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Patrick Quinton
Executive Director

DATE: September 28, 2015

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 2014-15 performance measures. Several budget adjustments are being requested.

Prior Year Budget versus Actual

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	Final Budget	Actuals	Variance
Neighborhood			
Neighborhood Commercial Corridors	803,000	793,772	9,228
Venture Portland	402,993	366,994	35,999
Small Business Support	1,147,896	1,147,896	-
Adult/Youth Workforce Development	1,226,778	1,226,778	-
Total Neighborhood	3,580,667	3,535,440	45,227
Traded Sector			
Cluster Development	1,360,704	1,327,804	32,900
Mayor's Innovation Fund	23,000	21,291	1,709
Entrepreneurs Support	344,192	343,652	540
Total Traded Sector	1,727,896	1,692,747	35,149
Total PDC	5,308,563	5,228,187	80,376

There is an unspent balance of \$80,376 for FY 2014-15. PDC is requesting the final balance to carry-on prior year programming requirements in FY 2015-16.

Fall Budget Amendment Requests

Neighborhood Commercial Corridors: \$9,228

Remaining resources related to Neighborhood Development Grants not expended or included in Spring BMP request for FY 2015-16 (see status description below).

Venture Portland: \$35,999

Balance of grant awarded in FY 2014-15 but not expended due to timing of programming. Funding is for final disbursement of one-time funding was appropriated to allow Venture Portland to complete a special project to strengthen East Portland business associations

Cluster Development: \$32,900

The \$32,900 of unspent Cluster Development funds is directly related to PDC's TechTown Diversity Initiative. Specifically the funds were earmarked for a pilot grant focused on tech diversity training. The application process for the pilot grant program was launched in June 2015 (FY 2014-15). Through an internal/external evaluation process, finalists were identified in September 2015 and we anticipate grant disbursement to occur in October 2015.

Prior Year Decision Package Status/Update

ZD_001 (14-15 Adopted Budget) - Neighborhood Economic Development Grants - \$100,000

One-time funding added during FY 2014-15 to provide funding for three grants to community-based organizations focused on economic development issues in Lents Town Center, along Martin Luther King Jr. Blvd., and in the Old Town/China Town neighborhood. Three grant agreements have been executed to carryout. In anticipation that the majority of the grants for neighborhood economic development capacity building would pay out in FY 2015-16, PDC requested \$60,000 to be carried over in during the spring 2015 bump. PDC now requests that the remaining balance of \$9,228 remaining in FY 2014-15 be carried over as well to ensure that the full grant to local organizations for capacity building can be disbursed.

ZD_003 (FY 2014-15 Adopted Budget) - VOZ Workers' Rights Education - \$30,000

One-time funding supports operating expenses for the MLK Workers' Center to facilitate employment for day laborers, investigate wage theft, and offer weekly English, music, and art

classes. The funds were fully disbursed in November, 2014 and added as ongoing funding in the FY 2015-16 budget.

ZD_004 (FY 2014-15 Adopted Budget) - SE Works Youth Transition Services - \$40,000

One-time funding supports the Youth Transition Program with funding for case management and extended hours at the Southeast Portland career center. PDC will manage the funding within the Adult and Youth Workforce program. PDC fully disbursed these funds in FY 2015-16 to SE Works. Funding was added as ongoing in FY 2015-16 budget.

ZD_005 (FY 2014-15 Adopted Budget) - Village Market - \$75,000

One-time funding helps increase access to healthy food for the residents of Portsmouth and New Columbia neighborhoods while providing jobs for low-income community members. The funds were disbursed to Janus Youth Programs Village Market in October, 2015.

ZD_003 (13-14 Spring BMP) - Carryover – Startup PDX Challenge grants - \$40,000

One-time funding added working capital grants to six startups taking part in the Startup PDX Challenge. \$40,000 was added as carryover to the FY 2014-15 budget based on timing for disbursement of the grants. These grants were fully disbursed to recipients in FY 2014-15.

ZD_004 (14-15 Spring BMP) - Venture Portland (FY 2014-15 Spring BMP) - \$99,999

One-time funding was moved to PDC appropriations in the Spring BMP to facilitate disbursement of additional funds that were originally added during the FY 2014-15 Fall BMP. The one-time funding was appropriated to allow Venture Portland to complete a special project to strengthen East Portland business associations. The project was initiated in March 2015 and was anticipated to be a year-long initiative. Remaining resources of \$35,999 are being requested for the Fall BMP to complete reimbursement of Venture Portland for continuing initiative activities.

ZD_005 (13-14 Spring BMP) - Carryover – Early Adopter (Innovation Fund) - \$80,000

One-time funding added during FY 2013-14 for the Early Adopter program to identify opportunities for bureaus to work with local industry product and service providers. While this was identified as a multi-year effort, the full amount of the award was added to FY 2014-15. A final \$57,000 was moved from FY 2014-15 and added to FY 2015-16 as part of the spring budget amendment request to close out the effort.

Performance Measure Updates:

PDC’s Key Performance Measures include new measures that were established in conjunction with PDC’s new five-year strategic plan. PDC’s Key Performance Measures are related to longer-term goals that will be measured over time and targets for each fiscal year are based on incremental achievement of five-year goals established in PDC’s Strategic Plan.

ID	KPM	Frequency	FY 2013-14	FY 2014-15	Target FY
			Actual	Actual	2015-16
ZD_0038	Percentage of households at or above self-sufficiency	ANNUAL	NA	63%	64.0%
ZD_0039	Percentage of workforce in Multnomah County earning at least a middle wage	ANNUAL	NA	45%	45.6%
ZD_0040	Percentage of start-up investments to firms founded, owned, or led by women	ANNUAL	NA	19%	29.0%
ZD_0041	Percentage of start-up investments to firms founded, owned, or led by people of color	ANNUAL	NA	13.20%	23.4%
ZD_0042	Percentage of non-TIF resources for operating budget	MONTHLY	NA	75%	55.0%
ZD_0043	Ratio of PDC financial assistance to private investment	ANNUAL	8.82	6.89	6.55

Percentage of non-TIF resources for operating budget experienced a spike in FY 2014-15 primarily due to the one-time receipt of some resources that are defined as non-TIF operating resources (e.g. loan interest accrued from a balloon payment).

PDC also has a number of performance measures specific to Traded Sector and Community Economic Development programs funded with General Fund resources. Updated metrics for draft FY 2014-15 year-end performance are included below.

FY 2015-16 Fall Budget Monitoring Report

September 28, 2015

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Neighborhood Economic Development					
	Actual FY2013-14	Target FY2014-15	Actual FY 2014-15*	Base FY 2015-16	Target FY2015-16
Effectiveness					
Number of volunteer hours provided by NPI and Main Streets Districts	53,025	24,000	37,839	40,000	40,000
Net number of businesses (NPI and Main Street Districts)	50	24	27	25	25
Net number of full-time hires (NPI and Main Street Districts)	128	54	-10	55	55
Net number of part-time hires (NPI and Main Street Districts)	25	27	\$60	30	30
Operating funds raised by NPI & Main Streets	\$969,720	\$400,000	767,608	\$400,000	\$400,000
Number of volunteer hours provided by Venture Portland Board Members and other volunteers	1,700	1,700	1,745	1,700	1,700
Number of technical assistance hours provided by the Small and Micro Business Development Program	17,495	9,000	17,779	12,000	12,000
Percent of businesses of color served by the Small and Micro Business Development Program	60%	60%	77%	60%	60%
Percentage of business owners with limited English proficiency served by the Small and Micro Business Development Program	32%	30%	41%	30%	30%
Percent of Businesses with a Median Family Income (80% or less) at enrollment served by the Small and Micro Business Development Program	91%	80%	97%	80%	80%
Rating of overall client satisfaction with business technical assistance (range 1-5)	4.45	4.5	NA	4.5	4.5
Percentage of youth participants people of color in workforce development	75%	50%	76%	70%	70%
Percentage of adult participants people of color in workforce development	56%	50%	60%	50%	50%
Efficiency					
Amount of private funds raised by Business District Associations to match Venture Portland grants	\$340,000	\$340,000	\$260,266	\$340,000	\$340,000
Workload					
Amount of technical assistance hours to Business District Associations by Venture Portland	780	480	1248	500	500
Number of training hours provided to Business District Associations by Venture Portland	698	850	803.25	700	700
Amount of grant to Venture Portland	\$87,450	\$80,000	\$79,000	\$68,000	\$68,000
Number of projects funded by Venture Portland	45	30	29	30	30
Number of Business District Associations receiving grants from Venture Portland	31	23	22	30	30
Number of businesses served by the Small and Micro Business Development Program	522	460	353	450	450
Number of youth participants in workforce development	693	487	660	650	650
Number of adult participants in workforce development	614	450	771	450	450
Traded Sector					
Effectiveness					
Number of Traded Sector business retention/expansion visits	550+	500+	500+	500+	500+
Number of Traded Sector business relocations (within Portland)	11	8	7	8	8
Number of Traded Sector Startups directly assisted through PDC entrepreneurship or investment programs		30	84	30	40
Workload					
Number of Traded Sector Business Clients	350+	300	350	300	350
Number of Traded Sector direct assistance, referral activities	500+	500+	550+	500+	550+
Number of Portland Traded Sector firms receiving export assistance	75+	75	60	75	75
Number of Traded Sector international contracts (Portland only)	9	10	11	10	10
<i>*Draft actuals - some figures are still being reviewed and may be updated</i>					
Note: Red text = proposed additions; yellow rows = high priority metrics for traded sector					