



**DATE:** May 13, 2026

**TO:** Board of Commissioners

**FROM:** Cornell Wesley, Executive Director

**SUBJECT:** Report Number 26-15

Approving the Terms of a Loan to Smith Teamaker, LLC, in an Amount not to Exceed \$1,000,000

## Board action requested and brief description

Adopt Resolution No 7648 Upon approval by the Prosper Portland Board of Board of Commissioners (Board), this action will authorize the Executive Director to execute a Small Business Loan Program Loan, with an exception (Loan), to Smith Teamaker, LLC (Smith Tea or Borrower) in an amount of up to \$1,000,000, at an interest rate of eight percent.

If the loan is approved and made, Smith Tea will use Loan proceeds for general working capital needs to support business operations in the city of Portland, including inventory acquisition.

## Strategic alignment and outcomes

This action by the Board would allow Prosper Portland to fund Smith Tea's working capital needs, supporting accelerated growth and job creation that would otherwise be constrained. This action is aligned with multiple Advance Portland Outcomes, including Outcome 1.1: Invest in traded sector cluster industries in which Portland has competitive advantage to increase access to quality job and business growth; Outcome 3.2: Retain and increase commercial activity and support small businesses in the central city; and Outcome 3.5: Support growth and health of businesses within commercial districts.

This action would also align investment strategy with the recommendations in the Traded Sector Industry Action Plans, which were developed as part of Advance Portland Objective 1, and which call for increased access to capital for viable growth-stage businesses.

## Background and context

Smith Teamaker, founded in Portland, Oregon by renowned teamaker Steven Smith (who also founded Stash Tea and Tazo Tea Company), has become one of the fastest-growing beverage companies in the United States. The company operates from its Tea Works facility in Southeast Portland, where teamakers source more than 300 plant-based ingredients from 30 countries, producing more than 40 million servings annually.

The Loan would help secure the company's continued presence in Portland. Smith Tea has a current workforce of 103 employees across production and professional roles, including 17 internal promotions during 2025, and plans to create 23 new jobs over the next three years.

The company's growth is constrained by access to working capital, not demand. The Loan would enable earlier and larger-scale inventory investment to meet existing demand, bringing outside dollars into the local economy, and supporting living-wage job creation.

The Loan aligns with the Small Business Loan Program Guidelines (approved through Board Resolution No. 7525 on March 13, 2024 and modified by Resolution No. 7640 on March 11, 2026), with an exception to the program guideline requiring persons owning 20% of more of the borrower to guarantee repayment of the Loan.

## Equity impact

The Loan is expected to create direct living wage jobs, many with low barriers to entry, with indirect impacts throughout the local supply chain.

## Community Participation and Feedback

Staff did not conduct any community outreach specific to this Loan. However, the investment is aligned with both Advance Portland Objectives and Traded Sector Industry Cluster Action Plans, drafted through significant community engagement.

## Budget and Financial Information

There are sufficient resources in the fiscal year (FY) 2025-26 Strategic Investment Fund Budget (see Attachment A).

## Risk Assessment

While there is risk inherent to every loan, risks are mitigated by the Borrower's low risk profile, as evidenced through strong historical cash flow and ability to service debt, efficient inventory turnover, conservative projections, and proven market position.

## Attachments

- A. Strategic Investment Fund Budget

## Fund Overview

Strategic Investment Fund	Revised FY 2025-26	Approved FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30	Forecast FY 2030-31
<b>Resources</b>						
Beginning Fund Balance	48,886,037	33,896,649	12,105,906	6,864,546	5,061,412	6,558,783
<b>Revenue</b>						
Interest on Investments	1,222,151	847,416	302,648	171,613	126,536	165,151
Loan Collections	2,035,357	2,728,398	8,990,361	2,594,766	2,413,813	1,617,803
Rent and Property Income	2,735,205	3,117,600	3,117,600	3,117,600	3,117,600	3,117,600
Transfers In	22,368	2,000,000	8,000,000	-	265,915	-
<b>Total Revenue</b>	<b>6,015,081</b>	<b>8,693,414</b>	<b>20,410,609</b>	<b>5,883,979</b>	<b>5,923,864</b>	<b>4,900,554</b>
<b>Total Resources</b>	<b>54,901,118</b>	<b>42,590,063</b>	<b>32,516,515</b>	<b>12,748,525</b>	<b>10,985,276</b>	<b>11,459,337</b>
<b>Requirements</b>						
<b>Economic Development</b>						
<b>Community Economic Development</b>						
A00448-Neighborhood Prosperity Opportunity	864,437	-	-	-	-	-
<b>Business Lending</b>						
A00217-Small Business Lending-SBL	2,282,358	3,000,000	1,217,642	-	-	-
<b>Economic Development Total</b>	<b>3,146,795</b>	<b>3,000,000</b>	<b>1,217,642</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Property Redevelopment</b>						
<b>Commercial Property Lending</b>						
A00750-Predevelopment & Construction Loans-RELF	1,000,000	1,000,000	1,500,000	1,500,000	-	-
A00772-Middle Income Housing-RELF	200,000	4,000,000	4,000,000	1,300,000	-	-
<b>Real Estate Management</b>						
A00290-Station Place Parking-RVD	962,626	808,330	808,330	808,330	808,330	786,400
A00307-84 NE Weidler-CNV	-	34,800	34,800	34,800	34,800	34,800
A00310-Hotel Garage Operations-CNV	1,673,204	1,671,430	1,671,430	1,671,430	1,671,430	1,671,430
A00350-Cascade Station Parcel G-NOI	55,365	52,134	52,134	52,134	52,134	52,134
A00545-Cascade Station Parcel E-NOI	51,517	49,140	49,140	24,300	24,300	24,300
A00547-Cascade Station Parcel D-NOI	53,628	52,470	52,470	52,470	51,470	51,470
A00558-9th & Naito Small Lots-RVD	14,011	14,011	14,011	14,011	14,011	14,011
A00871-Block 33-NOI	112,550	117,700	114,300	114,300	114,300	114,300
<b>Real Estate Acquisition</b>						
A00871-Block 33-NOI	7,260,000	-	-	-	-	-
A00895-Multi Family Units-NOI	-	9,500,000	-	-	-	-
A00752-Real Estate Investments-NOI	-	5,600,000	5,640,000	-	-	-
<b>Real Estate Predevelopment</b>						
A00752-Real Estate Investments-NOI	-	-	600,000	500,000	-	-
A00584-100 NE Multnomah-CNV	10,600	-	-	-	-	-
<b>Real Estate Disposition</b>						

A00584-100 Multnomah-CNV	8,000	-	-	-	-	-
A00547-Cascade Station Parcel						
D-APW	100,000	500,000	-	-	-	-
<b>Property Redevelopment Total</b>	<b>11,501,501</b>	<b>23,400,015</b>	<b>14,536,615</b>	<b>6,071,775</b>	<b>2,770,775</b>	<b>2,748,845</b>
<b>Total Program Expenditures</b>	<b>14,648,296</b>	<b>26,400,015</b>	<b>15,754,257</b>	<b>6,071,775</b>	<b>2,770,775</b>	<b>2,748,845</b>
Personnel Services	977,093	1,108,586	948,856	807,669	827,859	147,789
<b>Total Fund Expenditures</b>	<b>15,625,389</b>	<b>27,508,601</b>	<b>16,703,113</b>	<b>6,879,444</b>	<b>3,598,634</b>	<b>2,896,634</b>
Interfund Transfers - Indirect						
Charges	859,842	975,556	948,856	807,669	827,859	147,789
Interfund Transfers - Cash						
Transfers	4,519,238	2,000,000	8,000,000	-	-	-
Reserved For Future						
Expenditures	33,896,649	12,105,906	6,864,546	5,061,412	6,558,783	8,414,914
<b>Total Fund Requirements</b>	<b>54,901,118</b>	<b>42,590,063</b>	<b>32,516,515</b>	<b>12,748,525</b>	<b>10,985,276</b>	<b>11,459,337</b>