

FY 2025-26 Intergovernmental Service Level Agreement General Fund and Recreational Cannabis Tax Fund

This Intergovernmental Service Level Agreement (“**Agreement**”), effective July 1, 2025 (“**Effective Date**”), is made and entered into by and between the City of Portland, acting by and through the City Budget Office (the “**City**”), and Prosper Portland, the economic development and urban renewal agency of the City of Portland (“**Prosper Portland**”), (collectively the “**Parties**”).

RECITALS

- A.** Prosper Portland, as the duly designated economic development and urban renewal agency of the City of Portland, is granted broad powers under ORS 457 and City Charter Chapter 15 for the planning and implementation of urban development projects and economic development activities.
- B.** The City has designated the use of certain general fund and recreational cannabis tax (“**RCT**”) fund monies to support the implementation of specific economic development activities including target industry development, entrepreneurial development and community economic development on a citywide basis.
- C.** Funding has been appropriated in the City’s FY 2025-26 Adopted Budget to fund the abovementioned economic development activities.
- D.** The parties desire to enter into an agreement whereby the City will provide funding to Prosper Portland for the purpose of supporting the abovementioned economic development activities.
- E.** The City Budget Office (“**CBO**”), as the City’s budget liaison to Prosper Portland, has been identified as the bureau responsible for managing this agreement.

AGREEMENT

1. Parties

Prosper Portland
Main Contact: Tony Barnes

City of Portland, City Budget Office
Main Contact: Yung Ouyang

2. Term and Termination

The term of this Fiscal Year 2025-26 Agreement begins on July 1, 2025, and terminates on June 30, 2026.

- a. The full amount of funds for FY 2025-26 described in this Agreement is authorized in the City’s FY 2025-26 Adopted Budget.

- b. Either party may terminate this Agreement with 30 days prior written notice to the other party.
- c. If this Agreement is terminated, the City will reimburse Prosper Portland for all expenses incurred prior to the date of termination, including any funds contractually committed in the course of performing the activities described in the Scope of Services.

3. Roles & Responsibilities

The City agrees to send funds to Prosper Portland pursuant to the terms of this Agreement to fund designated economic development activities described in this Agreement. Prosper Portland agrees to successfully implement the designated economic development activities and report on the programmatic performance measures as defined below.

4. Scope of Services

The City will provide to Prosper Portland a total of \$16,399,862 in funding during FY 2025-26 to support the following economic development activities:

A. Entrepreneurship and Community Economic Development (ECED) funding in the amount of \$7,608,438, which will be distributed as follows:

Community-Based District Support: \$1,363,461 in ongoing General Fund monies

Community-Based District Support is comprised of the Neighborhood Prosperity Network (NPN) and the new Community-Based District Support Program.

NPN focuses on seven economically challenged business areas in North, East and outer Northeast Portland to build the capacity of community-based organizations to become active partners in neighborhood economic development. In addition to ongoing technical assistance and training provided by Prosper Portland, the districts will be eligible for a district administration and operations grant, marketing, promotions and branding grant, and a property improvement grant.

Funding for the above programming is intended to produce the following outcomes:

Neighborhood Prosperity Network Performance Measures	Target FY 2025-26
Net number of full-time employees employed by the districts	14
Funds leveraged by NPN	\$750,000

The new Community-Based District Support Program will complement the NPN and expand Prosper Portland’s support to business district associations and other business serving organizations citywide.

Performance measures will be developed in FY 2025-26 as part of the program formation work.

Inclusive Entrepreneurship: \$3,575,064 in General Fund and RCT fund monies

Inclusive Entrepreneurship includes the Inclusive Business Resource Network (IBRN) and the Mercatus business directory. IBRN is a network of 15 organizations that serves approximately 560 businesses a year and includes both traded sector and local service sector businesses at different stages, from startup to growth. IBRN is designed specifically for underrepresented and disadvantaged entrepreneurs with many of the organizations rooted in communities of color and all providing culturally responsive business technical assistance.

This total includes \$1,049,994 in ongoing RCT fund monies for IBRN and Mercatus.

Funding for the above programming is intended to produce the following outcomes:

Inclusive Business Resource Network Program Performance Measures	Target FY 2025-26
Total unique clients served (IBRN)	560
# clients receiving support toward Idea to Launch goals	300
# clients receiving support toward Stability & Resiliency goals	300
# clients receiving support toward Grow & Scale goals	300
% of clients who reported they gained skills	80%
% of clients who reported they felt supported by their business advisor	80%
# clients accessing professional services	50
Total Mercatus members	2,200

Adult and Youth Workforce Development: \$1,586,333 in ongoing General Fund monies

The goal of this program is to raise the incomes of low-income Portland residents through workforce development. All participants have incomes of 50 percent or less of the Portland area median family income and often face barriers to employment such as limited English proficiency, criminal histories, homelessness, drug and alcohol addictions, and lack of educational credentials and basic skills.

Funding for the above programming is intended to produce the following outcomes:

Workforce Development Program Performance Measures	Target FY 2025-26
Percentage of socially disadvantaged youth participants in workforce development	65%
Percentage of socially disadvantaged adult participants in workforce development	65%
Number of youth participants in workforce development	230
Number of adult participants in workforce development	500

Percent of adult participants in workforce development who advanced in employment as demonstrated by gain in earnings, wage or benefits	60%
Percent of youth participants placed in employment or post-secondary training	65%
Number of participants served through the Community Workforce Navigator Program	400
Percentage of socially disadvantaged navigator participants served	80%

Office of Small Business: \$1,083,580 in ongoing General Fund monies

In the spring of 2024, City Council charged Prosper Portland with creating and implementing an Office of Small Business (OSB). The OSB aligns with the goals outlined in the City's economic development strategy, Advance Portland. Outcome 2.3.1 focuses on centralizing small business assistance and services provided through the City of Portland, while Outcome 2.1.4 emphasizes the need to expand the Portland Small Business Hub to serve as a centralized resource.

Performance measures will be developed in FY 2025-26 as part of the office formation work.

B. Business Advancement funding in the amount of \$2,638,867 in ongoing General Fund monies, which will be distributed as follows:

The Business Advancement Team at the city’s economic development agency assists growing local businesses with development opportunities and technical support, so they’re able to invest back into Portland with more living wage jobs and inclusive economic growth. Programming supports businesses through tailored assistance, export assistance, diversity, equity & inclusion resources, and strategies for business growth and inclusive job creation. These priorities are implemented through initiatives such as Portland Means Progress, Enterprise Zone, industry-specific growth programming, international trade and investment, and growing public/private partnerships and relationships. In many cases, the Business Advancement Team’s work with businesses spans years of long-term engagement and impact, supporting businesses from early stage through growth and scaling, and identifying interventions that lead to inclusive growth and retention.

Prosper Portland’s industry-specific programming prioritizes the city’s four target industries: Athletic and Outdoor, Green Cities, Technology and Media, and Metals and Machinery Manufacturing. Portland has a competitive advantage in each of these four industries, and they are drivers of the city’s economic growth, bringing quality jobs and career pathway opportunities to city residents.

Funding for the above programming is intended to produce the following outcomes:

Business Advancement Performance Measures	Target FY 2025-26
Cumulative number of traded sector business relocations (within Portland) and expansions from FY 2023-24 to FY 2028-29	15
Number of Portland traded sector companies gaining access to new markets as a tool for growth	10
Cumulative jobs resulting from traded sector business relocations and expansions within Portland from FY 2023-24 to FY 2028-29	700
Number of businesses receiving technical assistance related to growth or inclusion	250
Number of companies participating in a Public Benefit Agreement or public pledge that aligns with Prosper Portland strategic plan	135
Number of employees at companies participating in a Public Benefit Agreement or public pledge	44,000
Percent of respondents reporting that they achieved growth goals as a result of participating in programming	70%
Number of businesses reporting gaining skills or knowledge that will improve their inclusive practices	135
Cumulative local investment and spend through Enterprise Zone and business expansion programming from FY 2023-24 to FY 2028-29	\$425,000,000
Cumulative spend at local BIPOC-owned businesses by Portland Means Progress businesses since its launch in 2019	\$550,000,000

C. Office of Events and Film funding in the amount of \$1,203,279 in ongoing General Fund and ongoing RCT fund monies, which will be distributed as follows:

The Office of Events and Film (OEF) is a new department focused on serving as a concierge service for event and film production in support of the creative economy. OEF includes the Portland Film Office, My People’s Market, and the newly formed Events Office. OEF aims to strengthen the events and film industry by providing support in the following areas:

- **Grants.** The OEF grant programs support economic and cultural revitalization of the city of Portland through direct financial support to event producers and film makers that demonstrate an impact on the local economy and center a diversity of creators.
- **Navigation and support** for film and event producers interested in producing in Portland. OEF coordinates with permitting bureaus, provides intuitive guides and information in a one stop online resource hub, and creates accessible customer service.
- **Signature events and activations.** The events office produces My People’s Market and supports outreach and recruitment of new productions (both film and events) to the city.

- **Marketing.** OEF supports film and event producers, while amplifying offerings to increase engagement and attendance.

This total includes \$56,080 in ongoing RCT fund monies to support My People’s Market.

Funding for the above programming is intended to produce the following outcomes:

Office of Events & Film Performance Measures	Target FY 2025-26
Cumulative local spend by the film industry since FY 2015-16	\$1,780,000,000
# Grants disbursed in support of local BIPOC filmmakers	6
# Grants disbursed for economic and cultural revitalization via events	50

D. Reimagine Oregon funding in the amount of \$2,014,593 in ongoing RCT fund monies, which will be distributed as follows:

Reimagine Oregon Economic Opportunity Investment Fund Grant focuses on economic and business development for those disproportionately affected by Cannabis Prohibition. Open to both for-profit and non-profit entities, operating within the city of Portland, funds are invested in critical efforts focused on economic opportunity that works towards dismantling systemic oppression and improving the quality of life for the Portland community.

Performance measures will be developed in FY 2025-26 as part of the build out of the program.

E. Citywide Development and Investment Activities funding in the amount of \$2,934,685 in General Fund monies, which will be distributed as follows:

Small Business & Middle-Income Housing Financial Assistance: \$2,022,545 in ongoing General Fund monies

Prosper Portland invests in small businesses with direct funding for operating and capital needs, centering businesses with limited access to capital. Through various funding sources, including one time funding, federal Economic Development Administration funds, and citywide strategic investment funds. Prosper Portland offers flexible loans and grants to meet unique business or property needs. Loan programs offer flexible repayment terms tailored to help a business start, grow and stabilize and partner with primary lenders to bridge financing gaps. While grant programs focus primarily on physical improvements – including immediate repairs and broader tenanting improvements – loan programs support working capital, equipment purchases and business growth/expansion, as well as physical improvements of real property in leased or owner-occupied spaces.

Performance measures will be developed in FY 2025-26 as part of the build out of the program.

Small Business Leasing & Tenanting: \$687,140 in ongoing General Fund monies

Prosper Portland’s commercial tenanting activities involve direct leasing, property management, and tenant improvement investments. These tenanting activities support businesses looking to open physical retail locations, increase access to affordable commercial space for small businesses with a bricks and mortar presence, and revitalize Portland’s commercial corridors and business districts with products and services that cater to local community and regional needs.

Performance measures will be developed in FY 2024-25 as part of the build out of the program.

Other Citywide Development and Investment Activities: \$225,000 in one-time General Fund monies

- \$225,000 for the Downtown Marketing Initiative

5. Deliverables & Payment Schedule

Deliverables from Prosper Portland will be as follows

- a. Prosper Portland will provide periodic activity billings. The current year appropriations will be broken out into the following categories: Personnel Services, Materials & Supplies, Financial Assistance, and Overhead and include actuals and balances. Any major expenditures (more than \$5,000) included in billings will be listed with a brief explanation of service provided.
- b. Prosper Portland will provide CBO with finalized FY 2024-25 program performance data (i.e., outcomes) and key performance measure data during the first quarter of FY 2025-26, consistent with City bureau reporting expectations. Prosper Portland will also provide CBO with updated FY 2025-26 program performance data, key performance measure data, and project-specific metrics upon request throughout the fiscal year.

Payment Schedule

Prosper Portland will bill CBO on a periodic basis based on expenditures incurred, unless and to the extent the Parties agree in writing to alternate disbursement or payment arrangements. The total combined General Fund and Recreational Cannabis Tax Fund monies is \$16,399,862.

6. Changes to Funding Allocations

The Prosper Portland Contract Signatory and the CBO Contract Signatory are authorized to adjust funding levels by program or adjust funding between sub-program categories, through a duly executed amendment to this Agreement, so long as sufficient funds have been appropriated in the City budget to cover the maximum amounts payable for economic development activities by the City under this Agreement, and sufficient funds have been appropriated for these economic development activities in Prosper Portland's Budget.

7. Administration & Dispute Resolution

Administration

The Parties will determine the frequency and scope of any necessary City/Prosper Portland meetings. The Parties may amend any provision of this Agreement in a writing signed by both parties hereto.

Dispute Resolution

If a dispute arises regarding the terms and conditions of this Agreement, all parties agree to exercise good faith in expeditiously resolving said conflict in the following manner:

- a. All conflicts should first be discussed and resolved, if at all possible, at the staff level.
- b. If the conflict cannot be resolved at the staff level, then the conflict should be elevated to the Main Contacts specified in Section 1 for discussion and resolution.
- c. Any conflicts not resolved by the Main Contracts shall be elevated to the signatories of this Agreement for discussion and resolution.

Approvals

The City of Portland, through the City Budget Office, and Prosper Portland have executed this Agreement as of the date on Page 1.

CITY OF PORTLAND



Ruth Levine, Budget Director

PROSPER PORTLAND



Lisa Abuaf, Interim Executive Director

APPROVED AS TO FORM:



Robert Taylor (Jul 11, 2025 08:47 PDT)
City Attorney

APPROVED AS TO FORM:



David R. Koch (Jul 11, 2025 09:32 PDT)
General Counsel

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Final Audit Report

2025-07-14

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