



PROSPER
PORTLAND
Building an Equitable Economy

DATE: December 13, 2023
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 23-37
Approving the Terms of Two Special Authority Grants to Micro Enterprise Services of Oregon in Fiscal Year 2023-24

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution Nos. 7508 and 7509

These actions by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to execute two special authority grants with Micro Enterprise Services of Oregon (MESO). If approved, these actions would authorize Prosper Portland's investment of City of Portland (City) Recreational Cannabis Tax (RCT) revenue to MESO in the amount of \$500,000 to i.) develop and implement a grant program that furthers the goals of the Reimagine Oregon program, and \$200,000 to ii.) fund staffing and operations to help strengthen and grow the Makers Market and participating businesses at Alberta Commons. These actions also include an authorization of up to an additional \$250,000 for each grant if resources are identified and the Executive Director determines the additional amount is needed. The grants collectively exceed the Executive Director's signature authority and require Prosper Portland Board approval.

STRATEGIC ALIGNMENT AND OUTCOMES

These actions deliver on Advance Portland objectives, specifically:

- Objective 2: Promote equitable wealth creation by creating opportunities through business ownership, access to technical assistance and capital to support business growth.

Since fiscal year (FY) 2018-19, the City Budget Office has directed RCT resources through an Intergovernmental Agreement to deliver on Prosper Portland's strategic objectives.

BACKGROUND AND CONTEXT

The Reimagine Oregon program was developed in concert with a coalition of Black-led organizations and individuals working to dismantle systematic racism in Oregon by advocating for investment in the Black community. Portland City Council committed to supporting Reimagine Oregon in 2020 by providing ongoing annual program funding in the amount of \$1,933,726. Funding for this program was initially administered through the City's Office of Community and Civic Life. At the direction of Portland City Council, administration of the Reimagine Oregon program funds, in addition to \$4,800,000 of one-time funding, was transferred from Civic Life to Prosper Portland in June 2023.

Since transfer of the program, in partnership with the community, Prosper Portland staff has been developing an investment strategy for fiscal year 2023-24 to deliver economic development investments

that align with community priorities. Staff anticipate seeking Prosper Portland Board approval of Reimagine Oregon grant program guidelines in February 2024; in the meantime, the two non-programmatic grants will provide immediate assistance to MESO to support and grow underserved small businesses located in the city of Portland.

MESO began in 2005 as an initiative of the Black United Fund of Oregon. It incorporated as a separate 501(c)3 non-profit organization in 2008 and has established itself as a comprehensive small business services provider in Oregon and Southwest Washington. MESO serves as a business technical assistance provider under Prosper Portland's Inclusive Business Resources Network, has administered small business grant programs for the City and Multnomah County, and was a key implementation partner for Prosper Portland's Small Business Relief Fund (SBRF) in 2020. The SBRF provided critical grant relief funding to businesses that were negatively impacted by the COVID-19 pandemic.

EQUITY IMPACT

These actions will support a trusted community partner with resources to support historically disadvantaged business owners.

COMMUNITY PARTICIPATION AND FEEDBACK

Staff from Prosper Portland along with community partners at Urban League have held dozens of meetings, briefings with elected officials, community members, and small business owners about the Reimagine Oregon program where these grants were discussed.

BUDGET AND FINANCIAL INFORMATION

There are sufficient funds in the FY 2023-24 adopted budget for these grants. Should additional funds become available to support this work this fiscal year, Resolution No. XXXX and XXXX authorize the Executive Director to increase funding to MESO by up to an additional \$250,000 per grant agreement.

RISK ASSESSMENT

The following processes and contractual obligations identified in the MESO grant agreements limit risk and ensure the grantee delivers optimal services and work toward the goals of the agreements.

Makers Market:

- Report accomplishments, businesses served and grant expenditures on a quarterly basis
- Meet regularly with Prosper Portland to provide project updates
- Notify Prosper Portland when there are Makers Market staff changes

Small Business Grant Program:

- Prosper Portland staff will approve program guidelines and eligibility criteria prior to program implementation
- Report accomplishments, businesses served and grant expenditures on a quarterly basis
- Meet regularly with Prosper Portland staff to provide project updates

ATTACHMENTS

None.