revenue. Early in her business journey Jasmine enrolled the business development program at the Immigrant and Refugee Community Organization (IRCO), one of ten non-profit organizations funded by PDC to create, grow, and strengthen micro and small businesses through technical assistance and training.

investments in their operations throughout the city. Over the last four years, companies enrolled in the E-Zone Program have created significant opportunity in or next to Portland's neighborhoods, including:

- 1,849 full-time jobs
  - \$25/hour average wage
  - \$633 million private investment
  - 52 community benefit agreements
- ✓ Created customized training plans for E-Zone companies to train incumbent workers and new hires; companies include: Kraft Foods, Craft Brewer's Alliance, Calbag Metals, Opus Creative, Bridgetown Natural Foods, Leatherman Tool Group, United Parcel Service, McKenna Metals, SunEdison, and Jaguar Land Rover.
  - ✓ Created customized Public Benefit Agreements that focus on hiring and training residents from underrepresented communities through strategic outreach processes and career path strategies with companies including: Jaguar Land Rover, Cook Security Group, Natural Grocers, and Daimler Trucks North America.
  - ✓ Over the past four years there has been a significant shift in who benefits from PDC's Storefront, Green Features, and Development Opportunity Services grants:

Grants to People of Color or Non-Profits Serving Low-Income Communities or Communities of Color

<b>Urban Renewal Area</b>	<b>FY 11/12</b>	<b>FY 14/15</b>
Interstate Corridor	40 %	58 %
Lents Town Center	35 %	50 %

*\* In the Gateway Regional Center URA over the same period most grants (67%) went to priority population businesses or organizations. Numbers in Gateway were too small to see a discernable trend.*

- ✓ Providing technical assistance regarding development options to 27 long-time property owners in N/NE and East Portland.
- ✓ With the backing of a loan-loss reserve from PDC, Craft3 provided 11 businesses with loans totaling \$1.6M, leveraging \$2.5M, which retained/created 127 jobs.
- ✓ In 2014, Albina Community Bank provided 49 small business loans totaling \$2.4M. In total, 66 percent of total loans were made in low-to-moderate income census tracts.

## Align & Coordinate Resources to Support Neighborhood Economic Development

Over the last four years PDC has prioritized investment along key commercial corridors using an equity lens - both to ensure equitable opportunities and to catalyze neighborhood business growth. Physical projects, identified with input from the community, have focused on revitalization, safety, and district identity within these clusters of local economic activity. With a concentration on identifying opportunities to create lasting wealth for long-time residents and business as well as positive brands for districts, this work has expanded the ability of commercial districts to shape and then tell their own unique stories. Some notable accomplishments include:

- ✓ Put in place **commercial corridor analysis** and investment approach; aligned PDC investment tools with social equity objectives – tailored approaches to build on assets, address weakness in key commercial corridors.
- ✓ In FY 13-14, achieved **24% DMWESB utilization**, 26% overall minority hours, and 22% apprenticeship diversity in PDC-funded construction projects. PDC continues to push the boundaries of contractors' capacity, partnering with Metropolitan Contractors Improvement Partnership, National Association of Minority Contractors Oregon, Hispanic Chamber, and many other partners.
- ✓ **Living Cully Plaza** - Living Cully Partners acquired a former strip club at the corner of NE Killingsworth St. and Cully Blvd with support from over 500 individual donors. Craft 3 and PDC provided primary financing and Cully Blvd Alliance NPI provided a predevelopment grant to support due diligence and community input. The ultimate goal is to redevelop the site with a use that fills a community identified need and contributes to the health of the diverse neighborhood.
- ✓ **Portland Mercado** – Hacienda CDC opened the Portland Mercado in April 2015. Today the Mercado supports 18 businesses and has created 71 jobs. Thirty businesses rent the Mercado's Commissary Kitchen, supporting immigrants from all over the world as well as low-income entrepreneurs. PDC investment of over \$1.1 million leveraged \$1.3 million in funding from federal and private sources as well as for technical assistance through the MSDB Program.
- ✓ Portland City Council adopted the **Lents Five-Year Action Plan** in May 2014, setting a course for focusing investments to have the most impact, ensuring that existing residents and businesses benefit, and taking some calculated risks. The Plan spurred four mixed use



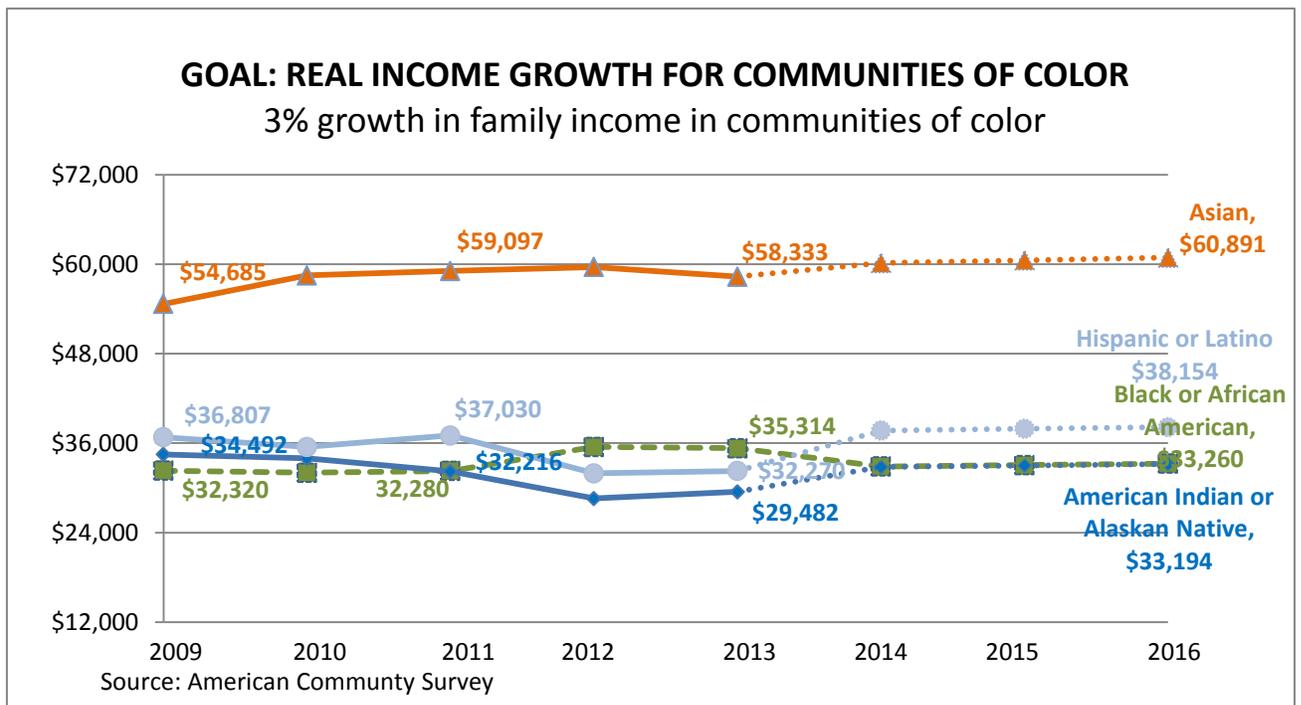
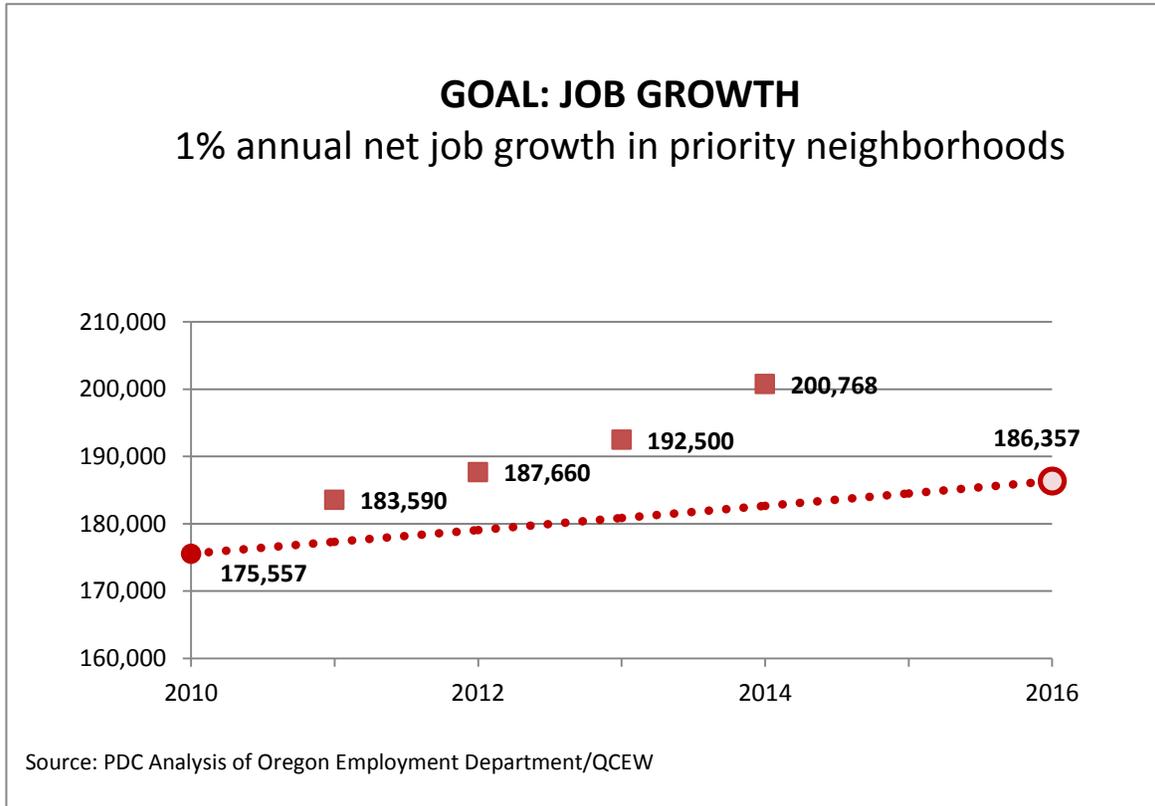
**Tatyana Best**

**PROFILE:** Tatyana Best, a single mother, emigrated from Kazakhstan with her seven year-old son. Tatyana came to the United States with a master's degree in engineering and subsequently completed a master's degree in business administration. While being highly educated, Tatyana struggled to find professional employment. She was referred to the SE Works' Professional Immigrant Credentialing Program where she received assistance with job networking and interview skills. Tatyana has subsequently been hired by the City of Portland's Water Bureau as an Accountant II; her income rose from \$11,700 to \$53,248, annually.

**Lent Town Center Redevelopment Projects** –with Asian Health and Services Center, Palindrome Communities, Inc., Williams/Dame & Associates, and ROSE CDC - to bring needed housing, services and retail services to the Lents Town Center. These projects represent nearly \$85M of expected investment and will deliver 242 housing units of which 25 are deeply affordable and 89 workforce/market rate; along with 34,000 square feet of new retail, and 34,000 square feet of commercial/community space.

- ✓ Completed the **Dr. Martin Luther King, Jr. Boulevard Gateway and Heritage Markers**, which marks the entrance to the boulevard and pays tribute to the area’s long history of cultural diversity.
- ✓ Completed **Jefferson High School frontage improvements**, a project initiated by the community to knit together the businesses on each side of the school, create a visual connection between the neighborhood and the school, and reinforce the importance Jefferson High School.
- ✓ **Dawson Park Renovation** – Completed \$2.7 million restoration of Dawson Park in 2013 in collaboration with Portland Parks & Recreation (PP&R) that honors and commemorates the history of the African American community in this area. The project achieved 83% minority workforce and 70% DBE contracting. Legacy Emanuel Medical Center and the Portland Parks Foundation also contributed key financing for the water play feature in the park.
- ✓ Adopted **Halsey/Weidler Investment Strategy** in 2014 and began activities are to assist in growing the business environment. In the **Commercial District Improvement Program**, nine businesses located on NE Halsey are participating in a pilot program to identify and implement improvements to increase visibility and attract new customers. Through the **Halsey/Weidler Streetscape Improvement Project**, PDC and PBOT are collaborating to improve safety and enhance the pedestrian environment along the Halsey/Weidler couplet between 102<sup>nd</sup> and 112<sup>th</sup> Avenues. At the **Gateway Park** site at NE 106<sup>th</sup> & Halsey, PDC has partnered with PP&R to invest in the construction of Gateway’s first neighborhood park.
- ✓ Approved development agreement – including Community Benefit Agreement - with Majestic Realty in 2015 for neighborhood-serving commercial redevelopment project anchored by **Natural Grocers** for the PDC-owned site at NE Martin Luther King, Jr. Blvd. and Alberta St. Through agreements PDC will master lease approximately 5,125 square feet of retail space to be subleased to local businesses and enable wealth creation opportunities for people of color and low-income community members; Colas Construction, a local, certified Minority Business Enterprise, will be prime contractor for the project; Natural Grocers will work with local workforce development providers to promote local hiring.
- ✓ Completed streetscape projects through partnerships with PBOT including **Denver Avenue Streetscape Improvements Project** in North Portland’s Kenton neighborhood, **Foster-Woodstock Streetscape Improvement Project** and community designed entry markers and the **122<sup>nd</sup> Avenue Streetscape Improvement Project** in Lents, **102<sup>nd</sup> Avenue Streetscape Improvement Project** in Gateway, and funded the **Killingsworth Streetscape Project** in inner NE Portland.

## NED Strategy High-Level Metrics



## NED Partners

---

### **NED Leadership Group**

Adam Zimmerman \* Alando Simpson \* Annette Mattson \* Brian Alfano \* Carl Talton \*  
Diane Coward \* Duncan Hwang \* Fred Sanchez \* Heather Hoell \* Herb Fricke \*  
Holly Whittleton \* James Armstrong \* James Paulson \* Javier Mena \* Jerry Johnson \*  
Jillian Detweiler \* Joe Zehnder \* Jonath Colon \* Karis Stoudamire-Phillips \*  
Kimberly Branam \* Lew Frederick \* Marc Goldberg \* Michael Alexander \* Michele Reeves \*  
Nathan Teske \* Nick Sauvie \* Rey Espana \* Roslyn Hill \* Serilda Summers-McGee \*  
Steve Messinetti \* Teri Karren-Keith \* Tony DeFalco

### **Public Partners**

Portland City Council \* Multnomah County \* Portland Parks and Recreation \*  
Portland Bureau of Transportation \* Portland Housing Bureau \*  
Portland Bureau of Planning and Sustainability \* Metro \* City of Gresham

### **NPI and Main Street Districts**

Alberta Main Street \* St Johns Main Street \* Historic Parkrose \* Cully Blvd Alliance \*  
Division Midway Alliance \* Rosewood Initiative \* Our 42nd Avenue \* Jade District

### **Non-Profit Partners**

Venture Portland \* NW Area Foundation \* Meyer Memorial Trust \* Microenterprise  
Services of Oregon \* Hispanic Metropolitan Chamber of Commerce \* Immigrant and Refugee  
Community Organization \* Native American Youth and Family Center \* Neighborhood  
House – Childcare Improvement Program \* Portland Community College \* Portland State  
University – Business Outreach Program \* Lewis and Clark College - Small Business Legal  
Center \* Metropolitan Family Service \* Hacienda CDC \* Worksystems Inc. \* SE Works \*  
Central City Concern \* Human Solutions, Inc. \* Self Enhancement, Inc. \* Oregon  
Tradeswomen \* Open Meadow \* Portland OIC/Rosemary Anderson High School \* New  
Avenues for Youth \* Portland Youth Builders \* Mt Hood Community College \* Craft3