



PROSPER
PORTLAND
Building an Equitable Economy

DATE: June 21, 2023
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 23-17

Authorizing Execution of Fiscal Year 2023-24 Intergovernmental Service Level Agreement with the City of Portland for General Fund and Recreational Cannabis Tax Fund Special Appropriations of \$20,448,555 for Economic Development Activities

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7490

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 \$20,448,555 in City General Fund resources and Recreational Cannabis Tax (RCT) Fund revenue to Prosper Portland to fund certain economic development activities on a citywide basis, including community economic development, business advancement and job creation and retention. These activities have been budgeted in Prosper Portland's fiscal year (FY) 2023-24 Adopted Budget.

STRATEGIC 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 objectives, including increasing access to employment and fostering equitable wealth creation through entrepreneurship and small business programs, business advancement, neighborhood business district support, and workforce development programs. Since FY 2018-19, CBO has directed RCT 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, business advancement and 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 \$2,700,000 from the FY 2022-23 total. The increase is largely due to one-time and ongoing General Fund and RCT Fund add packages. The special appropriations identified in the IGA are included in the FY 2023-24 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, business advancement, and 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
- Mercatus
- Neighborhood Prosperity Network
- Venture Portland

Business Advancement includes:

- Cluster Development
- International
- Portland Means Progress

Office of Events and Film includes:

- Events and Activations
- My People’s Market
- Portland Film Office

COMMUNITY PARTICIPATION AND FEEDBACK

Staff conducted public participation as part of the FY 2023-24 budget process, primarily during discussions with Prosper Portland’s Community Budget Committee.

BUDGET AND FINANCIAL INFORMATION

This action will allow Prosper Portland to receive \$9,394,514 in General Fund resources and \$11,054,041 in RCT Fund revenues to implement the following economic development activities:

- Entrepreneurship and Community Economic Development - \$6,091,894
- Business Advancement - \$1,491,843
- Office of Events and Film - \$1,395,933
- Citywide Development Activities - \$11,468,885

City Council approved a budget that includes seven add packages and six carryover packages.

City Council awarded ongoing funding for the following initiatives:

- \$1,933,726 for economic development investments developed through a community-led budgeting process in partnership with Reimagine Oregon
- \$1,045,650 for the Social Equity and Economic Development Initiative (SEED)

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

- \$5,062,388 for Reimagine Oregon
- \$1,952,121 for SEED

- \$500,000 for Small Business Stabilization
- \$400,000 for Office of Events and Film
- \$200,000 for the TIF Expansion Analysis

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

- \$650,000 for East Portland Investment Strategy
- \$550,000 for Office of Events and Film
- \$137,500 for My People’s Market site study
- \$125,000 for Equitable Development Outside of TIF
- \$75,000 for Inclusive Business Resource Network Capital Advisor
- \$50,000 for Portland Film Office support

RISK ASSESSMENT

Should the Prosper Portland Board choose not to adopt the resolution, staff would not be able to proceed with General Fund and RCT Fund programs outlined in the FY 2023-24 Adopted Budget.

ATTACHMENTS

None.