



DATE: September 9, 2020

TO: Mayor Ted Wheeler
Commissioner Chloe Eudaly
Commissioner Amanda Fritz
Commissioner Jo Ann Hardesty
Commissioner Dan Ryan

FROM: Kimberly Branam, Prosper Portland Executive Director

SUBJECT: FY 2020-21 Fall Budget Monitoring Report

Gustavo J. Cruz, Jr.
Chair

Francesca Gambetti
Commissioner

William Myers
Commissioner

Peter Platt
Commissioner

Serena Stoudamire
Wesley
Commissioner

Ted Wheeler
Mayor

Kimberly Branam
Executive Director

Prosper Portland is pleased to submit its Fall Budget Monitoring (BMP) report. Included in this report is a net increase in fiscal year (FY) 2020-21 budget of \$105,058 as well as the prior year General Fund and Cannabis Fund expenditure report and updates on performance metrics.

Prosper Portland included conservative assumptions in the FY 2020-21 Adopted Budget related to the loss of loan and property related income and City General Fund reduction targets. Staff are monitoring income-based revenue projections and will have a better understanding of the performance versus forecast at the end of the first quarter, after several months of actual revenues have been recorded. An initial review of revenue projections and Council Council's General Fund budget direction suggests there will not need to be further reductions to forecasts or expenditures for FY 2020-21.

FY 2020-21 Budget Adjustments: \$105,058

- **General Fund Reduction Target: (\$56,000)**
 - In order to reach the 5.6% reduction target proposed by Mayor Wheeler, Prosper Portland is cutting an additional \$56,000 in General Fund resources and programming. This reduction will bring the total cut for FY 2020-21 to \$352,492. Prosper Portland anticipated this reduction so there is no further impact to programming.
- **Neighborhood Prosperity Network (NPN) Shared Revenue: \$161,058**
 - Carry over from FY 2019-20 of additional Shared Revenue for the NPN districts as a result of actual district shared revenue versus tax increment financing for each of the NPN districts compared to the forecast for FY 2019-20. These funds were not allocated in FY 2019-20 during the Spring BMP and therefore are being requested as part of the Fall BMP. The funds are contractually due to the NPN districts as the total amount of funding available through the life of the districts.

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FY 2020-21 Support for Downtown Retail Activation Grant (no budget adjustment required)



- Prosper Portland supports the \$50,000 grant request from the Spectator Venues and Visitor Activities Fund to increase downtown retail activity and assist economic recovery within the retail and hospitality industries. The grant will fund a marketing and communications campaign to highlight retailers through social media, provide for Pop up Small Business and Activation Events; community based events and activation at key community business nodes in partnership with community-based organizations; and provide assessment and longer-term recommendations to provide guidance to Prosper Portland during the recovery phase to support downtown businesses.

FY 2019-20 Budget Reporting

Prosper Portland FY 2019-20 General Fund & Cannabis	Budget	Actuals	Variance
General Fund			
Neighborhood Economic Development	5,024,839	5,024,839	-
Traded Sector	1,650,155	1,650,155	-
General Fund Total	6,674,994	6,674,994	-
Cannabis Neighborhood Economic Development	737,126	737,126	-
Small Business Relief Program	1,000,000	1,000,000	-
Total Prosper Portland FY 2019-20 Contract	8,412,120	8,412,120	-

FY 2019-20 Performance Reporting

Attached are updated performance reports for program metrics and Prosper Portland's Key Performance Indicators. As of September 9, 2020, several metrics are still being collected by Prosper Portland partners for FY 2019-20 and will not be available until November. Key performance metrics for FY 2019-20, in most cases, did not meet targeted numbers.

- ***Percentage of workforce in Multnomah County working in quality job occupations remained steady at 52.3%.*** Quality jobs maintained at levels from the previous year and about exceeded the anticipated 5-year goal outlined in the strategic plan by about four percentage points.
- ***Percentage of non-TIF resources for operating budget (staff, materials and services, economic development programs) decreased from FY 2019-20 (73% to 69%).*** Operating resources decreased in FY 2019-20 compared to prior years primarily due to loss of loan interest and property income as a result of the COVID-19 pandemic in the fourth quarter of the fiscal year.
- ***1,000 strong and stable businesses in five years.*** While the number of strong and stable businesses increased to 226 from 118 in FY 2018-19, performance fell short from the targeted number of 400 due to the economic shock resulting from the COVID-19 pandemic. Given the current economic context and disproportionate impact to BIPOC entrepreneurs, the updated goal for Inclusive Business Resource Network metrics in FY 2020-21 will be 250 strong and stable businesses.

ZD - Prosper Portland

DP Type

Mid-Year Reduction

Request Name: 10859 -Reduction Target

Package Description

In order to reach the 5.6% reduction target proposed by the Mayor, Prosper Portland is cutting an additional \$56,000 in General Fund resources. This will bring the total cut for FY 2020-21 to \$352,492.

Service Impacts

Equity Impacts

2020-21 FALL Requested Adj	
External Materials and Services	-56,000

2020-21 FALL Requested Adj	
General Fund Discretionary	-56,000

ZD - Prosper Portland

DP Type

Other Adjustments

Request Name: 10860 -Neighborhood Prosperity Shared Revenue

Package Description

Carry over from FY 2019-20 of additional Shared Revenue for the NPN districts. These funds were not allocated in FY 2019-20.

Service Impacts

Additional funds go toward six NPN districts to support community based development projects in north, northeast and east Portland.

Equity Impacts

With an emphasis on localized bottom up economic development Prosper Portland partners with seven community-based organizations to support economic opportunity, small business growth, and build community capacity. These organizations or districts include Cully Blvd Alliance, Division-Midway Alliance, Historic Parkrose, Jade District, Our 42nd Avenue District, Rosewood Initiative and St. Johns Center for Opportunity.

2020-21 FALL Requested Adj	
External Materials and Services	161,058

2020-21 FALL Requested Adj	
General Fund Discretionary	161,058

ZD - Prosper Portland

DP Type

Technical Adjustments

Request Name: 10898 -Technical Adjustments

Package Description

Adjusting reduction target from Adopted Budget from General Fund Ongoing to General Fund One-Time

Service Impacts

NA

Equity Impacts

NA

2020-21 FALL Requested Adj	
External Materials and Services	0

2020-21 FALL Requested Adj	
General Fund Discretionary	0

Prior Year Fund Reconciliation Report

Prosper Portland

100 - General Fund

EXPENDITURES	2019-20 Revised Budget	2019-20 Actuals	Percent of Actuals to Revised
External Materials and Services	6,674,994	6,674,994	100%
TOTAL EXPENDITURES	6,674,994	6,674,994	100.00%

REVENUES	2019-20 Revised Budget	2019-20 Actuals	Percent of Actuals to Revised
General Fund Discretionary	6,674,994	0	0%
Miscellaneous Fund Allocation	0	0	
TOTAL REVENUES	6,674,994	0	0.00%

Expenditure Discussion

There were no variances.

There were no variances.

Revenue Discussion

There were no variances.

There were no variances.

227 - Recreational Marijuana Tax Fund

EXPENDITURES	2019-20 Revised Budget	2019-20 Actuals	Percent of Actuals to Revised
External Materials and Services	737,126	737,126	100%
TOTAL EXPENDITURES	737,126	737,126	100.00%

REVENUES	2019-20 Revised Budget	2019-20 Actuals	Percent of Actuals to Revised
Miscellaneous Fund Allocation	737,126	0	0%
TOTAL REVENUES	737,126	0	0.00%

Expenditure Discussion

There were no variances.

There were no variances.

Prior Year Fund Reconciliation Report

Prosper Portland

Revenue Discussion

There were no variances.

There were no variances.

FY 2019-20 Budget Note Update

Prosper Portland

Date of Budget Note: July 1, 2019 in the FY 2019-20 Adopted Budget

Budget Note Title: Harbor Restoration Trust Fund

Budget Note Language: City Council directs the City Budget Office (on behalf of the General Fund), the Portland Bureau of Transportation, and Prosper Portland to identify and budget resources for FY 2020-21 and FY 2021-22 in order to fund their portions of the initial funding for a Harbor Restoration Trust Fund. These funds are in addition to funding provided by the Bureau of Environmental Services as part of the FY 2019-20 Adopted Budget.

Summary Status: Underway

Budget Note Update: September 9th, 2020

Prosper Portland has budgeted these expenses in the FY 2020-21 Adopted Budget. Prosper Portland and OMF are currently working on an IGA to complete the transfer for FY 2020-21 of these funds from Prosper Portland to OMF. Staff anticipate funds to be disbursed to the City following execution of the IGA this fall. FY 2021-22 funds have been included in the draft IGA and will be budgeted as part of the FY 2021-22 Budget Process. <https://prosperportland.us/wp-content/uploads/2020/07/Prosper-Portland-Adopted-Budget-FY20-21.pdf>.

Bureau Performance Narrative

Prosper Portland

Key Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
ZD_0039 Percentage of workforce in Multnomah County working in quality jobs	OUTCOME	46.4%	52.0%	48.0%	52.3%	48.0%	0	
ZD_0042 Percentage of Non-TIF Resources for Operating Budget (Staff, Materials and Services, Economic Development Programs)	OUTCOME	74.0%	73.0%	75.0%	69.0%	75.0%	0	
ZD_0043 Ratio of private investment to Prosper Portland financial assistance	OUTCOME	6.14	24.09	6.00	0	6.00	0	
ZD_0057 Number of jobs created across agency	EFFICIENCY	N/A	2,486	2,600	0	2,600	0	

Other Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
ZD_0001 Number of volunteer hours provided by NPI Districts	OUTPUT	20,599	20,035	30,000	5,234	30,000	0	Not Final
ZD_0002 Net number of businesses (NPI Districts)	OUTCOME	16	51	20	0	20	0	Data doesn't come in until October
ZD_0005 Private Funds Leveraged by NPI Districts	EFFICIENCY	\$826,687	\$747,304	\$500,000	\$773,350	\$500,000	0	Not Final
ZD_0006 Number of technical assistance hours to business district associations by Venture Portland	WORKLOAD	3,188	11,230	2,700	2,341	2,700	0	
ZD_0010 Private Funds Leveraged by Venture Portland	EFFICIENCY	\$211,118	\$401,149	\$1,000,000	\$214,776	\$1,000,000	0	
ZD_0020 Number of youth participants in workforce development	WORKLOAD	470	502	492	524	492	0	
ZD_0021 Percentage of youth participants POC in workforce development	OUTPUT	75%	64%	65%	63%	65%	0	
ZD_0022 Number of adult participants in workforce development	WORKLOAD	906	936	781	895	781	0	

Prosper Portland
Prior Year Performance Reporting

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Other Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
ZD_0023	Percentage of adult participants people of color in workforce development	56%	53%	65%	56%	65%	0	
ZD_0025	Number of Traded Sector business retention, expansion visits	368	402	350	329	350	0	
ZD_0026	Number of Traded Sector direct assistance, referral activities	332	450	400	738	400	0	
ZD_0027	Number of Traded Sector business relocations (within Portland) and expansions	9	36	10	11	10	0	
ZD_0028	Number of Portland Traded Sector firms receiving export assistance	45	35	40	19	40	0	
ZD_0047	25 Businesses Invest in Expansion in 5 Years	1	5	8	7	10	25	
ZD_0048	100 Startup Businesses Launched in 5 Years	17	46	55	69	75	100	
ZD_0049	# of Businesses Receiving Light Touch Technical Assistance	513	656	350	676	400	0	
ZD_0050	Number of Businesses Receiving Long Term Technical Assistance	381	502	450	498	450	0	
ZD_0051	Percent of Adult Participants in Workforce Development who Advanced in Employment as Demonstrated by Gain in Earnings, Wage or Benefits	54%	62%	60%	62%	60%	0	
ZD_0053	Number of Companies Introduced to Capital Partners	45	43	40	118	40	0	
ZD_0054	Jobs Resulting from Traded Sector Business Relocations and Expansions within Portland	1,743	1,542	1,000	1,108	1,000	0	
ZD_0058	1000 Strong and Stable Businesses in 5 years	64	118	400	226	250	1,000	
ZD_0059	Number of volunteer hours - Venture Portland	0	0	0	9,386	8,000	0	