Advance > Portland

A Call to Action for Inclusive Economic Growth

Advisory Committee Meeting

September 19, 2023



AGENDA



Welcome & Overview

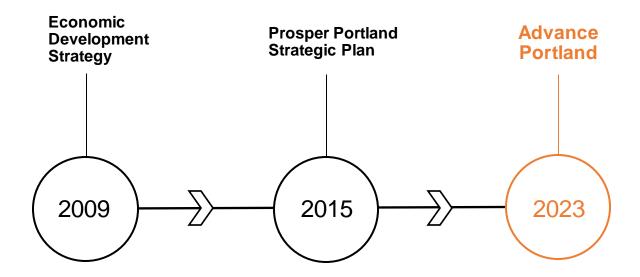
Advance Portland Strategy & Context

Call to Action

Group Activity

PROCESS & BACKGROUND

- Inclusive Growth Strategy analysis
 RW Ventures, Estolano Advisors,
 Camille E. Trummer Consulting
- Central City & Corridors Analysis
 ECONorthwest
- Robust community engagement
- Advisory bodies: Leadership Roundtable, Steering Committee
- Adopted by City Council: April 26, 2023





INCLUSIVE ECONOMIC DEVELOPMENT IN CONTEXT



Advance Portland:

A Call to Action for Inclusive Economic Growth

FUNDAMENTAL INPUTS:

Livability
Community Safety
Public Education System

City of Portland

- 2035 Comprehensive Plan
- Climate Action Plan
- Affordable Housing & Housing Production Strategies





Regional

- Workforce Development Plan
- Comprehensive Economic Dev. Plan
- A Home for Everyone
- Cradle to Career







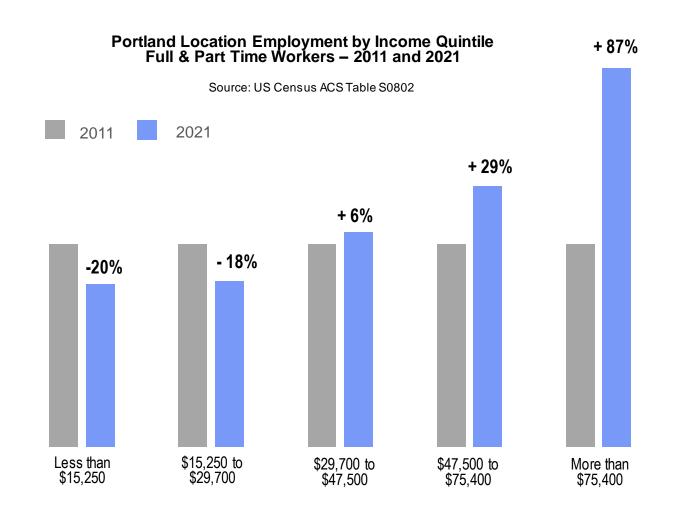




OUR STRENGTHS

Portland's accelerated growth through attraction of skilled labor enabled the economy to flourish

- Economic engine of a growing regional economy
- Strong high-wage job growth, high employment in knowledge occupations and highly educated talent with increasingly diverse workforce
- Competitive in Green Cities, Athletic & Outdoor,
 Metals & Machinery, Food & Beverage Manufacturing,
 and Software & Media
- Home to a world-class airport and export infrastructure
- National leader in climate action and land use
- Heart of regional tourism and cultural amenities and robust transit service
- Small business-rich main streets and healthy entrepreneurial ecosystem
- Broad mix of economic development partners supporting economic growth

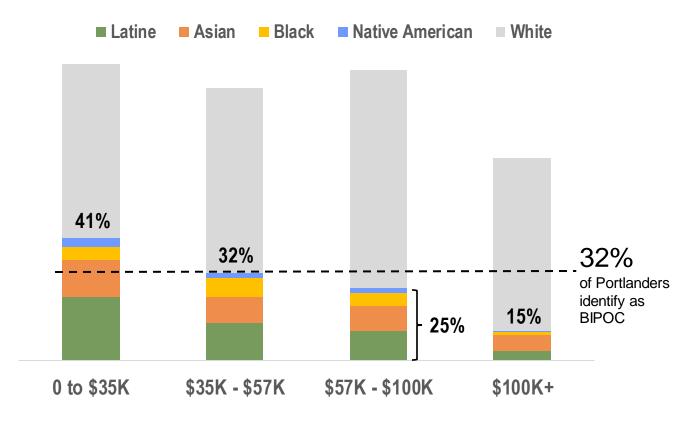


CHALLENGES

Portland failed to adequately tend to key fundamentals or equitably manage the consequences of this growth model.

- City of Portland's rates of business growth and employment growth lag region
- Employees in high-paying occupations and business owners are disproportionately white
- Displacement threatens areas of our city where BIPOC communities reside, compounded by staggering wealth inequity; white households have 7.5 times wealth of Black households and 5.2 times Latine households
- Limited industry-specific and growth-stage programming for entrepreneurs
- Anti-business sentiment creates risks and challenges for business leaders to work with the public sector creating reduced engagement and fractious dynamic
- Jobs growing in West, poverty concentrating in East leading to increased commute times and barriers to quality employment

Multnomah County Employment by Income Category Full Time Workers by Race and Ethnicity - 2021



"Portland has a funny relationship with success. When you're young and scrappy and not making any money, you're super cool. And then as soon as you change absolutely nothing you're doing, but successful, then you're evil."

- Small Business Leader

POST-PANDEMIC DYNAMICS

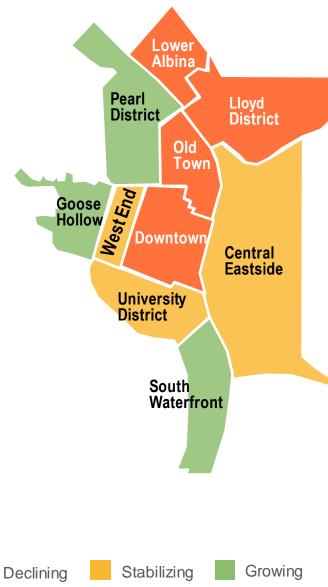
The city can no longer take its growth for granted.

Challenges

- Population decline for first time in 40 years
- Tax/value proposition has eroded, with 32% business tax increase since 2019
- Increased office vacancies, reduced presence of employees and visitors in subdistrict; employee foot traffic is down 36% across the Central City, with Downtown, Old Town and Lloyd most impacted.
- Growing concerns of crime and untreated mental health and addiction crises
- Investment and employment in neighborhood commercial districts declined; just 67% of small business establishments across the City remained stable throughout the pandemic.

Bright Spots

- Subdistricts with a more balanced mix of residential to employment uses fared better and were more resilient coming out of the pandemic.
- In some districts, home businesses flourished, creating opportunities.
- Notable correlation between district capacity and business health
- Green cities industry retained 97% of jobs throughout the pandemic
- Events and travel are bringing people back to the Central City

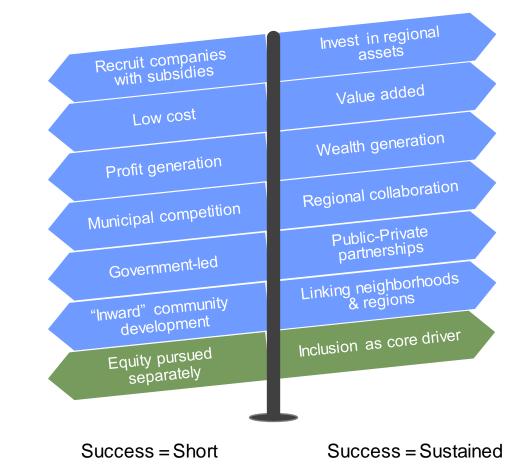




THE GOAL

To advance inclusive growth through best practice interventions that further competitiveness, racial equity and climate action.

- Quality job growth and expansion of competitive industries
- Vibrant and inclusive Central City and neighborhood commercial districts
- Increased racial equity in entrepreneurship and traded sector employment
- Deployment of innovative green products and services



Quality Growth

Term Job Creation

Inclusive Growth Strategy



OBJECTIVE 4

Connect Portlanders to High-Quality Jobs in Future-Ready Sectors

FOUNDATIONAL VALUES

Further Racial Equity & Inclusion - Advance Climate Action Build Effective Institutions & Partnerships - Embrace & Manage Growth

MEASURES OF SUCCESS

DESIRED OUTCOME

Portland's competitive advantage in traded sector industries grows, connecting workers to quality jobs and business growth; innovation is prioritized in green products and services; and there are fewer barriers to growth, inclusion, and innovation.

BIPOC entrepreneurs can start, scale, and innovate their businesses through strong partnerships; access increases to property ownership, financing, and contracting; and the City of Portland centralizes funding and technical assistance for the small business community.

The Central City is strong and vibrant with more mixed-income housing and commercial activity; businesses in neighborhood commercial districts grow and thrive; commercial areas across Portland are gathering spots to celebrate culture through events and activations.

Job seekers have access to career path opportunities that are inclusive and industry-focused; public private partnerships reduce barriers and address employment gaps; Portland workers are connected to job centers by improved transportation and growing, mixed-use neighborhoods.

INDICATOR

- Growth of quality jobs (\$57k per year)
- % BIPOC employment in quality jobs
- · Green Cities industry Location Quotient
- Central City, East Portland: BIPOC Homeownership Rates as proxy for overall asset building
- · BIPOC percentage of capital raised
- Change in white BIPOC gap of small business ownership

Central City:

- Foot traffic
- · Commercial vacancy rates

Central City, Citywide Districts, East Portland:

- Small business employment
- Small business count and churn rate/stability
- Employment growth in priority industries and growth sectors
- BIPOC share of workers under the poverty rate
- Commute times for East Portland residents

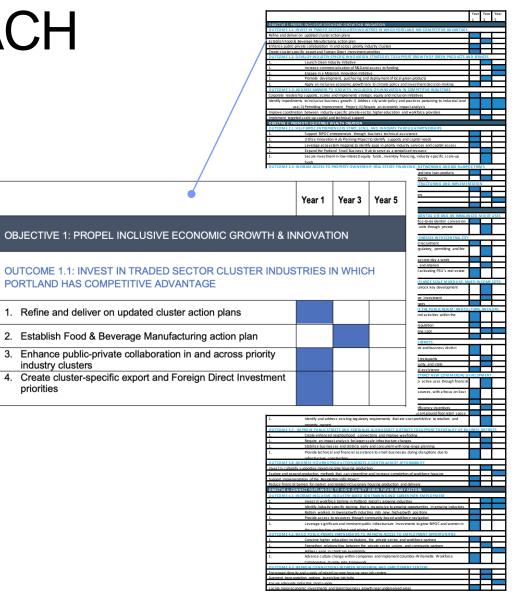
COLLABORATIVE APPROACH

External Advisory Committee

- Composed of broad consortium of public, private and community-based organizations
- Established to monitor progress, support mutual accountability, and advise on implementation
- Advises on the implementation plan

City Implementation Team

- Composed of City and Prosper Portland staff
- Responsible for implementation of City-led initiatives and actions
- Establish to ensure progress, address challenges, support coordination and identify resources needed for implementation
- Assess existing programming for alignment with the strategy
- Update work plans, staffing, and budgets accordingly



ADVISORY COMMITTEE

Aben Hill, Rivermark Community Credit Union Adam Zimmerman, Craft3 Alando Simpson, COR Disposal & Recycling + PMC **Board Chair** Andrew Colas, Colas Construction Andrew Hoan, Portland Metro Chamber Angela Jackson, Portland SEED Fund + Portland State University Bill Hart, Hart Development Bridgid Blackburn, Cargo + Venture Portland Catherine Ciarlo, Metro Cobi Lewis, Micro Enterprise Services of Oregon Dr. Adrien Bennings, Portland Community College Dr. Ann Cudd, Portland State University Edy Martinez, NAYA + Cully Blvd. Alliance Eric Cress, Urban Development Partners + CEIC George Carrillo, Latino Built James Paulson, Worksystems Board Chair Jan Mason, Mackenzie + PACCO + GPEDD Jason Green, CB Richard Ellis + NAIOP JC Vannatta. TriMet Jeff Miller, Travel Portland

Juan Barraza, VertueLab
Keith Leavitt, Port of Portland
Lee Po Cha, Immigrant Refugee Community Organization
Maribel De Leon, Oregon Community Foundation
Michi Slick, Killian Pacific + Prosper Portland Board
Molly Washington, National Association of Minority Contractors –
Oregon
Monique Claiborne, Greater Portland Inc
Natalia Garcia, INDUSTRY
Nik Blosser, Portland General Electric
Nolan Lienhart, ZGF Architects
Paulo Costaldo, Oregon Manufacturing Extension Program
Sophorn Cheang, Business Oregon

Stephen Green, Business for a Better Portland + Built Oregon Téjara Brown, FFA Architecture & Interiors + N/NE Action Plan Leadership Committee



OBJECTIVES & ACTIONS



OBJECTIVE 1:

INCLUSIVE ECONOMIC GROWTH & INNOVATION

- Invest in traded sector cluster industries in which Portland has competitive advantage to increase access to quality jobs and business growth
- Develop industry-specific innovation strategies to support growth of green products and services
- Address barriers to growth, inclusion or innovation in competitive industries



OBJECTIVE 2:

EQUITABLE WEALTH CREATION

- Help BIPOC entrepreneurs start, scale and innovate through partnerships
- Increase access to property ownership, real estate financing, networking and bid opportunities for BIPOC firms and individuals
- Explore policy and structural shifts as part of ongoing City Charter restructuring and implementation



OBJECTIVE 3:

A VIBRANT CITY CENTER

- Increase mixed income housing in subdistricts with a lack of residential use and an imbalanced mix of uses
- Retain and increase commercial activity in the Central City and support small businesses in the Central City
- Catalyze public-private partnerships to unlock infill development of large scale mixed-use, mixed-income sites with high transit accessibility
- Attract more visitors through events and activation; renovation of the public realm; and support for regional cultural organizations and anchors



OBJECTIVE 3:

VIBRANT COMMERCIAL DISTRICTS

- Support growth and health of businesses within the commercial districts
- Activate vacant properties and storefronts with communityserving businesses; attract new commercial development
- Improve public streets and sidewalks along select districts to support the vitality of business districts
- Address housing production across a continuum of affordability



OBJECTIVE 4:

HIGH QUALITY JOBS IN FUTURE-READY SECTORS

- Increase inclusive, industry-based job training and career path employment
- Build public-private partnerships to improve access to employment opportunities
- Improve connections between residential and employment centers



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Early Implementation Activities

Prosper Portland & City of Portland



Shared Priorities for City of Portland Focus of 1st City Implementation

Objective 1

- Launch Clean Industry Initiative
- Secure federal funding and deploy local resources to increase commercialization and deployment of green products
- Advance permitting improvements that encourage business growth
- Require economic impact analysis to increase awareness for decision makers of cost and implications for rate/tax/fee payers

Objective 2

- Align and centralize City of Portland assistance for small businesses as part of city charter restructuring
- Address barriers in city regulatory processes for small owners

Objective 3

Team Meeting

 Encourage market delivery of office-to-residential conversion and new infill residential development

Facilitate anchor business retention and recruitment with tailored financial incentives

- Streamline regulator processes to unlock infill development of large-scale site
- Pursue new TIF districts in Central City and East Portland
- Activate public rights of way, enable events office and encourage conversion of nuisance vacant ground floors
- Stabilize districts early and concurrent with long-range planning for long-term transit and growth

Objective 4

- Leverage significant public infrastructure investments to growth BIPOC and women in construction workforce
- Improve connections between residential and employment centers through planning, transportation, industrial land supply and economic investments

Shared Priorities for City of Portland

Objective 1

- Launch Clean Industry Initiative Report Complete
- Secure federal funding and deploy local resources to increase commercialization and deployment of green products Submitted grant with Vertue Lab, PSU
- Advance permitting improvements that encourage business growth Ordinance Passed
- Require economic impact analysis to increase awareness for decision makers of cost and implications for rate/tax/fee payers Underway

Objective 2

- Align and centralize City of Portland assistance for small businesses as part of city charter restructuring
- Address barriers in city regulatory processes for small businesses owners

Objective 3

- Encourage market delivery of office-to-residential conversion and new infill residential development Incentives approved
- Facilitate anchor business retention and recruitment with tailored financial incentives Ongoing priority
- Streamline regulator processes to unlock infill development of large-scale site
- Pursue new TIF districts in East Portland and Central City
 Process launched
- Activate public rights of way, launch events office and encourage conversion of nuisance vacant ground floors Events Office
 Launched + Outdoor Dining now permanent
- Stabilize districts early and concurrent with long-range planning for long-term transit and growth

Objective 4

- Leverage significant public infrastructure investments to growth BIPOC and women in construction workforce Ongoing priority
- Improve connections between residential and employment centers through planning, transportation, industrial land supply and economic investments

INVEST IN TRADED SECTOR CLUSTER INDUSTRIES

BUSINESS RETENTION & EXPANSION

- 1 Athletic & Outdoor
- Food & Beverage Manufacturing
- Green Cities
- 4 Metals & Machinery
- (5) Software & Media

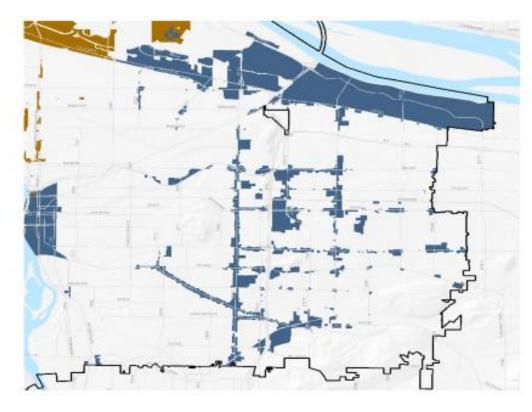


BUSINESS RETENTION & EXPANSION

ENTERPRISE ZONES

- Portland
 Enterprise Zone
 (2019-2029)
- East Portland
 Enterprise Zone
 (Approved to 2033)





BUSINESS RETENTION & EXPANSION

DOWNTOWN BUSINESS INCENTIVE CREDIT

New leases or current lease extensions (2023 or 2024 calendar year) within eligible sub-district boundaries for a period of 4 years or more *OR*

Owns and occupies that building space

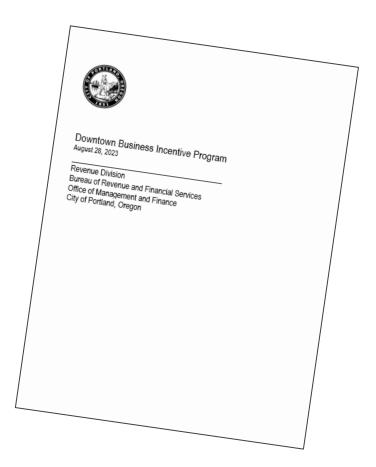
AND

Maintains at least 15 employees with each employee working at least half their time in the leased or owned building space + provide an attestation as such

Subdistricts Eligibility

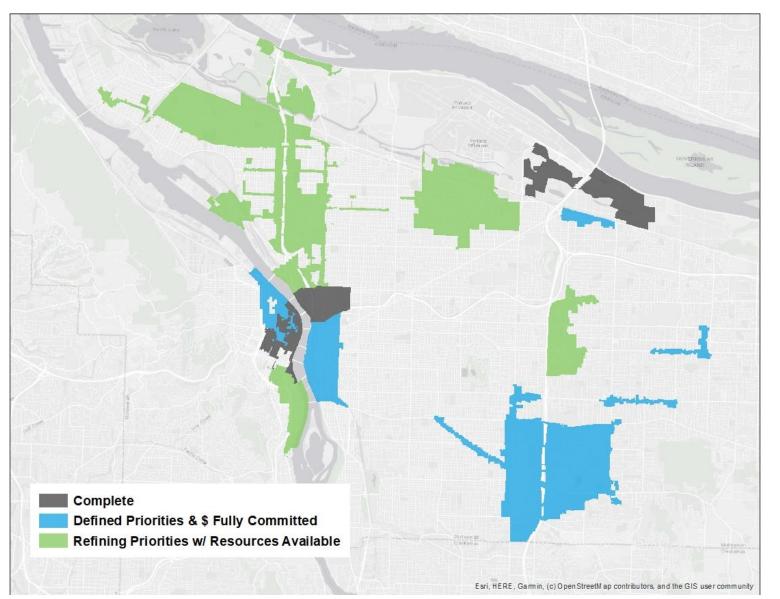
- Downtown
- Old Town
- Lloyd District
- Lower Albina

One-time credit available in either calendar year 2023 or 2024, but not both of up to \$250,000; credit divided and taken equally over four years beginning with the tax year of origination



VIBRANT CENTRAL CITY & CORRIDORS

CURRENT TAX INCREMENT FINANCE AREAS





Affordable Housing 45%

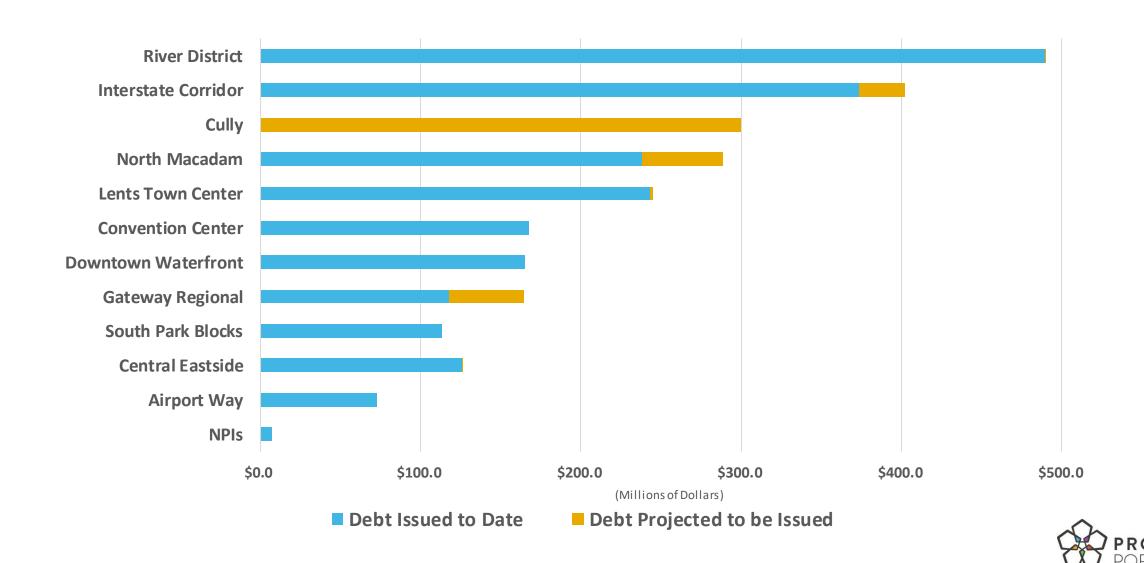


Economic Development 55%



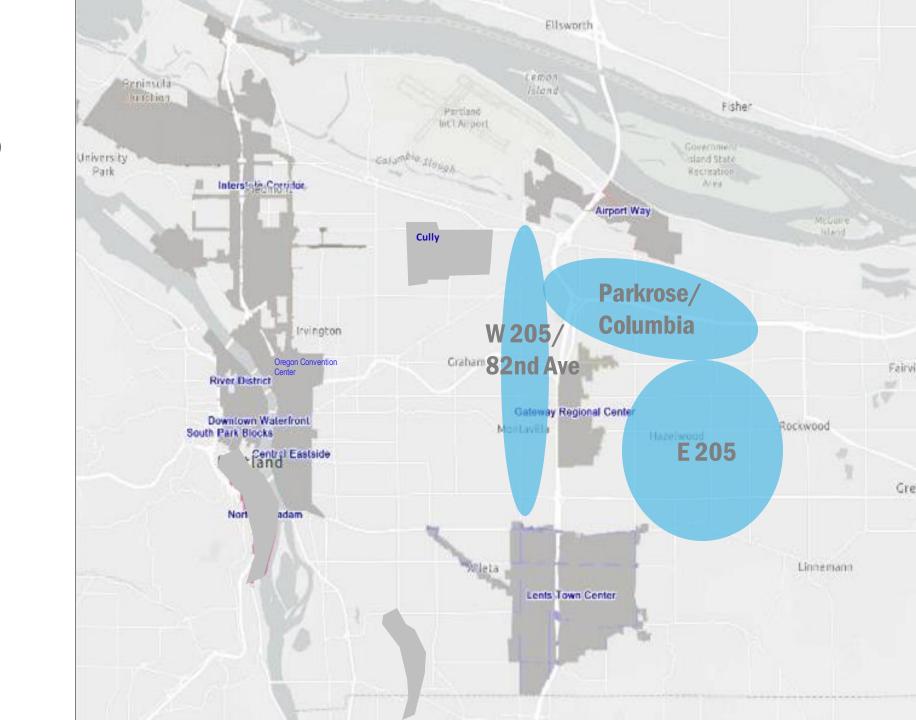
VIBRANT CENTRAL CITY & CORRIDORS

TIF DISRICT MAXIMUM INDEBTEDNESS



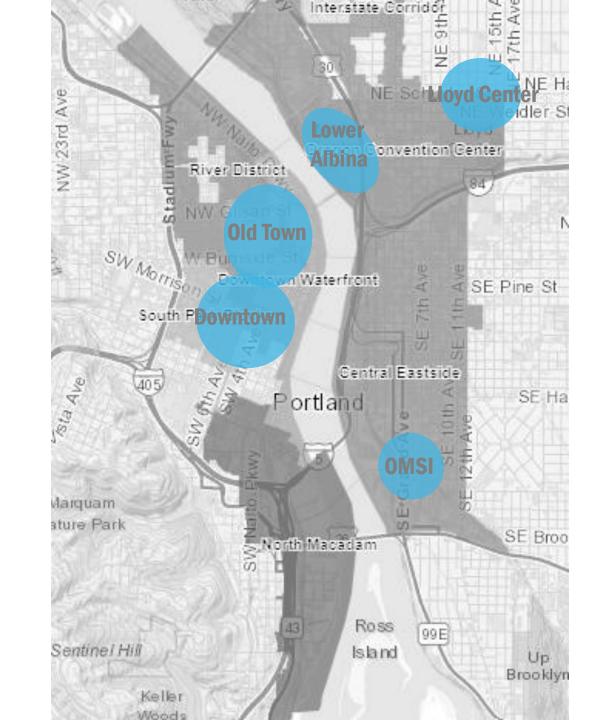
NEW TIF DISTRICT EXPLORATION

EAST PORTLAND



NEW TIF DISTRICT EXPLORATION

CENTRAL CITY



AGENDA



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Group Activity

QUESTION 1:

Where do you see yourself in the plan?

- Where does/might you or your organization play a role?
- Use <u>post-its</u> to add your name and any additional details

QUESTION 2:

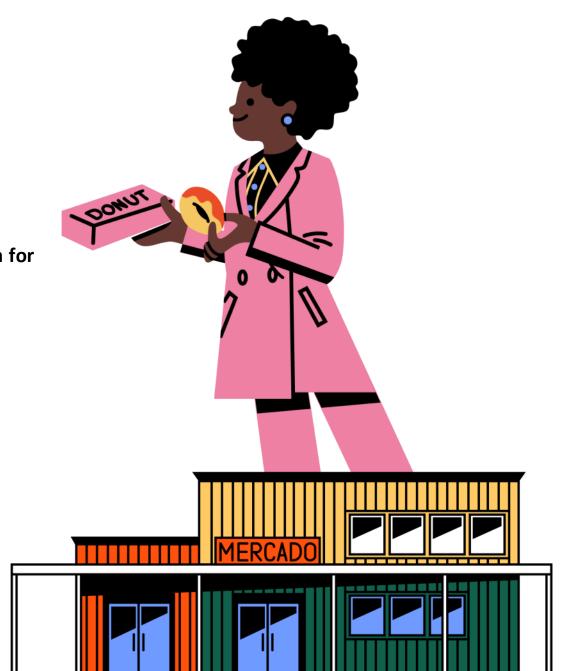
Where should we focus?

- Pick a few areas/top priorities we should discuss or focus on for our first year
- What is the work of this committee going to be?
- Use dots!

QUESTION 3:

What should we know about your work?

- What updates do you want to share? Are there things happening that we should know about or be tracking?
- Comments about progress where you see it?
- Use <u>post-its!</u>



NEXT STEPS







