



DATE: June 12, 2013
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 13-21
Fiscal Year 2013-14 Budget Development: Review of City Council Approved Budget

BOARD ACTION REQUESTED

No action is requested, information only.

SUMMARY

The Portland Development Commission (PDC) Proposed Budget was presented to Portland City Council (Council), acting as PDC's Budget Committee, on May 15, 2013. This was followed by public testimony on the PDC budget on May 16, 2013, and approval of the PDC budget on May 29, 2013.

Moving forward, staff has identified recommended technical changes that will be requested for inclusion in the adopted budget and are preparing for the Tax Supervising and Conservation Commission review and public hearing to be held on June 26, 2013, prior to adoption by the PDC Board of Commissioners (Board). The meeting on June 12, 2013, will provide an opportunity for information and discussion prior to this hearing.

BACKGROUND AND CONTEXT

The fiscal year (FY) 2013-14 budget development process began in November 2012 with updates to departmental work plans and a discussion of the work plans and priorities with stakeholders and the Board. The work plans were presented to the Board on November 29, 2012, during the annual Board retreat. Staff created the FY 2013-14 draft budget and five-year forecast following the review of the work plans with the Board. The draft budget was then reviewed with the Board in January 2013 prior to being submitted as the Requested Budget to Council on February 4, 2013.

Since January, PDC staff has reviewed the budget with stakeholders and received public testimony. Staff participated in two Council budget work sessions in February and April. The February work session focused on the general fund allocation for neighborhood and traded sector economic development work while the April session provided a comprehensive overview of urban renewal area (URA) priorities, status and budget requests. This effort culminated with the release of the Proposed Budget, which was presented to Council on May 15 and later approved by Council, with several recommended changes, on May 29, 2013.

PDC's Proposed Budget released in May was largely unchanged from January's Requested Budget, with the exception that it included additional cuts and one-year deferrals (beyond the initial 10 percent cut directed by the City of Portland (City)) to General Fund economic development programs as directed in the Mayor's City Proposed Budget. Total funding in the City and PDC's Proposed Budget for general

fund neighborhood and traded sector programs was \$4,562,437 (a decrease of \$782,000 from the Requested Budget when including both cuts and deferrals). During the budget approval, \$75,000 was added back (\$41,000 for the Alberta and Hillsdale Main Street programs and \$34,000 for Venture Portland). An additional \$140,000 in unspent current year (FY 2012-13) funding was also added to continue current year commitments related to StartupPDX Challenge and funds committed to match the Economic Development Administration Jobs and Innovation Accelerator Challenge grant. Upon staff's request, Council also added \$300,000 for the Community Livability Grant program in the Lents Town Center URA budget to increase total program funding to \$600,000 in FY 2013-14.

Staff is currently working on several final technical changes to be recommended to the Board for the adoption of the budget on June 26, 2013. Anticipated changes are:

- 1) Matching the PDC Housing Set Aside Budget to the Portland Housing Bureau budget for assumptions on project timing (project carry-over to FY 2012-13 from FY 2011-12);
- 2) Final adjustments to administrative materials and services budgets following a final review of FY 2013-14 operating requirements;
- 3) Final updates to any staff allocations between specific projects and programs and business lines.

ATTACHMENTS

None