



DATE: April 10, 2019
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 19-12
Update on Fiscal Year 2019-20 Budget Process

BRIEF DESCRIPTION OF INFORMATION ITEM

No action is requested; information only.

At the April 10, 2019 Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on the fiscal year (FY) 2019-20 Proposed Budget (Proposed Budget). After Prosper Portland Board input and direction, staff will finalize the Proposed Budget in April and present to the Portland City Council (City Council), acting as the Prosper Portland Budget Committee, on May 9, 2019. City Council is expected to approve the Proposed Budget on May 22, 2019. Staff will seek the Prosper Portland Board's adoption of the City Council-approved Proposed Budget at its June 12, 2019 meeting.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

Development of the FY 2019-20 budget meets multiple priorities of the 2015-2020 Strategic Plan, most notably by exercising transparent administration of resources and assets to ensure public funds are effectively invested to achieve agency objectives while promoting the long-term sustainability of the organization.

BACKGROUND AND CONTEXT

The Prosper Portland FY 2019-20 budget development process began in November 2018 with the creation of draft work plans for FY 2019-20. From November 2018 through January 2019, staff created draft expenditure budgets and revenue forecasts that the Prosper Portland Board reviewed during the FY 2019-20 Budget Work Session on January 23, 2019.

To solicit feedback on the draft budget, staff convened an approximately 20-member Budget Advisory Committee (Committee) with stakeholders representing a broad cross-section of the community. Most Committee members were new to Prosper Portland's budget process and represented a broad array of perspectives, from traded sector businesses, to neighborhood associations, to institutions of higher learning, to business associations, to culturally specific community based-organizations.

Members participated in four meetings through January that culminated with the Committee articulating its recommendations in a letter to the Prosper Portland Board and City Council that was included in the FY 2019-20 Requested Budget submitted in early February (see Attachment A). Staff is in the process of establishing a year-round schedule to provide more opportunities for Committee members to understand Prosper Portland projects and programs in relation to budget development.

In addition to soliciting Committee feedback, Prosper Portland staff conducted broader stakeholder review of the FY 2019-20 Requested Urban Renewal Area Budgets focusing on business associations, neighborhood groups, and other community-based organizations; a summary of this feedback can be found in Attachments B. In addition, a letter was received from the Old Town/Chinatown Community Association Board (see Attachment C).

Since its release in early February, the Requested Budget has been reviewed by the City Budget Office (CBO), and Prosper Portland participated in a City Budget Work Session on April 1, 2019, which focused on Prosper Portland's Economic Development budget and General Fund decision packages. The CBO review of the Requested Budget, including decision package recommendations, can be found in Attachment D.

The Proposed Budget will amend the FY 2019-20 Requested Budget with the following changes:

- 1) **Update resources and expenditure appropriations being removed from the FY 2019-20 Revised 2 Budget.** The FY 2019-20 Revised 2 Budget will come before the Prosper Portland Board on May 8, 2019.
- 2) **Update Prosper Portland's General Fund resources and expenditures to reflect the Mayor's Proposed Budget decisions.** Decisions will not be released by the Mayor's Office until the end of April 2019 and are therefore unknown at this time.
- 3) **Refinements to Prosper Portland TIF District Budgets.** Most of the adjustments will relate to refined property management and predevelopment budgets that will also be incorporated into Property Plans that will come before the Prosper Portland Board for review and adoption on May 8, 2019. While many refinements to the budget are minor, larger changes are recommended for properties within the River District and Downtown Waterfront Tax Increment Finance (TIF) districts that impact other programming.
- 4) **Adjustments to staffing and administrative overhead to better align Prosper Portland's FY 2019-20 Proposed Budget with the Ten-Year Financial Sustainability Plan.** Refinements include adjusting total positions based on updated staffing requirements and identifying specific adjustments to administrative budgets to remain at a level of \$3.9 million.

Following City Council approval of the FY 2019-20 Requested Budget on May 22, 2019, the budget will be submitted to the Tax Supervising and Conservation Commission (TSCC) to review and determine compliance with local budget law. Final changes approved by City Council will be presented along with final recommended changes for the Prosper Portland Board to adopt following the TSCC hearing with the Prosper Portland Board on June 12, 2019.

ATTACHMENTS

- A. Budget Advisory Committee Letter
- B. Summary of Stakeholder Input on Requested TIF District Budgets
- C. Old Town/Chinatown Community Association Board Letter
- D. City Budget Office Review of Prosper Portland Budget

April 10, 2019

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Arlene Kimura Hazelwood
Neighborhood Association

Ashley Henry Business for
Better Portland

Bryson Davis Hill Block Project
Working Group

Cora Potter Lents Neighborhood
Association

Corky Collier Columbia Corridor
Association

Dan Zalkow Portland State
University

Duncan Hwang Asian Pacific
American Network of Oregon

Haben Woldu N/NE Community
Development Initiative

Helen Ying Old Town Chinatown
Community Association

James Paulson Worksystems
Inc

Johanna Brickman VertueLab

Juliana Lukasik Central
Eastside Industrial Council

Kari Naone TIE Oregon

Jenny Glass Rosewood Initiative

Michael Harrison Oregon Health
Science University

Oscar Arana Native American
Youth and Family Center

Owen Ronchelli Go Lloyd

Rana Uzzaman Council for
Economic & Racial Equity

Skip Newberry Technology
Association of Oregon

February 4, 2019

Mayor Ted Wheeler
Portland City Council
Prosper Portland Board of Commissioners

We, the members of the Prosper Portland Budget Advisory Committee (Committee), are pleased to submit this letter to accompany submission of the Prosper Portland Requested Budget for fiscal year (FY) 2019/20. The Committee met four times to review draft Prosper Portland work plans and reviewed the draft budgets for the City of Portland's General Fund and Tax Increment Finance (TIF) districts. Before getting to the budgets themselves, we would like to take the opportunity to provide feedback on the broader budget process itself and offer some suggestions for improvements.

Prosper Portland Budget Process

While we felt that there was sufficient material and content provided by staff at the meetings, it is simply too difficult to provide feedback on a budget in a compressed amount of time. In an effort to improve engagement, Prosper Portland inquired about Committee interest in participating in a longer-term commitment that would include regular meetings over the course of the year. Some Committee members indicated support for that approach as it would help them learn in greater detail the universe of Prosper Portland's work and better position the Committee to have improved context to provide critical and constructive feedback during budget development.

The Committee would also like to better understand the longer-term trajectory of Prosper Portland's initiatives. While the TIF district budgets are more amenable to this analysis (given that those budgets include four-year forecasts and that projects often span multiple years), it is more challenging to understand the trending successes and challenges of non-TIF funded programs.

Given that the nature of Prosper Portland's work varies considerably by funding type and even within departments, the Committee urges Prosper Portland to develop consistent outcomes that allow for apples-to-apples comparisons across programs.

Finally, the Committee noted the difficulty in making recommendations about the Directions to Develop without understanding which items are critical and which are nice-to-haves. Put another way, what are the implications should one of the initiatives not receive funding? Without better understanding these costs, it is difficult to feel comfortable making budget recommendations.

General Fund for Community Economic Development and Traded Sector Economic Development

The Committee supports Prosper Portland's \$5.9 million General Fund base budget request which focuses on the continuation of community economic



development and traded sector programs to increase economic opportunities for communities of color, those with low incomes, and underserved neighborhoods.

The Committee engaged in significant discussion on the following Directions to Develop. Please note that this order does not represent a consensus ranking of the Committee, but rather includes comments on each of the Directions.

Coordinated Community Planning and Development, \$573,000

- Prosper Portland coordinating with BPS, PHB and PBOT
- East Portland: Division & Workforce, \$343k
- SW Corridor: Technical Assistance, Community Economic Development, \$130,000
- NE Portland: Hill Block, \$100,000

The Committee appreciates that there is a need for Prosper Portland and bureau partners to more effectively coordinate across the city on critical community development initiatives and in areas where communities are greatest impacted by displacement. The Committee is supportive of this coordinated work in all three geographies, and some felt that should this Direction be reduced that resources for Hill Block are most critical to protect. The Hill Block effort gives Prosper Portland the ability to repair its image with a community that it has historically struggled to gain trust with. Providing the needed financial support for this project can be very beneficial to ease friction and build cooperative pathways to further Prosper Portland's mission going forward.

Traded Sector: Portland Means Progress, \$300,000

- Promotes private sector investment in inclusive economic growth and equitable job creation

Committee members appreciate the connection that Portland Means Progress offers to the business community and private sector and want to ensure that Inclusive Business Resource Network partners are fully apprised of future opportunities to collaborate. Some Committee members noted that Portland Means Progress is a new, unproven initiative and that should there be hard choices in funding the Directions, proven programs such as the Inclusive Business Resources Network and Neighborhood Prosperity Network are more critical to protect. Other members consider the objectives of Portland Means Progress to be valuable enough to warrant implementing a new initiative, even if there is some risk associated with attempting something different.

Inclusive Business Resource Network: Mercatus/My People's Market, \$100,000

- Mercatus directory to include 100+ additional business: 100% people of color/ 70% women
- My People's Market twice per year, working to achieve \$200k in sales for entrepreneurs of color

The Committee appreciates the merit of continuing to hold regular My People's Market events and creating a more proactive link to participants in the Inclusive Business Resource Network.



Inclusive Business Resource Network: Neighborhood Prosperity Network Business Support, \$194,000

- Provide technical assistance to business owners within the Neighborhood Prosperity Network
- Anticipated that 125 clients who live or work in an NPN will be served

The Committee understands that staff support is necessary to ensure community priorities are supported, which otherwise would lead to limited progress.

Old Town Community Association District Manager: \$30,000

- Capacity building, promotion, marketing events; matched by \$30 K from OTCT Community Association

Committee members acknowledge the importance of a community organization having resources to advocate for and drive local priorities. Some members encouraged folding Old Town Chinatown into the Neighborhood Prosperity Network as the community-based work is more similar than it is different, and that being part of a network could benefit Old Town Chinatown learn from peer organizations.

Neighborhood Prosperity Network: Staff Assistance, \$175,000

- Staff an additional 0.5 FTE per district to support programming and service delivery

Committee members appreciate the community-driven, grass roots nature of the Neighborhood Prosperity Network and want to ensure that organizations have resources to appropriately staff their work, particularly as Networks are growing their offerings. Some members noted it would be helpful to know where each of the Network partners is on their path to sufficiency once each tax increment district expires.

Traded Sector: Innovation Quadrant, \$150,000

- Innovation Districts are geographic areas where leading anchor institutions and companies cluster and connect with startups, incubators and accelerators
- The Portland IQ spans the Central Eastside & South Waterfront; partners include PSU, OHSU, OMSI and PCC

Committee members felt that the Innovation Quadrant connects like-minded partners convene to fill gaps in the education pipeline to affordable retail space for new entrepreneurs. Some members noted the program description didn't accurately capture that the focus of the Innovation Quadrant is to make sure those throughout Portland, especially communities of color and those with low incomes, benefit from opportunities generated in the district.

TIF District Budgets

The Committee reviewed all TIF budgets; below are our recommendations by district:



Central Eastside

The Committee supports the investment priorities in the Central Eastside budget request. In FY 2019/20 key investments will be made in the following areas:

- Employment growth/industrial affordability
 - ODOT Blocks
 - OMSI Master Plan
- Business retention & recruitment ODOT blocks redevelopment
- Asset management and district parking

The Committee also encourages Prosper Portland to explore whether it can increase its return on investment by structuring its Commercial Property Redevelopment and Business Finance Loans to take advantage a strong real estate market in this district.

Downtown Waterfront

The Committee supports the investment priorities in the Downtown Waterfront budget request which focuses on implementation of the **Old Town/Chinatown Action Plan**. In FY 2019/20 key investments will be made in the following areas:

- Old Town Chinatown Action Plan (extension)
 - Small businesses vitality
 - Historic & cultural preservation
 - Support for neighborhood development (Block 33, Block 24)
 - District parking, particularly within the core of the district

River District

The Committee supports the investment priorities in the River District budget request which (in tandem with Downtown Waterfront) focuses on implementation of three major community priorities:

- Old Town/Chinatown Action Plan (extension)
 - Neighborhood development with a focus on market rate housing, as appropriate (Block 25, 4th & Burnside)
 - Historic & cultural preservation (Old Fire Station)
- Centennial Mills
- Broadway Corridor & Union Station
- Asset management
 - Union Station
 - USPS building & parking garage
 - 10th & Yamhill Master Lease

Gateway Regional Center

The subcommittee supports the investment priorities in the Gateway budget request which focuses on implementation of the **Gateway 5-Year Action Plan**. In FY 2019/20 key investments will be made in the following areas:

- Gateway Action Plan (year 3)
 - Halsey/Weidler street improvements
 - Housing & affordable commercial at 106th/Halsey
 - Gateway Transit Center: mixed-use development with an education, workforce training, and small business focus



The Committee also encourages Prosper Portland, its Board, and City Council to explore extending the last date to issue debt life of the Gateway Regional Center TIF district to fund priority initiatives.

Interstate Corridor

The Committee supports the investment priorities in the Interstate budget request which focuses on implementation of the **North/Northeast Community Development Initiative 5-Year Action Plan**. In FY 2019/20 key investments will be made in the following areas:

- N/NE Community Development Initiative (year 3)
 - Alberta Commons commercial affordability
 - Small business and long-timer property owner assistance
 - Community Livability Grants
 - Cultural Business Hub
- Asset management, including Alberta Commons master lease and Nelson properties in Kenton

The committee also requested that Prosper Portland restore full funding to the small loans to support match requirements of eligible Prosperity Improvement Program grant recipients.

Lents Town Center

The Committee supports the investment priorities in the Lents budget request which focuses on implementation of the **Lents 5-Year Action Plan**. In FY 2019/20 key investments will be made in the following areas:

- Lents Action Plan (year 5)
 - Lents Town Center development (Bakery Blocks and 92nd & Harold)
 - SE Foster street improvements & business development
 - Long time property owner assistance
 - Leach Botanical Garden expansion

The Committee also encourages Prosper Portland, its Board, and City Council to explore increasing maximum indebtedness and extending the life of the Lents Town Center TIF district to fund improvements to the Foster Floodplain.

North Macadam

The Committee supports the investment priorities in the North Macadam budget request. In FY 2019/20 key investments will be made in the following areas:

- Infrastructure investment to support office, housing and innovation
- PSU partnership: acquisition of property at 4th/Lincoln
- Business retention & recruitment

The Committee also emphasizes the importance of long-awaited improvements to SW Bond Avenue as well as re-programming infrastructure investments to address transportation bottle-necks at South Portland.

**Oregon Convention Center**

The Committee supports the investment priorities in the Oregon Convention Center budget request. In FY 2018/19 key investments will be made in the following areas:

- Convention Center hotel & garage
- 100 Multnomah office tower predevelopment
- Priority commercial redevelopment areas:
 - Rose Quarter/NE Broadway
 - NE MLK/Grand
- Asset management – Inn at the Convention Center

Willamette Industrial & Airport Way

The Committee supports the investment priorities in the Willamette Industrial and Airport Way budget requests. In FY 2019/20 key investments will be made in the following areas:

- Employment growth & industrial affordability
- Expanding the supply of developable industrial lands
- Partnership opportunities with Port of Portland

Neighborhood Prosperity Network

The Committee supports the investment priorities in the Neighborhood Prosperity Network budget requests. In FY 2019/20 key investments will be made in the following areas:

- District improvement & promotion grants
- Full time district managers
- Capacity building & trainings

We thank you for the opportunity to comment,

Prosper Portland Budget Advisory Committee



Fiscal Year 2019-20 Tax Increment Finance Budget Outreach - Summary of Feedback

As part of Prosper Portland's outreach on the fiscal year (FY) 2019-20 draft Tax Increment Finance (TIF) budgets, staff met and/or communicated with these neighborhood associations, business associations, and other community partners:

- Central Eastside Industrial Council
- Lents Neighborhood Association
- Lloyd EcoDistrict
- East Portland Action Plan Economic Development Sub-Committee
- Hazelwood Neighborhood Association
- Gateway Investment Group/Gateway Area Business Association
- Old Town/Chinatown Community Association
- Go Lloyd
- South Portland Neighborhood Association
- SE Uplift
- N/NE Community Development Initiative Investment Allocation Committee

Following is a summary of feedback organized by TIF district or neighborhood:

Central Eastside

- Input pending (Presented to Central Eastside Industrial Council on April 2nd)

Gateway Regional Center (East Portland Action Plan Economic Development Committee Sub-Committee and Gateway Area Business Association; Hazelwood Neighborhood Association scheduled for April 15th).

- Stakeholders would like to be able to spread the word about funding availability to local businesses and non-profit organizations.
- Community members expressed excitement around recent progress and development in Gateway and voiced interest in extending the time of the URA to achieve more investment in the area now that momentum has begun.
- Some stakeholders expressed interest in learning more about how Prosper Portland markets Gateway to attract business and jobs.
- Some community members suggested prioritizing funds to the Gateway Education and Economic Development Center near the Gateway Transit Center.

Interstate Corridor

- N/NE CDI Investment Allocation (IA) Subcommittee was established to track and make recommendation for any allocation readjustment of the remaining TIF resources. The general Oversight Committee is told on regular basis about the outcome of the N/NE CDI Action Plan.
- The IA has worked with Prosper Portland staff to create a reporting template that is transparent and easy to determine the use and balance of TIF resources investments in Interstate. The chair of the IA also served on the Budget Advisory Committee and communicates to the general Oversight Committee about the budget process and about any the IA preliminary recommendations.
- N/NE CDI Oversight Committee and other stakeholders have expressed concerns about the priority population general knowledge of the Initiative. Staff has hired a Community Outreach and Business Navigators to help spread the word about the available TIF resources and to broaden access to the TIF resources in the ICURA.



Fiscal Year 2019-20 Tax Increment Finance **Budget Outreach - Summary of Feedback**

- Some of our stakeholders have suggested that we review the loans versus grants ratio of our investment portfolio and provide additional grants opportunity for property redevelopment and working capital.

Lents Town Center

- Stakeholders expressed interest in reaching the TIF district's maximum indebtedness and extending the last date to issue debt to provide additional funding for East Foster businesses support and floodplain issues
- Stakeholder interest supporting a public plaza at the Lents Town Center Phase II development and investment in workforce housing throughout the URA district.

North Macadam

- Input pending (Presented to South Portland Neighborhood Association on April 3rd)

Oregon Convention Center

- Stakeholders are generally aware that the TIF district has issued its last debt and that there is \$170M available for future investment in three sub-areas: Broadway/Weidler, Rose Quarter, and MLK/Grand
- Lloyd EcoDistrict prefers a private tenant for 100 Multnomah and a design characteristic indicating it is in an eco-district. It flagged a desire for stronger connection between CC 2035 Vision and planned projects.

Old Town/Chinatown (River District and Downtown Waterfront)

- Stakeholders want to maintain \$57 million budget commitment in total (across both TIF districts) to continue to deliver on Old Town/Chinatown Five-Year Action Plan, with a particular focus on priorities east of NW Broadway
- With the Action Plan due to expire in June 2019, there is a strong interest in extending the Action Plan for another five years, as the priorities are still relevant, including:
 - Middle-income/workforce housing
 - Seismic upgrades to unreinforced masonry buildings
 - Parking retention
 - Business vitality
 - Support of cultural institutions.



CHINATOWN JAPANTOWN ANKENY PLAZA SKIDMORE WATERFRONT

March 28, 2019

To: Mayor Wheeler and Portland City Council
Chair Kafoury and County Commissioners
Prosper Portland Board of Commissioners

Re: FY 2019-20 Portland Budget and Old Town/Chinatown 5-year Action Plan Extension Request

Old Town's long-standing Vision for a widely accessible neighborhood could finally be realized with your help and we are writing you collectively during "budget season" to eliminate the silos of information that often occur. We believe that with collaboration among the jurisdictions, your agencies and bureaus, we all could push Old Town passed a tipping point to become a widely thriving neighborhood. It has been a long time coming for the Central City neighborhood that has seen the least benefit from the economic recovery.

Old Town resident Ruth Ann Barrett recently termed Old Town a "Caring Community." The data supports that. Employment in our neighborhood is overwhelmingly dedicated to supporting our most needy. Old Town hosts the most and widest array of housing options in the city: shelter, transitional, recovery, behavioral health, low-income, senior-low income, "workforce" and market rate housing. Old Town also has unique design-focused retail, an eclectic mix of commercial businesses and one of Portland's most highly visited entertainment districts. And we are now home to an extraordinary collection of cultural attractions and four educational institutions, all of which draw visitors, students, patients, event participants and customers.

The well documented role Old Town has played in Portland, to the benefit of all other Central City, has also meant that it has been the last to gain from economic growth. Concerns that the density of social services and recovery housing during our city-wide crisis in both homelessness and addiction inhibits business viability. Combined with the challenges of both treasured yet unreinforced masonry buildings in two historic districts that limited zoning entitlement and the real explosion of the visible needs of our most vulnerable have deterred development; much of what has occurred in Old Town has relied on public investment.

In 2004, the (PDC Board Member Janice) Wilson Commission endorsed extension of the Downtown Waterfront and expansion of the River District to invest significant tax increment investment in Old Town¹. Upgrades to much of

¹ Central City Urban Renewal Area Study Review Committee, November 19, 2004 "**Recommendation 1:** The Downtown Waterfront Urban Renewal Area shall finance as many needs as possible of the Old Town/Chinatown neighborhood. If there is a change in PDC budget circumstances with DTWF, and additional resources become available, it is important PDC and the City ensure all interested parties are brought together to take input on these opportunities in order to keep the needs of OT/CT as an emphasis for any new resources. **Recommendation 2:** PDC should determine whether moving portions of OT/CT to the River District will facilitate financing of Old Town/Chinatown urban renewal projects."

recovery and affordable housing had already occurred. Consistent with the neighborhood's Vision Plan, the next emphasis was to be on economic investment.

Streetscape and Transit Mall improvements were bittersweet with the number of culturally important businesses that could not survive construction. However, the truly catalytic investment and success at the multi-block Ankeny Burnside Development Framework attracting five major private, NGO and educational institutions and stabilizing Portland Saturday Market² also convinced Northwest Evaluation Associates to move from Lake Oswego. Also beneficial was the expansion and relocation of both Blanchet and TPI in ways that prevented shelter/transitional housing/services concentration that also allowed for redevelopment of the Grove into what is now the Hoxton Hotel.

The 2014 Action Plan was to capitalize on that success in both new development and neighborhood cooperation. However, the ease of investment elsewhere in the Central City and a distraction of other important work including a potential Nike expansion to South Waterfront, Centennial Mills and the Post office resulted in waning commitment to both goals and investment in Old Town during the most recent recovery. Though some progress was made, it was overshadowed by a significant increase in Portland's houseless.

Much of the exciting opportunity today is ironically catalyzed by NW Natural's decision to relocate out of Old Town. A new One Pacific Square building owner is investing to attract new tenants and 1.5 blocks of surface parking lots surrounding the Lan Su Garden are now open to redevelopment. We will miss NW Natural, a crucial partner that facilitated building the Lan Su Garden among other contributions and support, however the opportunities their move opens up have changed the game. Old Town has significant projects that have been recently completed, are under construction or soon to be underway, including:

- Oregon Nikkei Endowment is negotiating the purchase of the Old Town Lofts condo at NW 4th and Flanders
- County health services Gladys McCoy Building brings 500 employees to the edge of the district within the Broadway Corridor
- Lan Su Garden's impressive expansion plans for a cultural center and hotel are making extraordinary progress
- Announced investment and expansion at PENSOLE, the world's only sneaker and apparel design academy that has already graduated hundreds into high paying jobs
- Pending development on Block 25 at Flanders (due to NW Natural's move), Block 33, (both subject to LUBA review of entitlements) and 4th and Burnside at the Chinatown Gate (also undergoing improvements thanks to grants from Oregon Cultural Trust and Prosper Portland)
- Ankeny Blocks projects at three known sites thus far including Wyndam Worldmark on SW Naito, 230 SW Ash and proposed PAE Living Building at 1st & Pine
- Completion of the year-long Old Town / Pearl District Task Force had created social service, public hygiene and safety recommendations to public and private sectors for improved engagement and coordination with and for our most vulnerable community, as well as the Navigation Center Good Neighbor Agreement
- Initiation of a task force to strongly encourage seismic upgrades for smaller buildings that is targeting long term property owners, many of whom are of color
- Progress to locate and invest in more Portland Loos to serve Old Town residents and visitors
- Additional permanent supportive housing at the Westwind at 6th & Flanders
- New businesses, including people of color-owned businesses soon to open at Tuck Lung at 4th and Davis

² Portland Saturday Market, MercyCorps, University of Oregon, Air BnB, Oregon College of Oriental Medicine and Ankrom Moisan Architects

- Potential redevelopment of Fire Station #2 and the adjacent land and renewed interest in the Steel Bridge Skatepark includes resident interest in a dog park.
- Central City in Motion projects along Flanders ending at the aforementioned Steel Bridge

Considering all of the above, we request the following of Prosper Portland, City and County decision makers during this budget season. The Prosper Portland requested budget is unique this year as Action Plan funds do not yet show up in the Requested Budget - Action Plan funds were included in the 2018-19 fiscal year and have yet to be de-budgeted. Therefore, we have a blank slate on which to comment. Because Prosper staff are in the best position to allocate dollars for 2019-20, we offer the suggestions including other matters currently important to Old Town:

- 1) Our largest immediate threat is the proposed closing of the MAX train stop at Second Ave & Skidmore Fountain. The closure will have a devastating effect on the neighborhood, especially on the Portland Saturday Market. We hope that you could join us in asking Tri-Met to keep this station open. We understand the County Commission has already endorsed keeping the station open.
- 2) We look forward to the extension of the Old Town/Chinatown Action Plan, which prioritizes investment of the combined River District and Downtown Waterfront tax increment funds totaling \$54 million, as well as other commitments highlighted in the original action plan specifically associated with public safety and hygiene (trash including sharps and public restrooms). We reinforce the long-term priorities detailed in the June Old Town 2018 letter, requested by Mayor Wheeler (attached) that, in addition to public safety, also calls for housing and assistance to support neighborhood-serving and culturally-enhancing businesses and institutions.

In the 2019-20 budget cycle, this includes:

- One more year of **City General Fund commitment** to fund the \$30,000 matching grant for our District Manager. Old Town thereafter commits to continued funding and has been setting up a new non-profit organization to best manage the contract and our organization.
- Continued commitment to partnerships with city and county bureaus involved in services and public safety, including the Joint Office on Homeless Services, Portland Police, Office of Community and Civic Life and Portland Parks. Volunteer and County/City staff invested substantial time into the Pearl District-Old Town Joint Task Force have produced a Good Neighbor Agreement with the Oregon Harbor of Hope Navigation Center and are developing recommendations for actions in partnership with both social service agencies, hygiene services, public safety bureaus, Clean and Safe and private security. We ask that you implement the resulting recommendations between residents, businesses and the public sector.
- Investment in up to three Portland Loos in FY 2019-20 up to \$1 million in total. We are currently working with Transportation and Parks staff to hone in locations which will likely favor Downtown Waterfront yet also include River District URAs.
- Financial investment in housing, particularly at 4th and Burnside and Block 25. Pre-development will occur in the upcoming fiscal year for which we would anticipate financial requests from developers.
- Investment in neighborhood-serving and culturally-enhancing businesses and institutions, such as in our expanding cultural institutions and new retail. Upcoming fiscal year investment will primarily be for supporting businesses filling current vacancies.
 - i) Long term, support for the neighborhood-serving business. Investment in the multi-cultural mix of institutions and retail that makes Old Town unique. Prosper staff have been in many discussions, which should inform 2019-20 budget levels.
- A seismic task force will be working with long term property owners. Some development opportunity grant funding is likely needed in 2019-20 to move these projects forward primarily in the River District. Allocation for this effort will provide certainty to a reluctant constituency. We suggest that grant dollars be allocated

from a portion or all of future grant funding in the coming fiscal year to Property Improvement Project grants in place of previous focus on nonprofit Community Livability Grants.

- Collaboration of comprehensive studies to solve unique parking issues rising from development on surface lots and a concentration of historic structures without parking. The neighborhood has led this effort by coordinating options to expand the Naito Davis Garage along with opportunities on public within new private development. If deemed appropriate, invest tax increment in one or more projects. Whatever funding is needed to plan and start investing should be budgeted in the upcoming fiscal year.

Success in Old Town requires a community effort. So much investment in human support services has already been made and important guidelines to help predict development in our historic neighborhoods are in place and are being used. Clarity from LUBA regarding height in the New Chinatown/Japantown and our collective response to that decision is another key milestone in the coming year. Whatever the outcome, continued public investment in Old Town is essential. The Old Town Community Association Board has appreciated the extensive engagement by City and County staff. We hope that these recommendations help everyone see how working together to achieve so much on the horizon is crucial. Thank you for your support.

Sincerely,



Helen Ying, Chair
Cal Skate Skateboards



Phil Lundberg, Secretary
Oregon College of Oriental Medicine



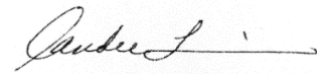
Peter Englander, Treasurer
Deadstock Coffee



Will Naito, Board Member
Fortune



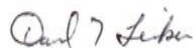
Dan Lenzen, Board Member
Venture Hospitality



Candee Wilson, Board Member
Resident



Jane Gordon, Board Member
University of Oregon



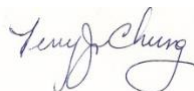
David Leiken, Board Member
Roseland Theater



Lisa James, Board Member
Lan Su Chinese Garden



Sharon Fitzgerald, Board Member
Central City Concern



Terry Chung, Board Member
Portland Chinatown History Foundation



Luther Johnson, Board Member
Resident



Danielle Klock, Board Member
Sisters of The Road



Heather McClellan, Board Member
Resident

Cc: Kimberly Branam – Prosper Portland, Executive Director
Marc Jolin – Joint Office of Homeless Services, Executive Director
Suk Rhee – Director, Office of Community and Civic Life
Commander Mike Krantz – Portland Police Bureau
Lisa Abuaf – Prosper Portland, Development & Investment Director
Bernie Kerosky – Prosper Portland, Senior Project Manager - Old Town Relationship
Tony Barnes – Prosper Portland, Budget Officer
Maureen Fisher – Portland Downtown Clean & Safe

Attachments: June 21, 2018 Letter to Mayor Ted Wheeler



CHINATOWN JAPANTOWN ANKENY PLAZA SKIDMORE WATERFRONT

June 21, 2018

Mayor Ted Wheeler
City of Portland
1221 SW 4th Avenue
Portland, OR 97204

Re: Extension of the 2014 Action Plan

Dear Mayor Wheeler:

Thank you for the opportunity last fall to provide you with priorities of focus as you propose a five-year extension to the Old Town Chinatown Action Plan. Since then, OTCA has reviewed the Action Plan in detail at each of the last three Old Town Community Meetings, and at most Board and Land Use meetings where discussions have centered on five topics - Public Safety, Housing, Business Vitality, Seismic Retrofits and Parking.

Resources: Our working assumption has been \$54 million in remaining allocation split \$24M in River District and \$30M in Downtown Waterfront URAs. The boundaries were originally drawn expecting substantially more resources in River District – most of the vacant property and historic buildings are in the River District. The subsequent purchase of the Post Office, investment in Centennial Mills, “trades” with the County and windfalls from Pioneer Place have shifted available resources. We also believe that funds need to be split between large “catalytic” projects and smaller projects that make important differences. Taking all of this into account, we propose the following *approximate* split.

URA	Housing	Seismic	Business Vitality	Parking	Totals
River District	\$10,000,000	\$12,000,000	\$2,000,000	0	\$24,000,000
Downtown Waterfront	\$20,000,000	\$ 5,000,000	\$5,000,000	?	\$30,000,000
Totals	\$30,000,000	\$17,000,000	\$7,000,000		\$54,000,000

Boundary - We also recommend changes to the Action Plan Boundary to exclude the Broadway Corridor, where significant development is underway that should separately benefit Old Town including on Block R, and also bring the western boundary north of Burnside east to the neighborhood boundary on Broadway. We know this affects the Harlow project (the status of which is unknown). Its delay and distance from the heart of the district warrants this recommendation.

1. **Public Safety and Livability** remains a top priority as Old Town continues to have some of the highest crime in the city. We believe that long term, more residents are going to be the key to public safety. Therefore, our first priority to address public safety and livability for all is to take into account recent changes to both zoning and property ownership to maximize facilitation of inclusionary housing development. More on this in #2 below.

The Action Plan outlined, and we continue to encourage, a comprehensive approach to addressing public safety including those who are unsheltered. We in Old Town have a unique and long history with this issue and believe unique approaches are in order; policing first isn't believed to be necessarily equitable to all our residents and the community policing model you espouse is still aspirational due to the limited budget. There is a strong interest in working with the Old Town "caring community" to make sure that in its implementation, the unsheltered on our streets are not criminalized in the process of ensuring public safety for everyone:

- Our latest community discussion prioritized the importance of public hygiene, including additional receptacles and adequately frequent garbage pickup, adequate bathroom and laundry facilities. We understand public assets will be used at the proposed Harbor of Hope Navigation Center, though access appears to be limited to those who will be residing at the facility. We are concerned how this might impact the over-burdened facilities within our existing community.
- There is a significant investment already being made in private security in Old Town in addition to the private-sector support for Clean and Safe. Our request here is that extraordinary effort be placed on coordinating all these services as much as possible, including consolidated reporting (promised for years) so that we maximize this investment. We need to ensure strong partnerships to include how to best coordinate with our unsheltered residents towards common concerns.
- We want the focus on those who are causing safety problems to be different from those who are simply unsheltered. Partnering with organizations such as Sisters of the Road and others who are interested in exploring a way in which people who are unsheltered can be directly involved and working with security and police. Neighbors working with neighbors is uniquely possible in Old Town and we think there would be great interest with all neighbors to work together to keep Old Town safe.
- Work with Central City Concern, Cascadia and others to obtain active behavioral health outreach services. We understand there is currently little to no funding for such activity here (or anywhere).
- We request that two additional PPB officers be allocated to complement "partnership units" such as the Service Coordination Team, Mental Health Unit, Neighborhood Response Team and the LEAD program.

2. **Housing** – The strongest of any feedback the Community Association has received has been for housing, both due to the need city-wide, and its contribution to public safety and livability. Significant resources should be therefore allocated for this purpose.

It appears that City Council recent actions on Blocks 33 and northern four blocks within the New Chinatown/Japantown district was a compromise to reconcile extraordinary intra-district differences in height and density with what property owners/developers believe they need to build Inclusionary Housing in Old Town. Taking into account NW Natural's decision to relocate has opened up over 1.5 blocks for development on vacant blocks, publicly-owned Fire Station #2, and 4th & Burnside, we recommend housing be a prioritized consideration on each.

- Limit public investment in the Old Fire Station at 510 NW 3rd to \$2 million (River District). The property has been under a non-binding development agreement for at least three years with little progress other than acknowledgement that the fire station needs substantial subsidy. Its high value to the historic preservation community as well as its location in Old Town should be strong reason for private support to save this building. It is also time to strongly consider how to best utilize the vacant property surrounding the building. Strong consideration should be given to building housing around the structure on the vacant land. *Models such as Guerrilla Development's [Jolene's First Cousin](#) at Gladstone and 28th should be encouraged here and at 4th and Burnside.*
- Encourage an expedient, thoughtful conversation about complementing the programming between at **least Blocks 24 (NW Natural sale) and Block 25 using 2006 study** as background thinking for public outreach, which would be most beneficial if Block 24's new owner is amenable. We recommend River District investment of at least \$10 million on Block 25 to maximize financing creativity towards workforce housing, including exploration of for-sale housing – these options are more likely on publicly owned property; Block 25's size and entitlements provide the most potential and flexibility.
- Regardless of outcome, prioritize development at 4th and Burnside. If this prioritization has stalled proceeding on outreach and disposition due to these requested recommendations, delay no further.

We are not clear whether there is continued benefit to the SDC waiver originally adopted by City Council. To our knowledge only Block 38 has used the program. If it still fits well and even provides additional incentive to build workforce housing in Old Town, we support its continuance.

3. **Business Vitality** – The Community Association has also received feedback to continue to invest in ground floor business vitality. Suggestions for improvements in business vitality have included:
 - Ensuring that any retail strategy include recruitment of resident services such as grocery, day care and other conveniences for which residents currently have to travel out of the neighborhood. This could be added to investment in new housing projects: Block 33 is a good option – in Downtown Waterfront, more tax increment is available and should be strongly considered.
 - To attract more retail business, the Community Association has approached Prosper Portland to bring the Affordable Commercial Space Program to Old Town. We look forward further discussions to utilize this program and it's benefits of important outreach to communities of color.

- The Community Association recommends that any future resources towards a pop-up program or other retail leasing efforts be directed towards our district management. The most prevalent and globally well-known retail in the district, streetwear/sneakerware, has six stores (Compound, Index, Deadstock, Upper Playground, Unspoken and Calskate), backstopped by Pensole-PNCA. The programming underway at Hoxton will complement this unique niche, as well as our unique arts and cultural amenities.
- We would also like the flexibility to direct these resources towards our unique cultural amenities that reinforce the neighborhoods ethnic and cultural history as they continue to grow.
- There has been interest in encouraging night clubs to open their restaurants during the day, this is difficult due to lack of potential business. Improvements to public safety and livability and more residents may be required.

We recommend approximately \$2 million per URA be allocated for this purpose. We also know that additional support for traded sector businesses can be provided by the recently expanded Enterprise Zone here and in the Broadway Corridor.

4. **Seismic Retrofits** – Aforementioned changes to resources since URA boundaries were drawn in 2006 results in priorities for the remaining River District Funds to be maximized by targeting small juxtaposed buildings. Most are long been owned by those of Chinese heritage, which also would go a long way to support the cultural heritage of the neighborhood:
- Along the west side of 3rd Avenue at Everett south (three buildings)
 - Along the east side 4th between Burnside and Couch
 - Along the northside of Couch between 3rd and 4th (incl. Hung Far Low and Sinnott)

Extraordinary outreach and technical assistance efforts must be employed to ascertain whether this *last best chance* can be impressed upon these owners, particularly in light of City Council actions to strengthen seismic retrofit requirements.

Other opportunities exist at along the westside of 5th between Burnside and Davis (two blocks) and Oregon Leather on 2nd, all of which are in Downtown Waterfront. We recommend \$10 million of the remaining River District be allocated for this purpose, netting out the support for Fire Station #2. Plentiful funds in Downtown Waterfront are to be allocated for this purpose as needed – though many Old Town buildings have been retrofitted thanks to tax increment financing, many still need assistance.

5. **Parking** - There continues to be much debate on the future of structured parking. While the need is high today with the expectation that it will only increase once now vacant blocks develop, long term forecasts needed to support long-term financing has been significantly influenced by the prospect of self-driving cars and ride services, decreasing forecasts of future demand. Prosper Portland has stated that any investment in parking will require convertibility, adding to costs. Due to the required significant investment for any structured parking and other demands for money, investing in parking is less likely to impact other priorities if the investment comes from Downtown Waterfront. Prioritized locations for investment in parking include:

- Naito-Davis Garage (Downtown Waterfront) – An engineering study was to have commenced at the beginning of 2018. PBOT has been highly reluctant to build additional structured parking and partnership with Prosper Portland has been challenging. Financing garages through the City will take significant leadership to leverage the system of garages for this purpose.
- Block 24 (Downtown Waterfront) – depending on the new owner
- Block 33 (Downtown Waterfront) – Constructing a third tray will be costly both due to convertibility and shallow water table. Guardian has also promised to “share” resident parking with the public.
- Block 25 (River District) – There has been some community resistance to above-ground structured parking across from two residential buildings. Building underground is significantly more expensive, particularly in seismic liquefaction areas.

With extension of this Action Plan, we will partner with Prosper Portland to ensure the funds get deployed in a last best chance to move Old Town past a tipping point of safety for all who live, work, play and visit its many cultural and educational institutions towards its full potential vibrancy. This does require that:

- You support us to minimize other distractions, including impacts to our neighborhood that deteriorate our capacity such as respecting for long agreements to limit additional social services in our small neighborhood. Old Town has more supportive housing and services than anyone else and is proud of it. It is time for other neighborhoods to embrace their role in supporting our unsheltered and those who need behavioral support.
- You encourage extraordinary efforts in outreach and technical assistance with those long time building owners and businesses that have thus far been unable to participate, including but not limited to Chinese Associations and Chinese restaurants. Though we know prior efforts have been unsuccessful, it is important to invest in better methods, be it translation or consideration of their unique financial situations as national organizations.

These recommendations do not preclude Prosper Portland’s objectives to seek return on investment. We do recommend that Prosper Portland seriously look at financing mechanisms, such as 99-year leases where it remains as land owner to maximize opportunities to control long term public benefit. Public ownership should facilitate private development in a way that accomplishes the most goals with the added benefit of significantly reducing the up-front cost of land. With the land lease model, return can be escalated in later years after the neighborhood is well established and stabilized and the agency is in more need of resources for its long term financial sustainability.

We appreciate the opportunity to provide these recommendations and look forward to working with you.

Sincerely,



Helen Ying, Chair
Cal Skate Skateboards



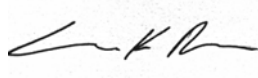
Jessie Burke, Vice Chair
The Society Hotel, Partner



Peter Englander, Treasurer
Deadstock Coffee



Phil Lundberg, Secretary
Oregon College of
Oriental Medicine



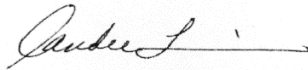
Evan Ross, Board Member
Cycle Portland, Owner



Will Naito, Board Member
Fortune



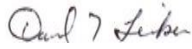
Dan Lenzen , Board Member
Venture Hospitality



Candee Wilson , Board Member
Resident



Jane Gordon, Board Member
University of Oregon



David Leiken, Board Member
Roseland Theater



Sharon Fitzgerald, Board Member
Central City Concern



Terry Chung, Board Member
Portland Chinatown History Foundation



Lisa James, Board Member
Lan Su Chinese Garden

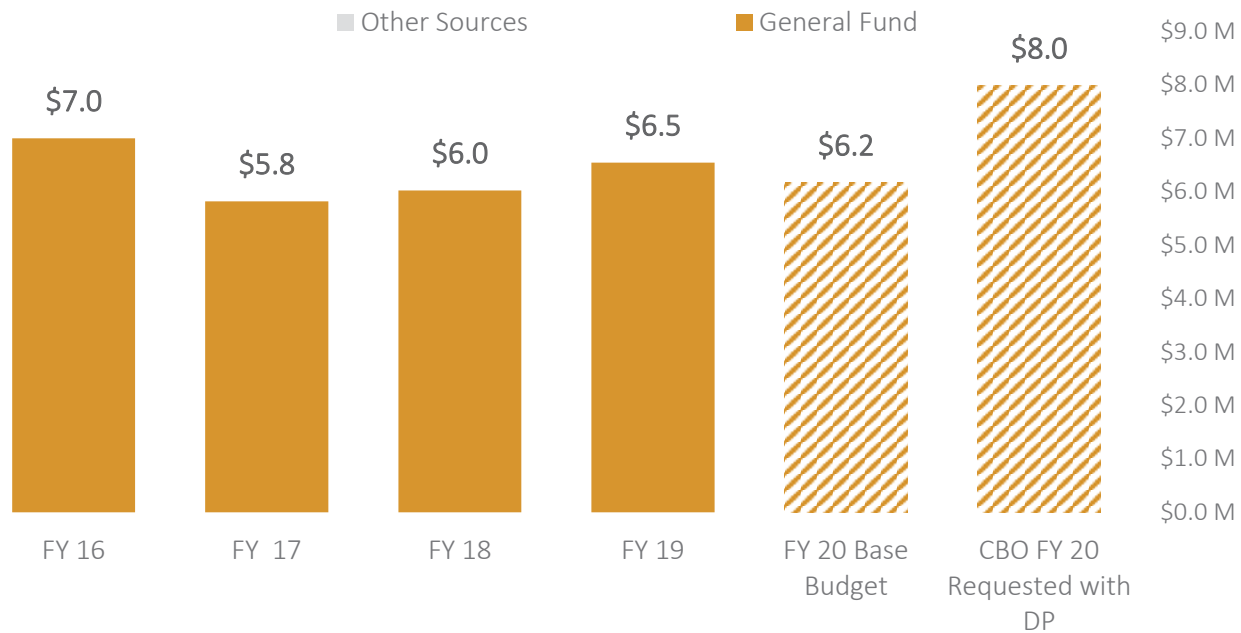


City Budget Office

Prosper Portland

Analysis by Josh Harwood

Adopted Budget Revenues - 5-Year Lookback



INTRODUCTION

Prosper Portland is the City's urban renewal agency and the City's General Fund component of its budget largely funds economic and workforce development initiatives. Prosper Portland provides a contract management role that brings together all City resources (General Fund, CDBG, and Enterprise Zone) to focus workforce efforts on specific goals and outcomes. In addition to programmatic management of economic development initiatives, Prosper Portland works with contract partners on workforce development efforts to support Prosper Portland's Strategic Plan and other specific needs as part of the overall economic development strategy.

BASE BUDGET KEY ISSUES

As has been discussed in prior reviews, Prosper Portland's key budget issue remains fiscal sustainability. The agency has shrunk significantly over the last decade as the City's urban renewal areas matured and reached the maximum debt levels. Prosper Portland's five-year forecast contemplates further decreases in both funding and employees.

The current model used for Prosper Portland's Financial Sustainability Plan assumes some resources from future districts. With the expiration of a number of districts over the next decade, the creation of new URAs would serve to offset the benefit of returning taxes to the General Funds of local jurisdictions. The City, and other jurisdictions, are already engaged in financial planning around what to do with the returning taxes, which are projected to be nearly \$40 million annually by FY 2028-29. URAs have come under increased scrutiny over the last decade, most notably being banned in California. CBO recommends that City Council and Prosper Portland schedule a Council work session over the next year or so discuss the specifics of both new plan development and the City priorities around spending the returned taxes from expiring URAs.

DIRECTIONS TO DEVELOP

Coordinated Community Plan & Development

\$723,000, 0.00 FTE

Direction Language

Collectively, Prosper Portland, Portland Bureau of Transportation, Portland Housing Bureau, and the Bureau of Planning and Sustainability were directed to develop a decision package to coordinate community planning and development initiatives in three geographical areas of Portland: East Portland, the Southwest Corridor, and North/Northeast Portland. The three project areas are comprised of independent initiatives tied together with common goals. Currently, partner bureaus are conducting projects in various stages in these three communities; however, efforts are not always coordinated regarding communications, community outreach, implementation, or outcomes. The partner bureaus state the goal of this multi-bureau package is to "coordinate communication, improve bureaus' collective community development practices, clarify roles, and make the impact of our shared equity goals more real." This request highlights a significant effort to coordinate community development work plans among bureaus to maximize effectiveness and deliver on project goals, especially as related to equitable development outcomes and community benefits.

Many of the projects align with City Council project and policy priorities, including ongoing work on the 2009 East Portland Action Plan, implementation of the Southwest Corridor Equitable Housing Strategy (adopted by Council in 2018), and coordination on the I-5 Rose Quarter Improvement Project to ensure its alignment with the City's N/NE Quadrant Plan (adopted by

Council in 2012) and the Albina Vision (a community-based plan for the Rose Quarter), among other initiatives. Bureaus were directed to work with the Bureau of Revenue and Financial Services to identify a City funding strategy for continuation and stabilization of these efforts, including property and asset management.

The projects would be coordinated by a team of bureau senior managers who would report regularly to the Planning and Development Directors on project progress. Across all bureaus, the requested amount of General Fund one-time resources is \$2,368,000, including:

- Prosper Portland: \$723,000 for Prosper Portland to identify specific funding needs and options for future coordinated real estate and infrastructure development in the three communities, including the potential leveraging of grants and/or the implementation of new Tax Increment Financing (TIF) Districts.
- PBOT: \$125,000 to support equity impact methodology development and analysis on its projects in the three project areas, including Division Bus-Rapid-Transit, the 2009 East Portland Action Plan, the Southwest Corridor Equitable Housing Strategy, and I-5 Rose Quarter Improvement Project, among others.
- PHB: \$1,000,000 to establish a Land Acquisition Fund for affordable housing investments. This would be used as a financing tool to develop and/or preserve “naturally occurring affordable housing,” which are unregulated units currently affordable to families earning approximately 80% of Area Median Income. This request is in addition to existing planned expenditures and funding streams that could be used to increase investment in the target geographies included in this proposal.
- BPS: \$520,000 to serve as one of the chief bureau coordinators of this work, in addition to providing services in area planning, land use research and analysis, urban design, zoning map and code amendments, and community engagement on projects in the three communities.

CBO Analysis

While this package proposes to provide clear benefits aligned with City and bureau adopted goals and plans, the return on investment for the Prosper Portland components of this plan are unclear. This request is essentially four distinct packages, and CBO has reservations about allocating limited resources based upon the following: first, CBO notes that City Council has declined to fund the programming for the Division Bus-Rapid-Transit for each of the past three years.¹ Second, Prosper Portland has within the past year received \$225,000 for community engagement and outreach on the Hill Block project, of which approximately \$162,000 has been spent. Should City Council decide that more funds are required, CBO recommends that Prosper Portland provide a detailed timeline for moving forward with the project. Finally, given the timing of the development of the southwest corridor, there is likely time to determine the appropriate role and funding level for Prosper Portland in that development project.

¹ See prior CBO reviews on this package: <https://www.portlandoregon.gov/cbo/article/675830>, <https://www.portlandoregon.gov/cbo/article/631365>, <https://www.portlandoregon.gov/cbo/article/567868>

In general, CBO recommends that formalized, multi-bureau coordination continue irrespective of whether new resources are allocated in FY 2019-20, given the interconnectedness of partner bureau's efforts and workplans. This is in line with previous CBO recommendations to preserve funding for a Program Coordinator within BPS that would be allocated to this specific role, ensuring that the City's long-term development objectives are reflected in plans, projects, and investments. Prioritization of bureau coordination on planning and development projects within partner bureaus' base budgets will ensure this effort is ongoing. Currently, there is insufficient designated outcomes and details regarding the intersection of these separate bureau initiatives for CBO to recommend allocation of limited available discretionary resources towards this effort.

CBO Recommendation: \$0

Portland Means Progress

\$300,000

Direction Language

This package would promote private sector investment in programming that supports inclusive economic growth and job creation, based on findings from the Mayor's Council of Economic Advisors (CEA). Funding would be used for the following:

- Business technical assistance;
- An annual celebration of program success, focused on recognizing commitment from companies and support from service providers;
- Provide lunch and engagement opportunities for companies and service providers;
- To seek additional funding from private sector in-kind support, private sector sponsorships, and foundation support for technical assistance and business grants;
- Social media promotion, web presence, video, and promotion & marketing; and,
- A dashboard to provide company outcomes on each aspect of the initiative.

CBO Analysis

Though this package was developed with input from the Mayor's Council of Economic Advisors, some members of Prosper Portland's Budget Advisory Committee found it to lacking in specifics and were not convinced that the package had been fully developed. The following is from the letter the committee authored for inclusion in Prosper Portland's requested budget:

"Some Committee members noted that Portland Means Progress is a new, unproven initiative and that should there be hard choices in funding the Directions, proven programs such as the Inclusive Business Resources Network and Neighborhood Prosperity Network are more critical to protect."

CBO agrees with the sentiment expressed above. While the goals of the package appear laudable, given the limited resources available, CBO cannot recommend funding at this time.

CBO Recommendation: \$0

Mercatus My Peoples Market

\$100,000

Direction Language

Mercatus is a web-based platform and directory providing a networking opportunity for entrepreneurs of color. Funding will support the following:

- My People's Market, a market that is held twice a year and includes more than 100 businesses and includes sales totaling approximately \$200,000 in sales generated for entrepreneurs of color.
- Mercatus facilitates six business workshops a year, including a networking and business resource fair provided in conjunction with the Prosper Portland's Inclusive Business Resource Network that pairs more than 200 businesses with financial and legal assistance.
- Mercatus Directory maintenance and support with the goal of directory growth from 500 to 800 businesses between FY 2018-19 and FY 2019-20.

CBO Analysis

Mercatus My People's Market fills a community need and advances Citywide equity goals through both a web-based networking environment and events that allow for business owners to sell products to the public. It also has demonstrable outcomes. Due to limited available resources, CBO has only recommended allocating funding to those proposals which will result in a direct and significant financial or legal cost if not funded and which cannot be absorbed within existing resources. Though there are not enough resources to recommend additional funding at this time, due to the exhibited success of this program, CBO would encourage Prosper Portland to prioritize this program within its current funding base.

CBO Recommendation: \$0

NPN OTCT District Manager

\$30,000

NPN Staff Assistance

\$175,000

IBRN - NPN Business Support

\$194,000

Direction Language

The three above packages all support Prosper Portland's Neighborhood Prosperity Network. The first would provide funding for the Old Town Community Association (OTCA) district manager position to assist in its mission of promoting equitable development, job creation and livability in the Old Town/Chinatown neighborhood.

The second package would fund ongoing staffing for Neighbored Prosperity Network to support the strategic programming that the organizations have developed. This increased staffing allocation was funded in FY 2018-19 by other Prosper Portland one-time funding. This package would add \$25,000 to each district, which would fund an additional half-time employee for a second year and reduce the disruption of services. Prosper Portland partners with seven community-based organizations in neighborhoods. These districts include Cully Blvd Alliance, Division-Midway Alliance, Historic Parkrose, Jade District, Our 42nd Avenue District, St. Johns Center for Opportunity, and Rosewood Initiative.

The third package would support the Micro Program, which has become part of the Inclusive Business Resource Network (IBRN) and provides both long term support (programs that provide 40+ hours of technical assistance a year) and light touch support (programs that help navigate businesses to programs within IBRN and provide approximately 10 hours of service a year).

CBO Analysis

Due to limited available resources, CBO has only recommended allocating funding to those proposals which will result in a direct and significant financial or legal cost if not funded and which cannot be absorbed within existing resources. These packages do not meet this criteria. If council desired to fund a portion of these packages, CBO would recommend prioritizing the third package. The IBRN has, among Prosper Portland's programs, some of the most demonstrable outcomes and thorough data. In particular, part of the program tracks businesses that engage in Prosper Portland services over time, measuring outcomes like revenue and employment growth. With respect to the first package, The City has completed its stated obligation to help support the Old Town/Chinatown District. The district manager position was created three years ago as part of a grant awarded by Prosper Portland from the General Fund and matched by donations from Old Town businesses, nonprofits, property owners and community members. Additionally, the City funded this position on a one-time basis in FY 2018-19. When established, it was intended that the district would be self-sufficient. Though it appears that has not happened to this point, given the limited resources available, CBO does not recommend funding the district manager. CBO notes that the second package was funded using one-time resources within Prosper Portland for FY 2018-19. Thus, it may be possible for the bureau to continue the program internally if it is deemed a priority.

CBO Recommendation: \$0

Portland Innovation Quadrant

\$150,000

Direction Language

Funding would be used to support the goals and long-term success of the Portland Innovation Quadrant. The Portland IQ spans the Central Eastside Industrial District, South Waterfront and South of Market/PSU University District. It is envisioned that IQ development would include a broad set of stakeholders, such as PSU, OHSU, OMSI, and PCC. Funding will be used to support

the following:

- The finalization of a 3-year strategic plan for the Innovation Quadrant. This will include the development of a vision and mission for the organization.
- The development of an IQ newsletter; a video telling the IQ story.
- A variety of initiatives that would support IQ development through special events and life science industry consulting.

CBO Analysis

Due to limited available resources, CBO has only recommended allocating funding to those proposals which will result in a direct and significant financial or legal cost if not funded and which cannot be absorbed within existing resources. This package does not meet this criteria. While the collaboration element of this package is appealing, it is unclear what the ultimate outcomes are for the development of the Innovation Quadrant, what the potential impact of the City's contribution would be, and how these benefits would meaningfully further City and bureau goals.

CBO Recommendation: \$0

Portland Film Office

\$142,000

Direction Language

The Mayor's Office and in response to a FY 2018-19 Budget Note directed Prosper Portland to request \$142,000 in one-time resources for the Portland Film Office for FY 2019-20.

CBO Analysis

In response to a FY 2018-19 Budget Note, the Portland Film Office is requesting \$142,000 in General Fund one-time resources for FY 2019-20. Although Prosper Portland believes that permitting bureaus, such as Parks and PBOT, will be responsible for funding half of the Film Office, discussions with the relevant bureaus are ongoing and no revenues outside of Prosper Portland's request have been budgeted. CBO notes that \$142,000 is 100% of the Film Office's funding for FY 2018-19. The Portland Film Office is a City entity supporting film production activity in Portland by coordinating with producers and permitting bureaus.

The FY 2018-19 budget note asked permitting bureaus to submit funding for half of the Portland Film Office as part of their requested budgets – which would have been equal to about \$71,000 based on the one-time funding provided by the General Fund for FY 2018-19. As mentioned above, no adjustments were made in the relevant bureau's requested budgets. In discussions with the Film Office over the course of the last two years, the Film Office had agreed to create a universal film permit to both provide a one-point-of-contact for film production companies and relieve some of the work that is currently being done in the City's large film permitting bureaus (particularly Transportation and Parks). To date, this has yet to be accomplished. Furthermore, the overall goal is to make the office self-sustaining on only permitting revenues, thus eliminating the General Fund subsidy. CBO recommends that the Film Office more fully demonstrate that it

can relieve some of the regulatory burden on City bureaus and fulfill its promise of a universal film permit. Prosper Portland indicates that a rollout of a universal permit will not likely be operational until FY 2020-21. Though CBO cannot recommend funding at this time due to limited resources, should City Council want to continue to fund the Film Office on a one-time basis, CBO believes, based on last year's budget note, it should only do so at the \$71,000 level.

CBO Recommendation: \$0

SUMMARY OF REQUESTS AND RECOMMENDATIONS

Below is a summary of Prosper Portland's total budget.

	Adopted FY 2018-19	Request Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Revised (A+B+C)
Resources					
General Fund Discretionary	6,014,424	6,168,120	1,814,000	(1,814,000)	6,168,120
Total Resources	\$6,014,424	\$6,168,120	\$1,814,000	(\$1,814,000)	\$6,168,120
Requirements					
External Materials and Services	6,014,424	6,168,120	1,814,000	(1,814,000)	6,168,120
Total Requirements	\$6,014,424	\$6,168,120	\$1,814,000	(\$1,814,000)	\$6,168,120