

Tom Kelly  
Chair

Aneshka Dickson  
Commissioner

John C. Mohlis  
Commissioner

Charles A. Wilhoite  
Commissioner

Charlie Hales  
Mayor

Patrick Quinton  
Executive Director

DATE: October 1, 2014

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

FROM: Patrick Quinton, Executive Director, PDC

SUBJECT: Fall Budget Monitoring Report

The Portland Development Commission (PDC) is pleased to submit its Fall Budget Monitoring (BMP) report. Included in this report is a summary of prior year expenditures, updates on prior year budget notes and decision packages, as well as an update on actual FY 2013-14 performance measures. No budget adjustments or additional requests are being made.

***Prior Year Budget versus Actual***

222 NW Fifth Avenue  
Portland, OR  
97209-3859

503-823-3200 Main  
503-823-3368 Fax  
503-823-3366 TTY

	FY 2013-14		
	Revised Budget	Actuals	Variance
Neighborhood Economic Development	2,871,272	2,869,713	1,559
Traded Sector	1,666,165	1,666,165	0
<b>Total Portland Development Commission</b>	<b>\$ 4,537,437</b>	<b>\$ 4,535,878</b>	<b>\$ 1,559</b>

There is an unspent balance of \$1,559 for FY 2013-14. No encumbrance carryover request is being submitted as part of the Fall Budget Monitoring Process.

***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 were drawn for FY 2013-14.

**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 decrease 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 were no new 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. This resulted 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

meant 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. In FY 2013-14, \$60,000 in working capital grants were awarded to the six Startup PDX Challenge winners and JIAC activities were matched using the funds.

**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 was implemented via the contract 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."

The heavy rains last fall and the snow in February caused the most eastern portion of the MPU facility to become unsafe. For a short period the horses were relocated to an area in the building immediately adjacent to Naito Parkway. Upon further evaluation the western portion of the MPU facility was deemed safe and reoccupied.

The redevelopment effort with Harsch has set a target date of July 1, 2015 to begin at which time the MPU will need to have been relocated. It is our understanding the OMF and the MPU are evaluating alternative locations.

PDC is continuing to refine the development plan for the Centennial Mills site. There has been no determination or recommendation to date regarding permanent location of the Mounted Horse Patrol.

**Performance Measure Updates:**

PDC’s draft FY 2013-14 year-end performance measures for General Fund programs are included below.

<b>Neighborhood Economic Development</b>					
	<b>Actual FY 2011-12</b>	<b>Actual FY 2012-13</b>	<b>Yr End Actual FY2013-14*</b>	<b>Base FY 2014-15</b>	<b>Target FY2014-15</b>
<b>Effectiveness</b>					
Number of volunteer hours provided by NPI and Main Streets Districts	10,252	17,939	53,025	24,000	24,000
Net number of businesses (NPI and Main Street Districts)	24	15	50	24	24
Net number of full-time hires (NPI and Main Street Districts)	81	80	128	54	54
Net number of part-time hires (NPI and Main Street Districts)	50	13	25	27	27
Operating funds raised by NPI & Main Streets	\$197,137	\$481,131	\$969,720	\$400,000	\$400,000
Number of volunteer hours provided by Venture Portland Board Members and other volunteers	1,063	1,743	1,700	1,700	1,700
Number of technical assistance hours provided by the Small and Micro Business Development Program	762	12,300	17,495	9,000	9,000
Percent of businesses of color served by the Small and Micro Business Development Program	77/60%	291/61%	60%	60%	60%
Percentage of business owners with limited English proficiency served by the Small and Micro Business Development Program	27/21%	154/32%	32%	30%	30%
Percent of Businesses with a Median Family Income (80% or less) at enrollment served by the Small and Micro Business Development Program	78%	86%	91%	80%	80%
Rating of overall client satisfaction with business technical assistance (range 1-5)	2.6	4.38	4.45	4.5	4.5
Rating of overall client satisfaction with business technical assistance (range 1-4)	3	3.64	3.58	3.5	3.5
Percentage of youth participants people of color in workforce development	NA	66%	75%	50%	50%
Percentage of adult participants people of color in workforce development	NA	NA	56%	50%	50%
<b>Efficiency</b>					
Amount of private funds raised by Business District Associations to match Venture Portland grants	\$260,348	\$338,728	\$340,000	\$340,000	\$340,000
<b>Workload</b>					
Amount of technical assistance hours to Business District Associations by Venture Portland	430	486	780	480	480
Number of training hours provided to Business District Associations by Venture Portland	841	848	698	850	850
Amount of grant to Venture Portland	\$68,000	\$85,525	\$87,450	\$80,000	\$80,000
Number of projects funded by Venture Portland	30	32	45	30	30
Number of Business District Associations receiving grants from Venture Portland	21	23	31	23	23
Number of businesses served by the Small and Micro Business Development Program	129	476	522	460	460
Number of youth participants in workforce development	NA	487	693	487	487
Number of adult participants in workforce development	NA	NA	614	450	450
<b>Traded Sector</b>					
<b>Effectiveness</b>					
Number of Traded Sector business retention/expansion visits	NA	450+	550+	500+	500+
Number of Traded Sector business relocations (within Portland)		8	11	8	8
<b>Workload</b>					
Number of Traded Sector Business Clients	NA	250	350+	300	300
Number of Traded Sector direct assistance, referral activities	NA	500+	500+	550+	550+
Number of Portland Traded Sector firms receiving export assistance	NA	50	75+	75	75
Number of Traded Sector international contracts (Portland only)	NA	0	9	10	10
<i>*Draft actuals - some figures are still being reviewed and may be updated</i>					