

TSCC Budget Review 2020-21

Prosper Portland

1. Introduction to the District

Prosper Portland is the City of Portland's economic development and redevelopment agency and is responsible for achieving the City's key place-making, job creation, and economic opportunity objectives.

Prosper Portland is governed by a five member, non-salaried commission appointed by the Mayor and approved by City Council. Though Prosper Portland is independent of the City, it works closely with the City to execute the City's economic development plans.

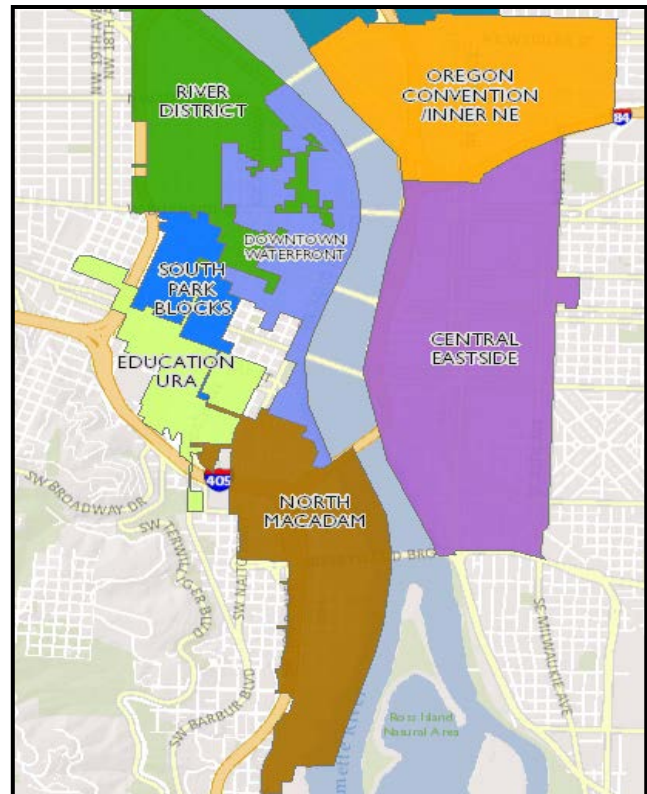


2. History

Prosper Portland was created by Portland voters in 1958 after the 1957 State Legislature authorized cities and counties to create to receive federal urban renewal funds and to collect property taxes using tax increment financing. Since that time the agency and the City have activated 25 plan areas and levied property taxes to replace the now defunct federal program. Of those, five have been closed and four others were formed but never utilized tax increment financing.

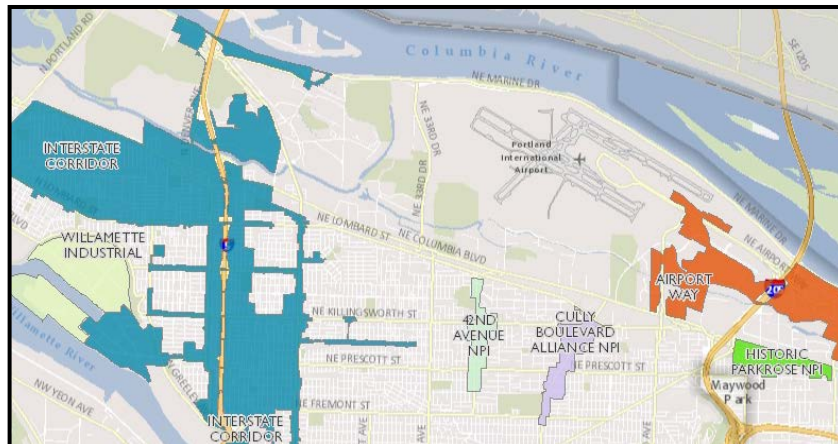
Six plan areas are located downtown and close-in on the east side.

- River District
- Downtown Waterfront
- South Park Blocks
- North Macadam
- Oregon Convention Center
- Central Eastside



*Six central districts
(Education district has been dissolved)*

Three of these plan areas - Downtown Waterfront, Convention Center, and South Park Blocks - have reached their maximum indebtedness. They can no longer issue debt but will continue to collect tax increment revenues until the outstanding debt has been paid off. They continue to spend remaining project funds and new program revenues on activities and projects.



Five north side plan areas

Five plan areas are on the north side of Portland.

- Interstate Corridor
- 42nd Ave NPI
- Cully Blvd Alliance NPI
- Historic Parkrose NPI
- Airport Way

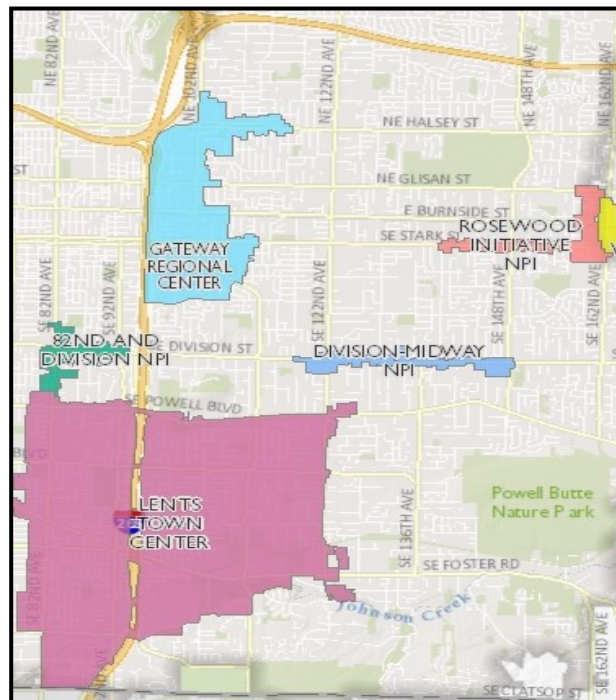
Interstate Corridor area has reached its maximum indebtedness. The three NPI (Neighborhood Prosperity Initiative) districts are discussed below.

Five areas are in the southeast portion of the City.

- Lents Town Center
- Gateway Regional Center
- 82nd and Division NPI
- Division Midway NPI
- Rosewood Initiative NPI

Of the 16 current plan areas, six are small Neighborhood Prosperity Initiative (NPI) areas. These areas are geographically and financially small. They are designed for small scale economic development activities on the east side of Portland

Eight URAs - River District, Central Eastside and all six NPIs – are statutorily limited in revenue generation. If the estimated tax increment to be received exceeds 3% of a plan area's maximum indebtedness, then a portion of the increase in assessed value is reallocated to the other taxing districts that levy within these URAs.



In addition to tax increment financing, four of the oldest active plan areas (Downtown Waterfront, Convention Center, Airport Way, and South Park Blocks) can impose a special levy over all property within the City of Portland’s boundaries. The City has limited the special levy to \$15,000,000 , but the amounts allocated to each plan area change from year to year). The most recent rate for the special levy (2019-20) was \$.2108 per \$1,000 of assessed value.

Prosper Portland	2016-17	2017-18	2018-19	2019-20
Base Frozen Value in Billions	\$4.779	\$4.779	\$4.775	\$4.776
Excess Value Used in Billions	\$6.495	\$7.107	\$7.575	\$7.858
Excess Value Not Used in Billions	\$2.861	\$2.962	\$3.377	\$4.088
Total Value All Plan Areas in Billions	\$14.135	\$14.848	\$15.699	\$16.721
Special Levy Tax Rate	\$0.2405	\$0.2283	\$0.2203	\$0.2108
Number of Plan Areas	16	16	16	16
Measure 5 Loss	\$-6,758,289	\$-7,894,823	\$-7,967,395	\$-8,502,806
Number of Employees (FTE's)	86	87	86	90

The primary revenue source for Prosper Portland is tax increment financing, a means of capturing property taxes generated by increased assessed value on properties in an urban renewal district. That “captured” property tax is use to pay for debt service on debt issued to pay for improvements and economic development in the district. Each district is assigned a maximum indebtedness when created by the City Council. The following chart shows the maximum indebtedness of each district and the remaining debt capacity (as of June 30, 2019).

TABLE 10: Unused Borrowing Capacity for Urban Renewal Areas						
Urban Renewal Area	Final Date to Issue Debt	Maximum Indebtedness	Long-Term Bonds Issued *	Other Indebtedness **	Outstanding Line of Credit Balances	Unused Borrowing Capacity
Airport Way	Expired	\$72,638,268	\$53,000,000	\$19,638,268	\$0	\$0
Central Eastside	August 2023	125,974,800	32,920,340	77,956,161	6,190,298	8,908,001
Downtown Waterfront	Expired	165,000,000	96,685,000	68,315,000	0	0
Oregon Convention Center	Expired	167,511,000	119,140,000	48,370,000	0	1,000 ***
South Park Blocks	Expired	143,619,000	77,810,000	34,225,000	0	31,584,000 ***
Lents Town Center	June 2020	245,000,000	36,890,000	132,962,778	15,903,672	59,243,550
River District	June 2021	489,500,000	106,269,306	327,015,000	32,124,167	24,091,527
North Macadam	June 2025	288,562,000	64,925,000	101,841,730	13,929,942	107,865,328
Interstate Corridor	At Max Indebt.	335,000,000	81,935,000	175,105,000	8,123,221	69,836,779
Gateway	June 2022	164,240,000	0	48,381,099	12,660,988	103,197,913
42nd Avenue NPI	At Max Indebt.	1,250,000	0	825,803	0	424,197
Cully Blvd. NPI	At Max Indebt.	1,250,000	0	906,802	0	343,198
Parkrose NPI	At Max Indebt.	1,250,000	0	710,111	0	539,889
Rosewood NPI	At Max Indebt.	1,250,000	0	696,513	0	553,487
Division-Midway NPI	At Max Indebt.	1,250,000	0	769,742	0	480,258
82nd Ave. & Division NPI	At Max Indebt.	1,250,000	0	580,071	0	669,929
Total		\$2,204,545,068	\$669,574,646	\$1,038,299,078	\$88,932,288	\$407,739,056

* Includes interim financing counting against maximum indebtedness that was subsequently converted to long-term debt.

** Includes overnight borrowings, disbursements to NPI urban renewal areas, net premium/discount on long-term bond issue interim borrowings from available tax increment revenues.

*** Cannot be accessed via issuance of long-term or interim debt due to expiration of final date to issue debt.

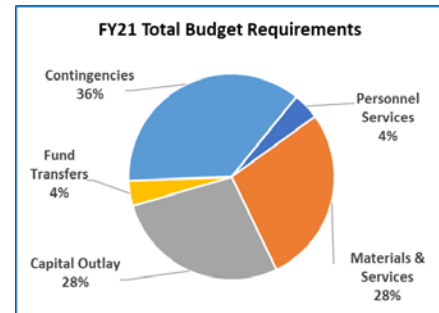
3. Strategic Plan/Performance Objectives

In her Budget Message, Executive Director Kimberly Branam cites the district’s response to the COVID-19 Pandemic as the major influence on the budget. The district has taken a leadership role in the city’s economic response and the budget prioritizes those responses. The capital budget remains as planned.

4. Budget in Total

The FY21 budget is \$348.6 million, a decrease of \$70.9 million (17%) from the revised current year budget. Total expenditures are \$207.8 million, \$34.7 million lower than the current year. Fund balance (assuming contingency is unspent) is budgeted to fall from \$228.3 million at the end of this year to \$126.7 million at the end of FY21.

	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	Change	
					\$	%
Admin Svcs	\$ 12.3	\$ 13.2	\$ 14.6	\$ 14.5	\$ (0.1)	-1%
Housing	47.8	46.7	50.1	42.4	(7.7)	-15%
Comm Dev	3.8	4.6	9.6	14.6	5.0	52%
Econ Dev	50.3	75.6	101.7	136.3	34.7	34%
Total Expenses	\$ 114.2	\$ 140.0	\$ 175.9	\$ 207.8	\$ 31.9	
Transfers Out	14.2	14.7	15.3	13.9	(1.5)	-10%
Contingencies	-	-	228.3	126.9	(101.4)	-44%
Ending Fund Bal	295.5	293.7	-	-	-	0%
Total Requirements	\$ 423.9	\$ 448.4	\$ 419.5	\$ 348.6	\$ (70.9)	-17%



For the budget as a whole, total FY21 expenditures (money the district spends) will exceed revenues (money coming into the district) by \$101 million as shown in the following chart. That situation is a planned situation as the district draws down dedicated portions of fund balances to pay for projects. The fund balance in the main operating fund, the General Fund is stable (see following section on the General Fund).

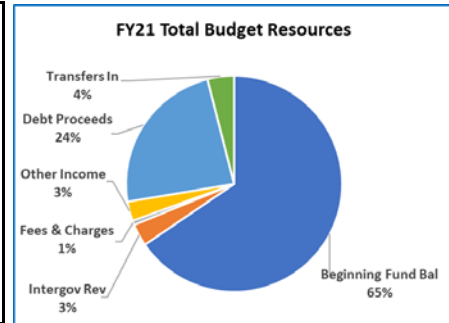
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud
Total Revenues	\$ 172	\$ 139	\$ 111	\$ 106
Total Expenses	114	140	176	208
Annual Gain/(Loss)	\$ 58	\$ (1)	\$ (65)	\$ (101)
Ending Fund Bal/Conting	\$ 295	\$ 294	\$ 228	\$ 127

Resources:

Total Resources balance to total requirements. Debt proceeds are the primary source of revenue. With the exception of Beginning Fund Balance and Other Income, resource line items do not show significant changes.

- Beginning Fund Balance decreased between the current year and the FY21 budget because current year expenditures are estimated to exceed revenues by \$65 million.
- Other Income includes interest earnings, loan repayments, miscellaneous income, and property income, all of which decreased.

Prosper Portland - Total Resources (\$ Million)						
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	Change	
					\$	%
Beginning Fund Bal	\$ 237.5	\$ 294.2	\$ 293.7	\$ 228.3	\$ (65.4)	-22%
Revenues:						
Intergov Rev	9.9	9.6	11.3	11.6	0.3	3%
Fees & Charges	1.6	1.8	1.7	2.2	0.5	33%
Other Income	44.6	24.8	15.6	10.2	(5.5)	-35%
Debt Proceeds	116.2	103.2	81.9	82.5	0.6	1%
Total Revenues	\$ 172.2	\$ 139.5	\$ 110.5	\$ 106.4	\$ (4.1)	-4%
Transfers In	14.2	14.7	15.3	13.9	(1.5)	-10%
Total Resources	\$ 423.9	\$ 448.4	\$ 419.5	\$ 348.6	\$ (70.9)	-17%



Prosper Portland has no taxing authority. It relies on the City of Portland to issue debt on its behalf. The agency has four primary revenue sources. FY20 totals are shown.

- Debt Proceeds are the revenues from debt issued by the City of Portland and backed by tax increment revenue. Portland levies the tax, issues debt, and transfers the debt proceeds to Prosper Portland. Prosper Portland uses the debt proceeds for projects, and the City of Portland uses the tax increment revenue for debt service.
- Intergovernmental Revenue comes from the City of Portland as it transfers a portion of its unrestricted funds to Prosper Portland for economic development efforts. It also transfers state and federal grant money to the agency.

The revenue from these sources is used in three ways.

1. Tax increment revenues are used only for projects to eliminate blight in urban renewal areas.
2. Loan collections, property income, and some intergovernmental revenues are discretionary, but within the umbrella of economic development.
3. State and federal grants are restricted to the purpose of the grant.

In her Budget Message, Executive Director Kimberly notes the primary impact on FY21 revenues.

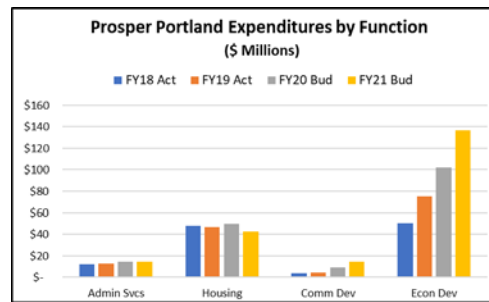
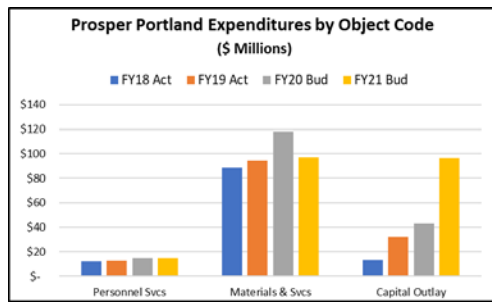
The Approved Budget is balanced using a variety of resources that are impacted differently by the economic shock of the COVID-19 crisis.

1. **Tax increment** debt proceeds are largely unchanged based on the financial capacity of each TIF District. The budget includes \$82 million in new tax increment debt resources to fund TIF District Action Plans and the affordable housing set aside in each district.
2. The Mayor’s Approved **General Fund** decisions include a 5 percent reduction in ongoing resources for economic development programming with new one-time funding of \$1,753,000 in **Cannabis Fund** and **Community Development Block Grant** (CDBG) resources largely dedicated to support vulnerable businesses through the Small Business Relief Fund.
3. COVID-19 has had a significant impact on Prosper Portland’s **operating revenues**. The FY 2020-21 Approved Budget assumes a decline of more than \$6,000,000 in income from reduced repayment of loans and revenue from properties Prosper Portland manages when compared to the FY 2019-20 Adopted Budget.

Expenditures:

The expenditure budget for FY21 is increasing by \$32 million to \$208 million. Capital outlay expenditures are the driver of that increase.

Prosper Portland - Total Budget (\$ Million)						Change	
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	\$	%	
Personnel Svcs	\$ 12	\$ 13	\$ 15	\$ 15	\$ (0)	-2%	
Materials & Svcs	89	95	118	97	(21)	-18%	
Capital Outlay	13	33	43	96	53	125%	
Total Expenses	\$ 114	\$ 140	\$ 176	\$ 208	\$ 32		
Transfers Out	14	15	15	14	(1)	-10%	
Fund Bal/Conting	295	294	228	127	(101)	-44%	
Total Requirements	\$ 424	\$ 448	\$ 420	\$ 349	\$ (71)	-17%	



There is a multitude of ways to evaluate Prosper Portland expenditures. The following section looks at three of these ways.

A. Expenditures by Function

Administration – The Administration program budget is \$14.5 million. This represents a net decrease of \$100k from FY 2019-20. The reduction comes from reduced staffing and budgeted reductions in administrative materials and services.

Housing – The Housing program budget is \$42.4 million. These expenditures occur through an intergovernmental agreement with the Portland Housing Bureau and execute the Housing Set Aside policy that dedicates 45% of all new TIF Debt Proceeds to affordable housing. Year to year changes in budget are related to the timing of project expenditures as provided by the Portland Housing Bureau to Prosper Portland to incorporate into the annual budget and Five-Year Forecast.

Community Development – This is the Infrastructure program and the budget is \$14.6 million, an increase in \$5million from the previous fiscal year. This category includes all projects and programs that are public infrastructure improvements including parks, public facilities, and transportation. Projects include North Macadam transportation improvements, Sullivan’s Crossing in Convention Center, and Street Improvements in Gateway and Central Eastside districts.

Economic Development – The Economic Development program budget is \$136 million. Property Redevelopment is the largest segment of this budget, \$118 million. This category also includes business lending, community economic development, traded sector business development, and entrepreneurship programs funded largely by City General Fund, Enterprise Zone and Community Development Block Grant funding. General Fund directives include ongoing cuts for Adult and Youth Workforce, Inclusive Business Resource Network, Neighborhood Prosperity Network, Venture Portland and Traded Sector. Also included is ongoing funding for My People’s Market, one-time funding for Small Business Relief, and Cannabis business technical assistance.

B. Expenditures by Object Code

Personnel Services:

Soon after developing its draft budget, the district realized the need to decrease the personal services budget to keep expenditures within the reduced FY21 revenues. In the end, the district developed \$1 million in payroll savings (about 6.8%) from what was in the Draft FY21 Budget, dropping personnel costs for salaries and benefits from \$14.5 to \$13.5 Million. That budget includes a \$1 Million payment to the PERS pension obligation bond which the district pays to the City through 2026.

The savings were achieved by:

- Decreasing FTE by 4 positions, from 91 to 87 FTE
- Requiring Non-management staff earning over \$75K to take 12 furlough days during the year (equates to a 4.6% wage decrease)
- Requiring management to take a 7.5% decrease in pay

One position, a limited term 0.5 FTE position, was put into the approved budget by the Budget Committee as it chose to restore, partially, the Portland Film Office.

Materials and Services:

Materials and services are decreasing from \$118 million this year to \$97 million in FY21 as part of a 7.5% reduction in on-going programming due to pandemic-related revenue shortfalls. Financial Assistance to businesses and non-profits in the form of loans and grants account for \$34 million (56% Loans and 44% grants) of the M&S expenditures. That category of expenditures is decreasing by \$18 million from the current year budget.

Capital Outlay:

The capital outlay expenditures are used to finance Prosper Portland’s share of capital projects, mostly infrastructure improvements, transportation capital projects (including light rail and Portland Streetcar some years), and parks within urban renewal areas. Capital project expenditures for FY20 are \$115 million. The following chart identifies the major projects.

Prosper Portland Capital Projects			
Major Projects	Project/District	FY21 Budget	Notes on Projects
	Affordable Housing-Interstate	\$ 22,493,657	
	Post Office-River District	20,145,000	includes relocating PO retail site, demo, site prep
	Old Town/China Town Investment & Parking-Downtown Waterfront	19,650,000	Several projects in Downtown Water Front including property acquisition of Block 24 in partnership with La Sue Chinese garden (approved at last Board meeting)
	Project Development-North Macadam	15,800,000	Purchase of property in South Waterfront for reconfiguration of South Portal streets, redevelopment
	Affordable Housing-North Macadam	12,558,041	
	Infrastructure Investments-North Macadam	6,300,000	
	University Place-North Macadam	5,100,000	
	Old Town/China Town Investment & Parking-River District	5,000,000	
	Project Development-Willamette	3,600,000	Potential property acquisition in Willamette (using remainder of district funds) in partnership with Port for makers space/food kitchen for startup business; still negotiating
All Others		<u>4,693,302</u>	
Total		\$ 115,340,000	

C. Expenditures By Action Plans

- **North/Northeast Community Action Plan:** Ongoing investment of \$32 million in remaining Interstate Corridor TIF resources on small business and long-time property owner assistance, community livability grants, and a cultural business hub(s).
- **Gateway Action Plan:** Ongoing investment of remaining TIF resources in the Gateway Regional Center TIF District including business investments in the Halsey/Weidler corridor, mixed-use development of the Gateway Transit Center, and infrastructure investments in Central Gateway.
- **Lents Action Plan:** Ongoing investment of remaining resources in the Lents Town Center TIF District, including the 92nd and Harold development, long-term property owner assistance, Prosperity Investment and Community Livability Grants, and quality job growth.
- **Old Town/Chinatown Action Plan:** Ongoing investment within River District and Downtown Waterfront TIF Districts for small business vitality, culturally specific redevelopment opportunities, and historic preservation.
- **Broadway Corridor Development Planning and Master Plan:** Investments within the River District TIF District for asset management of the existing USPS site and site preparation for development in alignment with extensive community and Steering Committee input.
- **Oregon Convention Center:** Planning, investment and continued asset management on Prosper Portland held assets including Inn at the Convention Center, the Convention Center Hotel Garage, and the Action Sports Building.
- **Central Eastside:** Investment in industrial and employment growth at ODOT Blocks and in partnership with OMSI on the OMSI Master Plan.
- **North Macadam:** Implementation of partnership agreement with PSU, new transportation and greenway infrastructure to support South Waterfront growth, and investments in office, housing, innovation, and job growth including via partnership with OSU.
- **Housing Set Aside:** Ongoing implementation of the Housing Set Aside Policy providing a total of 45 percent of all new TIF Debt Proceeds, totaling \$124 million over the next five years.

Contingencies, Transfers, Unappropriated:

Prosper Portland budgets all funds that are not to be expended as contingency. It does not budget ending fund balance. This allows Prosper Portland to be nimble enough to respond to new opportunities as they emerge. Contingencies in the budget are decreasing from \$228 million this year to \$127 million in FY21. Prosper Portland's contingency fluctuates annually due to cash inflows from debt issues and outflows spent on projects.

Interfund Transfers balance. There is no ending fund balance budgeted.

5. Analysis of General Fund

The total General Fund budget for FY21 is \$22 million, a decrease of \$ 2.1 million (9%) from the current year's budget.

Prosper Portland - General Fund Requirements						
(\$000)						
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	Change	
					\$	%
Admin Svcs	\$ 11,768	\$ 12,303	\$ 13,292	\$ 13,271	\$ (21)	0%
Econ Dev	6,639	6,926	9,002	7,040	(1,962)	-22%
Transfers Out	358	455	566	256	(310)	-55%
Total Expenses	\$ 18,764	\$ 19,684	\$ 22,860	\$ 20,567	\$ (2,293)	-22%
Conting/Ending Fund Bal	1,250	1,387	1,279	1,463	184	14%
Total Requirements	\$ 20,014	\$ 21,071	\$ 24,139	\$ 22,030	\$ (2,109)	-9%

General Fund resources balance to requirements. Almost all General Fund revenue comes as Transfers In from the URA funds. These are interfund charges as the agency budgets its personnel services costs in the general fund and charges the URA funds for their portions of the personnel services costs. The district's FY21 Transfers In to the General Fund total of \$13.8 million. The General Fund also receives the City of Portland allocation for economic development activities. The FY21 budget for this is \$6.7 million.

Prosper Portland - General Fund Resources						
(\$000)						
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	Change	
					\$	%
Beginning Fund Bal	\$ 1,321	\$ 1,250	\$ 1,387	\$ 1,279	\$ (108)	-8%
Revenues:						
Intergov Rev	6,072	6,501	8,106	6,752	(1,354)	-17%
Fees & Charges	50	176	175	130	(45)	-26%
Other Income	63	233	59	40	(19)	-32%
Transfers In	12,508	12,910	14,413	13,829	(585)	-4%
Total Revenues	\$ 18,693	\$ 19,820	\$ 22,753	\$ 20,751	\$ (2,002)	-9%
Total Resources	\$ 20,014	\$ 21,071	\$ 24,139	\$ 22,030	\$ (2,109)	-9%

The General Fund's ending fund balance has been stable over the last three years. It approximates 6% of total resources. The General Fund budget for FY21 results in a gain of \$184K, increasing the fund balance to \$1.5 million.

Prosper Portland					
General Fund Annual Gain/(Loss) (\$000)					
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	
Total Revenues	\$ 18,693	\$ 19,820	\$ 22,753	\$ 20,751	
Total Expenses	18,764	19,684	22,860	20,567	
Annual Gain/(Loss)	\$ (71)	\$ 136	\$ (108)	\$ 184	
Ending Fund Bal/Conting	\$ 1,250	\$ 1,387	\$ 1,279	\$ 1,463	

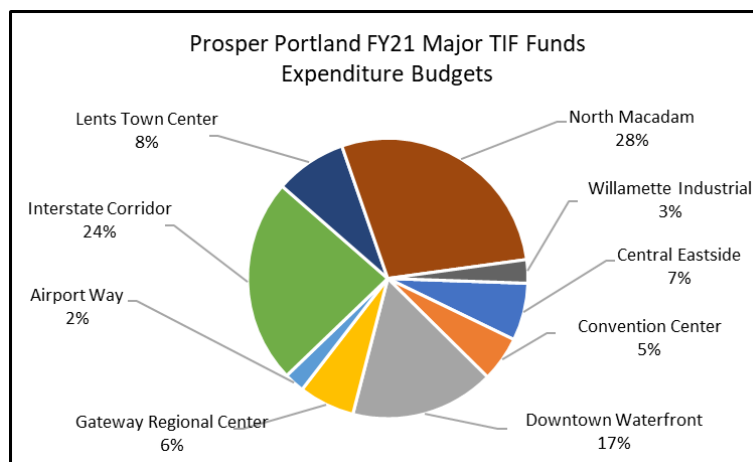
6. Analysis of Other Funds

The remainder of the agency's 21 funds are of two types: urban renewal area funds and economic development funds.

Urban Renewal Funds

Except for the 6 NPI districts, which are in one fund, each urban renewal area has its own fund. The fund budgets are shown in the following charts.

Prosper Portland FY21 Budget				
Tax Increment Financing Funds (\$ Million)				
	Beg Fund Bal	Revenue	Expenses	Conting/ End Fund Bal
Airport Way TIF Fund	\$ 5.6	\$ 0.1	\$ 3.5	\$ 2.2 District projects winding down
Central Eastside TIF Fund	29.9	3.0	10.0	23.0 Property redevelopment and job growth
Convention Center TIF Fund	6.5	1.5	7.9	0.2 Conv Ctr Hotel & Garage, Rose Qtr development
Downtown Waterfront TIF Fund	43.1	0.6	25.0	18.8 Old Town/China Town devel., parking, historic preservation
Gateway Regional Center TIF Fund	0.4	9.8	9.7	0.4 Halsey/Weidler corridor & Mixed use dev@ NE106th
Interstate Corridor TIF Fund	31.0	27.8	35.5	23.3 Housing, livability projects, and business growth
Lents Town Center TIF Fund	0.4	16.0	12.4	3.9 Property developmt: Oliver Sta., Asian Health, others
North Macadam TIF Fund	28.7	17.7	42.4	4.0 Waterfront development, housing, & infrastructure
NPI TIF Fund	1.4	1.2	1.3	1.3 Full time district managers
River District TIF Fund	59.8	15.0	39.3	35.5 Union Station, Cent. Mills, & Housing
South Park Blocks TIF Fund	5.1	0.1	0.4	4.8 District projects winding down
Willamette Industrial TIF Fund	4.2	0.4	4.1	0.5 District projects winding down
Totals	\$ 216.1	\$ 93.2	\$ 191.5	\$ 117.8



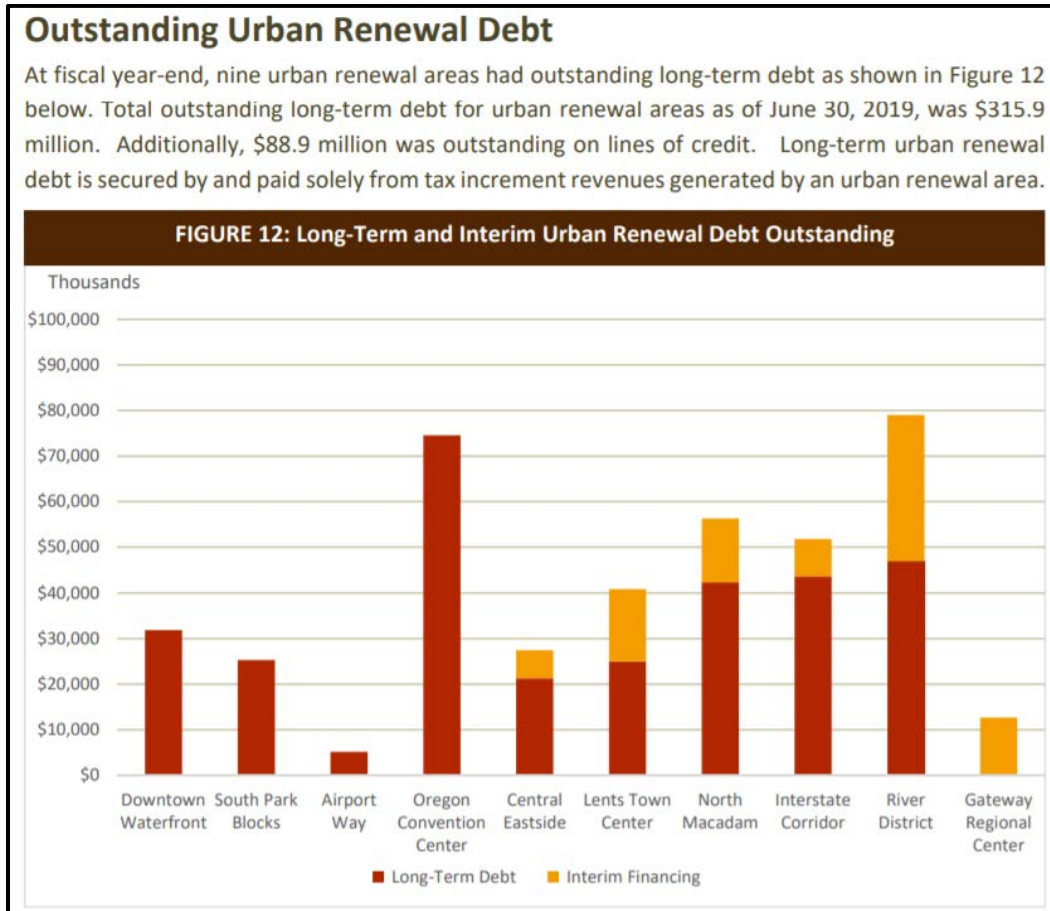
Other Funds

Prosper Portland has eight other funds, six are dedicated to specific economic development activities using non-TIF resources. Combined FY20 budget total for these funds is \$17 million. Expenditures are \$9.6 million, a small change from prior years. The funds have \$7.6 million in fund balance (budgeted as contingency).

Prosper Portland				
Non-Tax Increment Funds (\$000)				
	Beg Fund Bal	Revenue	Expenses	Conting/End Fund Bal
Housing & Community Dev. Fund	\$ -	\$ 3,634	\$ 3,634	\$ -
Community Opportunities & Enhancements Fund	-	997	997	-
Other Federal Grants Fund	1,244	35	535	744
Enterprise Zone Fund	2,517	1,060	1,359	2,218
Ambassador Program Fund	5	-	5	-
Enterprise Loans Fund	3,120	20	2,039	1,131
Business Management Fund	3,907	551	1,051	3,407
Internal Service Fund	116	-	-	116
Totals	\$ 10,909	\$ 6,297	\$ 9,620	\$ 7,616

7. Debt Status

Prosper Portland typically does not issue debt. As noted above, debt backed by tax increment financing revenue is issued by the City of Portland. The following extract from the City’s Annual Debt Report presents the status of the urban renewal debt.



8. Budget Alignment with Strategic Plan / Performance Objectives

Prosper Portland operates almost exclusively around specific projects. As such the budget is “project oriented”. Almost all expenditures are tied to a specific project. The requested budget includes a Five-Year Forecast section where each project’s expenditures are detailed for the current fiscal year, upcoming fiscal year and four future years as are detailed performance measures.

The District budget priorities, as outlined in the Director’s budget message (see above), are met in the budget.

9. Highlights of 2020-21 Budget to be Published in TSCC’s Annual Report

- The FY21 budget is \$348.6 million, a decrease of \$70.9 million (17%) from the revised current year budget.
- Total expenditures are \$207.8 million, \$34.7 million lower than the current year.
- Fund balance (assuming contingency is unspent) is budgeted to fall from \$228.3 million at the end of this year to \$126.7 million at the end of FY21.
- The total General Fund budget for FY21 is \$22 million, a decrease of \$ 2.1 million (9%) from the current year’s budget.

10. Local Budget Law Compliance:

Yes	No	Compliance Issue
X		Did district meet publication requirements?
X		Do resources equal requirements in every fund?
N/A		Does the G.O. Debt Service Fund show only principle and interest payments
X		Are contingencies shown only in operating funds?
X		Did budget committee approve the budget?
N/A		Did budget committee set the levy?
X		Does audit show the district was in compliance with budget law?

The 2020-21 Budget is in substantial compliance with local budget law. TSCC staff judged that the district’s budget estimates were reasonable for the purposes shown. 2018-19 audit states that all expenditures were within budget appropriations

11. Certification Letter Recommendations and Objections:

TSCC staff did not find any deficiencies in the district’s FY 2020-21 budget or budget process and will recommend the Certification Letter contain no recommendations or objections.

Prosper Portland

Annual Report

	2017-18 Actual	2018-19 Actual	2019-20 Rev. Budget	2020-21 Apv. Budget	Budget % Change
SUMMARY OF ALL FUNDS					
Resources:					
Beginning Fund Balance	237,473,916	294,237,282	293,653,820	228,261,268	-22%
Intergovernmental Revenue	9,854,693	9,611,334	11,323,593	11,606,956	3%
Fees and Charges	1,583,920	1,792,417	1,660,353	2,200,561	33%
Other Income	44,599,922	24,810,592	15,634,278	10,163,957	-35%
Debt Proceeds	116,187,078	103,248,377	81,911,125	82,466,492	1%
Transfers In	14,220,858	14,710,197	15,321,489	13,858,772	-10%
TOTAL RESOURCES	423,920,387	448,410,199	419,504,658	348,558,006	-17%
Requirements by Function:					
Administrative Services	12,306,015	13,179,591	14,590,816	14,469,747	-1%
Housing	47,771,794	46,693,486	50,062,470	42,410,142	-15%
Community Development	3,809,004	4,597,660	9,591,962	14,605,292	52%
Economic Development	50,320,078	75,575,440	101,676,654	136,327,085	34%
Transfers Out	14,220,858	14,710,197	15,321,488	13,858,772	-10%
Contingencies	0	0	228,261,268	126,886,969	-44%
Ending Fund Balance	295,492,638	293,653,822	0	0	0%
TOTAL REQUIREMENTS	423,920,387	448,410,196	419,504,658	348,558,007	-17%
Requirements by Object:					
Personnel Services	12,372,626	12,882,528	14,957,140	14,657,616	-2%
Materials & Services	88,606,321	94,554,670	118,137,087	96,836,336	-18%
Capital Outlay	13,227,944	32,607,784	42,827,674	96,318,314	125%
Fund Transfers	14,220,858	14,710,197	15,321,489	13,858,772	-10%
Contingencies	0	0	228,261,268	126,886,968	-44%
Ending Fund Balance	295,492,638	293,655,020	0	0	0%
TOTAL REQUIREMENTS	423,920,387	448,410,199	419,504,658	348,558,006	-17%
SUMMARY OF BUDGET - BY FUND					
General Fund	20,014,389	21,070,537	24,139,047	22,029,713	-9%
Housing & Community Dev. Contract Fund	3,430,867	3,623,651	2,827,648	3,633,887	29%
Community Opportunities and Enhanceme	0	0	200,000	996,786	398%
Other Federal Grants Fund	1,551,037	1,837,457	1,759,983	1,279,434	-27%
Enterprise Zone Fund	4,958,285	5,906,625	5,400,782	3,577,026	-34%
Ambassador Program Fund	15,454	14,970	14,795	4,795	-68%
NPI TIF Fund	2,365,623	2,817,608	3,102,661	2,572,214	-17%
Downtown Waterfront TIF Fund	45,563,112	45,322,451	44,702,136	43,754,837	-2%
North Macadam TIF Fund	44,805,510	35,767,503	35,429,298	46,372,631	31%
River District TIF Fund	71,385,561	96,903,189	85,241,444	74,812,910	-12%
South Park Blocks TIF Fund	12,539,021	7,360,061	8,938,035	5,213,775	-42%
Convention Center TIF Fund	45,576,692	45,576,677	17,543,534	8,033,059	-54%
Central Eastside TIF Fund	29,110,715	34,176,446	40,681,106	32,975,670	-19%

Prosper Portland

Annual Report

	2017-18 Actual	2018-19 Actual	2019-20 Rev. Budget	2020-21 Apv. Budget	Budget % Change
Lents Town Center TIF Fund	36,840,372	25,736,305	22,581,479	16,316,970	-28%
Interstate Corridor TIF Fund	59,430,666	73,784,900	76,291,647	58,785,059	-23%
Gateway Regional Center TIF Fund	19,387,072	23,215,072	25,517,180	10,150,582	-60%
Airport Way TIF Fund	6,255,076	6,190,240	6,122,567	5,723,517	-7%
Willamette Industrial TIF Fund	4,204,408	4,284,237	4,367,222	4,580,921	5%
Enterprise Loans Fund	6,307,001	4,926,756	5,193,789	3,170,005	-39%
Business Management Fund	10,045,847	9,759,417	9,314,211	4,458,122	-52%
Internal Service Fund	133,679	136,094	136,094	116,094	-15%
GRAND TOTAL ALL FUNDS	423,920,387	448,410,196	419,504,658	348,558,007	-17%

DETAIL OF GENERAL FUND

Resources:

Beginning Fund Balance	1,321,307	1,250,477	1,386,543	1,278,821	-8%
Federal Revenue	0	0	0	63,000	0%
State Revenue	150,000	0	0	0	0%
Local Revenue	5,921,705	6,501,485	8,105,620	6,689,120	-17%
Fees and Charges	50,415	175,791	174,560	130,000	-26%
Other Income	63,104	232,974	58,951	40,000	-32%
Transfers In	12,507,858	12,909,810	14,413,373	13,828,772	-4%
TOTAL FUND RESOURCES	20,014,389	21,070,537	24,139,047	22,029,713	-9%

Requirements:

Administrative Services	11,767,514	12,303,036	13,291,603	13,270,637	0%
Economic Development	6,638,748	6,925,869	9,002,237	7,039,910	-22%
Transfers Out	357,650	455,087	566,386	256,192	-55%
Contingencies	0	0	1,278,821	1,462,974	14%
Ending Fund Balance	1,250,477	1,386,545	0	0	0%
TOTAL FUND REQUIREMENTS	20,014,389	21,070,537	24,139,047	22,029,713	-9%

BALANCE SHEET AS OF JUNE 30 EACH YEAR

	2017-18	2018-19
Assets:		
Cash & Investments	291,756,944	292,063,935
Receivables	71,547,256	51,544,398
Fixed Assets	57,606,056	79,623,433
Other	107,239,851	106,259,727
Deferred Outflows	3,713,942	3,936,462
TOTAL ASSETS	531,864,049	533,427,955

Liabilities and Equity:

Liabilities	87,786,714	76,899,925
Equity	443,718,659	455,770,776
Deferred Inflows	358,676	757,254
TOTAL LIABILITIES AND EQUITY	531,864,049	533,427,955