



DATE: April 14, 2021
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 21-07
Update on Fiscal Year 2021-22 Budget Development Process

BRIEF DESCRIPTION OF INFORMATION ITEM

No action is requested; information only.

At the April 14, 2021, Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on the fiscal year (FY) 2021-22 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 5, 2021. City Council is expected to approve the Proposed Budget on May 13, 2021. Staff will seek the Prosper Portland Board's adoption of the City Council-approved Proposed Budget at its June 9, 2021 meeting.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

Development of the FY 2021-21 budget meets multiple priorities of the agency's 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 2021-22 budget development process began in fall 2020, with the creation of 18-month work plans for the remainder of FY 2020-22 and the entirety of FY 2021-22. From November 2020 through January 2021, staff created draft expenditure budgets and revenue forecasts that the Prosper Portland Board reviewed during the FY 2021-22 Budget Work Session on January 27, 2021.

To solicit feedback on the draft budget, staff convened its 18-member Community Budget Committee (CBC) with stakeholders representing a broad cross-section of the community. CBC members participated in four meetings through January that culminated with the CBC articulating its recommendations in a letter to the Prosper Portland Board and City Council that was included in the FY 2021-22 Requested Budget submitted in early February (see Attachment A).

In addition to soliciting CBC feedback, Prosper Portland staff conducted broader stakeholder review of the FY 2021-22 Requested Tax Increment Finance District Budgets focusing on business associations, neighborhood groups, and other community-based organizations; a summary of this feedback, as well as letters from the Central Eastside Industrial District and South Portland Neighborhood Association, can be found in Attachment B. In addition, Venture Portland submitted letters from a number of business district associations; these can be found in Attachment C.

Since its release in early February, the Requested Budget has been reviewed by the City Budget Office (CBO); a copy of this review can be found in Attachment D. More recently, Prosper Portland participated in a City Budget Work Session on April 1, 2021, that covered both the General Fund and Cannabis Fund budget requests.

Staff are currently engaged in making refinements to revenue and expenditure estimates originally included in the FY 2021-22 Requested Budget that will be presented to City Council as the Proposed Budget on May 5, 2021. Prosper Portland's Proposed Budget will also incorporate Mayor Wheeler's proposed General Fund and Cannabis Fund allocations that will be made public in late April.

The Proposed Budget will amend the FY 2020-21 Requested Budget with the following changes:

- 1) **Update resources and expenditure appropriations being removed from the FY 2020-21 Revised 3 Budget.** Staff are currently identifying current year appropriations that should move to next year (or future years) based on project timing. Projects include Broadway Corridor predevelopment costs, Housing Set Aside funding as directed by the Portland Housing Bureau, and various loan and grant funds across all funding sources based on timing and demand.
- 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 and are therefore unknown at this time.
- 3) **Refinements to Property Management Budgets.** Staff will provide an update on the status of property income in the current year and an update on the projections for next fiscal year.
- 4) **Adjustments to staffing and administrative overhead budgets.** Refinements include adjusting estimated staffing costs and administrative materials and services budgets based on updated information since the Budget Work Session in January.

Following City Council approval of the FY 2021-21 Requested Budget on May 13, 2021, 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 9, 2021.

ATTACHMENTS

- A. Community Budget Committee Letter
- B. Feedback on TIF District Budgets
- C. Venture Portland Letters
- D. City Budget Office Review of the Requested Budget

Committee Co-Chairs

Duncan Hwang Asian Pacific
American Network of Oregon

Johanna Brickman VertueLab

Committee Members

Arlene Kimura Hazelwood
Neighborhood Association

Ashley Henry Business for a
Better Portland

Bryson Davis Williams &
Russell Project Working Group

Cara Turano Technology
Association of Oregon

Corky Collier Columbia
Corridor Association

Gwen Thompson N/NE
Community Development
Initiative

Helen Ying Old Town
Community Association

James Paulson Worksystems,
Inc.

Kari Naone TiE Oregon

Kate Merrill Central Eastside
Industrial Council

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

Sabina Urdes Lents
Neighborhood Association

January 29, 2021

Kimberly Branam
Executive Director
Prosper Portland

We, the members of the Prosper Portland Community Budget Committee (Committee), are pleased to submit this letter to accompany submission of the Prosper Portland Requested Budget for fiscal year (FY) 2021/22. The Committee met four times to discuss the Mayor's budget guidance and scrutinize economic development program draft budgets that rely on City of Portland (City) General Fund allocations.

Budget Values

Before sharing our recommendation on the Requested Budget, we would like to articulate the themes and values that guided our conversations and deliberations. Most importantly, the budget for Prosper Portland must **prioritize economic recovery** and continue to provide relief to businesses and communities most adversely impacted by the pandemic and recession.

We acknowledge Prosper Portland's commitment to becoming an anti-racist institution and applaud the **explicit racial equity lens** that was applied to the Small Business Relief Fund grant and loan processes. It is clear that prior investments in capacity building (i.e., Inclusive Business Resource Network and Neighborhood Prosperity Network) were instrumental in how community partners were able to rapidly deliver critical funding to businesses during the pandemic response.

The City and Prosper Portland's budget must also address public safety concerns and **activate commercial business districts** in a crucial effort to **inspire consumer confidence** and restore Portland's image as a friendly place for small business, while also supporting the houseless community.

Should Prosper Portland be awarded new stimulus resources, the Committee recommends that in addition to applying the equity lens already noted, the City should align its recovery approaches with the State and County to alleviate some of the burden and confusion that applicants have expressed to date with multiple and differing application processes.

Reductions – General Fund

To meet the Mayor's budget guidance dated December 3, 2020, the CBC unanimously recommends a **five percent cut to all economic development programs** (Inclusive Business Resource Network, Neighborhood Prosperity Network, workforce development, traded sector, Venture Portland). This recommendation was the result of considerable discussion as well as input from partner organizations. While some Committee members noted that a standard cut is not inherently equitable, they also noted that this is a unique year and that a deeper cut to some programs could be devastating to partner organizations.

Add Requests – General Fund and Cannabis

We also would like to propose the following add requests in conformance with the Mayor’s budget guidance dated January 13, 2021, **ranked by priority**:

1. Provide **ongoing General Fund** resources to **restore the economic development programs** that are subject to the five percent cut. All five of these programs provide critical support to local businesses and job seekers, applying an equity lens to ensure that demographic and geographic priorities are front and center.
2. Provide **ongoing General Fund** resources for the **Portland Film Office**. Staff noted that even during the pandemic, over the past year, the film and video industry has invested in approximately \$150 M into Portland services and accommodation and hired 1,300 local crew in ten productions. In addition, and in accordance with the Mayor’s add request budget guidance, the Portland Film Office allows the City to be efficient and effective in seamlessly processing permit requests.
3. Provide **one-time Cannabis Fund** resources for small business stabilization and relief activities. This request restores one-time funding for existing development and relief funding for BIPOC Cannabis-business entrepreneurs, expand upon digital marketing adaptation efforts for businesses seeking pursue E-commerce or improve online presence, and expand Inclusive Business Resource Network services to address issues faced by commercial tenants and landlords through legal and mediation supports. We believe this allocation will address the Mayor’s add request budget guidance by providing stabilization and support to small businesses and historically disadvantaged Portlanders.
4. Provide **one-time** resources for the **Local Small Business Repair Grant** program. Over the course of the past three months, Prosper Portland has received 240 requests for funding to from seeking suffering from the pandemic. Of this, 144 eligible businesses requesting \$667 K moved forward through the review process. In accordance with the Mayor’s add request budget guidance, the Local Small Business Repair Grant funds provide an urgent intervention to revitalize our neighborhoods and commercial corridors, particularly outside of existing tax increment finance districts.

Tax Increment Finance Budgets

The Committee recognizes that most of the tax increment finance (TIF) budgets are guided by community action plans that have set budget allocations in accordance with local priorities, including the Old Town/Chinatown Action Plan, Gateway Action Plan, and North/Northeast Community Development Initiative. Over the course of February and early March, Prosper Portland relationship managers will partner with Community members who represent geographic constituencies to discuss TIF district budget priorities and will report out on community feedback at the City Council work session in March.

Budget Process

While the Committee appreciates that staff provided outcomes in the discussion of meeting the five percent reduction, Prosper Portland must continue to articulate how budget decisions quantifiably impact our community. Although a direct “apples-to-apples” comparison across program budgets may not be possible given the nature of distinct and different business lines, we urge staff to continue to develop **measurable, human-focused outcomes** that both convey the impact of the work and provide greater ease in comparing different activities and programs.

The Committee would like to end our comments with a note of appreciation to the staff of Prosper Portland, who stepped up to provide excellent service to our community above and beyond their typical duties, all while under intense pressure. In a time when Prosper Portland's support is needed more than ever, we are grateful for their commitment.

We thank you for the opportunity to comment,

Prosper Portland Community Budget Committee

As part of Prosper Portland’s outreach on the fiscal year 2021/22 draft Tax Increment Finance (TIF) district budgets, staff met with these neighborhood associations, business associations, and other community partners:

- Old Town Community Association
- Go Lloyd
- South Portland Neighborhood Association
- East Portland Action Plan
- Central Eastside Industrial Council
- N/NE Community Development Initiative Committee

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

Oregon Convention Center

- Support the requested budget
- Support selling 100 Multnomah air rights, renovating the Inn at Convention Center at the mid-level, and continuing to own/operate the Convention Center Hotel parking garage
- Should additional resources become available, would prioritize improvement/activation at the 910/Action Sports Building to complement the Inn at Convention Center project
- Support partnering with property owners on retail tenant opportunities with a focus on growing BIPOC-owner presence in the district

Old Town/Chinatown (River District and Downtown Waterfront)

- Old Town Community Association’s goal for 2021 is to “promote safe, livable, and equitable neighborhood street environment for the benefit of residents, businesses, visitors and others in our district” which they hope to accomplish through both TIF and other City investments:
 - Implement quiet zone at NW Naito and NW Glisan railroad crossing
 - Funding for Community Development Director position to organize and advocate for Old Town (*note: not TIF eligible, OTCA is seeking a special appropriation from City Council*)
 - Address homeless situation to find alternative to on-street camping
 - Keep businesses in Old Town
- Support maintaining existing River District/Downtown Waterfront budget split

North Macadam

- Support completion of SW Bond Avenue
- Request remaining portions of the Greenway built to master plan specifications (primarily located on ZRZ-owned and Alamo=Manhattan owned lands)
- Support South Portland transportation improvements (including the signal, Lowell realignment, and turn lane on North Macadam)
- *Also see letter from South Portland Neighborhood Association*

Gateway Regional Center

- Support leasing out affordable commercial space in The Nick Fish (106 & Halsey)
- Interest in redeveloping large, long-standing privately-owned vacant properties

Lents Town Center

- Interest in activating remaining vacant Prosper Portland properties in Lents Town Center
- Supportive of build out of Bakery Blocks and public plaza
- Continued support of small and BIPOC-owned businesses throughout the district

Central Eastside

- Support current investment priorities including development of the ODOT Blocks and OMSI campus.
- Continue to partner in activation including through both TIF and other City investment:
 - Relocate C3PO from Central Eastside to alternative location within the City by June 30, 2021
 - Activate Blocks B and C of ODOT Blocks by working with Michelle Comer and BEAM development
 - Organize discussions with Portland Police Bureau, District Attorney's Office, City Attorney's office, Sheriff to address blight throughout district and prevent recidivism
- Continue to fund Small Business Repair Grant for immediate repairs for businesses and nonprofits
- *Also see letter from Central Eastside Industrial Council*

Interstate Corridor

- Create a more efficient process to make grants/loans easier to access via Prosper Portland's website
- Provide updated information on new products, services and programs that can help BIPOC businesses through new grants/loans with much better coordination and communication
- Increase funding opportunities through TIF grants and loans to BIPOC businesses
- Partner with Portland Housing Bureau to increase homeownership opportunities for Black households in the community
- Provide more transparent, faster and less difficult process for the access to capital for businesses and for Black developers/would-be developers
- Determine how much funding will be allocated to the Williams & Russell project
- Support generational wealth creation using TIF funds



March 17, 2021

To: Ms. Kimberly Branam
Prosper Portland

Attn: Amy Nagy & Berk Nelson

Re: Central Eastside TIF funds

Dear Ms. Kimberly Branam,

The Central Eastside is at a major turning point. After a major period of growth (6100 new jobs in the past 7 years prior to COVID), the Central Eastside, like many other districts around the area, came to a screeching halt with the outset of COVID. There was a 12% job loss in the Central Eastside between 2019 and 3rd quarter of 2020. Very few development projects are slated for the next couple of years, and major employers have voiced concern over perceived safety issues. Because of the diversity of land uses and industries, we are poised to come out of the COVID crisis quicker than other areas, but we need to make sure that the Central Eastside feels like a safe and welcoming place to live, visit and do business.

The Central Eastside Industrial Council recommends to Prosper Portland that priority for uncommitted TIF funds be placed in the activation of the district. By diversifying the use of TIF funds through several activation strategies, the URA funds can be leveraged to maximize community benefit to both existing businesses/residents and visitors alike. These activations further support major City initiatives in the area such as the Earl Blumenauer Bike Bridge opening this Fall and the Green Loop.

A major obstacle that lies ahead for the Central Eastside is childcare. With only one childcare in the district and major restrictions size and layout, current spaces aren't accessible to daycare providers. Not only is this an issue for employers in the district wanting to attract young talent, this is also a major transportation issue as we endeavor to improve transit to the area. We ask that you encourage the development of affordable daycare in all TIF supported developments. Project list for activation : Mural corridor, better lighting in the area (could be public art) especially at the entrances to our district, wayfinding, and greening opportunities

We also know that there will be a rise in vacancies in the area, and that Portland has a major talent pool, but less venture capital especially now. We also know that Portland's racist past has hindered people of color from getting access to affordable workspace in the Central City. We would like to propose the use of URA funds to support the activation of underutilized space through:

1. an aggressive landlord/tenant matchmaking program that encourages below market short term leases as the better alternative to vacant space
2. tenant improvements to subdivide space and allow several users to efficiently share leases
3. the creation of affordable (below market) work spaces for makers and start-ups

4. the prioritization of BIPOC business growth and a mentorship program in place to support businesses in these incubator/start up spaces

We thank you for your consideration of these recommendations to ensure that the Central Eastside comes out of this crisis stronger than before it began.

Sincerely,



Kate Merrill
CEIC Executive Director



Deane Funk
CEIC Board President

March 4, 2021

Prosper Portland Board of Commissioners

RE: North Macadam Urban Renewal Area Budget, Fiscal Years 2020-2021

Dear Chair Cruz & Members of the Board:

Recently our neighborhood association received a presentation on the budget for the North Macadam Urban Renewal Area (NMURA). In response, the following reflects the unranked spending priorities of our neighborhood for the remaining available funding in this District. Thank you in advance for considering our views.

The City of Portland had a variety of goals in mind when establishing the North Macadam Urban Renewal Area, including environmental goals. For example, the City Council wanted to expand the central city to ease development pressure on farm and forestland as well as connect Portlanders to a cleaner Willamette River. While South Waterfront has had some success to these ends, it is still a work in progress, and has looming a deadline. By 2025, the NMURA Tax Increment Financing (TIF) district will expire, at which point, it will become much more difficult to complete the neighborhood's parks and infrastructure.

Consistent with past years, our neighborhood continues to encourage the City to seek all possible avenues for completing the following projects, including the use of NMURA TIF funds:

- SW Bond Avenue across the ZRZ-owned lands
- The remaining portions of the greenway built to the master plan (ZRZ-owned lands and Alamo Manhattan-owned lands).
- The south portal transportation improvements (including the signal, Lowell realignment and additional turn lane on North Macadam)

We understand that the negotiations for a development agreement have stalled between Prosper Portland and the ZRZ company. However, we feel projects on ZRZ-owned land should continue to be eligible for NMURA TIF funding, as such projects would still be consistent with the City's environmental goals for the district, regardless if adjacent private development occurs far into the future. It should also be noted that completion of SW Bond will help improve the traffic safety and congestion issues currently plaguing the neighborhood.

As required by the BDS approval of their project, Alamo Manhattan will be constructing the stretch of greenway on their land. The greenway they will build must meet code requirements, but this is a far cry from the vision established in the greenway master plan or the developed South Waterfront greenway immediately to the north. We urge Prosper Portland to work with Alamo Manhattan and provide TIF funds toward a greenway design more consistent with the master plan

Infrastructure projects should be prioritized as we feel that spending these funds will do more to improve business viability in our area than investments such as tenant improvements. Improving traffic flow and pedestrian safety and creating a destination with a complete greenway are what is most needed to create a thriving business environment and desirable community. These projects are expensive so we also expect that transportation and parks SDC's will also be dedicated for use in our area, as development in the district pays into these funds.

Once considered a brownfield, redeveloping this area was a priority for the city, and while much of it has cleaned up, there is more work to do.

Thanks so much for your consideration of our views and your service to our City

Very truly yours,

A handwritten signature in cursive script that reads "Michael Kaplan".

Michael Kaplan

President

South Portland Neighborhood Association



Portland City Council
1221 SW 4th Avenue, Room 110
Portland, OR 97204

January 21, 2021

Dear Mayor and Commissioners,

On behalf of the Beaumont Business District, the Beaumont Business Association urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

In the last year, Venture Portland's Catalytic Investment Initiative has helped the Beaumont Business Association in a few different ways:

- Since the beginning of COVID, we have had to change many strategies to support our businesses and the way we communicate, bring in revenue and renew/maintain/add to our membership. A focus on digital platforms (Instagram, email, newsletters, local papers) to share information helps us greatly in selling advertising, new memberships and generating revenue. "Fresh Air on Fremont" was a weekly summer event, promoting safe, outdoor shopping and dining highlighting local businesses on posters and social media. For Halloween, we had an outdoor photo booth that allowed families to take photos and post them on Instagram, local businesses donated prizes to winners. For Holiday Fest, we were able to safely host Santa and Mrs. Claus behind glass, while children posed for photos on the other side. We had several businesses host outdoor booths, including popcorn, wreaths for sale, reindeer kits, free cookies and hot chocolate along with two live bands.
- We have created and maintained a live business listing on our website as a resource to help other businesses and neighbors. The business listing includes members and non-members of the Beaumont Business Association.
- The BBA has a small but very successful group of 6 BIPOC businesses in the association (3 of which are top contributing members) and all are involved with special events and street improvements, i.e. Fremont Fest and flower baskets. The Board consists of a majority of female members with representation from the LGBTQ+ community, as well. This directly reflects the business ownerships on our street and helps us keep diversity a focus, allowing an open dialogue as to how we can better support and involve all communities.
- Membership dues has been more flexible this year. We want to keep our members and understand if circumstances prevent them from paying or renewing at the current time. We want to include everyone. This does put a strain on the business district finances. Grants from Venture Portland helps counter this strain.

Beaumont Business Association serves six diverse neighborhood businesses. Eliminating funding for Venture Portland – the support system for Portland's 50 neighborhood business districts – will disproportionately impact the businesses that are helping the City address issues like COVID-19, affordability, livability and economic prosperity. Venture Portland's support makes it possible for Beaumont Business Association to serve our district businesses so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, **fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense**. Cutting proven programs that support the small businesses you claim to care for does not.

Please ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,

A handwritten signature in black ink, consisting of a series of connected loops and strokes, representing the name Andrew Frazier.

Andrew Frazier
President, Beaumont Business Association

SHAWN MORGAN
ATTORNEY AT LAW

4511 SE 63RD AVE., STE D, PORTLAND, OR 97206, PH: (503) 498-8528, FAX: (503) 914-1894

January 17, 2021

Portland City Council
1221 SW 4th Avenue, Room 110,
Portland, OR 97204

Dear Mayor and Commissioners,

My law office is located in the Foster Business District and I serve on the Foster Area Business Association Board of Directors.

I urge you to fully fund Venture Portland and the Catalytic Investment Initiative in this next year's budget.

The neighborhood business association is an integral part of the community and helps local businesses thrive. The COVID-19 pandemic has ravaged many businesses in my community. As we continue to fight to survive, Portland's small businesses need targeted support more than ever. Our neighborhood business association is one of the few organizations we can depend on to connect us with fellow business owners, advocate on our behalf and promote local businesses.

Show us that Portland cares about its small business community. Restore Venture Portland's funding in full.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Shawn Morgan', with a stylized flourish at the end.

Shawn Morgan, Attorney at Law

Portland City Council
1221 SW 4th Avenue, Room 110,
Portland, OR 97204

February 11, 2021

Dear Mayor and Commissioners,

On behalf of the 82nd Avenue of Roses Business District, 82nd Avenue Business Association urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.


For 3 years Venture Portland provided staffing for 82nd Avenue Business Association and helped launch our signature event, Around the World in 82 Dishes, which highlights the diversity of restaurants along 82nd Avenue and drives customers to support them.

82nd Avenue Business Association serves 1,800 diverse neighborhood businesses that provide 13,000 jobs. Eliminating funding for Venture Portland – the support system for Portland's 50 neighborhood business districts – will disproportionately impact the businesses that are helping the City address issues like COVID-19, affordability, livability and economic prosperity. Venture Portland's support makes it possible for 82nd Avenue Business Association to serve our district businesses so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, **fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense**. Please show you care for small business by retaining Venture Portland's funding.

Ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,



Nancy Chapin
82nd Avenue Business Association President and Venture Portland Board Member

CC: Mayor Ted Wheeler, Commissioner Carmen Rubio, Commissioner Mingus Mapps,
Commissioner Jo Ann Hardesty, Commissioner Dan Ryan

Portland City Council
1221 SW 4th Avenue, Room 110,
Portland, OR 97204

February 11, 2021

Dear Mayor and Commissioners,

On behalf of the Central Eastside Business District, Central Eastside Industrial Council (CEIC) urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

During the past several years, Venture Portland helped Central Eastside Industrial Council launch a first ever Enhanced Services District (ESD) which joined the BID's in Downtown and Lloyd. CEIC's ESD was passed with unanimous City Council approval, working with Venture Portland to bring compelling testimony to the council floor. The ESD guidelines and programs were crafted in Venture Portland's conference room in collaboration with City Commissioner's staff, non-profit organizations, and members of the houseless community. Additionally, the interviews of the ESD contractors were held in Venture Portland's offices and the scoring of the interviews was managed by Venture Portland. CEIC's ESD differs from the established BID's - most importantly using unarmed security that is trained in deescalation and provides referral services. The ESD prioritizes job rehabilitation and peer-to-peer services for the houseless. The assistance that Venture Portland provided puts the organization in a unique position to offer ESD formation services, with transparency and community involvement for all of Portland's BDA's - which are needed now more than ever.

Central Eastside Industrial Council serves 1,300 diverse neighborhood businesses that provide 20,000 jobs. Eliminating funding for Venture Portland – the support system for Portland's 50 neighborhood business districts – will disproportionately impact the businesses that are helping the City address issues like COVID-19, affordability, livability and economic prosperity. Venture Portland's support makes it possible for Central Eastside Industrial Council to serve our district businesses so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, **fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense**. Please show you care for small business by retaining Venture Portland's funding.

Ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,



Bridgid Blackburn
Co-Owner of Cargo Inc. and Venture Portland Vice President

Portland City Council
1221 SW 4th Avenue, Room 110,
Portland, OR 97204

January 18, 2021

Dear Mayor and Commissioners,

On behalf of the Foster Business District, Foster Area Business Association urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

In the last year, Venture Portland's Catalytic Investment Initiative helped Foster Area Business Association:

- **Host 2 events** to drive customers into neighborhood businesses or support them through online/takeout purchases
- **Provide free membership to district businesses** so as to be fully inclusive
- **Offer financial assistance to businesses** that winterized their outdoor seating, of which 33% were POC-owned
- **Provide direct relief to businesses** by buying gift certificates, which were then used to incentive customer purchasing through gift giveaways

Foster Area Business Association serves 72 diverse neighborhood businesses that provide hundreds of jobs. As you know, our district has historically been underserved by the City of Portland. Eliminating the program that has made such a difference in our community will disproportionately impact the businesses that depend on us to address issues like COVID-19, affordability, displacement and gentrification while helping them thrive. Venture Portland and the Catalytic Investment Initiative make it possible for Foster Area Business Association to provide the support our businesses need so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, **fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense**. Cutting proven programs that support the small businesses you claim to care for does not.

Please ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,



Allen Rowand
President, Foster Area Business District

Portland City Council
1221 SW 4th Avenue, Room 110,
Portland, OR 97204

February 11, 2021

Dear Mayor and Commissioners,

On behalf of the Parkrose Business District, Historic Parkrose NPI urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

During the past year, Venture Portland has helped Historic Parkrose with professional development via their quarterly interest groups, provided valuable templates and samples for our ongoing work, provided grant funding for our district map and other community events, hosted networking opportunities for our businesses and provided advocacy support for our district.


Historic Parkrose serves 100 diverse neighborhood businesses that provide 734 jobs. Eliminating funding for Venture Portland – the support system for Portland's 50 neighborhood business districts – will disproportionately impact the businesses that are helping the City address issues like COVID-19, affordability, livability and economic prosperity. Venture Portland's support makes it possible for Historic Parkrose to serve our district businesses so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, **fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense**. Please show you care for small business by retaining Venture Portland's funding

Ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,

Seile Tekle
Historic Parkrose Executive Director, and Venture Portland Board Member

DocuSigned by:

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2/11/2021

April 14, 2021

Portland City Council

1221 SW 4th Avenue, Room 110,
Portland, OR 97204



February 2, 2021

Dear Mayor and Commissioners,

On behalf of the Lents Business District, Lents Grown Business Association urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

In the last year, Venture Portland's Catalytic Investment Initiative helped Lents Grown Business Association:

- **Hire Staff** (by providing a Business District Organizer, we can build capacity within the Business Association and Lents Business District)
- **Create a Work Plan** (we identified realistic goals for growing business in Lents, promoting the district, and strengthening the Business Association)
- **Provide Funding** (financial support will allow us to host vital events, secure insurance, and do marketing and business outreach necessary to grow)
- **Establish Social Media Presence** (we've been increasingly able to promote and engage with businesses where they're most able: online and social media)

Lents Grown Business Association serves 25 diverse neighborhood businesses that provide over 100 jobs. As you know, our district has historically been underserved by the City of Portland. Eliminating the program that has made such a difference in our community will disproportionately impact the businesses that depend on us to address issues like COVID-19, affordability, displacement and gentrification while helping them thrive. Venture Portland and the Catalytic Investment Initiative make it possible for Lents Grown Business Association to provide the support our businesses need so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, **fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense**. Cutting proven programs that support the small businesses you claim to care for does not.

Please ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,

A handwritten signature in black ink that reads "Nick Lee" on the top line and "President" on the bottom line.

Nick Lee, President,
Lents Grown Business District

Portland City Council
1221 SW 4th Avenue, Room 110,
Portland, OR 97204

February 11, 2021

Dear Mayor and Commissioners,

On behalf of the Pearl District Business District, Pearl District Business Association (PDBA) urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

Over the past several years, Venture Portland helped Pearl District Business Association by funding a variety of events including our annual Business Awards ceremony. These events have helped PDBA generate crucial new membership and revenue for our association.

PDBA serves 1,300 diverse neighborhood businesses that provide 16,000 jobs. Eliminating funding for Venture Portland – the support system for Portland's 50 neighborhood business districts – will disproportionately impact the businesses that are helping the City address issues like COVID-19, affordability, livability and economic prosperity. Venture Portland's support makes it possible for PDBA to serve our district businesses so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, **fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense**. Please show you care for small business by retaining Venture Portland's funding.

Ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,

DocuSigned by:

02F02027473C402...

Matt Trenkle
Pearl District Business Association Vice President and Venture Portland Board Member

Portland City Council
1221 SW 4th Avenue, Room 110,
Portland, OR 97204

February 11, 2021

Dear Mayor and Commissioners,

On behalf of the Stadium District Business District, Stadium District Business Association urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

During the past year, Venture Portland has helped Stadium District Business Association, train our board in governance procedures, provided funding for our district map, provided training and resources to our businesses on topics like DEI, social media and membership recruitment.

Stadium District Business Association serves 319 diverse neighborhood businesses that provide 4,500 jobs. Eliminating funding for Venture Portland – the support system for Portland's 50 neighborhood business districts – will disproportionately impact the businesses that are helping the City address issues like COVID-19, affordability, livability and economic prosperity. Venture Portland's support makes it possible for Stadium District Business Association to serve our district businesses so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, **fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense**. Please show you care for small business by retaining Venture Portland's funding.

Ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,



Eleni Kehagiaras
Owner, Big Sting Media Group and Venture Portland Secretary

CC: Mayor Ted Wheeler, Commissioner Carmen Rubio, Commissioner Mingus Mapps,
Commissioner Jo Ann Hardesty, Commissioner Dan Ryan



Gateway Area

Business Association

11124 NE Halsey
St. PMB 478
Portland, OR 97220
www.gatewaybusiness.org

Board of Directors

Nidal Kahl
President

Jason Nishikawa
Vice President

Chris Allen
Secretary

Nami Bigos
Director

Omar Obeid
Director

Dear Mayor Wheeler,

I am writing you on behalf of the Gateway Area Business Association (GABA) where I serve as the current President. I also have the privilege of serving as the Venture Portland Board Treasurer, where I learned about the recent proposed budget cut to Venture Portland. This severe budget cut to Venture Portland's budget would effectively eliminate the Catalytic Investment Initiative program. This truly catalytic program offers immediate support and growth opportunities for business districts.

The Gateway Area Business Association has been able to grow as an organization faster during its initial 4 years with Venture Portland than I have witnessed prior to when Gateway joined Venture Portland and utilized this program. Gateway owes Venture Portland a debt of gratitude for the multiple grants we have received over the years to help fund our new programs, and help manage activities within our organization.

Venture Portland has been by GABA's side for nearly every aspect of community outreach for every Prosper Portland project we have participated in during my time in Gateway. The development of the Halsey/Weidler Streetscape and overall Gateway Action Plan took an incredible investment of joint hours into community outreach with Prosper Portland and all the City bureaus and stakeholders. Venture Portland was there to support nearly every meeting and subcommittee meeting along the way. They have been there for Gateway every step forward we have taken over the last ~5yrs. I believe GABA would regress without continued support from Venture Portland and the organizer assigned to us through the Catalytic Investment Initiative. They have proven to be a valued resource to Gateway, and are truly a catalyst for gaining support of the various programs rolled out to all the wonderful business district associations who participate.

A critical project remaining for Gateway's success in our city relates to branding and identity. Prior to the current struggles within our City, Venture Portland committed to working with both the Gateway Area Business Association and Prosper Portland to help us with this project. We have been able to redesign our website, and attract new members and volunteers to help our community as a result of Venture Portland grants. There is still much work to do as we get out from under the struggles that have devastated our City and morale for nearly a year. To cut Venture Portland's budget this year would be another severe hit to our stability and outlook.

The Gateway Area Business Association serves 1,400 diverse neighborhood businesses that provide 17,000 jobs. These businesses depend on us to help them thrive. Gateway's location at the confluence of Interstate 205, Interstate 84, and several transit routes gives Gateway the potential to become a vibrant commercial and community hub of emerging East Portland. We expect Gateway to continue to grow into a prospering extension of this beautiful city, and we need support from partners like Prosper Portland and Venture Portland to achieve that. The support Venture Portland provides is essential to creating a flourishing district for small businesses. We strongly urge Prosper Portland to preserve the existing budget for Venture Portland at their current levels so it can continue to positively impact the small businesses in our lovely city.

Sincerely,



Nidal Kahl
President, Gateway Area Business Association

Dear Mayor Wheeler and Commissioners,

On behalf of the Lloyd neighborhood, the Lloyd Community Association urges you to fully fund Venture Portland in the FY 20-21 budget. Pre-COVID, our community received over 2 million visitors a year in large part due to the presence of the Moda Center, Oregon Convention Center and numerous hotels in our area. We also have an ever-increasing residential population. Lloyd is no longer just a place to visit and leave, but a place that people call home.

Over the last several years, we have worked hard to rebrand our community as a safe and vibrant place to live, work and play. In the pursuit of these goals we work closely with businesses, non-profits, property managers and community partners like the Lloyd Enhanced Services District, Go Lloyd, Eco Lloyd and the Northeast Coalition of Neighborhoods to make sure their varied interests are heard and represented.

Venture Portland's grants and staff support provided to our organization have been a tremendous help in these efforts. We have leveraged these resources to:

- Host an annual National Night Out Celebration to activate Holladay Park during the Summer.
- Create a lifestyle marketing video that presents a positive narrative about our community and promotes our neighborhood.
- Design and print community maps and promotional booklets that help connect residents and visitors to our neighborhood businesses encouraging them to shopping local.
- Partner with local non-profits like the Sunshine Division, Salvation Army and Right 2 Dream Too to support our vulnerable populations.
- Create connections between community stakeholders through regularly occurring networking events in the form of coffee chats and luncheons.
- Additionally, we are looking forward to promoting the opening and usage of the Earl Blumenauer Bicycle and Pedestrian Bridge.

It is our sincere desire to make Lloyd a model community within our city. If Venture Portland's funding is cut, the work that we do will be adversely affected and our community will suffer for it.

We encourage you to fully fund Venture Portland, so that we can continue working on behalf our residents and local businesses toward a full recovery from this past year without limiting the support that we depend on to be successful.

Sincerely,

Jeremy Taylor
President, Lloyd Community Association

Dear Mayor Wheeler and Commissioners,

On behalf of the Midway Business District, the Midway Business Association urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

We have often heard from our neighbors and small business owners that outer East Portland often seems overlooked when it comes to resources and city initiatives. Venture Portland is an organization that consistently provides much needed support to our District through grants, staffing and programming. A reduction in the Venture Portland budget would adversely impact the support we depend on from this organization at precisely the time when more help is drastically needed to recover from the economic impact of COVID-19.

The Midway Business Association supports our community through:

- Holding monthly meetings with business owners and residents.
- Hosting our annual signature event Midway Thriving.
- Promoting local businesses through our website and e-newsletter.
- Coordinating other local organizations and city agencies to increase safety and livability in our area.
- Supporting local non-profits such as the David Douglas Dad's Club with their community projects throughout the year.

The Catalytic Investment Initiative and help from Venture Portland over the last several years has greatly enabled the work of our organization in our efforts to improve our community. We feel that any proposed budget reductions would undermine the good work that has been done to date and contribute to the negative trend of increased criminal activity and vandalism many of our business owners have been reporting over the last year.

With business struggling to hang on, we ask you to continue to fully fund Venture Portland so that they may continue to provide their valuable support to our organization.

Sincerely,

The Midway Business Association



Portland City Council
1221 SW 4th Avenue, Room 110,
Portland, OR 97204

February 5, 2021

Dear Mayor and Commissioners,

On behalf of the Williams Business District, the Williams Vancouver Business Association urges you to fully fund Venture Portland and the Catalytic Investment Initiative in the FY 20-21 budget.

In the last year, Venture Portland's Catalytic Investment Initiative helped the Williams Vancouver Business Association in the following ways:

- received a professional Venture Portland Organizer to help us organize our business association and volunteers
- received funds to pay for association needs such as Directors & Officers insurance and liability insurance
- placemaking for the holidays with 60 trees lit up and down the WVBA Corridor for holiday 2020
- placemaking with new district identity street banners

The Williams Vancouver Business Association serves over 167 diverse neighborhood businesses. As you know, our district has historically been underserved by the City of Portland. Eliminating the program that has made such a difference in our community will disproportionately impact the businesses that depend on us to address issues like COVID-19, affordability, displacement and gentrification while helping them thrive. Venture Portland and the Catalytic Investment Initiative make it possible for the Williams Vancouver Business Association to provide the support our businesses need so they can continue to power Portland's economy, provide more jobs and ensure more Portlanders are able to afford to live in our rapidly evolving city.

With businesses closing at an alarming rate and many others fighting for survival, fully funding Venture Portland and its proven support for the neighborhood businesses and business districts that fund the City and provide 300,000 jobs makes fiscal sense. Cutting proven programs that support the small businesses you claim to care for does not.

Please ensure that 'The City That Works' works for small businesses and restore Venture Portland's funding and the Catalytic Investment Initiative.

Sincerely,

A handwritten signature in blue ink that reads 'Emma Dye'. The signature is fluid and cursive, with a large 'E' and a stylized 'Dye'.

Emma Dye
Board President
Williams Vancouver Business Association

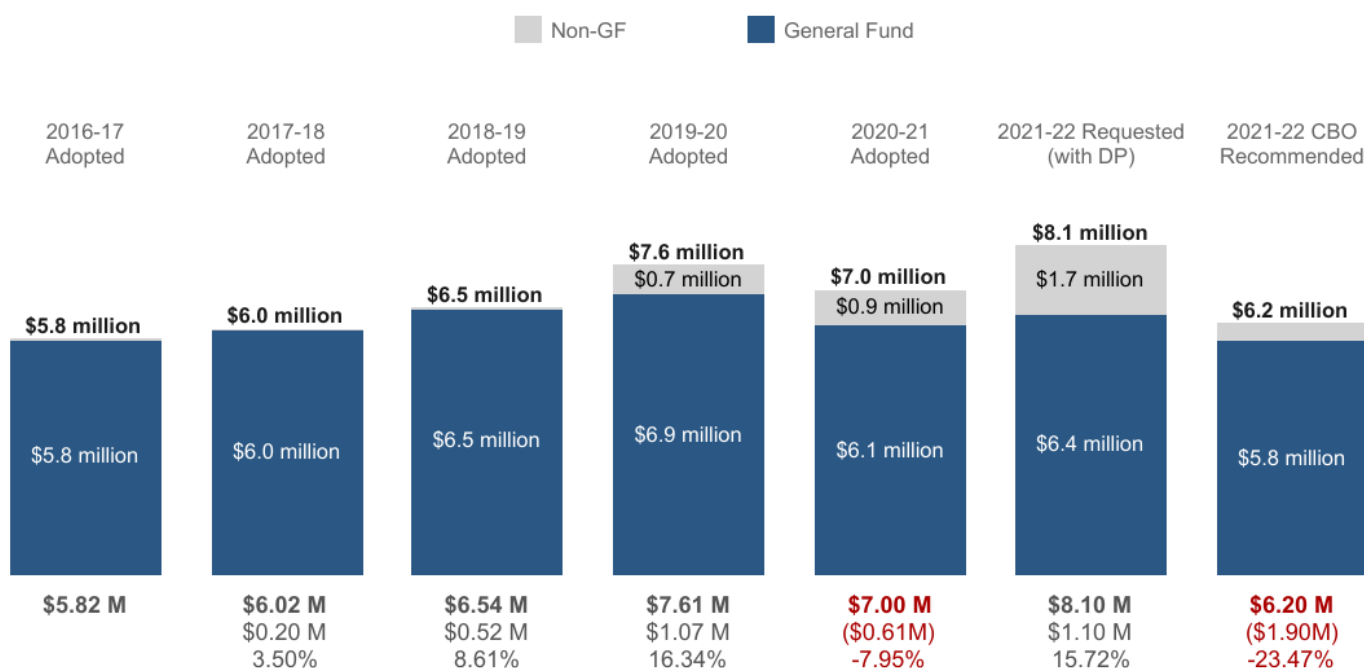


**City
Budget
Office**

Prosper Portland

Analysis by Yung Ouyang

Adopted Budget Revenues | 5-Year Lookback



Adopted Full-time Equivalent Totals

INTRODUCTION

Prosper Portland is the City's economic and urban development agency. The General Fund component of the agency's budget largely funds economic and workforce development initiatives. Prosper Portland acts as a pass-through for much of the workforce development activities that are funded by the City and actively manages several economic development initiatives that are funded by the General Fund.

- Prosper's long-term financial sustainability continues to be the agency's primary challenge as

the City's Tax Increment Finance districts mature and reach their maximum debt levels.

- The agency's FY 2021-22 Requested Budget in the General Fund and the Recreation Cannabis Tax Fund totals \$8,104,830, which is 9.0% higher than its FY 2020-21 Revised Budget.
- The FY 2021-22 Budget includes a reduction of 5% as required by the Mayor's Budget Guidance. Prosper elected to reduce 5% of each of its five economic programs' budgets to submit as the bureau's constraint option. The agency also requested these resources be added back in addition to two separate requests for new General Fund resources.
- CBO recommends restoring the 5% reduction for two programs: Inclusive Business Resource Network and the Workforce Development program.
- CBO does not recommend new General Fund resources for the Portland Film Office and the Small Business Repair grants.
- Prosper also requested resources from the City's Recreational Cannabis Tax (RCT) Fund. CBO does not provide recommendations on requests for resources from this fund, and Council is currently scheduled to discuss requests for RCT at a work session on April 1, 2021.

BASE BUDGET & KEY ISSUES

Program Revenue Losses Related to COVID Impacts

During the FY 2020-21 Fall BMP, CBO reported on Prosper Portland's program revenue (loan interest, lease and parking income) losses in FY 2019-20 due to the economic impacts of the COVID pandemic. Prosper indicated that the decline in revenues in FY 2019-20 combined with the forecasted reductions in FY 2020-21 required expenditure reductions in the FY 2020-21 budget. Using a revised forecast, staff rebalanced several TIF Districts, reducing lending and grant programs in order to balance where necessary. The agency also implemented personnel services reductions to help offset the decrease in program revenues in the current year.

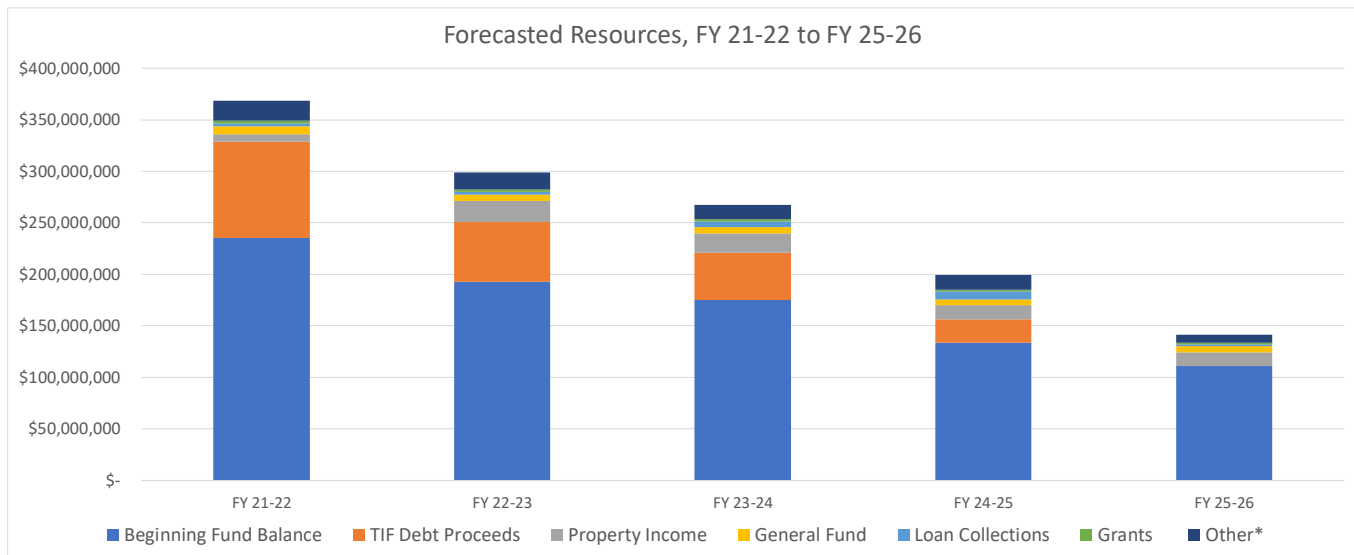
Prosper included conservative assumptions in the FY 2020-21 budget related to the loss of loan and property related income; the FY 2020-21 Revised Budget for property income is about 40% of last year's pre-pandemic budget. Nevertheless, actual collections as of the second quarter of the current fiscal year shows that the agency has collected only 39% of the Revised Budget amount. The primary drivers in reduced property income are attributable to loss in revenues from parking receipts at Prosper's three garages and other surface lots, and from lease and other property income, most notably from the Inn at Convention Center. Loan collections are reduced due to deferrals but are generally on the same level as prior year collections.

Included in the agency's Requested Budget for FY 2021-22 are forecasts for loan and property revenues for the next five years. The forecast generally includes higher loan loss assumptions, i.e., lower collectability, for the next three years, with uncollectable rates gradually decreasing in later years. Furthermore, operating income from parking and lease revenues are projected to increase over the next three years as the economic recovery progresses. A "spike" in property

income is expected in FY 2022-23 (\$20.1 million compared to \$7.0 million for FY 2021-22) due to the recovery, as well as two other factors: 1) higher operating income from planned improvements at Inn at the Convention Center, and 2) property sales in the River District.

Financial Sustainability

Revenues from Tax Increment Financing (TIF) Debt Proceeds are currently forecasted to dwindle to zero dollars in FY 2025-26. Facing this “TIF Cliff”, strategies to achieve long-term financial sustainability for Prosper Portland include: increasing General Fund resources, increasing program income, amendments to existing TIF districts, and creations of new TIF districts.



*Other includes: Fees and charges, Interest on investments, Miscellaneous, Reimbursements, Service reimbursements, and Transfer in

General Fund – The likelihood of additional, ongoing resources being added to Prosper’s budget in future years are dependent on many factors, not the least of which is the City’s financial condition, which in turn is dependent on the overall economy. The actual amount of General Fund resources allocated to Prosper fluctuated between \$5.8 million to \$7.0 million over the last five years. Bureaus receiving ongoing General Fund resources were directed to propose ongoing reductions funded by those resources during four of these last five years. The most recent five-year forecast for the General Fund issued in December 2020 indicates substantial near term shortfalls, followed by additional ongoing resources becoming available starting in FY 2023-24 due to the expiration of the Urban Renewal Areas and the subsequent return of property tax revenue to the City.¹ Should existing TIF districts be extended or new ones be created, the Citywide forecasted General Fund resources would decline. Should Council determine a portion of returning URA resources be allocated to current recipients of TIF (Prosper and the Housing Bureau), the “TIF Cliff” would be mitigated for those bureaus, but the amount of General Fund available Citywide would be reduced.

Program revenues – These revenues include loan collections and property income. While

¹ <https://www.portlandoregon.gov/cbo/article/779876>

Prosper's five-year financial forecast does include revenues for loan repayments, it does not assume new income from any loans being made over the same five-year period. Prosper states that property income (primarily operating income from parking, leases, and other operating income) is a key component of the agency's Ten-Year Financial Sustainability Plan. The plan assumes that net operating income from certain properties continued to be held by Prosper will support its operating and capital budgets over the next ten years and beyond. As noted above, the pandemic significantly reduced the projection for property income for this year and over the next several years, increasing reliance on existing TIF resources to support assets and implement projects.

Amendments to existing TIF Districts – Most recently, the Interstate Corridor Urban Renewal Plan was amended to increase maximum indebtedness and is expected to generate \$67 million, most of which will be devoted to developing affordable housing with about 30% to be allocated to Prosper for economic development activities. The amendment will delay the return of property tax revenue to the City's General Fund as well as those of other local governmental jurisdictions, potentially resulting in missed opportunities that require the use of the resources. There is only one other potential amendment to an existing TIF District in the near future: stakeholders in the Gateway area have expressed an interest in extending the last date to issue debt for the Gateway Regional Center TIF District. If the Prosper Portland Board of Commissioners approves this extension, it can allow the district to reach maximum indebtedness and generate resources for community economic development and affordable housing.

New TIF Districts – There have been several community-led conversations about creating new TIF districts. In the Cully area, staff have been working with seven community-based organizations to explore the creation of a community-centered TIF district that would provide resources for business and residential stability. The Cully partners are currently conducting community outreach and aim to seek City Council approval of a new district by the end of 2021. In the SW Corridor, while voters rejected a measure to fund a new light rail line in November 2020, the SW Equity Coalition is advocating for planning and investments along the Barbur Boulevard corridor in anticipation of the new line and is exploring the applicability of TIF as a tool to meet community priorities. In East Portland, Neighborhood Prosperity Network (NPN) district managers recognize the TIF resources originally made available a decade ago through the NPN program are at or close to expiring. There is potential for this to lead to a larger TIF district east of I-205 focused on community investment priorities.

River District TIF Funding Deficit

The River District is the only TIF district showing a funding deficit in Prosper's Five-Year Forecast. In the FY 2020-21 Budget and Five-Year Forecast, the River District showed a deficit of over \$50 million due to the inclusion of a \$34 million line of credit repayment, existing commitments such as the Old-Town/Chinatown Action Plan, anticipated Broadway Corridor investments, and conservative property sale and program income assumptions on the resources side.

The current forecast still shows a deficit starting in the third year, but it has been significantly reduced due to various reasons. With Council approval of the US Postal Service (USPS) site

funding and finance plan last fall, the \$34 million repayment is removed from the Five-Year Forecast. With the new loan/line of credit repayment arrangement, Prosper will contribute \$20 million after FY 2032-33 and also repay the General Fund \$7.5 million in FY 2033-34, when a significant land sale is estimated, while the General Fund will pay \$24 million from FY 2022-23 to FY 2032-33. Prosper notes that this ties to the nominal cash flow of its “low value” model which results in a \$15 million net present value obligation for the General Fund. In addition, costs pertaining to the long-term staffing and administration of the district have been revised based on anticipated levels of work compared to other districts and available resources. Finally, sales revenue assumptions for properties held by the district but located outside the Broadway Corridor were increased by a net of \$3 million. Prosper has indicated that the remaining \$2 million deficit in the forecast may, in the future, be solved by the release of excess bond reserve funds when the district pays of its final debt in 2023.

Two of the most prominent and costly properties in the River District are the USPS site and Union Station. Prosper is progressing on redevelopment of the USPS property in alignment with the funding and finance plan and agreement terms approved by City Council last fall, including site preparation and negotiating the Disposition and Development and the Community Benefits Agreements. Negotiations will also include the determination of the purchase price with Continuum Partners, allowing Prosper and OMF to finalize the restructuring of the line of credit obligation. Concerning Union Station, the estimated cost of improvements was \$165 million as of 2018, but sources of funding for this body of work have not yet been identified.

DECISION PACKAGES

Restore Economic Development Program – Inclusive Business Resource Network

\$85,292, 0.00 FTE

Request Summary

Prosper Portland requests to add back \$85,292 in ongoing General Fund resources to support its Inclusive Business Resource Network (IBRN) program so that it can provide professional service business technical assistance to 40 businesses that it would otherwise not be able to serve.

CBO Analysis

IBRN is a group of 20 organizations funded and facilitated by Prosper Portland that provide business technical assistance and entrepreneurship support to under-represented entrepreneurs. Approximately 1,000 businesses were served last year through the Network, of which more than 70% were owned by people of color and more than 55% were owned by women.

Prosper primarily tracks the effectiveness of the program using what it calls a “badge” system, which is a cumulative count of the number of businesses at various stages of development, with five-year targets for each stage. This method of tracking was developed to acknowledge the multi-year nature of the effort it takes to move a business from being launched to it becoming

strong and stable and able to invest in expansion. FY 2020-21 is the fifth year since the tracking began, and Prosper has had to revise its targets for these three measures. By the act of revising these targets down, the agency is perhaps acknowledging that it has not been able to reach the initial targets previously set. What this inability to reach the initial targets means in terms of the effectiveness of the agency's efforts is not so clear, as there can be many reasons why the targets have not been met, including resource constraints or factors outside the agency's span of control.

	Initial target	FY 21-22 target
Startup businesses launched in 5 years	100	80
Strong and stable businesses in 5 years	1,000	250
Businesses invest in expansion in 5 years	25	10

Prosper's pivot to providing more light touch assistance during the COVID-19 pandemic contributed to the slow progress on the badge system last year. In order to assess how businesses in the IBRN portfolio are adapting to challenges posed by the pandemic, business advisors have been asked to give a status update on the businesses they are working with and designate whether the business is permanently closed, distressed, transitioning, recovering or stable. Of the 479 businesses represented in the January 2021 pulse check, 51% were stable or recovering and only 3% were permanently closed.

Another method of tracking effectiveness is the Client Satisfaction Survey, which was last administered in November 2019. The survey indicated that 78% of respondents report that the services they received contributed to the growth or success of their businesses, while 57% believed that because of the services received, they have seen the sales of their businesses increase. Prosper states that business-specific data via an online outcome tracking platform is only available for clients receiving 30 to 40 hours of service a year, and these include gross revenues, jobs created and retained, and key milestones that tie to the badge system. However, the agency has not reported on this business specific data to CBO.

CBO recommends returning the \$85,292 in ongoing General Fund resources for the IBRN program. This program advances the City's equity goals as a purpose as it aims to assist under-represented entrepreneurs to progress in the development of their businesses. While the performance data provides an uncertain picture of the program's effectiveness, the Client Satisfaction Survey data indicates a positive impact. CBO recommends the development of additional metrics that assess outcomes. As the program has pivoted to assisting businesses impacted by COVID-19 with technical assistance, it advances the City's priority to help Portland's businesses recover from the negative economic impacts of the pandemic. CBO also notes that the program may also be eligible for funding by the Recreational Cannabis Tax and the second round of federal funding for Coronavirus relief. Under the Federal American Rescue Plan's current draft language, this request would likely be eligible for future federal stimulus funding, for which the rules and distribution are anticipated to be finalized this Spring. Although CBO is recommending General Fund for this request at this time, CBO would recommend Council allocating American

Rescue Plan resources towards this request to free up General Fund resources for other essential City needs.

CBO Recommendation: \$85,292 ongoing | 0.00 FTE

Restore Economic Development Program – Workforce Development

\$66,302, 0.00 FTE

Request Summary

Prosper Portland requests to add back \$66,302 in ongoing General Fund resources for its Workforce Development program, to enable a part-time Community Workforce Navigator to continue to provide direct service to 100 vulnerable job seekers in low income neighborhoods.

CBO Analysis

Prosper Portland, in collaboration with Worksystems, Inc. (WSI), funds adult and youth workforce development programs for low-income Portlanders, helping them to better connect and compete in the regional economy. The Community Workforce Navigator Program (CWNP) is designed to increase access to appropriate workforce development services for high barrier job seekers, with the target population being under- and unemployed residents, low-income residents, people of color, and/or those who speak English as a second language. Workforce navigators provide tailored workforce support, and services include: individual needs assessment, resume review, interviewing skills, and job search and placement support.

WSI implements performance measures that cover employment, income, retention, and advancement for a period of one year after program exit. Performance highlights include:

- 98% percent of adult participants who completed the program in 2018 retained employment four quarters after exit, and 62% of participants advanced in employment as demonstrated by gains in earnings, wages and/or benefits.
- Adult participants who completed the program in FY 2019-20 had an average pay at program entry of \$15.72 compared to \$16.84 at program exit. Youth participants who completed the program had an average pay of \$13.08 at program entry compared to \$16.25 at program exit.
- Prior to the COVID-19 pandemic, the year over year job placement (or education placement for youth) has been consistent, with 60% to 65% of participants placed into a job or enrolled in training or post-secondary education. In FY 2019-20, placement for workforce programs was 58% due to the economic impact and loss of jobs resulting from the COVID pandemic but Prosper believes that it also indicates the program's continued ability to place job seekers into employment.

CBO recommends the restoration of \$66,302 in ongoing General Fund resources to the Workforce Development program to avoid the loss in services to vulnerable job seekers. Prosper's Workforce Development program strives to serve under-represented communities, and the services of the CWNP are explicitly devoted to such populations, thus seeking to advance the City's equity goals. The program may also advance the City's priority to help Portland recover

from the negative economic impacts of the pandemic by training up under-represented job seekers so that they are poised to enter and compete in the job market after completion of the program, which may be when the region's economy is recovering from the economic impacts of the pandemic. CBO also recommends that the program develop and report on metrics that assess the long-term (beyond four quarters) impact of the program's efforts. CBO also notes that the program may also be eligible for funding by the second round of federal funding for Coronavirus relief. Under the Federal American Rescue Plan's current draft language, this request would likely be eligible for future federal stimulus funding, for which the rules and distribution are anticipated to be finalized this Spring. Although CBO is recommending General Fund for this request at this time, CBO would recommend Council allocating American Rescue Plan resources towards this request to free up General Fund resources for other essential City needs.

CBO Recommendation: \$66,302 ongoing | 0.00 FTE

Restore Economic Development Program – Traded Sector

\$71,995, 0.00 FTE

Request Summary

Prosper requests to add back \$71,995 in ongoing General Fund resources for its Traded Sector Economic Development program. According to Prosper, if the funds are not added back, the effects include:

- four fewer trade shows or approximately 20 fewer businesses being provided technical assistance to increase sales from outside of the region and access new markets;
- approximately 20 fewer businesses being provided introductions to capital partners, technical assistance for giving a pitch, and access to capital;
- elimination of specific Diversity, Equity, and Inclusion (DEI) trainings, reductions in resources being developed, and limits to TechTownPDX programming.

CBO Analysis

The program's cluster development work includes direct and referral assistance for traded sector companies to become more inclusive and/or grow, business recruitment, global trade support and investment attraction, and support for Portland Means Progress. While Prosper is able to quantify the outputs that would be affected by the loss of the General Fund resources - for example, the number of businesses introduced to capital partners - the ultimate outcomes resulting from the loss of these outputs are not readily ascertainable. The agency has provided the following example of the effects of investments in export assistance: in the Athletic and Outdoor cluster over the last three years, a \$45,000 investment in export assistance at the New York Now Trade Show led to \$150,000 in wholesale orders in new markets for 15 women and BIPOC-owned Portland businesses. For other components of the request, Prosper has similarly provided past examples as similar benefits that would be lost if the General Fund dollars are not added back.

Prosper Portland acknowledges the difficulty of quantifying the direct impacts to middle-wage

jobs of budget cuts to the Traded Sector program. The agency states that reduced capacity would limit the number of business, recruitment, and expansion visits – one of the bureau's workload performance measures - which provide relationship building and engagements with businesses to retain jobs and discuss potential expansions. Additionally, it notes that reductions to programming that lead to access to capital, access to new markets, and technical assistance to small businesses that are otherwise poised to grow with these interventions can lead to loss of potential new middle-wage jobs. Most of the program's performance measures pertain to workload, however, with only the number of jobs resulting from Traded Sector business relocations and expansions within Portland being an outcome one. The FY 2021-22 target for this measure is 500 jobs, while Prosper ended last year with 1,108 jobs added due to the program.

CBO is not recommending the return of \$71,995 of ongoing General Fund resources to the program. While the program has clear goals in terms of workload and outputs, there is limited data on the effectiveness of its efforts. In addition, while equity is a component of the program as it provides direct and referral assistance for traded-sector companies to become more inclusive, it is not clear how much such assistance would be affected by the loss of funds among all the other impacts of the cut. CBO acknowledges that not restoring the funding may have impacts, but the tradeoffs may be acceptable compared to new adds or other requested addbacks.

CBO Recommendation: \$0 ongoing | 0.00 FTE

Restore Economic Development Program – Neighborhood Prosperity Network

\$39,714, 0.00 FTE

Request Summary

Prosper Portland requests to add back \$39,714 in ongoing General Fund resources to provide its Neighborhood Prosperity Network (NPN) program with grant writer support services. The amount would be spread across the network's seven districts. Grant resources supports district specific programming and staff costs not covered through the program's General Fund resources.

CBO Analysis

Through its Neighborhood Prosperity Network (NPN) program, Prosper Portland partners with seven community-based organizations located in north, northeast and east Portland, to support economic opportunity, small business growth, and build community capacity in these neighborhoods. Each NPN district focuses on the unique needs of its community with the goal of growing businesses and increasing employment opportunities. Grants and technical assistance from Prosper Portland enable the organizations to hire staff, make physical improvements, encourage community led development projects, and increase the visibility of the district. These districts are in neighborhoods with the lowest average household incomes and higher than average diversity compared to Portland as a whole.

Prosper states that grant-writing support has helped to leverage an average of \$770,000 in additional funds annually across the network. Indeed, the amount of private funds leveraged by NPI Districts is one of the program's performance measures, with the program raising almost \$1.1

million last year and a target of leveraging \$750,000 next year.

Due to limited available General Fund resources, CBO is not recommending the return of the \$39,714 in ongoing General Fund dollars to the program. While leveraging additional resources through grants may be important, it is not an indicator of how well the NPN districts are performing in their ultimate goals of growing businesses and increasing employment opportunities. If the \$39,714 amount is divided equally among the seven districts, the amount for each district would be \$5,673, which could possibly be prioritized from other sources such as Enterprise Zone funds. In addition, these resources do not have to be across the board allocations; some districts have greater flexibility to absorb the expense than other less-resourced districts.

CBO Recommendation: \$0 ongoing | 0.00 FTE

Restore Economic Development Program – Venture Portland

\$27,756, 0.0 FTE

Request Summary

Prosper Portland requests to restore \$27,756 of ongoing General Fund resources to retain support for two of Venture Portland's Catalytic Investment Initiative (CII) districts in North, Northeast or Southeast neighborhoods.

CBO Analysis

Venture Portland aims to spur neighborhood small business connectedness and growth by providing technical assistance, grants, and trainings to approximately 50 neighborhood business districts throughout Portland. Its Catalytic Investment Initiative (CII) provides high touch assistance to address historic and structural disparities and issues with affordability and displacement in six targeted business districts in East and North Portland. These districts have higher percentages of immigrants, people of color and people living below Portland's median household income.

Venture Portland states that if the funds are not restored, the decision of which two districts would have their staff support eliminated would need to be thoroughly reviewed in coordination with the Mayor, Prosper, and itself. Venture has calculated that the cost to support each CII district is about \$16,400 per year, primarily composed of \$12,480 in staff support (pay for an organizer working 12 hours a week at \$20 per hour) and \$3,500 for grants. Therefore, if not restored, the eliminated funding would equate to support for 1.7 districts. Venture states that other arrangements such as eliminating support for one CII district while another would receive very limited staff support, or reducing the organizer's work hours for all districts, are not tenable because of the difficulty of hiring organizers who are willing to work for so few hours.

The organization states that it measures the effectiveness of the CII program through three deliverables:

1. increasing Business District Association (BDA) membership,
2. increasing the number of BDA volunteers, and

3. increasing BDA revenue.

Venture states that individually tailored workplans are developed for each district each year, detailing activities and metrics such as revenues and volunteer hours. However, the organization notes that the COVID-19 pandemic has made such workplans difficult to implement.

Furthermore, the pandemic has caused many small businesses to close, leading to decreased volunteer support, membership, and revenues to the BDAs, with the BDAs turning to Venture Portland for additional support. Venture believes that during the pandemic, the metrics that it has traditionally used are not applicable, and the usual standards do not meet the needs of the small business owners and the BDAs.

CBO does not recommend the restoration of funding to Venture Portland. While the program has explored several different arrangements for what reductions in CII service the elimination of the \$27,756 could entail, there are still other possibilities, such as the elimination of all grant funding and minor reductions in staffing hours to all six districts, or reductions to other services provided by Venture instead of the CII. While the CII does seek to advance the City's equity goals as its aim is to address historic and structural disparities in the six districts, how effective it is in doing so is unclear as Venture has indicated that the usual metrics it had previously used to measure effectiveness are not applicable during the COVID pandemic.

Under the Federal American Rescue Plan's current draft language, this request would likely be eligible for future federal stimulus funding, for which the rules and distribution are anticipated to be finalized this Spring. Due to limited available General Fund resources, CBO does not recommend General Fund support for this proposal; however, Council could consider allocating American Rescue Plan resources towards this request once the rules and funding are finalized.

CBO Recommendation: \$0 ongoing | 0.00 FTE

Local Small Business Relief Repair Grants

\$300,000, 0.00 FTE

Request Summary

Prosper Portland requests \$300,000 in one-time General Fund resources to provide 65 local small businesses with funding to address their immediate physical repair needs. During the Fall BMP, Prosper received the same amount in General Fund dollars that it matched with \$300,000 of TIF funding and with the combined funding, provided 144 small businesses with an average of \$4,500 in grant funding for their repair needs.

CBO Analysis

Prosper has indicated that there continues to be a pressing need for these repair grants during the pandemic, as it received 240 applications during the previous round (but was only able to fulfill 144 of the requests), and the funds were fully allocated within three months. Although the General Fund resources were disbursed based on a first come, first serve basis, Prosper states that it administered the funds with an equity lens. Of the 144 businesses served by the first round of grants, 41% were to African American, Asian, Middle Eastern, and Latino/a/x-owned businesses, and 28% self-described, chose not to identify, or entered "N/A."

Businesses first apply for the grant and indicate a general cost area where they will use the grant funds. Once eligibility is confirmed, the business submits receipts for those expenditures and is reimbursed based on the final eligible cost. If a business submits through its insurance to align the amount of grant funding with the deductible, Prosper staff requests a copy of the insurance claim. It is not a requirement of the program as several businesses, particularly in the downtown area, have opted not to go through insurance in fear of rate increases or inability to renew their policy. The agency states that many small businesses have reported increasing difficulty in securing property insurance, particularly if they have had multiple break-ins within a single year period as was experienced in 2020. In terms of tracking on return on investment, Prosper is considering issuing follow-up surveys to gauge how the funds have impacted the business.

If the request is funded, Prosper has indicated that the agency would likely leverage additional TIF funds as it did in the prior round. The repair grants address a clearly defined and pressing need, and while disbursed on a first come, first serve basis, would have an impact on BIPOC-owned businesses. CBO does recommend that Prosper conduct follow-up surveys to determine impact and long-term effectiveness, potentially requiring the grantees to report back as a condition of receiving the grants. Under the Federal American Rescue Plan's current draft language, this request would likely be eligible for future federal stimulus funding, for which the rules and distribution are anticipated to be finalized this Spring. Due to limited available General Fund resources, CBO does not recommend General Fund support for this proposal; however, CBO would recommend allocating American Rescue Plan resources towards this request once the rules and funding are finalized.

CBO Recommendation: \$0 one-time | 0.00 FTE

Portland Film Office – Economic Recovery

\$192,960, 0.00 FTE

Request Summary

Prosper requests \$192,960 in ongoing General Fund resources to staff the Portland Film Office (PFO) with 1.5 FTEs and cover associated materials and services costs. Among other responsibilities, the office engages in recruitment of film projects, the active marketing of city as a desirable place to film, and assisting production companies with permitting/regulatory issues.

CBO Analysis

The PFO has been funded each year with one-time General Fund dollars since ongoing funding was cut from the FY 2017-18 Adopted Budget. A Budget Note and council resolution were adopted in November 2018 outlining Council's priorities for transitioning the office off dependence on General Fund monies and towards a funding model that incorporates existing permit revenues. Prosper stated that in subsequent conversations with PBOT and Parks, it became clear that these permitting bureaus were unable to commit any resources towards the PFO, although a surcharge on the permits was implemented in FY 2020-21 to help fund the office.

In the past, the PFO worked to identify alternative funding sources that would ultimately remove the need for the annual General Fund contributions. These alternative sources represent models

used in most other markets in the U.S. for funding film initiatives, including the rollout of a universal film permit. At this point, Prosper has concluded that true self-sufficiency is no longer feasible and is therefore requesting ongoing General Fund resources to permanently staff the office. The PFO still has plans for the universal film permit but states that a software solution is needed to implement it. The office has indicated that with 1.5 FTEs and associated materials and services costs funded by the General Fund, this universal film permit can be rolled out within 18 months. In the past, the PFO estimated that this special permit would generate \$70,000 annually.

In addition to one-time General Fund resources of \$142,000, the PFO is currently funded in part by Prosper Portland's Indirect Fund, which is predominantly covered by TIF resources. This funding source covers about 10% of the 1.0 FTE that is currently working in the office. This year, the PFO also began to collect revenue from a 40% surcharge added to PBOT and Parks permits. For the first half of FY 2020-21, Prosper collected about \$20,000 from this surcharge, but the office believes that the surcharge will need to be reduced for Portland to remain competitive with other regions as an attractive location for filming.

CBO does not recommend an additional appropriation of General Fund resources for the PFO. While the office does have programmatic goals, there are no performance indicators that measure outcomes. Prosper states that in FY 2019-20, at least 30 projects equating to \$135 million of local spending were based and shot in the Portland area. For this year, the State of Oregon's incentive program is projecting approximately \$150 million in direct local spending with 1,300 local crew jobs in the area. Despite these estimates, it is unclear what amount of economic activity the PFO itself has helped generate. In regards to this, the office has pointed to testimonies from production companies who stated that they would not be filming in Portland if not for the PFO. The office also cites efforts it has made on the policy front that have practical implications, such as those regarding permits, that have been essential in motivating companies to film in the city.

Prosper notes that the PFO has become a high priority for the agency due to the economic benefits from direct local spending that filming brings to the city. Moreover, it states that the priority of the request is heightened this year because of the economic impacts of COVID-19, noting that spending from the film industry directly impacts jobs most negatively impacted by the pandemic, such as those in the accommodations and catering sectors. If funding is ultimately approved by Council in the FY 2021-22 Budget, the CBO recommends that the Portland Film Office more fully and quantitatively demonstrate that its activities have indeed been responsible for significant economic benefits, provide some relief of the regulatory burden on City bureaus, and fulfill its promise of a universal film permit.

CBO Recommendation: \$0 ongoing | 0.00 FTE

BIPOC Cannabis Business Development and Relief

\$420,000, 0.00 FTE

Request Summary

Prosper Portland requests \$420,000 in one-time Recreation Cannabis Tax dollars to operate a culturally specific accelerator for cannabis entrepreneurs of color and provide them with

technical assistance, access to capital, and relief grants. Prior years' Recreation Cannabis Tax funding for similar efforts were allocated in FY 2018-19 (\$150,000), FY 2019-20 (\$210,000), and the current year (\$420,000), with Nu Leaf Project selected by a competitive process to implement Prosper's cannabis business development efforts. Nu Leaf will work with Prosper's IBRN program to track outcomes, including returns on investment.

CBO Analysis

The requested amount of \$420,000 can be broken down as follows:

- \$10,000 for first stop solutions for cannabis entrepreneurs (approximately 40 businesses receiving four hours of direct service)
- \$100,000 for access to capital for three or four businesses
- \$210,000 for relief grants to 20 to 25 businesses
- \$100,000 for the culturally specific accelerator

Prosper states that in 2020, the cannabis industry faced inequitable closure rates and market share loss for undercapitalized people of color-owned businesses trying to weather increased costs coupled with sales volatility and changing consumer behavior. The industry also faces the potential for less diverse pipeline of startups for the next two to three years resulting from founder financial instability. Identifying the BIPOC-owned business needs presented by the pandemic early, the Nu Leaf Project spent 2020 deploying capital and technical assistance to BIPOC-owned cannabis businesses to capture growth, stabilize businesses, and incubate startups.

Some of the funded program's outcomes in 2020 included:

- One business doubled sales in 2020 and another increased sales by 7% because of their grants yielding a five-fold return on the grant.
- For one business, the relief grant was spent on increased marketing, and the sales increase resulted in a six-fold return on investment.
- One business was able to use the relief grant to invest in equipment that helped it to streamline processes and recoup sales lost due to the pandemic.
- For one cannabis delivery business, a zero-percent loan enabled the business to pay for license renewal, stay compliant, and remain open.
- One business was able to rehire a furloughed employee due to the relief grant.

Requested and current Recreational Cannabis Tax allocations will be discussed with the Council at a work session on April 1st.

Small Business Legal Support for Recovery

\$500,000, 0.00 FTE

Request Summary

Prosper requests \$500,000 in one-time Recreation Cannabis Tax resources to leverage \$1.2

million in federal Community Development Block Grants CARES Act funds to provide 250 businesses with legal support services, including lease and contract review and negotiation, bankruptcy and asset retention support, mediation between tenants and landlords, and advice related to the commercial eviction moratorium. If the program is funded, Prosper anticipates that 75% of businesses served will be BIPOC-owned and 60% will be owned by those who identify as women or gender-expansive.

CBO Analysis

The existing legal support program within IBRN has consistently been funded, since 2013, at \$100,000 each year with a mix of Prosper Enterprise Zone funds and General Funds resources, with a one-year decrease to \$85,000 in 2017 based on budget availability. The agency notes that the program consistently exceeds its goal of serving 100 clients and has not been able to meet the needs of IBRN referrals. With cash-strapped businesses pivoting or needing to renegotiate their leases, Prosper has seen an enormous increased need for legal support over the last ten months and expects the trend will only continue as the grace period for paying unpaid rent from the commercial eviction moratorium ends on March 31, 2021. Economists predict many small businesses will consider filing for bankruptcy at this time.

Prosper indicates that the capital access support component refers to providing assistance to businesses to apply for capital and gain access to capital. These supports include business plan review, developing bookkeeping strategies, financial planning, budgeting, goal setting and projections, market research and analysis, and support with completing complex loan and grant applications and various backup documentation including translation and digital literacy support.

Without considering the CDBG funds, the \$500,000 requested alone would provide 250 businesses with additional services that are not currently offered, or are offered but the providers are not currently accepting new clients because they are at capacity. The IBRN program's ongoing funding supports roughly 1,000 small businesses annually. Some of these 1,000 businesses might take advantage of the new services, and thus be included in the 250 businesses receiving new services.

Requested and current Recreational Cannabis Tax allocations will be discussed with the Council at a work session on April 1st.

Small Business Digital Divide and Ecommerce

\$350,000, 0.00 FTE

Request Summary

The COVID-19 pandemic has contributed to changes in consumer behavior, such as the drastic shift towards online interactions as opposed to in-person or on-premise interactions. Prosper requests \$350,000 in one-time Recreational Cannabis Tax dollars to assist BIPOC businesses with their digital marketing and e-commerce efforts. Businesses participating in the program will receive up to eight hours of one-on-one consultation, as well as mini-grants to increase their sales and diversify sales channels, while advisors in IBRN will receive professional development on digital marketing. The effort will involve My People's Market (MPM), leveraging the MPM

audience to increase ecommerce sales for 75 MPM vendors year-round.

CBO Analysis

In 2019, Prosper Portland received one-time funding from the State of Oregon to implement a Digital Marketing Support Pilot for its Mercatus Directory of BIPOC entrepreneurs. With 12 businesses served in the first year and further demand for the program, Business Oregon renewed the program in FY 2020-21 to serve an additional 45 businesses. Need for the program continues to outstrip available resources, with ten businesses currently on the program's waitlist.

Business Oregon has asked for qualitative feedback regarding the impact of the program and will work with the Prosper Portland program manager to create an outcome survey to be sent out at the conclusion of the program in June 2021. Currently, business owners have shared testimonials about the impact of the program that credit it with helping businesses to develop a digital strategy, empowering them with the tools, the knowledge, and the funding to become successful. Prosper does not believe State funding is available again next year. Business Oregon provided one-time special appropriation funding to support the launch of the program in 2018, and Prosper Portland has served 57 businesses to date.

Prosper states that this one-time funding will have long term impacts in that by supporting businesses to build out their e-commerce operations, they will learn how to use digital marketing tools to grow or scale their business. However, the service is similar to a light touch professional service in that businesses receive the digital marketing service and training they need at the moment, and the program can report impact six months to one year after the service is received. Long-term outcomes are reported through long-term programming where a business has an ongoing relationship with a business advisor; many participants in the digital marketing program are also receiving support through IBRN where long-term outcomes are tracked.

Requested and current Recreational Cannabis Tax allocations will be discussed with the Council at a work session on April 1st.

SUMMARY OF REQUESTS & RECOMMENDATIONS (ALL FUNDS)

Prosper Portland

		2020-21 Adopted Budget	2021-22 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Revenue	Miscellaneous Fund Allocation	\$858,440	\$451,593	\$1,270,000	(\$1,270,000)	\$451,593
	General Fund Discretionary	\$6,145,662	\$5,890,277	\$492,960	(\$632,425)	\$5,750,812
Revenue	Sum:	\$7,004,102	\$6,341,870	\$1,762,960	(\$1,902,425)	\$6,202,405
Expense	External Materials and Services	\$7,004,102	\$6,341,870	\$1,762,960	(\$1,902,425)	\$6,202,405
Expense	Sum:	\$7,004,102	\$6,341,870	\$1,762,960	(\$1,902,425)	\$6,202,405