



PROSPER
PORTLAND
Building an Equitable Economy

DATE: July 10, 2024
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 24-28

Authorizing Execution of Fiscal Year 2024-25 Intergovernmental Service Level Agreement with the City of Portland for General Fund and Recreational Cannabis Tax Fund Special Appropriations of \$21,991,575 for Economic Development Activities

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7543

This action by the Prosper Portland Board of Commissioners (Board) will authorize an intergovernmental agreement (IGA) with the City of Portland (City) through the City Budget Office (CBO) to transfer \$21,991,575 in City General Fund resources and Recreational Cannabis Tax (RCT) Fund revenue to Prosper Portland to fund certain economic development activities on a citywide basis, including community economic development, business advancement and job creation and retention. These activities have been budgeted in Prosper Portland's fiscal year (FY) 2024-25 Adopted Budget.

STRATEGIC ALIGNMENT AND OUTCOMES

This IGA, which has been authorized each year since FY 2008-09, transfers City resources that allow Prosper Portland to deliver on critical strategic objectives, including increasing access to employment and fostering equitable wealth creation through entrepreneurship and small business programs, business advancement, neighborhood business district support, and workforce development programs. Since FY 2018-19, CBO has directed RCT Fund resources through the IGA to deliver on Prosper Portland's and the City's strategic objectives.

BACKGROUND AND CONTEXT

Prosper Portland has implemented economic development activities on behalf of the City for decades. However, tax increment financing (TIF) restrictions and declining TIF revenue limit Prosper Portland's ability to fund and deliver community economic development, business advancement and job creation and retention citywide. Prosper Portland has limited ability to support these activities without the IGA since service areas and activities are either outside TIF districts or are not TIF-eligible and cannot be funded with TIF resources.

This IGA represents an increase in funding by approximately \$1,500,000 from the FY 2023-24 total. The increase is due to the decline in one-time funding and the addition of the returning TIF add package, which allocates General Fund to Prosper Portland for staff and overhead. The special appropriations identified in the IGA are included in the FY 2024-25 Adopted Budget for both Prosper Portland and the City.

EQUITY IMPACT

The IGA allows Prosper Portland to use its established expertise in economic development citywide. Without the contribution of the City’s resources, Prosper Portland’s ability to undertake economic development activities outside of TIF districts would be limited.

The scope of services provides for implementation of critical neighborhood economic development, business advancement, and job creation and retention programs that grow family wage jobs, advance opportunities for prosperity, and build stronger partnerships.

Entrepreneurship and Community Economic Development includes:

- Office of Small Business
- Economic Opportunity Initiative and workforce development
- Inclusive Business Resource Network (IBRN)
- Mercatus
- Neighborhood Prosperity Network
- Venture Portland

Business Advancement includes:

- Cluster Development
- International
- Portland Means Progress

Office of Events and Film includes:

- Events and Activations
- My People’s Market
- Portland Film Office

Reimagine Oregon includes:

- Accelerating business growth and entrepreneurship
- Building community wealth and economic empowerment
- Creating anchor projects that enhance community engagement and collaboration

Citywide Development and Investment includes:

- Small business and middle-income housing financial support
- Small business leasing and tenanting
- Other one-time projects

COMMUNITY PARTICIPATION AND FEEDBACK

Staff conducted public participation as part of the FY 2024-25 budget process, primarily during discussions with Prosper Portland’s Community Budget Committee.

BUDGET AND FINANCIAL INFORMATION

This action will allow Prosper Portland to receive \$17,367,840 in General Fund resources and \$4,623,735 in RCT Fund revenues to implement the following economic development activities:

- Entrepreneurship and Community Economic Development - \$8,851,335
- Business Advancement - \$2,722,417
- Office of Events and Film - \$2,219,539
- Reimagine Oregon - \$2,673,761

- Citywide Development Activities - \$5,524,523

City Council approved a budget that includes five add packages and eight carry-over packages.

City Council awarded ongoing funding for the following initiatives:

- \$7,600,000 spread across all programs to allocate the Returning TIF General Fund
- \$200,000 for a senior project manager position

City Council awarded one-time funding for the following initiatives:

- \$500,000 for Small Business Stabilization
- \$1,000,000 for the Office of Events and Film
- \$200,000 for the Office of Small Business

City Council awarded one-time funding for the following carry-over items:

- \$125,000 for Business Incubator Activities
- \$40,000 for Childcare
- \$366,000 for East Portland TIF Exploration
- \$75,000 for Inclusive Business Resource Network Capital Advisor
- \$500,000 for Relief Grants
- \$1,270,294 for IBRN, Reimagine Oregon, and Social Equity and Economic Development (SEED)
- \$202,606 for SEED grants
- \$250,000 for the TIF Expansion Analysis

RISK ASSESSMENT

Should the Prosper Portland Board choose not to adopt the resolution, staff would not be able to proceed with General Fund and RCT Fund programs outlined in the FY 2024-25 Adopted Budget.

ATTACHMENTS

None.