

# Portland Parks Local Option

## Tax Measure Review - Measure 26-260

November 18, 2025 Election

### OVERVIEW

|                            |   |
|----------------------------|---|
| <b>Type of Measure</b>     | Local Option Levy   |
| <b>Ballot Title</b>        | Maintain safe parks, nature, affordable recreation through 5-year levy                    |
| <b>Tax Impact</b>          | A five-year operating levy of \$1.40 per \$1,000 of Assessed Value beginning in FY 26-27. |
| <b>Estimated \$ Raised</b> | Roughly \$91 million on average annually/\$456 million over 5 years                       |
| <b>Purpose</b>             | To maintain operations and fund capital parks projects                                    |
| <b>Hearing Date/Time</b>   | October 15, 2025 at 1:30 pm   |

### MEASURE SUMMARY

The City of Portland is seeking voter approval for a local option levy of \$1.40 per \$1,000 of assessed value. This new levy would be effective from FY 2026-27 to FY 2030-31.

#### Summary from Request for Ballot Title (Written by District)

In 2020, City of Portland voters approved a five-year levy to support parks and recreation operations that expires in 2025. If a new levy is not approved, the Parks operating budget would be reduced by approximately half, resulting in fewer programs and services.

A new five-year levy would maintain operations, fund capital projects:

#### ENSURE NEIGHBORHOOD PARKS MAINTENANCE AND CLEANLINESS

- Daily restroom cleaning, trash pick up
- Routine maintenance, minor repairs
- Repair or renovate facilities like playground, restrooms, pools
- Park ranger safety patrols, incident responses

#### PROTECT NATURE IN A CHANGING CLIMATE

- Plant, maintain trees
- Preserve natural areas, trails, water quality, wildlife habitat
- Clear brush, maintain emergency access routes to reduce wildfire risk

#### PRESERVE PROGRAM ACCESS

- Continue free, discounted recreation programs for families experiencing poverty
- Preserve classes, community center hours, arts and cultural centers, parks, pools

Community oversight committee would review levy expenditures, provide annual reports, independent audit required.

A median homeowner would pay about \$310 per year, or \$26 per month – a \$11 monthly increase. Levy would raise approximately \$86,268,997 in 2026-27, \$91,411,705 in 2028-2029, \$93,588,449 in 2029-2030, and \$96,068,483 in 2030-31 for a total of \$456,057,364.

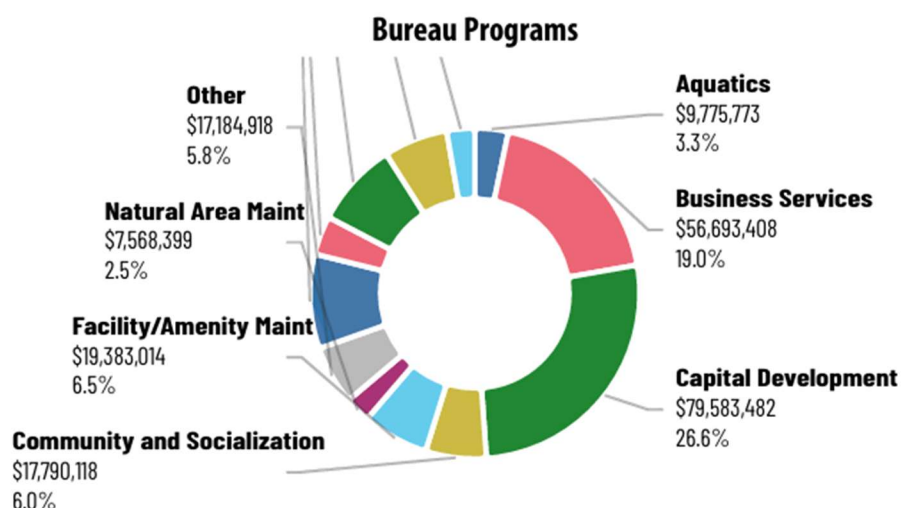
## BACKGROUND

The City of Portland’s system of parks and natural areas is managed by the Parks and Recreation Bureau. The Bureau’s mission is to “provide equitable access to welcoming places, programs, and services that improve community health and our environment”. The bureau manages nearly 12,000 acres of parks, natural areas, recreation facilities and urban forests, about 15% of the geographic area of the city. This includes over 4 million trees, 156 neighborhood parks, 59 community gardens, 11 swimming pools, 12 community and art centers, six golf courses, 158 miles of trail, and a motor raceway.

### City of Portland Parks Bureau Budget

The FY 25-26 budget for the Portland Parks and Recreation Bureau is \$541 million (6.3% of total city budget). The bureau is part of the larger Public Works service area in the city’s budget, along with the Water Bureau, Bureau of Environmental Services, Office of Public Works, and Bureau of Transportation. The adopted FY 2025-26 budget is an 18% decrease from the prior year budget.

The majority of the Parks budget is devoted to capital development (\$79.6 million). Business services is the second largest allotment, at \$57 million. Maintenance costs are budgeted at \$26.9 million, and during the current budget cycle, the bureau projected nearly \$600 million in deferred maintenance for built infrastructure. Other Parks funding focuses on program development, with community and socialization budgeted at \$17.8 million.



| Requirements         | Revised<br>FY 2024-25 | Adopted<br>FY 2025-26 | Change from<br>Prior Year | Percent<br>Change |
|----------------------|-----------------------|-----------------------|---------------------------|-------------------|
| Operating            | \$590,133,319         | \$470,174,337         | \$(119,958,982)           | (20)%             |
| Capital              | \$72,775,407          | \$71,218,056          | \$(1,557,351)             | (2)%              |
| <b>Total</b>         | <b>\$662,908,726</b>  | <b>\$541,392,393</b>  | <b>\$(121,516,333)</b>    | <b>(18)%</b>      |
| Authorized Positions | 825.61                | 784.61                | (41.00)                   | (4.97)%           |



The Parks Bureau service area is budgeted across a variety of funds, with the majority of costs in the following three funds (General Fund numbers are expenditures only; other funds include transfers, contingency and fund balance amounts):

|  | 2022-23       | 2023-24       | 2024-25       | 2025-26       |
|--|---------------|---------------|---------------|---------------|
| <b>Parks Capital Impvt. Program Fund</b> | \$244,370,462 | \$227,565,498 | \$247,789,912 | \$219,172,348 |
| <b>General Fund</b>                      | \$125,835,362 | \$155,782,785 | \$172,999,850 | \$175,222,796 |
| <b>2020 Parks Local Option Levy Fund</b> | \$73,570,057  | \$100,220,198 | \$96,598,741  | \$76,155,599  |

The remaining budget is in the Golf Fund, Parks Memorial Fund, Portland International Raceway Fund, Parks Endowment Fund, Grants Fund, and Clean Energy Community Benefits fund. Portland Parks and Recreation receives resources of \$13.4 million from the PDX Clean Energy Benefits Fund in the FY 25-26 budget.

## 2020 Local Option Levy Revenue and Spending

The 2020 Parks Local Option Levy purpose was to prevent ongoing reductions to park services and recreation programs, preserve and restore park and natural area health, and center equity and affordable access for all. The city has been clear in messaging that the 2025 levy is not a renewal of the existing levy, but rather a new expanded levy. The increased levy rate reflects that, at \$1.40 instead of the existing \$0.80.

Funds for the current 2020 five year local option levy are budgeted in a dedicated fund, as required by law. See Appendix A (p.8) for full budget breakdown of this fund. The 2020 Parks Local Option Levy Fund was originally expected to bring in an average of \$48 million in property tax revenue annually. Due to lower than expected property values downtown, property tax revenue has been lower than expected, with property tax revenue of \$44.6 million expected for FY 25-26. The Parks Local Option Levy fund balance for FY 2025-26 is budgeted at \$30.4 million, down from \$49 million in the prior year budget.

## 2020 Parks Local Option Levy Fund

|             | 2022-23<br>Actual | 2023-24<br>Actual | 2024-25<br>Budget | 2025-26<br>Budget |
|-------------|-------------------|-------------------|-------------------|-------------------|
| Tax Revenue | 47,987,648        | 49,372,263        | 46,594,160        | 44,610,599        |
| Interest    | 0                 | 3,098,524         | 1,000,000         | 1,150,000         |

The Parks Levy uses a “Leveraged Funding model” to fund levy-eligible costs. They use the full allocation of General Fund resources first and then begin spending parks levy funding and spread it across the levy eligible services. Under this model, General Fund underspending in non-levy eligible spending areas is applied to levy-eligible services.



In the most recent Parks Levy Annual Report (FY 23-24) Annual Report levy funds were spent in the following Parks Levy Commitment areas:

#### **FY 23-24 Spending of Parks Local Option Levy Dollars**

|                         | <b>Net Expenses for Parks Bureau</b> | <b>Levy Portion of Expense</b> |
|-------------------------|--------------------------------------|--------------------------------|
| Recreation for All      | 33,401,152                           | 17,600,373                     |
| Protect and Grow Nature | 56,234,296                           | 29,882,050                     |
| Community Partnerships  | 6,339,818                            | 3,340,698                      |
|                         | <b>\$95,975,266</b>                  | <b>\$50,823,121</b>            |

Over half of funds are spent to “protect and grow nature”, meaning “expanded capacity and support to remove litter and waste, clean restrooms, maintain assets and landscaping, and improve the health of natural areas– helping to make parks, natural areas and facilities cleaner, safer, and more welcoming. Additionally, enhanced Environmental Education and volunteer stewardship programming is connecting Portlanders to nature.”<sup>1</sup> More information on all the categories of spending are available on the city’s website: [2020 Parks Local Option Levy | Portland.gov](https://www.portland.gov/parks/2020-parks-local-option-levy).

#### **History of Community Investment**

Funding struggles are not new to the bureau. Over the last twenty years the community has voted to provide additional funding to support parks several times:

- **2002:** Voters approved a five-year Parks Local Option levy of \$0.39 per \$1,000 generating roughly \$9 million a year.
- **2014:** Voters approved a \$68 million Parks Replacement Bond to make repairs at facilities across the parks system. Per the city, all projects have been successfully completed.
- **2020:** Voters approved a five-year Parks local option levy at \$0.80 per \$1,000 estimated to generate an average of \$48 million per year.

#### **MEASURE ANALYSIS**

The city is asking voters to approve a levy of \$1.40 per \$1,000, with \$1.37 dedicated to maintaining current service levels, including those funded with one-time allocations currently. Additionally, this portion of the levy will fund partnership funding and 1.0 FTE dedicated to financial partnerships and revenue generation. The remaining \$0.03 is set aside for capital maintenance, and is estimated at roughly \$2 million annually.

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<sup>1</sup> [2020 Parks Local Option Levy | Portland.gov](https://www.portland.gov/parks/2020-parks-local-option-levy).

The city contracted with NERC (Northwest Economic Research Center) to model six levy rates ranging from the current rate of \$0.80 up to \$1.80 per thousand. The study considered revenue potential and compression impacts (see Compression section of this report for more details).

### **Use of funds**

For the past five years, the existing levy has funded operations, enhancement and preservation of natural features, park and recreation services for diverse populations, keeping community centers and pools open, and enhanced parks maintenance.<sup>2</sup> At the new higher rate, the city expects to continue supporting these services, as well as spending a portion of dollars towards the deferred maintenance backlog. The resolution passed by City Council specifies the \$1.37 for operations and \$0.03 for capital maintenance projects described above.<sup>3</sup> Maintenance funds will be dedicated to high-impact capital repair and replacement.

### **Oversight**

The ballot measure language says a community oversight committee will review levy expenditures and produce annual reports. Independent audits will also be done.

The proposed oversight structure is the same as for the 2020 levy. The most recent audit report for the 2020 levy confirms compliance with the use of levy funds:

*The audit found that Levy funds were used in compliance with voter-approved commitments, and that Levy dollars were clearly tracked using strong financial systems and tracking mechanisms to ensure transparent management of funds. Portland Parks & Recreation developed and used a methodical model to ensure Levy resources were used last as a supplemental funding source, and employed an effective framework to operationalize day-to-day management of the Levy. There were no recommendations.<sup>4</sup>*

## **Property Tax Impact**

If passed, this measure would result in a property tax increase of \$0.60 per 1,000 of assessed value. For a home with an assessed value of \$275,000<sup>5</sup>, the amount billed would be approximately \$385 per year, or \$32 per month. If this measure fails, property owners would see a decrease in their tax rate of \$0.800 and elimination of the \$80 per year per \$100,000 of assessed

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<sup>2</sup> [2020 Parks Local Option Levy | Portland.gov](#)

<sup>3</sup> [Efiles - City Auditor - City Recorder - Council Resolutions - 37710 Refer to voters a five-year local option tax levy for November 4, 2025 election to maintain safe parks, nature, affordable recreation 2025-281 resolution](#)

<sup>4</sup> [Performance Audit of the 2020 Parks Local Option Levy | Portland.gov](#)

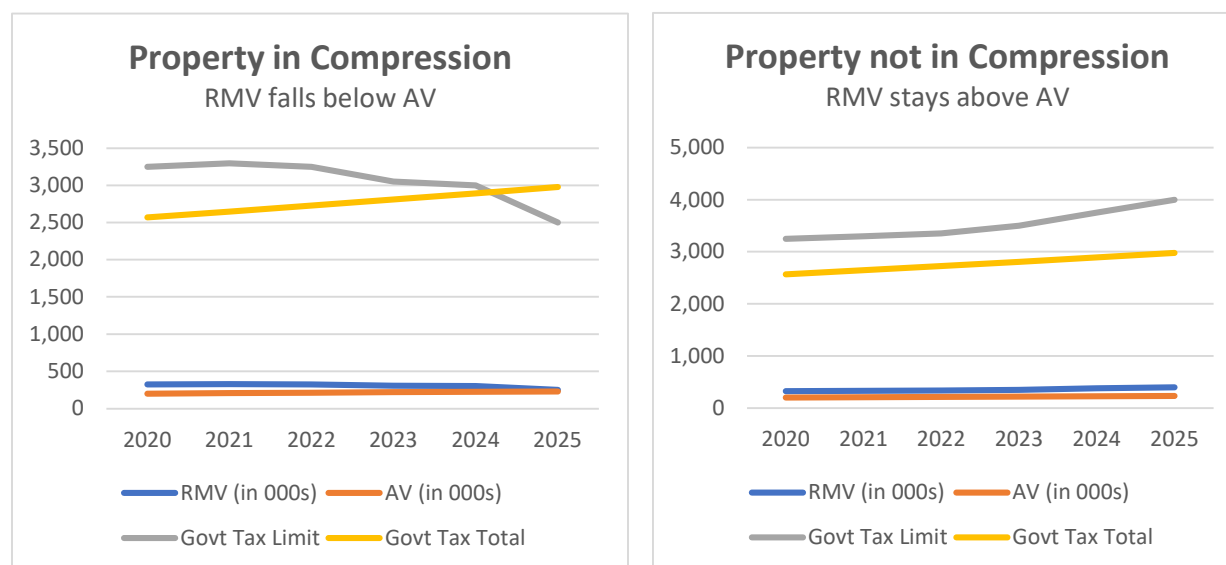
<sup>5</sup> We use \$275,000 as a rough average for a residential home in Multnomah County when estimating tax impacts for tax measures. The city uses a median home value of \$221,600 in their ballot measure language and analysis.

value attributable to this levy, \$18 per month for the average homeowner. Properties in compression would see less of a decrease.

### Compression Impact

Compression is a tax reduction that occurs when a property's tax rates exceed constitutional rate limits. Compression limits are based on real market value (RMV), which is what the property would sell for on the open market. Taxes are calculated on assessed value (AV), the value determined by the County Assessor and are limited to a 3% annual increase (with some exceptions).

Property tax rates are limited to \$10 for general government purposes and \$5 for education purposes. If the combined rates on an individual property exceed the limits, then the rates are reduced, and *local option levies are reduced first*. Compression occurs when tax rates exceed tax limitations, so when AV and RMV move closer together, more properties will fall into compression (see charts below for an illustration).



After years of steady increase, the City of Portland saw a decrease in real market value from 2024 to 2025 of 3%. With some properties in the central city and downtown losing a significant amount of RMV, properties that were not in compression before can move into compression, thereby paying less tax and lowering the revenue for the local option levy. Additionally, slower than anticipated growth in properties have also impacted tax revenues. From the city's FY 25-26 Adopted Budget document:

*The Parks Levy was originally projected to raise about \$48 million per year and grow at a historical rate over the five-year period of the levy. In FY 2024-25, the annual Parks Levy forecast of annual revenues was reduced by approximately \$6 million per year primarily*

*due to downtown commercial property values decreasing. This further increased the total required budget gap reduction to be addressed in the FY 2025-26 budget.*

The County assessor’s office does not report on the Children’s Levy separate from the Parks levy, but the majority of the city’s local option levy compression is from the Parks levy. In aggregate for the last five years compression has reduced those levies by an average of \$19 million annually, meaning both levies combined received roughly 75% of their authorized rate. Compression amounts for the city’s local option levies increased by 17% from 2024 to 2025, for a total of \$25.3 million in 2025. The NERC study estimates compression loss to be between \$32.3 and \$37.9 million over the next five years for the Parks Levy alone:

**Table 5 – Estimated revenue and compression impacts of Parks Levy Scenario 4 (\$1.40)**

|                | Levy Extended | Compression Loss | Levy Imposed |
|----------------|---------------|------------------|--------------|
| <b>FY26-27</b> | \$118,608,584 | \$32,339,587     | \$86,268,997 |
| <b>FY27-28</b> | \$122,259,343 | \$33,539,613     | \$88,719,730 |
| <b>FY28-29</b> | \$126,022,800 | \$34,611,095     | \$91,411,705 |
| <b>FY29-30</b> | \$129,902,050 | \$36,313,602     | \$93,588,449 |
| <b>FY30-31</b> | \$133,900,940 | \$37,832,456     | \$96,068,483 |

**Source:** [NERC – Parks Levy Model FY26-27 to FY30-31] FINAL.

The study also modeled compression impacts to the Portland Children’s Levy (\$823k to \$915k annually), Metro’s Parks and Nature Levy (\$196k to \$218k annually) and Multnomah County’s Historical Society Levy (\$102k to \$114k annually).

When the Parks levy was referred to voters in 2020, the Portland City Council included a commitment in the resolution to make an annual transfer from the Parks Levy Fund to the Children’s Investment Fund. The transfer amount is equal to the actual compression loss for Portland Children’s Levy that can be attributed to the Parks levy. Compression loss is calculated by PSU’s Northwest Economic Research Center (NERC). In FY 23, the Parks levy expects to transfer \$379,962 to the Children’s levy to balance compression; in FY 23-24 that amount was estimated at \$400,000. A presentation by the Parks Bureau to City Council indicates a plan to continue to reimburse the Children’s levy for compression impacts with the new levy as well.<sup>6</sup>

<sup>6</sup> [Efiles - 37710 Refer to voters a five-year local option tax levy for November 4, 2025 election to maintain safe parks, nature, affordable recreation 2025-281 presentation](#)



## APPENDIX A – FY 2025-26 City of Portland Adopted Budget – p.229

### 2020 Parks Local Option Levy Fund

### 2020 Parks Local Option Levy Fund

Public Works Service Area Funds

#### Fund Summary

|                                | Actuals<br>FY 2022-23 | Actuals<br>FY 2023-24 | Revised<br>FY 2024-25 | Proposed<br>FY 2025-26 | Approved<br>FY 2025-26 | Adopted<br>FY 2025-26 |
|--------------------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|
| <b>Resources</b>               |                       |                       |                       |                        |                        |                       |
| <b>External Revenues</b>       |                       |                       |                       |                        |                        |                       |
| Taxes                          | 47,987,648            | 49,372,263            | 47,004,160            | 44,610,599             | 44,610,599             | 44,610,599            |
| Miscellaneous                  | 0                     | 3,098,524             | 2,075,000             | 1,150,000              | 1,150,000              | 1,150,000             |
| <b>External Revenues Total</b> | <b>47,987,648</b>     | <b>52,470,787</b>     | <b>47,594,160</b>     | <b>45,760,599</b>      | <b>45,760,599</b>      | <b>45,760,599</b>     |
| Beginning Fund Balance         | 25,582,410            | 47,749,413            | 49,004,581            | 28,495,000             | 28,495,000             | 30,395,000            |
| <b>Resources Total</b>         | <b>73,570,058</b>     | <b>100,220,200</b>    | <b>98,083,741</b>     | <b>74,255,599</b>      | <b>74,255,599</b>      | <b>76,155,599</b>     |
| <b>Requirements</b>            |                       |                       |                       |                        |                        |                       |
| <b>Fund Expenditures</b>       |                       |                       |                       |                        |                        |                       |
| Contingency                    | 0                     | 0                     | 22,763,926            | 1,234,601              | 1,234,601              | 1,313,299             |
| Fund Transfers - Expense       | 25,820,644            | 51,215,619            | 75,319,815            | 73,020,998             | 73,020,998             | 74,842,300            |
| <b>Fund Expenditures Total</b> | <b>25,820,644</b>     | <b>51,215,619</b>     | <b>98,083,741</b>     | <b>74,255,599</b>      | <b>74,255,599</b>      | <b>76,155,599</b>     |
| Ending Fund Balance            | 47,749,413            | 49,004,579            | 0                     | 0                      | 0                      | 0                     |
| <b>Requirements Total</b>      | <b>73,570,057</b>     | <b>100,220,198</b>    | <b>98,083,741</b>     | <b>74,255,599</b>      | <b>74,255,599</b>      | <b>76,155,599</b>     |

## APPENDIX B – References/Links Provided by City of Portland

**Resolution Documents:** <https://efiles.portlandoregon.gov/record/17451843>

Direct links to the resolution and exhibits listed on the webpage:

- Resolution passed by City Council: <https://efiles.portlandoregon.gov/record/17451843>
- Exhibit A: <https://efiles.portlandoregon.gov/record/17451844/>
- Exhibit B: <https://efiles.portlandoregon.gov/record/17451845/>
- Exhibit C: <https://efiles.portlandoregon.gov/record/17451846/>

**Documents presented in support of the resolution:** Presentation to City

Council: <https://efiles.portlandoregon.gov/record/17451849/>

#### Financial analysis:

Please see memo attached from the Portland State University Northwest Economic Research Center. PP&R commissioned PSU to forecast levy revenues and compression impacts at different rates, including at the \$1.40 rate City Council utilized for their referred prospective ballot measure, for the five year prospective term of the proposed ballot measure, FY 26-27 through FY 30-31. Throughout the memo, the calculations for a \$1.40 levy rate are referred to as 'Parks Levy Scenario 4'.