

Portland Development Commission

<p><u>Management Data</u> Commissioner in Charge: Mayor Sam Adams Bureau Director: Patrick Quinton Website: www.PDC.us Administration: 11.0% M/W/ESB Contract \$: 39.0%</p>	<p><u>Workforce Data</u> Minorities: 13.3% Female: 55.5% Non-Represented: 33.5% Span of Control: 1 to 4.4 Management Layers: 1 to 4</p>
---	---

Resource Summary

	FY 2011-12 Adopted	FY 2012-13 Base	FY 2012-13 Reductions	FY 2012-13 Add Packages	FY 2012-13 Requested
GF Ongoing	\$2,601,261	\$2,691,192	(\$215,295)	\$0	\$2,475,897
GF One-Time	3,187,065	0	0	3,187,065	3,187,065
Other Revenues	203,295,993	180,710,458	0	0	180,710,458
Total	\$209,084,319	\$183,401,650	(\$215,295)	\$3,187,065	\$186,373,420
FTE	135.30	134.00	-	-	134.00

Bureau Overview and Significant Issues

PDC's mission is to create one of the world's most desirable and equitable cities by investing in job creation, innovation and economic opportunity throughout Portland. PDC's FY 2012-13 Requested Budget totals \$186 million (\$143 million in expenditures). This budget marks a significant point in PDC's history. The agency has never been more poised to deliver on its 2010-2014 Strategic Plan which directly reflects City Council's adoption of the 2009 City Economic Development Strategy and 2011 Neighborhood Economic Development Strategy, yet PDC is also facing a decline in resources unmatched by any City Bureau. Just two years after the current FY 2012-13 Requested Budget, the agency is forecasted to see a decline in resources which could result in a Requested Budget of under \$90 million for FY 2014-15.

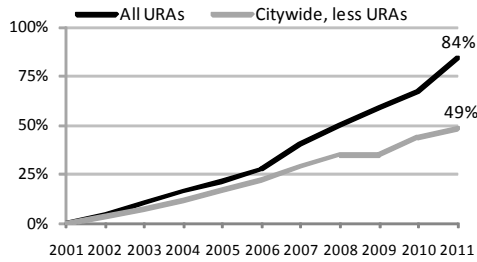
Therefore, the business lines and priorities within this budget reflect intentional and careful investing in the pursuit of the following PDC Strategic Goals: Strong Economic Growth and Competitiveness; Healthy Neighborhoods; A Vibrant Central City; Social Equity; and Effective Stewardship over Resources & Operations, and Employee Investment. In order to achieve the outcomes for job creation and economic development in the PDC Strategic Plan the agency is making efforts to shift more resources into Business Development and Property Redevelopment and de-prioritized to Infrastructure. This will more trend more aggressively in future budget years.

The agency is also aggressively addressing the reduction in resources two-fold:

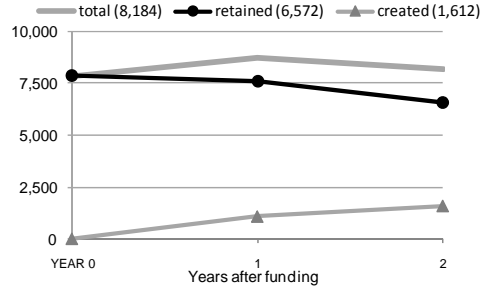
- 1) The transition to direct cost accounting of business lines has provided the opportunity to determine costs of delivering services. PDC is beginning to prepare now for the inevitable reduction in materials and services anticipated in 2014-2015 and beyond.
- 2) The PDC Board has prioritized resource development as one of its top priorities for the agency. Therefore over the course of the 2011-12 and 2012-13 fiscal years, staff will provide the City Council and Board with options for how to scale and secure predictable and opportunistic sources of revenue. The Board firmly believes the role PDC plays in job creation and economic development is essential and important, now and in the future. This will include a strategy for adopting best practices for revenue generating investments and assets used by other cities across the country.

Performance Dashboard (select metrics)

ASSESSED VALUE PER ACRE, percent change since 2001: real property in URAs versus Portland property outside URAs between FY 2002 and FY 2010



JOBS VERIFIED for PDC Business finance programs: Growth one and two years after funding of 204 business funded



PDC LEVERAGE by Program	PDC 2010-11 Investment	Leverage Ratio	TARGETED INDUSTRY CLUSTER and NED FY 2010-11 Business Finance	Loan and Grant \$ Awarded	Businesses Assisted	Supported Jobs Retained / to Create
Commercial Property Redevelopment Projects (n= 14)	\$18.5 million	1 : 4	Athletic and Outdoor	\$65,000	2	8 / 2
Business Finance Program Businesses (n=21)	\$3.1 million	1 : 8	Advanced Manufacturing	\$0	0	0 / 0
Storefront Program	\$2.2 million	1 : 2	Clean Tech & Sustainable Svcs.	\$1,305,000	2	9 / 77
New Projects (n= 119)			Software	\$175,000	3	52 / 26
			High Growth, non-cluster	\$40,000	1	6 / 4
			Neighborhood Economic Development	\$1,486,000	13	64 / 52
			Total	\$3,071,000	21	139 / 161

Operating and Capital Requirements

	FY 2010-11 Actuals	FY 2011-12 Adopted	FY 2012-13 Base	FY 2012-13 Request	FY 2013-14 Estimate
Operating - Base	\$154,497,339	\$205,897,254	\$182,971,060	\$183,186,355	\$110,935,332
Operating - One-Time Initiatives	1,154,843	3,187,065	0	3,187,065	3,187,065
Total Expenditures	\$155,652,182	\$209,084,319	\$182,971,060	\$186,373,420	\$114,122,397

Overview of Major Projects and Initiatives

Neighborhood Economic Development: The goal of this strategy is to improve prosperity throughout Portland by growing vibrant commercial areas, promoting healthy businesses, and stimulating job growth, through partnerships between the community, public entities, community-based organizations and the private sector. The Strategy focuses on the first five years of a ten-year initiative to address the gaps identified in Portland's NED system through focus on: Business Development, Neighborhood Business District Management, and Commercial Real Estate Revitalization and Development, and the Neighborhood Prosperity Initiative (micro URAs).

Cluster Industry Development: PDC's core economic development function focusing on creation of 10,000 net new jobs by raising national and international profile and competitiveness of Portland's target cluster industry: Clean Tech, Advanced Manufacturing, Athletic & Outdoor, Software, and Research and Commercialization.

Major Assets Managed

	5 Years Ago	Current	5 Years From Now
Percent in Good Condition	0.0%	15%	0.0%
Percent in Fair Condition	0.0%	75%	0.0%
Percent in Poor Condition	0.0%	10%	0.0%
Major Maintenance Backlog	\$0	\$0	\$0
Replacement Value Total	\$0	\$115,601,880	\$0

PDC assets are revolving and not held long-term; historic and future information is therefore not provided.