

Portland Development Commission ANNUAL REPORT FY2013/14



Letter from the Executive Director & Chair

Dear Portlanders,



PATRICK QUINTON
Executive Director



TOM KELLY
Commission Chair

In the midst of a rebounding economy, new development, and growing jobs, Portland continues to face the challenge of balancing the disparities in income and opportunity within the city. Our work over the past year has focused increasingly on investments in programs and projects with the potential to develop shared prosperity for all Portland residents.

During the 2013/2014 fiscal year, the Portland Development Commission devoted time and resources to work that goes beyond the status quo to foster innovation and entrepreneurship, community-centered economic development, and broader opportunities for people throughout the city.

As noted in the following report, highlights include:

- Investing \$64 million in financial assistance, which attracted more than \$580 million in private resources and supported the creation or retention of nearly 3000 jobs.
- Strong participation by disadvantaged, minority-owned, women-owned or emerging small businesses (DMWESB) in PDC contracting. Of all PDC-supported projects in FY 2013/2014, DMWESB contracting was 24%, which encompasses 5% disadvantaged business enterprises, 9% minority-owned, 8% women-owned, and 2% emerging small businesses.
- The Startup PDX Challenge focused on identifying promising entrepreneurs among minority and women-led startups. This annual competition, now in its second year, drew 134 entrants eager to co-locate in a shared space in Portland's Old Town/Chinatown. Among the applicants, 55% included a person of color among the founders; 69% had at least one woman founder; 12% had at least one disabled founder; and nine percent of applications had one or more founders who were veterans.
- Awarded \$1,228,000 in Community Livability Grants to 17 projects in the Interstate Corridor, Lents Town Center, and Gateway Regional Center urban renewal areas. The level of funding marked a significant increase in returning tax increment dollars to the community. Funded projects reached out to priority populations and encouraged the use of certified minority contractors to make a real difference in creating livable, healthy neighborhoods throughout Portland.
- Celebrated the June 2014 opening of the Oregon Health & Science University/Oregon University System Collaborative Life Sciences Building and Skourtes Tower, the first building on OHSU's Schnitzer campus in South Waterfront. PDC contributed \$1.7 million to the total \$295 million cost of the building, joining funds from the state, OHSU philanthropy and institutional funding, and TriMet. PDC also provided an additional \$525,000 for bioscience research-related improvements, highlighting PDC's partnership with higher education as an economic driver for innovation and job creation.

OUR MISSION

PDC creates economic growth and opportunity for Portland.

OUR VISION

Portland is one of the most globally competitive, equitable, and healthy cities in the world.

The Portland Development Commission stimulates job creation, encourages broad economic prosperity, and fosters great places on behalf of the City of Portland.

We are grateful to our numerous private and public partners for their collaboration and cooperation in making these accomplishments possible, and we applaud the commitment of PDC's dedicated staff. We look forward to continuing this work to make Portland one of the most equitable, healthy, and globally competitive cities in the world.

Sincerely,



Patrick Quinton
Executive Director



Tom Kelly
Commission Chair



Photo: Bruce Forster

PDC BOARD OF COMMISSIONERS

TOM KELLY
Commission Chair

ANESHKA DICKSON
Commission Vice Chair

MARK EDLEN
Commissioner

JOHN C. MOHLIS
Commission Secretary

CHARLES A. WILHOITE
Commissioner

Inside:

Overview: The Year in Numbers	4	URBAN INNOVATION	20
TRADED SECTOR JOB GROWTH	6	Central City Vitality	21
Entrepreneurship	7	Next Generation Built Environment	22
Software	8	Higher Education	22
Advanced Manufacturing	8	INVESTING PUBLIC RESOURCES WISELY	25
Athletic & Outdoor	9	Financials	26
Clean Technology	9	BUSINESS & COMMUNITY PROFILES	
International Trade	10	Mara Zepeda, Switchboard	11
Film & Video	10	Avery Bloom, Make it Good	12
NEIGHBORHOOD ECONOMIC DEVELOPMENT	14	Jasmine Tran, Essance, LLC	17
Neighborhood Business Growth	15	Annette Mattson, NED Leadership Group	19
Neighborhood Commercial Districts	15	Brian Newman, OHSU	23
Strong Community Capacity	18	Jessie Burke, The Society Hotel	24
Economic Opportunity and Equity	18		

Overview: The Year in Numbers

In the final year of the five-year Portland Economic Development Strategy, the Portland Development Commission continued to demonstrate the value of focusing on select industry clusters, assisting small business and in particular entrepreneurial endeavors, strengthening international trade to create local jobs, and encouraging community-driven economic development.

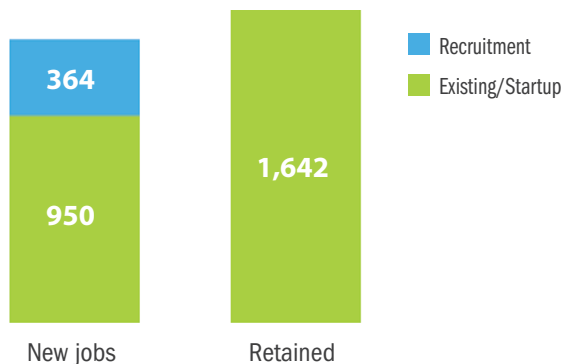
More than 600 businesses—predominantly small, locally-owned companies and entrepreneurs—accessed a broad range of services, including technical business assistance, loans, growth capital, workforce development training, mentoring programs, and regulatory advice.

Since July 2013, PDC's business development financial assistance activities have driven the creation or retention of 2,956 jobs, a considerable jump over recent years and a clear indicator of Portland's ongoing economic recovery.

As the Portland economy emerged from the Great Recession, signs of the recovery were evident across multiple industry sectors and throughout the metropolitan area. The Multnomah County unemployment rate fell to 6 percent, compared to 6.6 percent for Oregon and 6.3 percent for the U.S. From June 2013 to June 2014, jobs in Multnomah County increased by 12,000, across multiple sectors. By the second quarter of 2014, Portland was ranked 12th by Brookings for overall economic performance among the 100 largest metros.

Approximately \$65.2 million of direct financial assistance to support businesses and job growth in Portland has leveraged more than \$580 million in private and federal government investment.

**Jobs Created and Retained from Business Development & Financial Assistance Activities
July 1, 2013 - June 30, 2014**



**Portland Businesses Financially Assisted
July 1, 2013 - June 30, 2014**



**Estimated Jobs, Financial Assistance and private Investment from
Economic Development-Related Programs from July 2013 - June 2014**

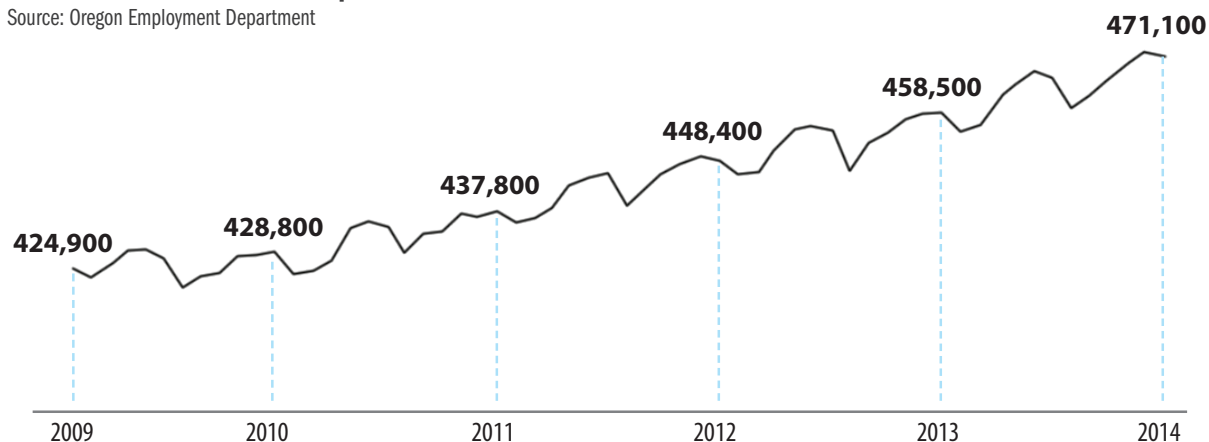
PROGRAM	# BUSINESSES ASSISTED PER PROGRAM	FINANCIAL ASSISTANCE	PRIVATE OR OUTSIDE INVESTMENT	TOTAL INVESTMENT	ESTIMATED CONSTRUCTION JOBS	LEVERAGE RATIO
Business Finance	13	\$8,800,148	\$146,778,475	\$155,578,623	1,044	1:17
Enterprise Zone	17	\$31,151,000	\$394,710,000	\$425,861,000	2,857	1:13
Storefront	66	\$796,021	\$7,760,096	\$8,556,117	57	1:10
Green Features Grant	10	\$155,772	\$331,288	\$487,060	3	1:2
Redevelopment Loan Fund	6	\$23,605,000	\$19,645,189	\$43,250,189	290	1:1
Portland Seed Fund	10	\$725,000	\$15,700,000	\$16,425,000	N/A	1:22
TOTALS	122	\$65,232,942	\$584,925,048	\$650,157,990	4,251	1:9

* Outside investment and jobs are prorated based on dollar amount of loans from July 1, 2014 - December 31, 2014 as a percent of total loan amount from June 2010 to December 2014.

Source: Portland Development Commission

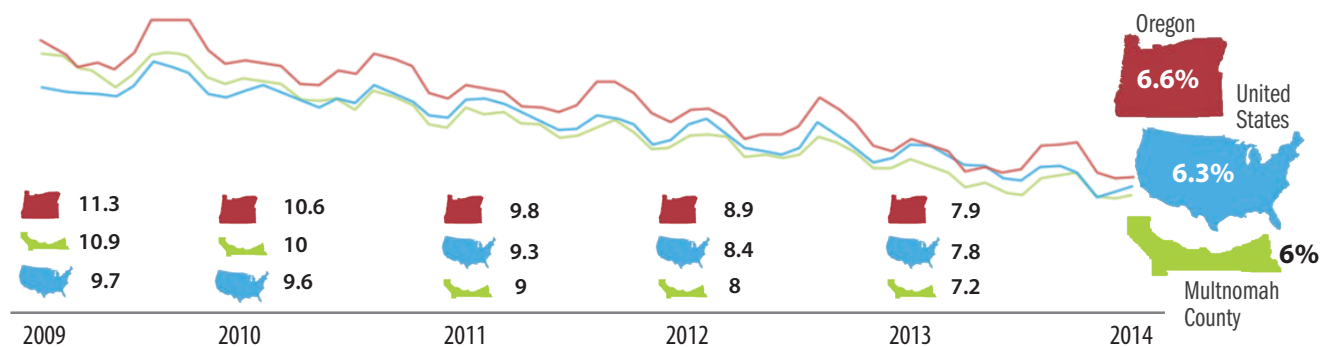
Multnomah County Employment | July 2009 - June 2014

Source: Oregon Employment Department



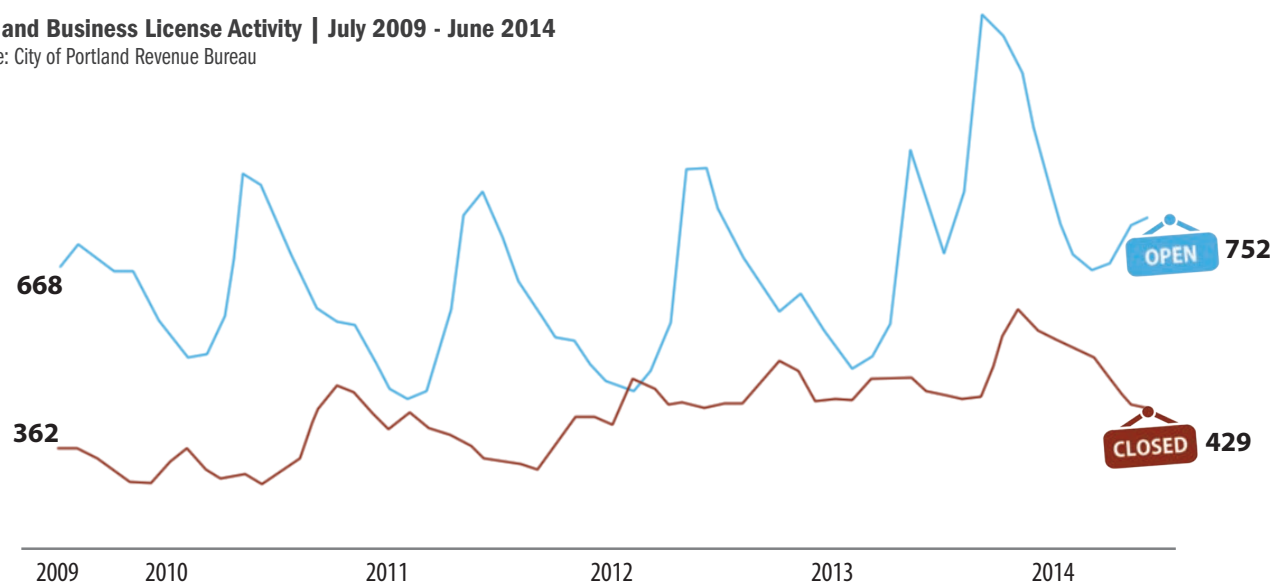
Unemployment Rate | July 2009 - June 2014

Source: Oregon Employment Department



Portland Business License Activity | July 2009 - June 2014

Source: City of Portland Revenue Bureau





Mayor Charlie Hales and First Lady Nancy Hales pose with the winners of the 2014 Startup PDX Challenge

“We love having a business here. It’s a hotbed of talent and culture with a strong history of manufacturing.”

- Avery Bloom,
Make It Good

Traded Sector Job Growth

Achieving Portland’s goals for family wage job creation and economic growth relies on strategic attention to traded sector businesses and more specifically on four industry clusters that demonstrate the greatest capacity for growth: Advanced Manufacturing, Athletic & Outdoor, Clean Technology, and Software. Business development remains a priority for PDC, with a continued focus on our base of existing businesses and promising startups.

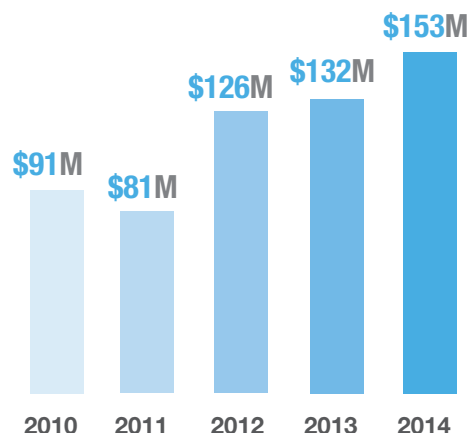
Over the past five years an increasingly deep understanding of Portland’s key industries has inspired PDC to move beyond traditional business development to customized industry initiatives, a robust international trade program, and a keen eye on supporting entrepreneurs and startups, particularly those led by underserved populations. Entrepreneurism has become a business development priority woven throughout our traded sector strategy, with the biggest successes apparent through PDC’s support of the Portland Seed Fund and its initiation of the Startup PDX Challenge, now in its second year.

Partnership plays a major role in these efforts, with virtually all of PDC’s economic development initiatives supported by collaboration with regional, state, and federal economic development organizations, as well as local private sector firms, non-profits, and research institutions. PDC’s relationship with higher education offers increasing opportunities for economic development engagement to drive future job creation.

In 2013/2014, economic development staff proactively met one-on-one with more than 350 traded sector companies to address individual company needs, tackle issues inhibiting growth, and identify resources to support business competitiveness.



Entrepreneurship



Portland Investment Capital Trend, 2010 - 2014

Source: VentureDeal

Priority populations and underserved communities served as a focal point for PDC's entrepreneurship efforts in FY 13/14, with a growing emphasis on the role of emerging businesses in ensuring broader economic opportunity for our city's residents. Industry partnerships and support for locally-developed innovation continued to be part of PDC's entrepreneurship playbook along with place-based promotion of neighborhood entrepreneurial districts in the Central Eastside and Old Town/Chinatown. The city's reputation as a fertile environment for startups also gained traction beyond the software industry, with Portland's clean technology and small-manufacturing/maker communities rising in prominence within the entrepreneurial ecosystem.

Accomplishments

INCLUSIVE INNOVATION

Launched Include. Innovate. Invest. PORTLAND (I3PDX), an event series to ignite civic discussion around the lack of founder diversity among Portland startups and to connect diverse entrepreneurs to startup resources. The second Startup PDX Challenge, a competition to identify and support startups founded by women and people of color, forged new partnerships with local and national organizations including Urban League of Portland, HispanicPros, iUrbanTeenTech, the National Association for Latino Community Asset Builders, and Digital Undivided.

PORTLAND SEED FUND

Continued partnership with the Portland Seed Fund (PSF) as a founding investor. PDC's contribution of \$750,000 in capital for PSF's 2nd Fund leveraged more than \$6 million in additional investment. Over the last three years, the Seed Fund's first 46 companies have collectively raised more than \$50 million in outside capital and created more than 350 jobs.

EARLY ADOPTER

Through resources provided by the City of Portland mayor's inaugural Innovation Fund, PDC launched an Early Adopter Program designed to connect local technology startups to city bureaus. The goal of the program is to institutionalize innovation within the city by providing bureaus with access to new products and services while also providing local entrepreneurs with product testing opportunities or an early first customer.

\$750K

Capital contribution to
Portland Seed Fund

\$6M

Additional
investment leveraged

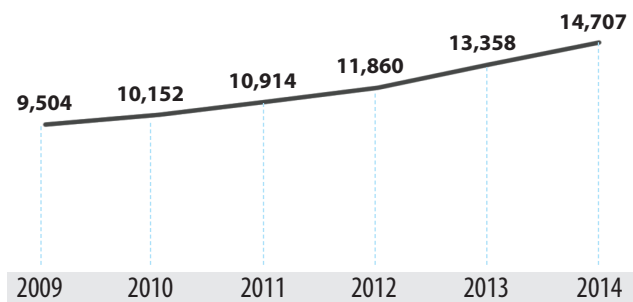
350+

Number of traded sector
companies that met one-
on-one with economic
development staff in 2013/14

4

Number of industry clusters
that demonstrate the
greatest capacity for growth:
Advanced Manufacturing,
Athletic & Outdoor, Clean
Technology, and Software

Software



Multnomah County Job Change, Software, 2009-2014

Source: Economic Modeling Specialists Inc.

Portland's software successes escalated throughout FY 13/14. Local companies grew at high rates, and an increasing number of technology companies from other regions chose Portland for expansion. As a result, Portland's software jobs are growing at a double digit percentage rate compared to national growth of less than 4%. With average annual salaries at \$83,000, software is one of the state's most productive sectors. Talent to fill new jobs remains a challenge locally, as does the availability of central city office space, particularly for firms with 50 or more employees. But these growing pains can be viewed as positives for the industry and for Portland.



Kixeye ribbon cutting ceremony, November 2014

Accomplishments

EXPANSIONS AND RECRUITMENTS

Facilitated the successful recruitment of new tech firms to Portland's fast-growing software industry, including Airbnb, Squarespace, Kixeye, and ShopKeep. Financially supported the physical expansion of two prominent software firms, Thetus Corp and Viewpoint Construction Software. FY 13/14 expansion and recruitment efforts resulted in 600 new jobs and \$25M in investment.

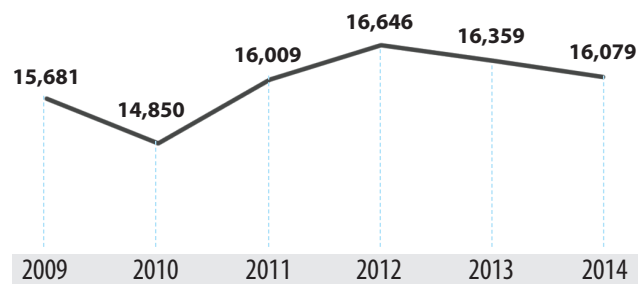
TECH ACCESS

Sponsored Startup Weekend Access, a weekend event that focused on accessibility for people with disabilities. Startup Weekend Access drew 51 people – and 48 of them had never been to a Startup Weekend event. Aspiring and current entrepreneurs, developers, designers, marketers and product managers of all abilities shared ideas, formed teams, and launched startups.

OFFICE SPACE

The software industry's continued growth and interest in downtown office space presented a challenge for Portland, which has one of the lowest office vacancy rates in the country. PDC staff started discussions with property owners about easing the burden on growing companies and provided short-term office space to clients relocating to Portland via the subleasing of newly-vacant space in PDC's Old Town headquarters.

Advanced Manufacturing



Multnomah County Job Change, Adv. Manufacturing, 2009-2014

Source: Economic Modeling Specialists Inc.

Portland's advanced manufacturing cluster is thriving, with more than 33,000 jobs in Multnomah County and metro-area salaries well above the region's average. The increasing demand for products from local and regional companies has also created the need for a stronger workforce pipeline. Connecting priority populations among the region's job seekers to the industry's ongoing call for skilled workers is a top priority. PDC's work relies on strong partnerships with industry organizations to support the local research and development that is a source for innovation, and to help Portland companies identify opportunities to leverage their new technologies.

East Portland & Portland E-Zone

\$450M in investments
1,200 jobs

Accomplishments

NEW INVESTMENT

Finalized 15 new projects in the East Portland Enterprise Zone and the Portland Enterprise Zone programs, representing investments of \$450M and 1,200 jobs over five years. Among the 11 companies taking advantage of E-Zone benefits were Leatherman Tool Group, TEC Equipment, McKenna Steel, and Bridgetown Natural Foods. Combined, the companies have invested more than \$82M in capital projects. In addition, more than \$94K in workforce training funds generated by E-Zone investments assisted Portland E-Zone companies.

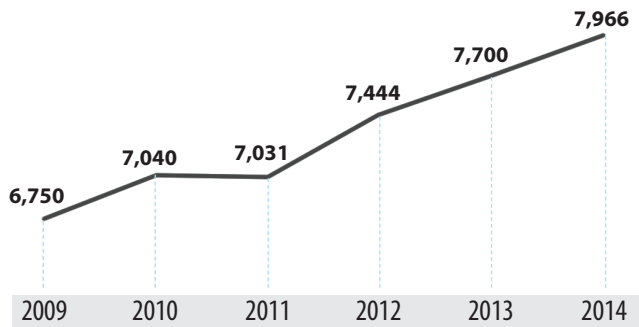
LEAN IMPLEMENTATION

Assisted eight local manufacturers with investments in new equipment, information systems and training through a matching grant program with the Oregon Manufacturing Extension Partnership (OMEP). Participating companies realized collective cost savings of \$350K through lean process improvement and waste reduction. More than 40 companies have participated since 2009.

SUPPLY-CHAIN DEVELOPMENT

Led development of a comprehensive supply-chain program that included participation at the FabTech trade show and two local supply-chain summits that matched local firms to leading OEM/Tier 1 companies such as Blount, Vigor Industrial, Daimler Trucks NA, PCC Structural, Boeing, Ducommun, and Insitu. Pacific Northwest Defense Coalition and OMEP remained valuable partners in this effort.

Athletic & Outdoor



Multnomah County Job Change, A&O, 2009-2014

Source: Economic Modeling Specialists Inc.

Portland continues to be one of the best locations in the world for A&O companies, thanks to the presence of global brands Nike, Adidas, and Columbia Sportswear and a reputation for leadership, talent, and innovation. The friendly competition, collaboration, and opportunities for career growth put Portland at the top of the list for emerging brands, several of which relocated or expanded here in FY 13/14. PDC's work centered on entrepreneurship and business development for this cluster and successfully initiated networking and marketing efforts that drove a greater sense of cooperation within the industry.



Icebreaker CEO Jeremy Moon was the keynote speaker at the A&O Young Professionals kick-off event in August 2013.

Accomplishments

YOUNG PROFESSIONALS PROGRAM

In partnership with young leaders from companies such as Nike, Columbia Sportswear, and Icebreaker, launched the A&O Young Professionals Program to provide meaningful networking, education, and mentorship opportunities. More than 300 young professionals attended the kick-off keynote by Icebreaker CEO Jeremy Moon. Additional events throughout the year encompassed design, networking, and a retail tour of local brands.

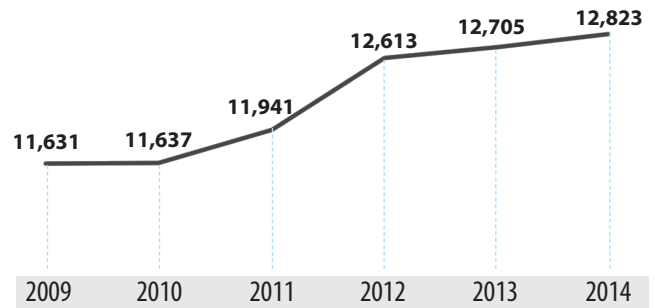
PEER MENTORING

Welcomed nine new participants to the Peer-to-Peer 3.0 class, a series of facilitated mentoring sessions to help small to medium-sized firms with business development and growth strategies. The CEOs of growing companies share experiences and learn best practices from one another, as well as from experts in finance, e-commerce, social media, exports, and other relevant areas.

EXPANSIONS & RECRUITMENTS

Participated in the successful recruitment of new companies to Portland's already thriving A&O industry, including Foghorn Labs, Berghaus, Montbell, and On Footwear. Financially assisted the expansion of A&O firms Sseko, Summer Skin, Splash, and Leatherman. FY 13/14 expansion and recruitment efforts directly resulted in more than 600 new jobs.

Clean Technology



Multnomah County Job Change, Clean Tech, 2009-2014

Source: Economic Modeling Specialists Inc.

PDC's Clean Tech strategy, adopted in FY 12/13, calls for increased support for the cluster's entrepreneurial community, which works in a range of technologies from green roofs and pipeline technology to water purification systems with global impact. We connect Portland's startup businesses to partnerships with universities, signature research centers and business accelerators, and seek opportunities for local firms to make new market connections, encourage early adoption of technologies, and deploy their products on a national and international scale. Portland's leadership in green development and clean technology has driven recent advances by the We Build Green Cities initiative, promoting our innovative firms worldwide to create jobs and economic benefit.

\$2.1M

Funding from the federal Jobs and Innovation Accelerator Challenge (JIAC) grant

Accomplishments

SUPPLY CHAIN

PDC provided financial and technical support to build our Clean Tech supply chain by showcasing our manufacturing firms at Windpower 2014 in Las Vegas, NV. The exhibition drew 7,500 attendees and 450 exhibitors. The seven regional companies participating in Portland's We Build Green Cities booth generated nearly 60 leads and secured more than \$110,000 in sales at the show.

JIAC GRANT

Implemented Year Two of \$2.1M federal Jobs and Innovation Accelerator Challenge grant. Regional companies that benefited from the grant's commercialization and R&D resources include IT Aire, Honeycomb, LED Trail, Walking Point Farms, Sunmark Environmental, KersTech, RapidMade, Indow Windows, Sweetsense, and Christensen Shipyards. Key partners include Oregon BEST, Portland State University, the University of Oregon, Oregon State University, Washington State University-Vancouver, and Oregon Tech.

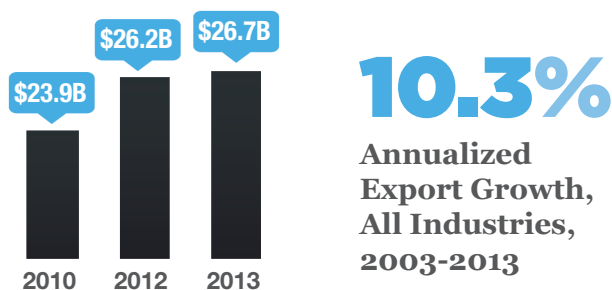
INNOVATION

Expanded support for local clean tech startups by connecting them to financial and other resources to foster new market opportunities. Showcased six local firms at national events including ARPA-Energy and the Clean Tech Forum in partnership with Oregon BEST, generating interest from 42 potential partners that provide assistance with R&D, strategic partnerships or financing.

International Trade

PDC's export strategy and partnerships with the private sector bolstered Portland's export successes in FY 13/14, and a new focus on foreign direct investment (FDI) through Brookings' Global Cities Initiative expanded the strategic reach of Portland's trade program. While it boasts the 23rd largest economy in the U.S., Portland lags behind other metros in FDI employment, intensity, and foreign-owned enterprise. The Brookings pilot kicked off in April 2014, with PDC and Greater Portland Inc working collaboratively to draft the Greater Portland Global Trade and Investment Plan by October 2014. Foreign direct investment and the high-paying, STEM-intensive jobs that it brings will be a key ingredient in shaping our region's future prosperity.

Real Exports



Portland MSA Export Statistics

Source: Brookings Metro Export Initiative

Accomplishments

BIG IN JAPAN

The We Build Green Cities program continued to find export success in Japan, with multiple contracts awarded to local architecture and engineering firms and a signed joint venture with Smart City Planning Inc., a consortium of 27 major Japanese and global corporations pursuing green development projects around the world. PDC also organized a business development trip to Kyoto and Tokyo for nine athletic & outdoor/craft manufacturing companies which secured sales for at least four of the participating companies.

NEW MARKETS

Focused on opening export opportunities for local firms in China, Colombia, and Mexico. To help source sales or project opportunities, PDC organized two targeted trade missions: to China, where the City of Portland signed a Trade City Partnership with the City of Changsha, and to Colombia, where local firms met with potential clients in both Bogota and Medellin.

STATE/FEDERAL COOPERATION

Leveraged key state and federal partnerships to extend export opportunities for local traded sector firms. Brookings named Portland one of six pilot cities for its Metro Foreign Direct Investment Initiative, to promote global trade and economic competitiveness. Partnered with Business Oregon and the Japan American Society of Oregon on a "Doing Business in Oregon" summit in Japan, and hosted several business delegations from countries seeking to invest in the city and state.

Film, Video, & Digital Media

Film and video productions remain a significant contributor to Portland's economy, with direct in-state spending estimated to reach \$136 million in 2014. The majority of production work is concentrated in Portland, where the local business supply chain benefits from increased film production. In addition to television series productions *Grimm*, *Portlandia*, and *The Librarians*, the feature film *Wild*, starring Reese Witherspoon, shot in Portland and around the state of Oregon in 2014.

New industry growth opportunities have arisen as the film industry intersects with other industries focused on creating digital narrative. As technology plays an increasingly larger role in the creation of film and television productions, Portland is seeing significant growth in related fields – animation, game development, visual effects, and digital media.

\$136M

direct in-state spending by
film & video productions
in 2014

Accomplishments

INDUSTRY PARTNERSHIPS

The growing reputation of the Portland Film Office led to several opportunities to partner with industry organizations. PDC accepted a position on the executive board of Oregon Story Board, a nascent organization supporting the intersection of film, video, and digital media. Film Office representatives were featured speakers at industry events for Oregon Media Production Association, Travel Oregon, and the 2014 NW Animation Festival.

OUTREACH

Technology's growing role in film and video positions the Portland Film Office as a bridge between the related industries, with relationships that benefit the broader community. The Film Office arranged a donation of 20 Intel tablet computers to Game Education PDX for use in East Portland on-site educational programs, and donation of Intel computers and office equipment for use at Neighborhood Prosperity Initiative neighborhood centers.

PERMITTING

Coordinated the issue of 450 film- and video-related city permits, leases and agreements for filming in Portland, supporting TV series *Grimm* (NBC), *Portlandia* (IFC), *The Librarians* (TNT), and *Househunters International*, as well as feature film *Wild* and other features and commercials.



Left to right: Amy Nagy (PDC), Martha Janicki, Mara Zepeda, Aria Joughin and Jared Wiener (PDC) outside of Switchboard's office in the newly renovated Washington H.S.

Business & Industry Cluster Profile:

MARA ZEPEDA, SWITCHBOARD

Tell us your company story. Switchboard began as a passion project among a group of students and alumni of Reed College. My co-founder Sean Lerner and I created a simple, intuitive community-building platform to make it easy for people to trust and help each other. We became a company in July 2013.

What will keep you here in Portland? We have a strong base of support here thanks to our affiliation with Reed and our acceptance into the Portland Incubator Experiment. Every day someone arrives on our doorstep and offers to help. You won't find that spirit of collaborative generosity in any other city.

What do you love about Portland? In Florence, Italy I immersed myself in Renaissance history. What made that flourishing possible was the city's small, livable scale and frequent opportunities for different disciplines to cross-pollinate and experiment. I feel the same way about Portland today.

How has your relationship with PDC made a difference to you and your business? PDC has opened up a market we never would have considered. Vast opportunities exist when technology companies partner with, instead of disrupt, city infrastructure. We are now partnering with other companies that offer civic technology and hope to export solutions to other municipalities. I'm proud to have such innovative, committed, and forward-thinking leaders in local government.

What role do you play with the local community? Many of Switchboard's beachhead customers are here. People have used the site in imaginative ways, from women cyclists lending their bikes to visitors coming to the city to startups securing government contracts to improve city operations.

What are your hopes for the future of Switchboard? We want Switchboard to be a verb. When people are looking for help or resources we hope they'll say, "Just Switchboard it!" We'd like nothing more than to grow our company here in Portland.

What are your hopes for the city of Portland's future? Portland is uniquely positioned to model productive partnerships with startups and technology to build stronger cities. We feel very strongly that public/private collaborations are the key to sustainable, vibrant cities. Some tech companies have parachuted into town and dictated their own rules in the name of disruption. We envision a different approach that honors and amplifies the work that came before to grow a sustainable, inclusive ecosystem.

PDC's mission focuses on creating more opportunity and shared prosperity for Portland. How does that align with your own work and goals? That's what we do every day at Switchboard! We're a platform that circulates opportunities and prosperity. We couldn't imagine a better city to partner with than one that shares these values.



Business & Industry Cluster Profile:

AVERY BLOOM, MAKE IT GOOD

Tell us your company story. Leah and I had started a tiny line of clothing. When we moved to Portland in 2011 we made that into a serious business, and brought in Leah's sister Krista in as a partner. We found a home for our sewing machines and screen printing equipment before we found a place to live! It was the first time that we had a space dedicated to design and manufacturing, and that was the moment that Make It Good became real.

What brought you to Portland and what will keep you and your business here in the future? We met in Seattle, moved to the Bay Area, and then headed to Portland, and we're here to stay. Having a company that is designing and manufacturing everything in-house fits right into the city's hands-on ethos.

What do you love about Portland? There is a tremendous amount of energy in Portland right now. It's a center for innovation; folks are taking clothing, housewares, design, food, carpentry, and ceramics and re-connecting them to their artisanal roots. We're passionate about innovating in order to compete on quality, variety, price, and story.

How has your relationship with PDC made a difference to you and your business? PDC has been so supportive, helping us connect to resources and markets that can be really difficult for small and growing companies to access. Knowing that infrastructure and people are invested in our success has been fantastic.

Left to right: Paul Winnicki (Screen Printing), Jacobeth Perez (Seamstress, holding dog, Frankie), Anna Leja (Screen printing), Leah Stovel (Owner), Thi Thu Nguyen (Lead Seamstress), Nick Grod (Production Manager & Cutting Room), Krista Stovel (Owner), Sue Bal (PDC), Avery Bloom (Owner, holding dog, Lucille)

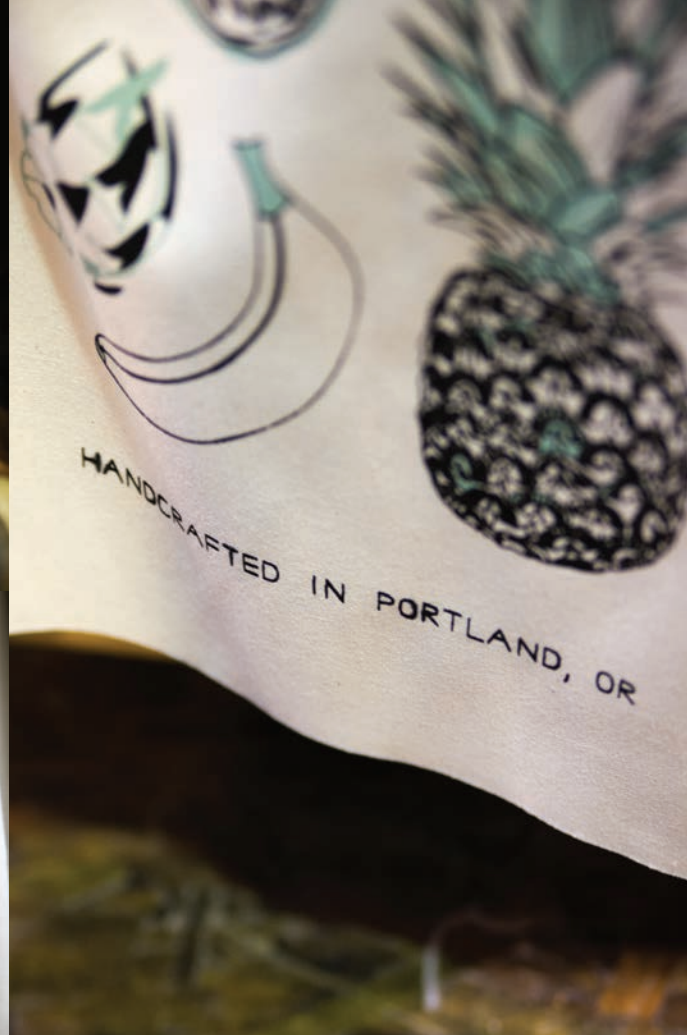
How do you and your company interact with the local community? We recently moved our facility onto Water Avenue where industrial and creative/office uses come together. We like straddling those two worlds.

We also recently opened a downtown retail location, "North Of West" as a collaborative flagship for Make It Good and our housewares brand Nell & Mary, and teamed up with our friends at Pigeon Toe Ceramics. It has been amazing to interact with our hometown community and our customers every day.

What are your hopes for the future of your business and for the city? We're excited about growing our business and being a part of Portland's story as a beacon for high quality design and manufacturing worldwide.

PDC's mission focuses on creating more opportunity for Portland. How does that align with your own work and goals?

Since we hired our very first team member we realized what a profound responsibility it is to be an employer. We're committed to providing our staff with opportunities for personal and career growth, ensuring that they have the dignity of a living wage and believe that working with us is a positive force in their lives.





“One of the greatest riches in East Portland is our racial, cultural, and ethnic diversity. We will work to keep it.”

- *Annette Mattson,*
NED Leadership Group

Neighborhood Economic Development

Since its inception in 2011, the 2011 Neighborhood Economic Development (NED) Strategy has evolved to encompass multiple programs and initiatives, all focused on creating economic opportunity among priority populations. The mission endures with its focus on the promotion of wealth creation and income growth within low-income and disadvantaged communities. Investments in community-driven economic development, small business development, and workforce development remain at the forefront.

The PDC grant and loan programs serving disadvantaged communities (Storefront Improvement, Community Livability, Development Opportunity Services, business finance and commercial property development loans) now use an equity lens, aligned with the Neighborhood Commercial Corridor Strategy, to review each loan and grant application.

The NED Leadership Group, also founded in 2011 and comprising more than 30 diverse partners from the public, private and non-profit communities, continues to clarify its decision-making roles to guide strategy implementation.

More than ever, partnership and collaboration drive the delivery of PDC services and resource access for priority communities, with joint accountability for implementation of programs and a shared desire to maximize the impact of our work. As a city we're working with multiple organizations toward equal opportunity for all residents, in the face of the disparity between two Portlands – the one with wealth and social amenities, and the one struggling with poverty and displacement.

Neighborhood Business Growth



When local businesses struggle, so do their surrounding neighborhoods; by the same measure, the success of small, local businesses can transform neighborhood economic growth. PDC provides financial investment and technical assistance designed to unleash the full economic potential of both individual businesses and commercial districts. Business and community development go hand-in-hand, and tangible results are the end goal: increased business, physical improvements to neighborhoods, more jobs for local residents, and a stronger economic base. Like all of PDC's neighborhood-focused initiatives, this work has relied on strong public-private partnership and a deep commitment to collaborative problem-solving.

522

small and micro
businesses assisted

17,495

hours of technical
assistance

Accomplishments

BUSINESS TECHNICAL ASSISTANCE

Provided a total of 17,495 hours of technical assistance to 522 small and micro businesses through community-serving organizations. Client satisfaction drew high marks among the businesses served, 48% of which were owned by people of color and 25% by those with limited English proficiency. PDC also convened monthly meetings of technical assistance providers to discuss fraud prevention, lending options, cultural fluency, marketing, and accounting.

JADE NIGHT MARKET

Worked closely with the NPI Jade District in outer southeast Portland to launch an inaugural Night Market, modeled on the night markets that are the center of social life and commerce throughout Asia and intended to create a sense of community along SE 82nd Avenue. Markets in locations such as Taiwan, Hong Kong, Macau, Singapore, Malaysia, China, Thailand, and the Philippines have been well-documented as engines of development.

STOREFRONT IMPROVEMENT PROGRAM

Mini-Storefront Improvement matching grants to businesses in Cully, Alberta, St. Johns, Hillsdale, and 42nd Avenue contributed to the completion of small-scale community projects that furthered the goals of the NPI and Main Street Network.

Neighborhood Commercial Districts



PDC prioritized investment along key commercial corridors, particularly in east Portland, to jump-start 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 positive brands for districts and improve economic performance, this work has expanded the ability of commercial districts to shape and then tell their own unique stories.

83%

minority workforce

70%

DBE contracting

utilized for the
renovation of Dawson
Park in the Interstate
Corridor URA

Accomplishments

LENTS ACTION PLAN

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 prioritizes PDC's commercial real estate developments in two areas - 92nd and Foster and Foster and 67th - and relies on partnership with other city bureaus to implement strategic actions.

DAWSON PARK

Construction on the park began in October 2013. In addition to honoring and remembering the history of the African American community in this area, one of PDC's project goals was to ensure that the economic benefits of the development (jobs and investment) accrued to the minority community. Thanks to a new and innovative approach, the project achieved 83% minority workforce and 70% DBE contracting.

MERCADO

Celebrated the groundbreaking for the Portland Mercado, a Latino-themed public market led by Hacienda Community Development Corporation at 72nd and Foster in the Lents Town Center Urban Renewal Area. PDC has supported the project since 2010 and provided the site for the market, which is expected to provide space for multiple micro businesses and act as a hub for Latino culture and events.





Back row: Morgan Masterman (PDC),
Anne Jaspersen (IRCO); front row:
Swee Lee (IRCO), Jasmine Tran,
Tina Do (IRCO)

Neighborhood Economic Development Profile:

JASMINE TRAN ESSANCE, LLC NATURAL AROMATHERAPY

Tell us a little about yourself.

Jasmine: I lost my job in 2009. After months of searching, it became clear that no company was interested in hiring someone with a cosmetic background. So I began to research aromatherapy and build a business from the ground up. Four things were true to me: passion, creativity, integrity, and beauty.

IRCO: As business technical assistance specialists, our goal is to provide small business assistance to our clients. We also offer them other resources and referrals to partners that we have throughout the community.

What challenges were you dealing with when you first learned about IRCO? One was how to properly scale my business to meet the demands of my customers. My goal is to grow and still offer my customers superior professional service and high quality products.

How are you doing now? The business is exactly where it needs to be. Essance has a strong business model where providing education to empower consumers with their brand selection comes first.

What impact has IRCO had on your life/business? IRCO has given me a sense of security. I spend most hours thinking about Essance - what new products I could create, new services I could offer. If I have a question, I call IRCO. They assisted me with my marketing plan and gave me new ideas on reaching potential customers.

What are your hopes for the future of your business? My hope is to become the leading global brand of natural skincare in the next five to 10 years.

What are your hopes for the city of Portland's future? The mission of IRCO is to promote the integration of newcomers and community members into a self-sufficient and inclusive society. This is also my hope for Portland: continued support of small businesses and entrepreneurs. The small business support that I have received from IRCO and PDC has been extremely helpful.

PDC's mission focuses on creating more opportunity for Portland. How does that align with your own work and goals?

Jasmine: The goal of my business is growth. My vision is to create a strong business that will provide opportunities for others in Portland.

IRCO: The immigrant and refugee population in Portland is strong, resilient, and willing to invest in their businesses in the community. This is helping to make Portland a very diverse and fun place to live!



Strong Community Capacity



PDC investments in community-driven economic development and capacity building have been designed to promote wealth creation and income growth within low-income and disadvantaged communities. In the three years since the creation of the Neighborhood Economic Development Strategy, community groups and business districts have begun to take charge of their own futures. Many local businesses have become active participants in their respective districts, contributing to the vibrancy of these priority areas. District visibility events raised general awareness of the struggling neighborhoods, drawing interest and potential additional investment to seed future economic growth.

Net increases, NPI & Main Street Network

128 jobs
14,762 volunteer hours
50 businesses

Accomplishments

NPI & MAIN STREET NETWORK

In 2013, two Main Street districts in north and northeast Portland joined the six Neighborhood Prosperity Initiative (NPI) districts to create the NPI & Main Street Network. The Network continued to implement programs tailored to the unique needs of their businesses and residents, including business seminars and networking events. With PDC support, the network reported net increases of 128 new jobs, 50 new businesses, and 14,762 volunteer hours.

COMMUNITY LIVABILITY GRANTS

Awarded \$1,228,000 in Community Livability Grants to 17 projects in the Interstate Corridor, Lents Town Center, and Gateway Regional Center urban renewal areas. The level of funding marked a significant increase in returning tax increment dollars to the community. Funded projects reached out to priority populations and encouraged the use of certified minority contractors to make a real difference in creating livable, healthy neighborhoods throughout Portland.

VENTURE PORTLAND PARTNERSHIP

Offered technical assistance trainings to all Portland business districts through a contract with Venture Portland, a non-profit partner in neighborhood economic development, for a total of 780 technical assistance hours, 698 training hours, and 1784 volunteer hours. With PDC support, Venture Portland awarded \$87,450 in grants to 31 business districts, funding 45 projects throughout the city.

Economic Opportunity & Equity



The growing divide between communities with wealth and social amenities and others that struggle with poverty and displacement is at the heart of PDC's work with local businesses, service providers and their clients to begin addressing the gap in equity and opportunity. To address the challenges, we rely on innovative partnerships, place-based solutions and community-led interventions in both gentrifying and high-poverty neighborhoods.

The FY 13/14 fiscal year also marked the implementation of PDC's Equity Policy, created in 2013, which expanded the scope and reach of PDC's equity efforts from construction and contracting activities to all PDC investments and programs, as well as internal business practices including staff recruitment and retention.

24% DMWESB contracting
in FY 2013-14

Accomplishments

DISTRICT EQUITY TRAINING

PDC hosted comprehensive equity training for the district managers, board members and volunteers of the NPI and Main Street Network, also attended by PDC staff. In total 16 hours of training were offered and 56 people participated in the program.

ECONOMIC OPPORTUNITY INITIATIVE

In collaboration with Worksystems and a network of service providers, funded youth and adult workforce development programs for low-income Portlanders, helping them to better connect and compete in the regional economy. Nearly 700 young people received training and assistance, with almost 75% of those being people of color. Among the 614 adult recipients of services, 56% were people of color.

DMWESB CONTRACTING

PDC contracting continued to see strong participation by disadvantaged, minority-owned, women-owned or emerging small businesses (DMWESB). Of all PDC-supported projects in FY 2013/2014, DMWESB contracting was 24%, which encompasses 5% disadvantaged business enterprises, 9% minority-owned, 8% women-owned and 2% emerging small businesses.



Left to right:
PDC staffers
Alison Wiicks
and Kevin Cronin
with Annette
Mattson in Lents

Neighborhood Economic Development Profile:

ANNETTE MATTSON, PDC NED LEADERSHIP GROUP/ PUBLIC POLICY SPECIALIST, PORTLAND GENERAL ELECTRIC

Tell us a little about yourself. I have been a resident of East Portland since before many areas east of 82nd Avenue were annexed into the city. My volunteer life in East Portland includes 18 years on the David Douglas School Board; I started out as a parent who cared about all kids and became a community member who cares about all my neighbors.

What challenges was the neighborhood dealing with when you started working with PDC? The recession stalled momentum. Skepticism, stereotypes, and misinformation regarding public safety continue to plague the area. Empty lots, vacant storefronts, and a shortage of private investment are a challenge.


How has the relationship with PDC made a difference? The relationship between the community and PDC is the best that it has ever been. The PDC staff working on the Lents Five-Year Action Plan developed a level of trust with the community that should carry us forward into place-making and a more economically prosperous community.

What opportunities do you see in your neighborhood? The area east of 82nd to I-205 is hungry for new businesses and activity. Neighborhoods in East Portland all the way to SE 172nd

have no business district and are begging for a restaurant the foodies can call their own. Many folks want a coffee shop. Various sites are perfect for a grocery store. One of the greatest riches in East Portland is our racial, cultural, and ethnic diversity. We will work to keep it.

What are you most optimistic about? The City recognizes that public investment has not been equitable; it is time for Lents and East Portland to receive attention and financial resources to achieve prosperity and economic opportunity without displacement. The Lents Five-Year Action Plan called out the areas where focus is needed; if city bureaus align their work with the Plan recommendations, the goals will be realized.

PDC's mission focuses on creating more opportunity for Portland. How does that align with your own goals? I believe that every child deserves a quality education that gives them the skills they need to be successful in life and work. I believe that every worker should have access to a good job without having to drive an hour to another city. Every neighborhood in Portland should be healthy and complete - only 45% can now claim that distinction. My personal goal is to make the world a better place. A good place for me to start is here in my community, with my neighbors.



“The CLSB wouldn’t have happened if not for PDC. Creating more opportunities means opening doors and finding solutions when a less capable partner would give up.”

- *Brian Newman, OHSU*

URBAN INNOVATION

The city’s investment and leadership in urban place making and innovation will drive Portland’s readiness for what may come – in development, growth, technology, transportation, and human needs. PDC is partnering closely with the Bureau of Planning and Sustainability in its development of the Central City 2035 Plan, a 25-year framework to ensure Portland remains a healthy and globally competitive city. Our urban fabric must support healthy communities and a strong regional economy complemented by arts and cultural activities, retail, entertainment, tourism, higher education, urban living, and a multimodal transportation network.

We directed our urban innovation focus in FY 13/14 on work that advances our progress in central city vitality, next generation placemaking, and the ever-greater role of regional institutions in creating the intellectual capital that will fuel future economic growth for the region.

Our work in the central city holds broad implications for the city and the region. A vibrant central city serves residents and local business as an employment and innovation hub, and also plays a wide-reaching role as a showcase for the city as a global player, capable of drawing international interest and foreign partnership. The central city essentially acts as a collection of neighborhoods that serve regional physical growth by offering the density needed to house anticipated population and employment increases in Portland.



Central City Vitality

The future of the city hinges on its approach to the success and vitality of its core – the central city, with its unique combination of economic and cultural assets. Maintaining the fine balance of retail, neighborhoods, higher education, downtown communities, and entrepreneurial hubs in the central city is critical to Portland's reputation for smart urban planning. Consequently, our approaches are not confined to physical development; our path to vitality encompasses business- and people-focused initiatives within the central city's unique neighborhoods and places.

\$57 Million

URA funds budgeted to spur development in Old Town/Chinatown via the Five-Year Action Plan

Accomplishments

OLD TOWN/CHINATOWN ACTION PLAN

Secured City Council approval of a Five-Year Action Plan to deploy up to \$57 million in URA funds to spur development, employment, cultural and livability, sparking a new level of partnership, energy, and stakeholder involvement in one of Portland's oldest neighborhoods. The plan will complement existing services and housing with the use of system development charge waivers to support new mixed-income and middle-income units in the neighborhood.

ZIDELL PROPERTY

Advanced partnership efforts on the Zidell Yards property in the South Waterfront, the central city's largest remaining parcel of undeveloped land, including Zidell's completion of the Emery Apartments in the North Macadam URA's Central District, which added new residential units, ground floor retail, and street-level energy along SW Moody Avenue.

BURNSIDE BRIDGEHEAD

This catalytic Central Eastside property moved into its second phase of development, with the start of design and construction of Key Development's new housing and retail project on Blocks 67 and 76W.

ULI ROSE FELLOWSHIP

Participated in the Urban Land Institute Daniel Rose Fellowship, an opportunity to gain advice from national experts on how new land use, real estate prototypes, public investment, and an emphasis on transit could further the Central Eastside's evolution as a jobs center for the region and contribute to Portland's future economic competitiveness. Portland joined Honolulu, Indianapolis, and Memphis in the fellowship, which fosters public-private partnerships, collaboration and problem-solving.

SOUTH WATERFRONT ACCESS AND GREENWAY

Realized significant new regional public improvements and improved access to the South Waterfront district, including substantial completion of construction of the Central District Greenway—with permanent public open space improvements, shallow water fish habitat, and an innovative retaining wall to protect native vegetation. The Portland-Milwaukie Light Rail's Tillikum Crossing Bridge construction was also completed, bringing a new bridge to the Portland skyline, in preparation for light rail services to open in fall 2015.

18

Number of global projects (including the South Waterfront EcoDistrict) selected to participate in the C40 Cities Climate Positive Program

511

New address for the Pacific Northwest College of Art's campus on NW Broadway in Old Town

1896

The year Union Station (listed on the National Historic Register) was built.

\$295M

Total cost of the Collaborative Life Sciences Building, pictured at left.

Next Generation Placemaking



Portland continues to build a city that leads the nation in innovative urban development, from the installation of Lucid Energy's turbine to the construction of a district-scale water treatment system in the Lloyd EcoDistrict's mixed-use, transit-oriented Hassalo on 8th. At a policy level, PDC partnered with global programs like C40's Green Growth Network and Climate Positive. Portland's South Waterfront completed a roadmap toward carbon neutrality at a district level. These projects and efforts continued to fuel PDC's We Build Green Cities export platform, leveraging local projects to position Portland firms for international exports to Colombia and other countries.

60,000 /day

Gallons of greywater & blackwater treated by Hassalo on 8th's on-site water recycling system

Accomplishments

LLOYD ECO DISTRICT

Completed a five-year Energy Action Plan in collaboration with the Lloyd EcoDistrict, a partnership to build the city's most sustainable living-and-working district. The Plan identifies how the Lloyd EcoDistrict can contribute towards a 60% energy reduction by 2035. As a result of the plan, district property owners are working together to realized shared efficiency improvements.

HASSALO ON 8TH

Portland's emblem of next generation mixed-use development is driven by public-private partnership. The project demonstrates water conservation, replacing surface parking with a holistic green infrastructure system consisting of an open-air cistern, vegetated roofs, and bioswales to manage and treat stormwater runoff. The 60,000 gallons of greywater and blackwater produced daily will be treated on-site with a water recycling system.

SOUTH WATERFRONT ECODISTRICT

Completed a "Climate+" framework and identified integrated utility opportunities in the South Waterfront EcoDistrict in conjunction with EcoDistricts, the Bureau of Planning and Sustainability and the C40 Cities Climate Positive Program. South Waterfront is one of 18 global projects selected to participate in the program, launched in 2009 in partnership with the Clinton Climate Initiative and the U.S. Green Building Council to provide urban examples of communities striving towards "climate positive"—or net carbon negative—outcomes.

Regional Assets



As anchor institutions of Portland's city center, Oregon Health & Science University (OHSU) and Portland State University (PSU), are acknowledged generators of the region's intellectual capital whose success will drive job creation and private investment. PDC's focused use of urban renewal resources to support these regional assets and other urban amenities is intended to strengthen the continuum of educational advancement, research and commercialization and job growth. In addition, investment in longtime central city amenities like the Oregon Convention Center and Union Station advance their potential as regional attractions that further strengthen the vitality of the central city.

\$1.7M

Contribution to Collaborative Life Sciences Building

\$525K

Additional funds for bioscience research-related improvements

Accomplishments

COLLABORATIVE LIFE SCIENCES BUILDING

Celebrated the June 2014 opening of the Oregon Health & Science University/Oregon University System Collaborative Life Sciences Building and Skourtes Tower, the first building on OHSU's Schnitzer campus in South Waterfront. PDC contributed \$1.7M to the total \$295M cost of the building, joining funds from the state, OHSU philanthropy and institutional funding, and TriMet. PDC also provided an additional \$525,000 for bioscience research-related improvements.

UNION STATION

Began implementation of Union Station Phase III preliminary engineering/design and environmental review project. Built in 1896 and listed on the National Historic Register, the station facility plays an important role in providing convenient transportation alternatives and employment opportunities, but requires significant upgrades to maintain safety and operability and preserve its potential to catalyze other development in the Old Town/Chinatown area.

PNCA PURCHASE

Secured ownership of 511 NW Broadway to facilitate its renovation and occupancy by the Pacific Northwest College of Art as PNCA's main campus, setting the stage for the transformative development of this historic building straddling Old Town/Chinatown and the Pearl District. The 511 Building had been targeted for disposition by the U.S. General Services Administration for more than 20 years before PDC's acquisition via the Historic Monument Transfer program.



Geraldene Moyle, PDC and Brian Newman at the CLSB.

Central City Profile:

BRIAN NEWMAN, OREGON HEALTH & SCIENCE UNIVERSITY

Tell us a little about the Collaborative Life Sciences Building (CLSB). Construction finished in June 2014. At 650,000 square feet, it is the largest academic and research building ever constructed in Oregon and marks the first phase of OHSU's Schnitzer Campus on the South Waterfront. The building has achieved LEED Platinum certification; it is jointly owned by OHSU, Portland State University, and Oregon State University with OHSU occupying about 70% of the space.

What do you love about Portland? I was born here, but grew up mostly on the East Coast and in Texas. I love that Portland is a city of diverse and thriving neighborhoods and districts. I love to visit different neighborhoods here to sample new restaurants or check out the local shops.

How has your relationship with PDC made a difference? The CLSB wouldn't have happened if not for our partnership with the PDC. We have worked closely with the PDC and other city bureaus to align our major facility investments with the city's planning for roads, transit and other critical infrastructure.

What role does the university play with the local community? OHSU's mission is to improve the health and wellbeing of Oregonians through healing, teaching, and discovery. I support that mission by guiding the physical growth and development of the university so our faculty, researchers, and staff have the spaces and facilities they need to perform at the highest level possible.

What are your hopes for the future of OHSU? To successfully balance the growth of OHSU with our neighbors and the natural environment while delivering well designed, sustainable facilities.

What are your hopes for the city of Portland's future? I hope Portland retains its spirit of innovation and independence rather than following whatever is trendy with other cities and regions. Popular attention has shifted to Portland because our differences are appreciated and set us apart from the suffocating sameness in much of urban America.

PDC's mission focuses on creating more opportunity for Portland. How does that align with your own work and goals? OHSU cannot successfully grow and develop without a strong partnership with the PDC and City of Portland. Creating more opportunities means opening doors and finding solutions when a less capable partner would give up or lower expectations. I believe that the PDC's focus is fully aligned with our vision to grow and continue to improve the health and wellbeing of all Oregonians.





Kay Little, PDC and
Jessie Burke at the under-
construction Society Hotel

Central City Profile:

JESSIE BURKE THE SOCIETY HOTEL

Tell us about the Society Hotel. The Society Hotel will be a boutique hotel with 38 private rooms on three floors, and a bunk room style hostel on the ground floor. We hope to revitalize our part of Old Town/Chinatown with high style, affordable accommodations in the heart of downtown.

What brought you to Portland? My husband and I are originally from the East Coast. We came west for many of the same reasons folks always have... to find a place that welcomes adventurous travelers and people who find the traditional way of doing things will never be for them.

What do you love about Portland? In Portland, anything is possible. I've seen so many people, myself included, become whoever they wanted to be, and not settle for who they were expected to be.

How has your relationship with PDC made a difference to you and this project? I agreed to this project because PDC would be involved. PDC has been an outstanding partner, cheering us on every step of the way, which has helped us rally more support with each phase of our project.

What role will the Society Hotel play with the local community? I joined the community association as soon as we purchased our building. Since then I've been elected to the board and seen many amazing changes take place, and I can only hope that this hotel project played a role in the community's renewed enthusiasm.

My mother's side of the family is Chinese, so I have been embraced by the Chinese community and have been working on ways the hotel can collaborate with the community to bring people and activity back to Old Town/Chinatown.

What are your hopes for the future of the Society Hotel, and for the City of Portland? I hope the hotel is wildly successful and welcomed with open arms by the community and guests, and that it is a model that can be duplicated elsewhere. I hope Portland will continue to grow into a world class city but always remain humble.

PDC's mission focuses on creating more opportunity for Portland. How does that align with your own work and goals?

The work that I've found myself doing is only possible with a partner like PDC that is willing to create an opportunity for someone like me, who doesn't fit the traditional mold for this project type and business. We're both willing to give it a shot.



INVESTING PUBLIC RESOURCES WISELY

“With PDC’s and the Portland City Council’s commitment to focus energy and resources, all of our neighborhoods—in Lents and throughout the city—will be healthy and complete.”

- *Annette Mattson,*
PDC Neighborhood
Economic Development
Leadership Group

PDC’s unique role as a convener among Portland’s ecosystems of people, businesses and organizations is vital in assessing the effect of PDC programs and the value of its investments.

Market Street Services, a nationally-recognized consulting firm, noted in its recently-completed assessment of PDC’s work, “...the PDC approach to economic development at the city and neighborhood levels is far more comprehensive and in-depth than any public sector entity we have worked with in the past.”

As reflected in the following financial statements, PDC ended FY 13/14 with approximately \$339.1 million in total assets, with its real estate portfolio accounting for \$73.4 million of this value. Loans receivable, net of allowances, were \$55.2 million at year-end. Cash of \$190.2 million, including tax increment debt proceeds (in lieu of tax increment revenue) and line of credit draws, made up the largest portion of the asset balance. PDC’s total liabilities at year-end were \$18.8 million.

Tax increment debt proceeds of \$59.7 million made up 63.2 percent of PDC’s \$94.5 million total revenues for the year. PDC’s annual expenditures totaled \$71.7 million, resulting in an ending fund balance of \$318.9 million when netted with \$.9 million in non-operating revenues, an increase of \$23.7 million over the restated fund balance for fiscal year 2013.

Financials

BALANCE SHEET

	Governmental Funds	Enterprise Funds	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 15,500	\$ -	\$ 15,500
Cash with City of Portland investment pool	183,903,731	6,249,485	190,153,216
Cash with fiscal agent	712,812	-	712,812
Receivables:			
Due from other entities	-	-	-
Due from other funds	(103,000)	103,000	-
Due from City of Portland	3,723,796	-	3,723,796
Accounts	489,988	245,691	735,679
Loans, net	1,404,273	444,337	1,848,610
Interest	279,079	12,132	291,211
Prepays	237,704	-	237,704
Property held for sale	73,370,002	-	73,370,002
Other	120,133	-	120,133
Total current assets	264,154,018	7,054,645	271,208,663
Noncurrent assets:			
Loans receivable, net	53,028,533	335,021	53,363,554
Capital assets, net	14,507,557	-	14,507,557
Total noncurrent assets	67,536,090	335,021	67,871,111
Total assets	\$ 331,690,108	\$ 7,389,666	\$ 339,079,774

BALANCE SHEET

	Governmental Funds	Enterprise Funds	Total
LIABILITIES AND FUND BALANCES			
Current liabilities:			
Accounts payable	\$ 2,301,235	\$ 49	\$ 2,301,284
Accrued liabilities	737,030	7,094	744,124
Due to City of Portland	2,019,102	93,342	2,112,444
Due to other entities	265,760	-	265,760
Long-term liabilities due within one year:			
Pollution remediation	666,928	-	666,928
Replacement parking access	66,687	-	66,687
Vacation accrual	106,698	-	106,698
Total current liabilities	6,163,440	100,485	6,263,925
Noncurrent liabilities:			
Long-term liabilities:			
Net other post-employment benefits obligation	744,163	-	744,163
Pollution remediation	7,867,795	-	7,867,795
Replacement parking access	135,772	-	135,772
Replacement parking construction	3,355,421	-	3,355,421
Vacation accrual	395,046	-	395,046
Total noncurrent liabilities	12,498,197	-	12,498,197
Total liabilities	18,661,637	100,485	18,762,122
Fund balances:			
Non-spendable			
Prepaid expenditures	236,419	-	236,419
Loans receivable	423,298	-	423,298
Property held for sale	146,754	-	146,754
Restricted			
Loans receivable	53,899,363	-	53,899,363
Property held for sale	72,971,792	-	72,971,792
Accounts receivable-others	-	-	-
Urban renewal	177,886,049	-	177,886,049
Contractual obligations	4,126,784	-	4,126,784
Assigned			
Subsequent year's expenditures	1,916,561	-	1,916,561
Unassigned			
Ending fund balance	1,421,451	7,289,181	8,710,632
Total fund balances	313,028,471	7,289,181	320,317,652
Total liabilities and fund balances	\$ 331,690,108	\$ 7,389,666	\$ 339,079,774

The audited Comprehensive Financial Report can be found at www.pdc.us/CAFR

Financials

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	Governmental Funds	Enterprise Funds	Total
REVENUES			
Intergovernmental revenues	\$ 7,641,493	\$ -	\$ 7,641,493
Charges for services	8,735,896	1,076,214	9,812,110
Loan collections	1,241,522	38,915	1,280,437
Miscellaneous	10,173,615	5,884,466	16,058,081
Tax-increment debt proceeds (in lieu of tax-increment revenue)	59,718,111	-	59,718,111
Total revenues	87,510,637	6,999,595	94,510,232
EXPENDITURES			
Current:			
Community development	32,577,253	1,132,181	33,709,434
Capital expenditures for urban renewal	15,100,936	-	15,100,936
Financial assistance	22,467,023	-	22,467,023
Capital outlay	373,615	-	373,615
Total expenditures	70,518,827	1,132,181	71,651,008
Excess (deficiency) of revenues over (under) expenditures	16,991,810	5,867,414	22,859,224
NON-OPERATING REVENUES			
Interest on investments	836,822	27,889	864,711
OTHER FINANCING SOURCES (USES)			
Transfers in	2,783,306	556,279	3,339,585
Transfers out	(556,279)	(2,783,306)	(3,339,585)
Total other financing sources (uses)	2,227,027	(2,227,027)	-
Net change in fund balances	20,055,659	3,668,276	23,723,935
FUND BALANCES - July 1, 2013	291,551,361	3,620,905	295,172,266
FUND BALANCES - June 30, 2014	\$ 311,607,020	\$ 7,289,181	\$ 318,896,201

The audited Comprehensive Financial Report can be found at www.pdc.us/CAFR

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2014**

Fund balances - total governmental funds	\$	311,607,020
--	----	-------------

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		14,507,557
--	--	------------

The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds

Net other post-employment benefit obligation		(744,163)
--	--	-----------

Long term vacation accrual obligation		(501,744)
---------------------------------------	--	-----------

Pollution remediation liability		(8,534,723)
---------------------------------	--	-------------

Replacement parking access		(202,459)
----------------------------	--	-----------

Replacement parking construction		(3,355,421)
----------------------------------	--	-------------

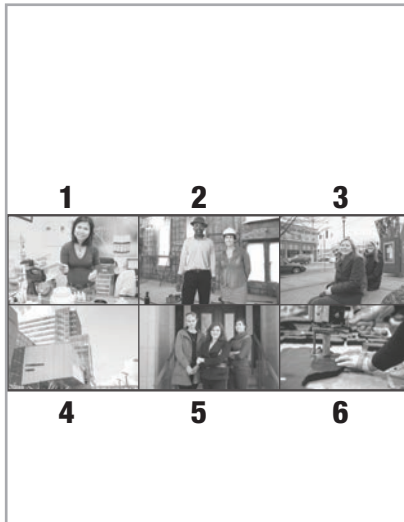
The internal service fund is used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets		252,404
---	--	---------

Net assets of governmental activities	\$	313,028,471
---------------------------------------	----	-------------

Financials

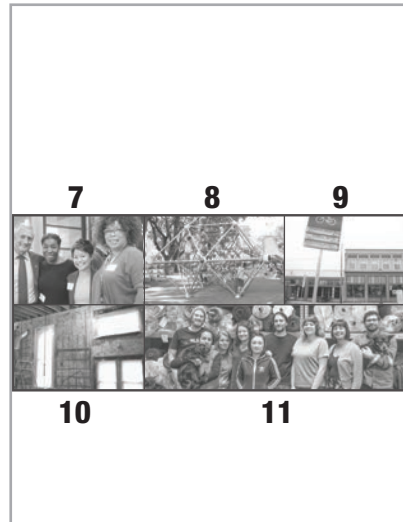
PORTLAND DEVELOPMENT COMMISSION CASH FLOW STATEMENT For the Fiscal Year Ended June 30, 2014

	Governmental Funds	Business -type Funds	Total
Cash flows from operating activities:			
Loan collections from borrowers	\$ 3,852,809	\$ 537,695	\$ 4,390,504
Intergovernmental Revenue	7,725,813	-	7,725,813
Tax increment in lieu	59,718,111	-	59,718,111
Interest on loans from borrowers	1,241,521	38,915	1,280,436
Loan fees from customers	561,419	8,447	569,866
Rent income	7,017,533	1,062,332	8,079,865
Collection of receivables from other entities	(550,679)	(80,597)	(631,276)
Payments to employees	(13,567,401)	(22,901)	(13,590,302)
Payments to vendors	(48,920,927)	(1,054,785)	(49,975,712)
Payments for interfund services used	37,494	(37,494)	-
Loans to borrowers	(2,687,594)	(1,644)	(2,689,238)
Sale of Real Property	6,498,555	5,630,000	12,128,555
Miscellaneous reimbursements (payments)	3,193,118	199,848	3,392,966
Net cash provided by operating activities	24,119,772	6,279,816	30,399,588
Cash flows from noncapital financing activities:			
Proceeds from new borrowings	-	-	-
Principal paid on notes payable	-	-	-
Interest payable (acc liab)	-	-	-
Interest paid on notes payable	-	-	-
Construction Deposit	-	-	-
Interfund loan	103,000	312,000	415,000
Repayment and collection of interfund loan	(312,000)	(103,000)	(415,000)
Deposy/Retain	-	-	-
Transfers from other funds	2,783,306	556,279	3,339,585
Transfers to other funds	(556,279)	(2,783,306)	(3,339,585)
Equity transfer	-	-	-
Net cash provide (used) by capital and related financing activities	2,018,027	(2,018,027)	-
Cash flows from capital and related financing activities:			
Purchase of property held for sale	-	-	-
Cash flows from investing activities			
Interest received from investing	825,075	19,026	844,101
Net increase (decrease) in cash and cash equivalents	26,962,874	4,280,815	31,243,689
Cash balance, July 1, 2014	157,669,169	1,968,670	159,637,839
Cash balance, June 30, 2014	\$ 184,632,043	\$ 6,249,485	\$ 190,881,528
Cash with City of Portland investment pool	\$ 183,903,731	\$ 6,249,485	\$ 190,153,216
Restricted cash - Wells Fargo sequestration account	712,812	-	712,812
Cash and cash equivalents	15,500	-	15,500
	\$ 184,632,043	\$ 6,249,485	\$ 190,881,528
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Net operating income (loss)	\$ 17,014,815	\$ 5,867,409	\$ 22,882,224
Increase (decrease) in due to/ due from city of Portland	(3,183,409)	100,411	(3,082,998)
Decrease in loans receivable	2,084,992	475,998	2,560,990
Decrease in PHFS	7,198,340	-	7,198,340
Decrease (Increase) in due from other entities	720,969	(162,360)	558,609
Increase (decrease) in accounts payable	284,065	(1,642)	282,423
	\$ 24,119,772	\$ 6,279,816	\$ 30,399,588



FRONT COVER PHOTOS:

- 1** Jasmine Tran
- 2** Kay Little and Jessie Burke
- 3** Annette Mattson, Kevin Cronin, and Alison Wicks
- 4** The Collaborative Life Sciences Building
- 5** Martha Janicki, Mara Zepeda, and Aria Joughin
- 6** The Make it Good factory



BACK COVER PHOTOS:

- 7** Mayor Charlie Hales, Inger McDowell, Sook Goh, and Deena Pierott
- 8** Dawson Park playground
- 9** 92nd Ave. & Foster Rd. in Lents
- 10** The Society Hotel under construction
- 11** The Make it Good team with Sue Bal, PDC

PDC | PORTLAND
DEVELOPMENT
COMMISSION
www.pdc.us

222 NW Fifth Avenue
Portland, OR 97209
503-823-3200



@pdxdevelopment



/pdxdevelopment



/pdxdevelopmentcomm

