

DATE: June 10, 2015
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 15-35
Authorizing Revisions to the Economic Development Administration Program Guidelines

BOARD ACTION REQUESTED

Adopt Resolution No. 7122

ACTION DESCRIPTION

This proposed action by the Portland Development Commission (PDC) Board of Commissioners (Board) will adopt updates to PDC's Economic Development Administration (EDA) Program Guidelines (Program Guidelines) and authorize the Executive Director to execute any associated documentation including a fund management plan, consistent with the adopted Program Guidelines. The proposed updated Program Guidelines have already been reviewed and accepted by the EDA.

BACKGROUND AND CONTEXT

The EDA's Revolving Loan Fund is a U.S. Department of Commerce program designed to provide financial assistance for small and startup businesses that expand and create high quality employment opportunities, especially in distressed neighborhoods. The loan program seeks to bridge the gap not covered by private financing.

EDA requested an update to the Program Guidelines and associated documentation including a fund management plan by June 30, 2015. PDC, in collaboration with EDA, has prepared proposed new guidelines designed, among other things, to enable PDC to use these funds more efficiently and effectively.

Over the past years, PDC has not fully utilized funds made available from the EDA loan program. Underutilization was partly due to the fallout from the economic downturn and the slow recovery of Portland's businesses. However, underutilization may have been also partially due to unduly restrictive limits self-imposed by PDC's current Program Guidelines.

EDA funds are one source of capital available to PDC to finance clients and projects not in an urban renewal area and are often used to fill the gaps left after available bank loans and other funds are in place. With the updated Program Guidelines, the EDA funds could be used to support more targeted companies and populations.

COMMUNITY AND PUBLIC BENEFIT

Adopting the updated Program Guidelines will allow PDC to more flexibly deploy an underutilized resource and ensure that use of EDA funds is made in support of PDC's 2015-2020 Strategic Plan. This action will meet PDC's objective of Effective Stewardship over its Resources and Operations.

PUBLIC PARTICIPATION AND FEEDBACK

PDC staff did not solicit any public participation or feedback.

BUDGET AND FINANCIAL INFORMATION

This action will not require any additional PDC staff to implement. Revisions and updates to the Program Guidelines are anticipated to allow PDC staff to provide financial assistance to a greater number of clients which may also increase revenues that support PDC financial sustainability.

RISK ASSESSMENT

The proposed new Program Guidelines have been approved by EDA and do not present greater risks than the current Program Guidelines.

ALTERNATIVE ACTIONS

Not approving these actions would leave the existing Program Guidelines in place. The PDC Board could also choose to amend any of the Program Guidelines.

ATTACHMENTS

None.