



PROSPER
PORTLAND
Building an Equitable Economy

DATE: July 13, 2022
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 22-25

Authorizing Execution of Fiscal Year 2022-23 Intergovernmental Service Level Agreement with the City of Portland for General Fund and Cannabis Tax Fund Special Appropriations in the Amount of \$17,835,092 for Economic Development Activities

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7459

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 \$17,835,092 in City General Fund resources and Cannabis Tax Fund 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) 2022-23 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 to deliver on Prosper Portland's 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 \$8,300,000 from the FY 2021-22 total. The increase is largely due to one-time General Fund and Cannabis Fund add packages. The special appropriations identified in the IGA are included in the FY 2022-23 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 2022-23 budget process, primarily during discussions with Prosper Portland’s Community Budget Committee.

BUDGET AND FINANCIAL INFORMATION

This action will allow Prosper Portland to receive \$16,053,564 in General Funds and \$1,781,528 in Cannabis Tax revenue to implement the following economic development activities:

- Entrepreneurship and community economic development - \$7,474,067
- Traded sector job creation and retention - \$3,453,025
- Citywide Development Activities - \$6,908,000

City Council approved a budget that includes 13 add packages and five carryover packages. City Council awarded one-time funding for the following initiatives:

- \$3,500,000 for demolition activities at Broadway Corridor
- \$1,500,000 toward establishing an Events Office
- \$1,000,000 for the East Portland Investment Strategy
- \$700,000 for direct support to minority chambers of commerce
- \$600,000 for Small Business Repair Grants
- \$435,000 to maintain current service levels for the Neighborhood Prosperity Network and Old Town
- \$372,900 to provide digital marketing support and e-commerce adaptations to small businesses and My People’s Market vendors
- \$372,900 for additional professional services a la carte pool funding for the Inclusive Business Resource Network
- \$250,000 for My People’s Market permanent location study

- \$246,450 to support BIPOC founded tech firms grow, navigate barriers, and scale through a culturally specific technical assistance advisor
- \$131,450 for a cannabis business advisor to provide one-on-one business technical assistance to cannabis entrepreneurs from communities who have been negatively impacted by the cannabis prohibition
- \$131,450 for a capital access advisor to provide financial access support to small businesses seeking debt financing, prioritizing BIPOC entrepreneurs
- \$71,000 for the Portland Film Office

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

- \$525,000 for the Inclusive Economic Development Strategy
- \$183,000 for Equitable Development Outside of TIF Districts
- \$150,000 for the Future of Central City Study
- \$150,000 for the Future of Neighborhood Districts Study
- \$100,000 for a joint venture with Multnomah County to provide childcare relief

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 2022-23 Adopted Budget.

ATTACHMENTS

None.