



**PROSPER**  
**PORTLAND**  
Building an Equitable Economy

**DATE:** June 23, 2021  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 21-17

Authorizing Execution of Fiscal Year 2021-22 Intergovernmental Service Level Agreement with the City of Portland for General Fund, Cannabis Tax Fund, and American Rescue Plan Act Special Appropriations of \$9,798,151 for Economic Development Activities

#### **BOARD ACTION REQUESTED AND BRIEF DESCRIPTION**

Adopt Resolution No. 7421

This action by the Prosper Portland Board of Commissioners (Board) will authorize an intergovernmental agreement (IGA) with the City of Portland (City) through the City Budget Office (CBO) to transfer \$9,798,151 in City General Fund resources, Cannabis Tax Fund revenue, and American Rescue Plan Act (ARPA) granted revenue to Prosper Portland to fund certain economic development activities on a citywide basis, including community economic development and traded sector job creation and retention. These activities have been budgeted in Prosper Portland's fiscal year (FY) 2021-22 Adopted Budget.

#### **STRATEGIC PLAN ALIGNMENT AND OUTCOMES**

This IGA, which has been authorized each year since FY 2008-09, transfers City resources that allow Prosper Portland to deliver on critical Strategic Plan objectives, including increasing access to employment and fostering equitable wealth creation through entrepreneurship and small business programs, traded sector business development, and workforce development programs. Since FY 2018-19, CBO has directed Cannabis Tax Fund resources through the IGA, and in FY 2021-22 Prosper Portland will also receive ARPA funds to deliver on strategic objectives.

#### **BACKGROUND AND CONTEXT**

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

This IGA represents an increase in funding by approximately \$2,100,000 from the FY 2020-21 total. The increase is largely due to one-time ARPA funding from the City. The special appropriations identified in the IGA are included in the FY 2021-22 Adopted Budget for both Prosper Portland and the City.

### **EQUITY IMPACT**

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

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

**Entrepreneurship and Community Economic Development** includes:

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

**Traded Sector Job Creation and Retention** includes:

- Cluster Development
- International
- Portland Means Progress
- Portland Film Office

### **COMMUNITY PARTICIPATION AND FEEDBACK**

Staff conducted public participation as part of the FY 2021-22 budget process, primarily during discussions with Prosper Portland’s Community Budget Committee. Staff also provided testimony to City Council, acting as Prosper Portland’s Budget Committee, on May 6, 2021.

### **BUDGET AND FINANCIAL INFORMATION**

This action will allow Prosper Portland to receive \$7,180,627 in General Funds, \$1,221,593 in Cannabis Tax revenue, and \$1,395,931 in ARPA grant revenue to implement the following economic development activities:

- Entrepreneurship and community economic development - \$7,102,923
- Traded sector job creation and retention - \$1,701,228
- Citywide Development Activities - \$994,000

City Council approved a budget that includes 12 add packages and a five percent decrease in ongoing funding for Traded Sector. City Council awarded the following ongoing resources:

- \$420,000 to support Black, indigenous, people of color (BIPOC) cannabis businesses within the Inclusive Business Resource Network (IBRN)
- \$200,000 in additional support for IBRN
- \$192,960 for the Portland Film Office

City Council also awarded one-time funding for the following initiatives:

- \$700,000 for direct support to minority chambers of commerce
- \$530,931 to support Venture Portland’s Catalytic Investment Initiative
- \$500,000 for small business relief repair grants
- \$350,000 to support small businesses with the digital divide and ecommerce
- \$269,000 for the Ankeny Food Cart Pod infrastructure

- \$165,000 for downtown and commercial corridor revitalization and activation
- \$100,000 for Music Portland
- \$60,000 for Old Town Community Association Community Development Director
- \$40,385 for the Portland Film Office

Also included in this IGA is the City's portion of revenue sharing, \$61,900 to fund the Neighborhood Prosperity Network (NPN) districts. Revenue sharing, based on Oregon Revised Statutes Chapter 457, is currently occurring with two districts and, in accordance with existing agreements, the City will provide its share of NPN revenue back to the districts. These funds have been budgeted to each NPN district based on the amount of estimated tax increment revenue sharing for FY 2021-22. A similar agreement that is separate from this IGA exists with Multnomah County for its NPN revenue share.

#### **RISK ASSESSMENT**

Should the Prosper Portland Board choose not to adopt the resolution, staff would not be able to proceed with General Fund programs outlined in the FY 2021-22 Adopted Budget.

#### **ATTACHMENTS**

None.