



PROSPER
PORTLAND
Building an Equitable Economy

DATE: August 12, 2020
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 20-30
Authorizing Execution of Fiscal Year 2020-21 Intergovernmental Service Level Agreement with the City of Portland for General Fund Special Appropriations of \$7,004,102 for Economic Development Activities

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7382

This action by the Prosper Portland Board of Commissioners (Board) will authorize an intergovernmental agreement (IGA) with the City of Portland (City) through the City Budget Office (CBO) to transfer \$7,004,102 in City General Fund resources and Cannabis Tax revenue to Prosper Portland to fund certain economic development activities on a citywide basis, including community economic development and traded sector job creation and retention. These activities have been budgeted in Prosper Portland’s fiscal year (FY) 2020-21 Adopted Budget.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This IGA, which has been authorized each of the past ten years, transfers General Fund resources that allow Prosper Portland to deliver on critical Strategic Plan objectives, including increasing access to employment and fostering equitable wealth creation through entrepreneurship and small business programs, traded sector business development, and workforce development programs.

BACKGROUND AND CONTEXT

Prosper Portland has implemented economic development activities on behalf of the City for decades. However, tax increment financing (TIF) restrictions limit Prosper Portland’s ability to fund and deliver community economic development and traded sector job creation and retention citywide. Prosper Portland has limited ability to support these activities without General Fund resources since service areas and activities are either outside TIF districts or are not TIF-eligible and cannot be funded with TIF resources.

This IGA represents a decrease in funding of approximately \$1,600,000 from the FY 2019-20 total. The decrease is largely due to one-time funding that was received in FY 2019-20 and the uncertainty in City tax revenue collections and the cuts across all City bureaus. The General Fund Special Appropriations identified in the IGA are included in the FY 2020-21 Adopted Budget for both Prosper Portland and the City.

EQUITY IMPACT

The IGA allows Prosper Portland to use its established expertise in economic development citywide. Without the contribution of the City’s General Fund resources, Prosper Portland’s ability to undertake economic development activities outside of TIF districts would be limited.

The scope of services provides for implementation of critical neighborhood economic development and traded sector job creation and retention programs that grow family wage jobs, advance opportunities for prosperity, and build stronger partnerships.

Entrepreneurship and Community Economic Development includes:

- Economic Opportunity Initiative and workforce development
- Inclusive Business Resource Network
- My People’s Market and Mercatus
- Neighborhood Prosperity Network
- Venture Portland

Traded Sector Job Creation and Retention includes:

- Cluster Development
- International
- Portland Means Progress
- Portland Film Office (partial-year funding)

COMMUNITY PARTICIPATION AND FEEDBACK

Staff conducted public participation as part of the FY 2020-21 budget process, primarily during discussions with Prosper Portland’s Community Budget Committee. Staff also provided testimony to City Council, acting as Prosper Portland’s Budget Committee, on May 20, 2020.

BUDGET AND FINANCIAL INFORMATION

This action will allow Prosper Portland to receive \$6,145,662 in City General Funds and \$858,440 in Cannabis Tax revenue to implement the following economic development activities:

- Entrepreneurship and community economic development - \$5,454,070
- Traded sector job creation and retention - \$1,475,032
- Albina Vision - \$75,000

The Adopted Budget includes roughly a six percent reduction per direction from the mayor; City Council approved a budget that includes four add packages and resulted in a two percent decrease in ongoing funding. City Council awarded \$50,000 in ongoing resources for My People’s Market/Mercatus and an additional \$565,000 in one-time funding for the following initiatives:

- \$210,000 to support Black, indigenous, people of color (BIPOC) cannabis businesses within Inclusive Business Resource Network;
- \$210,000 to support BIPOC small businesses;
- \$70,000 for the Portland Film Office;
- \$75,000 in carry over to fund community engagement for the Albina Vision

Also included in this IGA is the City’s portion of revenue sharing, \$314,982 to fund all six Neighborhood Prosperity Network (NPN) districts. Revenue sharing, based on Oregon Revised Statutes Chapter 457, is currently occurring with all six districts and, in accordance with existing agreements, the City will provide its share of NPN revenue back to the districts. These funds have been budgeted to each NPN district

based on the amount of estimated tax increment revenue sharing for FY 2020-21. A similar agreement that is separate from this IGA exists with Multnomah County for its NPN revenue share.

RISK ASSESSMENT

Should the Prosper Portland Board choose not to adopt the resolution, staff would not be able to proceed with General Fund programs outlined in the FY 2020-21 Adopted Budget.

ATTACHMENTS

None.