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Commissioner

**Charlie Hales**  
Mayor

**Patrick Quinton**  
Executive Director

DATE: April 1, 2014

TO: Mayor Charlie Hales  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman

FROM: Patrick Quinton, Executive Director

SUBJECT: Spring Budget Monitoring Report

The Portland Development Commission (PDC) is pleased to submit its spring budget monitoring report. Included in this report is the request for two spring budget amendments as well as a report on the status of the FY 2013-14 decision packages and budget notes.

### ***Spring Budget Amendment Requests***

#### ***Early Adopter Program - \$80,000***

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PDC will partner with city bureaus to develop and pilot an early adopter program to illuminate tech solutions for city bureaus' operations and maintenance (O&M) and capital project needs, while giving local Portland companies greater access to a potential customer base. As a foundation, the program will:

- Develop a platform by identifying current city innovation activities;
- Convene the bureaus to discuss O&M and capital needs, opportunities and challenges, and best practices; and
- Review known local tech products and services, ranging from software-based management solutions to integrated design approaches to hard infrastructure products.

The bureaus will form an advisory committee to discuss opportunities for bureaus to work more closely with local industry product and service providers—which will include crafting a technology-based tool that will provide an interface between bureaus and industry to exchange needs and proposed solutions. The agency was awarded \$80,000 out of the Mayor's Innovation Fund to support this program. The pilot project will commence during the last week of March 2014 and conclude by the end of fiscal year 2014-15. PDC requests that this budget is moved to the FY 2014-15 budget based on the timing of the project.

**Carryover from FY 2013-14 to 2014-15: Startup PDX Challenge Working capital Grants - \$40,000**

This program will provide working capital to six startups in FY 2014-15. The agency initiated the 2<sup>nd</sup> Startup PDX Challenge competition to connect entrepreneurs of color and women entrepreneurs to Portland's growing startup ecosystem. The agency expects to launch the application process for the Challenge in June 2014 and announce successful candidates for funding late summer or early fall 2014. This carryover request enables FY 2013-14 dollars to support the current Challenge and the class to be selected in in late summer or early fall 2014.

***Prior Year Decision Package Status/Update***

**Decision Packages/Description: ZD\_01 Economic Opportunities Initiative: \$75,000**

The package added \$50,000 to the Economic Opportunities Initiative Microenterprise program to support the Small Business Development and Microenterprise program and \$25,000 to the Economic Opportunities Initiative Workforce development program. These resources have been allocated to program providers and are expected to be drawn by June 30.

**Decision Packages/Description: ZD\_06 Sub\_1 Service Reduction: \$-250,000**

The \$250,000 reduction was implemented by reducing Traded Sector programs. The Cluster Initiative budget decreased by \$100,000, reducing support for cluster industry initiatives in advanced manufacturing, athletic & outdoor gear and apparel, clean technology and software sectors. The Entrepreneurship and Investment Capital programs budget will decreased by \$150,000 decreasing entrepreneurship activities and reducing financial assistance available to Startup PDX: Challenge winners and outside partners such as the Portland Seed Fund.

**Decision Packages/Description: ZD\_07 Sub\_1 Defer Working Capital: \$-150,000**

This was a one-time cut of \$150,000 to the Working Capital program (within the Traded Sector budget program) was implemented and there are no resources for working capital business loans for FY 2013-14. Funding is restored in the current appropriation level for the FY 2014-15 Budget.

**Decision Packages/Description: ZD\_08 Reduce Alberta Main Street: \$-29,000**

This ongoing \$29,000 cut to the Alberta Main Street program was implemented. This program is within the Interstate Urban Renewal Area and also receives TIF support for

capital improvements. In FY 2013-14 the agency was able to allocate non-General Fund resources (Enterprise Zone funding) to continue to support the operations and administration of the Alberta Main Street program (\$30,000).

**Decision Packages/Description: ZD\_09 Reduce Hillsdale Main Street: \$-133,000**

This ongoing \$133,000 cut to the Hillsdale Main Street program was implemented, reducing services. In FY 2013-14, the agency was able to allocate non-General Fund resources (Enterprise Zone funding) to support the operations and administration of the Hillsdale Main Street program (\$30,000) and to provide a district improvement grant (\$25,000). This program is not within a URA boundary and the program is not eligible to receive TIF resources.

**Decision Packages/Description: ZD\_11 Venture Portland: \$5,000**

This decision package was implemented. Total funding of \$295,000 in FY 2013-14 has been provided to Venture Portland.

**Decision Packages/Description: ZD\_12 Defer Start-up Investment: \$-200,000 (\$100,000 one-time, \$100,000 on-going)**

This package was implemented as a one-time and ongoing reduction to the Start-Up Investment program, resulting in less financial assistance available to the Portland Seed Fund.

**Decision Packages/Description: ZD\_13 Defer Materials and Services: \$-25,000**

The \$25,000 reduction to materials & services in the Traded Sector budget was implemented. Funding will be restored in the FY 2014-15 Budget. For FY 2013-14 this means fewer resources to assist business retention and expansion activities, as well as marketing collateral to assist with business recruitment and relocation.

**Decision Packages/Description: ZD\_14 FY 2012-13 Carryover: \$140,000**

As part of the FY 2012-13 Spring Budget Monitoring process, \$140,000 in Traded Sector budget was added as carryover to the FY 2013-14 budget based on when the funds would be expended. This included \$60,000 for the Startup PDX Challenge and \$80,000 in match obligations related to the PDC's and the City of Portland's Jobs and Innovation Accelerator Challenge (JIAC) grant from the Economic Development Administration of the U.S. Department of Commerce. To date, \$60,000 in working capital grants have been awarded to the six Startup PDX Challenge winners and JIAC match activities are close to being fully expended.

**Decision Packages/Description: ZD\_002 PDC – Housing Bureau Revenue Swap: \$-200,000**

As part of the FY 2013-14 Fall Budget Monitoring Process, \$200,000 in workforce development general funds was replaced with CDBG funds from the Portland Housing Bureau to facilitate programmatic needs at the Portland Housing Bureau. The exchange was implemented, decreasing the general fund budget for PDC Neighborhood Economic Development and increasing CDBG funds in the sub recipient contract between the Portland Housing Bureau and PDC. This transfer has been recognized and included in a contract amendment between PDC and PHB.

**Budget Notes:**

**Mounted Patrol Horse Facility (Budget Note Status Update)**

As part of the FY 2013-14 budget approval, a budget note was included that states “Council shall hold a public hearing to discuss options before the Portland Development Commission acquires land and/or moves forward on a new facility for the Mounted Patrol horses.”

PDC is continuing to refine the development plan for the Centennial Mills site. Currently, temporary relocation will need to occur based on structural needs of the facility. There has been no determination or recommendation to date regarding permanent location of the Mounted Horse Patrol.

# BUDGET AMENDMENT REQUEST

Portland Development Commission

PERIOD Spring BMP

FISCAL YEAR FY 2013-14

## ZD\_003 - Carryover Request - Startup PDX Challenge Grants

This program will provide working capital to six startups in FY 2014-15. The agency initiated the 2nd Startup PDX Challenge competition to connect entrepreneurs of color and women entrepreneurs to Portland's growing startup ecosystem. The agency expects to launch the application process for the Challenge in June 2014 and announce successful candidates for funding late summer or early fall 2014. This carryover request enables FY 2013-14 dollars to support the current Challenge and the class to be selected in in late summer or early fall 2014.

Dollar Amount: **(\$40,000)**

Type: Carryover Request

Resources: General Fund Discretionary

## ZD\_004 - Innovation Fund - Early Adopter Program

PDC will partner with city bureaus to develop and pilot an early adopter program to illuminate tech solutions for city bureaus' operations and maintenance (O&M) and capital project needs, while giving local Portland companies greater access to a potential customer base. As a foundation, the program will:

- Develop a platform by identifying current city innovation activities;
- Convene the bureaus to discuss O&M and capital needs, opportunities and challenges, and best practices; and
- Review known local tech products and services, ranging from software-based management solutions to integrated design approaches to hard infrastructure products.

The bureaus will form an advisory committee to discuss opportunities for bureaus to work more closely with local industry product and service providers—which will include crafting a technology-based tool that will provide an interface between bureaus and industry to exchange needs and proposed solutions. The agency was awarded \$80,000 out of the Mayor's Innovation Fund to support this program. The pilot project will commence during the last week of March 2013 and conclude by the end of fiscal year 2014-15. PDC requests that this budget is moved to the FY 2014-15 budget based on the timing of the project.

Dollar Amount: \$80,000

Type: Technical Adjustment

Resources: General Fund Discretionary

## ZD\_005 - Carryover Request- Innovation Fund Early Adopter

The agency was awarded \$80,000 out of the Mayor's Innovation Fund to support the Early Adopted Program (ZD\_004). The pilot project will commence during the last week of March 2014 and conclude by the end of fiscal year 2014-15. PDC requests that this budget is moved to the FY 2014-15 budget based on the timing of the project.

Dollar Amount: **(\$80,000)**

Type: Carryover Request

Resources: General Fund Discretionary