



DATE: September 12, 2012
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 12-27
Authorizing an Intergovernmental Agreement with the City of Portland to Provide Funding of \$5,844,591 to the Portland Development Commission for Implementing Economic Development Activities on a Citywide Basis

BOARD ACTION REQUESTED

Adopt Resolution No. 6961

ACTION DESCRIPTION

This action will authorize an Intergovernmental Agreement (IGA) with the City of Portland (COP) to transfer \$5,844,591 to PDC to fund certain economic development activities including Neighborhood Economic Development and Traded Sector Job Creation and Retention on a citywide basis. These activities have been budgeted in the FY 2012-13 Adopted PDC Budget.

This is the fifth year that PDC has had an intergovernmental agreement with COP that provides for the transfer of COP general fund resources to PDC to support specified PDC activities. Prior to FY 2008-09, such transfers occurred without an intergovernmental agreement.

BACKGROUND AND CONTEXT

PDC has implemented economic development activities on behalf of COP for a number of years. Without COP general fund resources, PDC is unable to perform activities such as neighborhood economic development and traded job sector creation and retention on a citywide basis due to geographic limits of its urban renewal areas (URAs).

This IGA represents a slight increase in funding over the previous years. In FY 2011-12 the amount was \$5,788,326. The General Fund Special Appropriations was adopted as part of both PDC's and COP's budget. The IGA was approved by City Council on August 29, 2012.

COMMUNITY AND PUBLIC BENEFIT

The IGA allows PDC to use its established expertise in economic development on a citywide basis. Without the contribution of the COP's General Fund, PDC would be unable to undertake economic development activities, of the type contemplated by the IGA, outside of urban renewal areas.

The scope of services provides for both Neighborhood Economic Development and Traded Sector Job Creation and Retention.

Neighborhood Economic Development includes:

- Neighborhood Main Street Revitalization Program
- Small Business Technical Assistance
- Venture Portland
- Economic Opportunity Initiative
- Partners for Economic Progress Initiative

Traded Sector Job Creation and Retention includes:

- Cluster Industry Development
- Targeted Business Recruitment
- Small Business Working Capital
- Seed Fund Initiative
- International Business Development
- Entrepreneurial Development
- Portland 4 Biz Website

This action will support the following PDC goals:

- Strong Economic Growth and Competitiveness
- Social Equity
- Healthy Neighborhoods
- A Vibrant Central City

PUBLIC PARTICIPATION AND FEEDBACK

Public participation occurred as part of the FY 2012-13 Budget process both for COP and PDC.

BUDGET AND FINANCIAL INFORMATION

This action will allow PDC to receive \$5,844,591 in COP general funds to implement the following economic development activities in FY 2012-13:

- Neighborhood Economic Development - \$3,448,368
- Traded Sector Job Creation and Retention - \$2,396,223

The scope of services is provided as part of the Community and Public Benefit section, and the allocations for each are identified in Exhibit A to the Resolution.

RISK ASSESSMENT

Not adopting the Resolution would result in PDC not being reimbursed for expenditures already incurred year-to-date. PDC has contingency to cover these expenditures. However, any further program work to be supported by COP general fund resources would be halted, as this work is not TIF-eligible and PDC does not have sufficient non-TIF resources.

ALTERNATIVE ACTIONS

PDC does not have any other current sources of funding that could be diverted to these economic development activities. These are not TIF-eligible activities.

ATTACHMENTS

None