

# Budget Review 2023-24

## Prosper Portland



### BUDGET HIGHLIGHTS

- Prosper Portland's FY 2023-24 Approved Budget is \$467.0 million, \$9.1 million (2.1%) more than FY 2022-23.
- Total expenditures – the core of the budget – are \$216.9 million, \$57.4 million higher than the current year. The largest increases occur in Materials & Services, which totals \$130.6 million for FY 23-24. Of this amount, 41% is budgeted for financial assistance programs. Financial assistance increases by almost \$13 million from the FY 22-23 revised budget.
- The total General Fund budget for FY 2023-24 is \$39.0 million, a 7.1% increase. General Fund expenditures fund administration, economic development, infrastructure, and property redevelopment. Economic Development work sees the largest increase, while property redevelopment decreases.
- Capital project expenditures for FY 2023-24 are \$67.1 million, an increase of \$35 million from last year. Funds are budgeted for TIF district activities, including \$15 million for acquisition in the North Macadam TIF fund, and, in the River District TIF fund, \$20.1 million for demolition/site preparation.
- Property redevelopment is the largest of the budgeted activities, and increases by \$56 million to a total of \$118 million in the FY 23-24 budget. Budgeted projects include demolition and other predevelopment costs for the former US Post Office site and Broadway Corridor, funding for University Place in the North Macadam district, and multiple smaller projects across districts, ongoing property management costs across 45 Prosper Portland held properties, and commercial lending and grants that support small businesses across most districts.
- This year the Portland City Council approved a new Financial Sustainability Plan and a new inclusive economic development strategy that inform budget decisions and direction.

### INTRODUCTION & BACKGROUND



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.

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 (TIF districts). 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. Sixteen plan areas remain, including six Neighborhood Prosperity Initiative (NPI) areas.

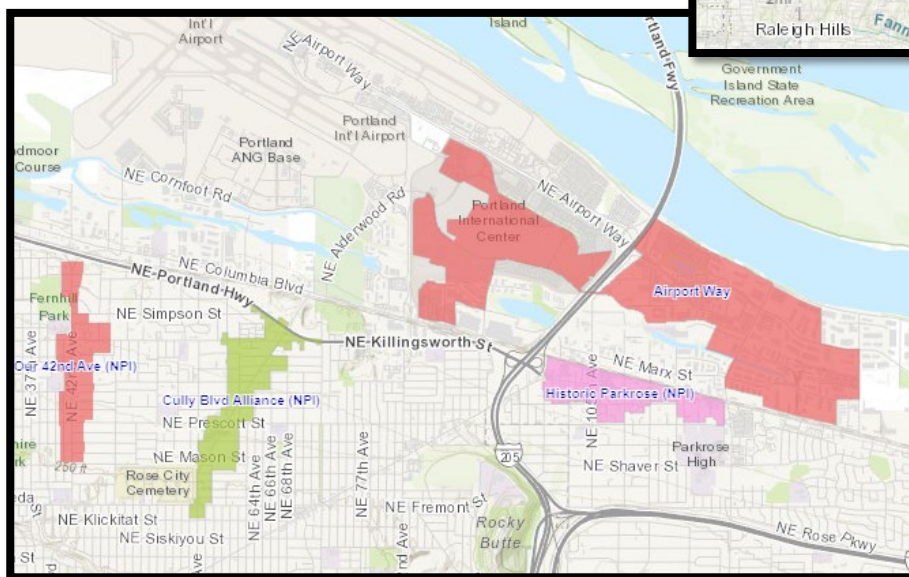
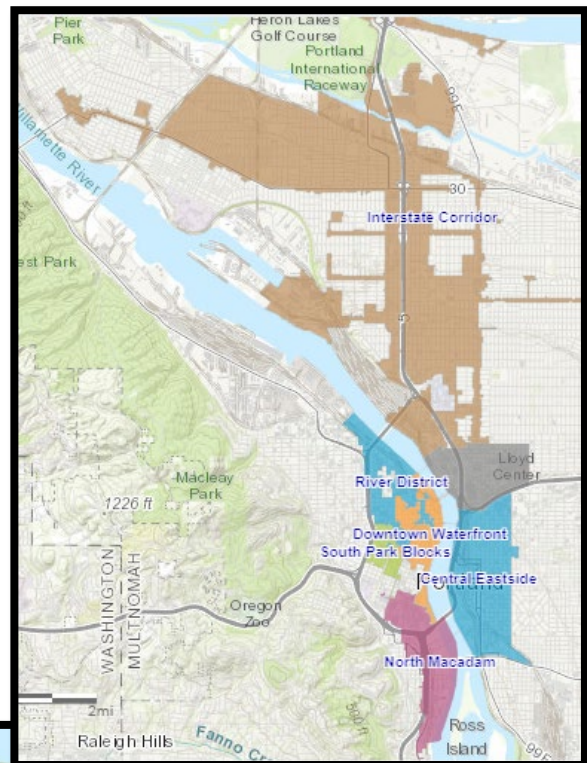
Per the FY 23-24 Budget Message, seven of the active large-scale TIF Districts have reached their maximum indebtedness. This means that debt will no longer be issued for these districts but they will continue to collect tax increment revenues until the outstanding debt has been paid off. They continue to spend remaining project funds and new program revenues on activities and projects.

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

Five plan areas are on the north side of Portland. Cully is added as a TIF District and will receive tax increment resources in this budget.

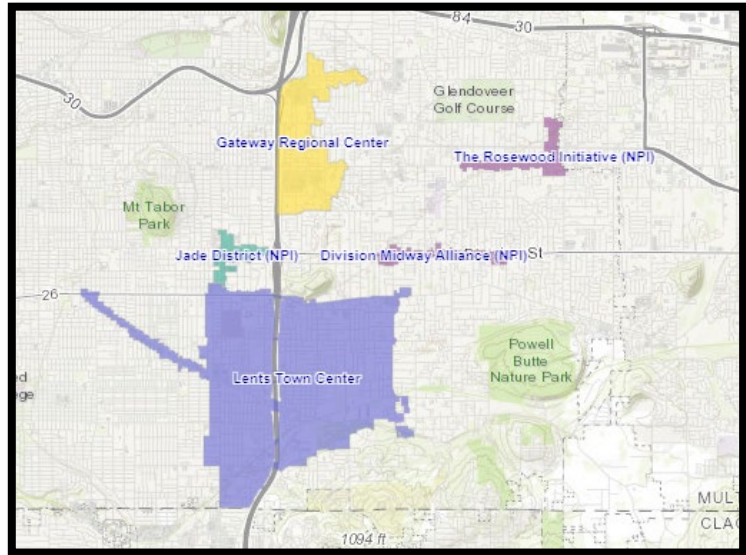
- Interstate Corridor
- Airport Way
- Cully
- 42<sup>nd</sup> Ave NPI
- Historic Parkrose NPI



Five areas are in the southeast portion of the city.

- Lents Town Center
- Gateway Regional Center
- Jade District 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 to improve local commercial districts.



In addition to tax increment financing, four of the oldest active plan areas (Downtown Waterfront, Convention Center, Airport Way (this district is now closed and no longer receives taxes), 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 (2022-23) was \$0.1887 per \$1,000 of assessed value.

The property tax levied by the city is a means of capturing property taxes generated by increased assessed value on properties in an urban renewal/TIF district. The increased value is used to repay debt that was issued to pay for investments in the TIF district. At the end of the TIF district's life span, the increased property value reverts to the original tax districts, increasing their assessed values and therefore property tax collections. Amendments that extend the expiration of TIF districts delay the return of property tax revenue to the City of Portland as well as other local taxing districts..

Prosper Portland has begun closing TIF districts in recent years and anticipates more closures as they repay the debt on existing districts. The bulk of these closures are expected in 2024, with four large districts slated for closure. The impacts of these closures will be most felt in FY 2024-25.

All the taxing districts that have geographic area in a City of Portland urban renewal district will benefit from the closing of urban renewal districts. However, the return of assessed value does not apply equally to all local taxing districts in the county. Small districts only have area in some urban renewal districts. For example, Parkrose school district has area in only four urban renewal districts: Gateway, Parkrose, Rosewood, and Airport Way. Large districts, such as Multnomah County and Metro, have area in all the Portland urban renewal districts. These large districts, as well as the City of Portland, are projecting to receiving additional tax revenues as planned closures of existing TIF districts occur.

<b>Prosper Portland</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Base Frozen Value in Billions	\$4.776	\$4.776	\$4.776	\$4.776
Excess Value Used in Billions	\$7.858	\$8.206	\$6.715	\$6.715
Excess Value Not Used in Billions	\$4.088	\$5.659	\$5.907	\$6.755
Total Value All Plan Areas in Billions	\$16.721	\$17.641	\$17.323	\$18.109
Special Levy Tax Rate	\$0.2108	\$0.2018	\$0.1961	\$0.1887
Number of Plan Areas	17	17	17	17
Measure 5 Loss	\$-8,502,806	\$-9,639,795	\$-7,367,312	\$-6,369,920
Number of Employees (FTE's)	91	87	90	93

Each district is assigned a maximum indebtedness when created by the City Council. The following chart shows the maximum indebtedness of each district, the debt issued, and corresponding timelines for issuance and repayment. Once repayment is complete, the district will no longer collect property taxes.

TIF District	Maximum Indebtedness	Indebtedness Issued as of 6/30/22	Indebtedness Remaining as of 6/30/22	Projected Indebtedness to Be Issued	Projected Indebtedness Not Issued	Last Date to Issue Debt	Repayment Complete (est)
Downtown Waterfront	\$165.0	\$165.0	\$0.0	\$0.0	\$0.0	2008	2024
South Park Blocks	\$143.6	\$113.5	\$30.1	\$0.0	\$30.1	2008	2024
Airport Way	\$72.6	\$72.6	\$0.0	\$0.0	\$0.0	2011	Complete
Convention Center	\$167.5	\$167.5	\$0.0	\$0.0	\$0.0	2013	2023
Lents Town Center	\$245.0	\$227.8	\$17.2	\$17.2	\$0.0	2024	2024
River District	\$489.5	\$489.5	\$0.0	\$0.0	\$0.0	2021	Complete
Gateway	\$164.2	\$113.8	\$50.4	\$50.4	\$0.0	2022	2037
Central Eastside	\$126.0	\$126.0	\$0.0	\$0.0	\$0.0	2023	2024
North Macadam	\$288.6	\$228.4	\$60.2	\$60.2	\$0.0	2025	2028
Interstate Corridor	\$402.0	\$346.2	\$55.8	\$55.8	\$0.0	N/A	2024
Neighborhood Prosperity Initiative (6) <sup>1</sup>	\$7.5	\$7.5	\$0.0	\$0.0	\$0.0	N/A	2023

<sup>1</sup> includes revenue sharing amounts from the City of Portland, and Multnomah County

*Note: The chart is of June 2022; additional changes may have occurred over the current fiscal year.*

## BUDGET OVERVIEW

Prosper Portland's FY 2023-24 Approved Budget is \$467.0 million, \$9.1 million (2.1%) more than the current year revised budget. The approved budget is balanced using the latest updates on projects and programs from TIF district community action plans; TIF forecasts; City of Portland General Fund resources for economic development; and, updated estimates for loan portfolio and property income revenues.

As the district focuses on community requested TIF district creation (in the past TIF location decisions were driven by the district) and existing large districts close, Prosper Portland is changing their approach to economic development. This is codified in a Portland City Council approved plan for economic development called [Advance Portland: A Call to Action for Inclusive Economic Growth](#). The district presented the five-year plan in April 2023, and the goal is to embrace and manage inclusive growth. Per the district website, the Advance Portland plan drives Prosper Portland's work. The plan's four key objectives ground all of the district's programs, policies, and initiatives:

- Propel inclusive economic growth and innovation
- Promote equitable wealth creation
- Foster a vibrant Central City and neighborhood commercial districts
- Connect Portlanders to high-quality jobs in future-ready sectors

Some specific goals and plans with funding in this budget include (but are not limited to):

### **Propel inclusive economic growth and innovation**

- Business lending programs through the Strategic Investment Fund
- Affordable commercial tenanting projects

### **Promote equitable wealth creation**

- Construction Business Equity Fund

### **Foster a vibrant Central City and neighborhood commercial districts**

- N/NE Community Development Initiative Action Plan and Williams and Russell project
- Lents Action Plan and development at SE 92<sup>nd</sup> and Harold
- Gateway Action Plan and development at NE 102<sup>nd</sup> and Pacific
- Development of Cully Action Plan

### **Connect Portlanders to high-quality jobs in future-ready sectors**

- Demolition and site preparation at Broadway Corridor
- Traded sector business loans and grants for improvements in key job centers
- Construction Workforce Equity Fund

Another goal specifically called out in the budget message is as follows:

### **Support BIPOC Entrepreneurs to Start, Scale, and Innovate**

- Small Business Hub, Inclusive Business Resource Network, and My People's Market
- Business lending programs to be scaled citywide through the Strategic Investment Fund
- Affordable commercial tenanting at projects like The Nick Fish and 10<sup>th</sup> & Yamhill
- Construction Business Equity Fund

Revenues from existing TIF district debt proceeds are projected to decrease by \$6 million in 2023-24. The decrease is partially mitigated by debt proceeds from the newly created Cully TIF District. The reduced TIF resources is known as the “TIF Cliff” and requires alternate funding strategies for the district’s long-term financial stability. Potential funding sources include:

- Additional General Fund from the City of Portland
- Increased program revenue from loan collections and property income
- Amendments to existing TIF districts
- Creation of new TIF Districts

Over the last year, Prosper Portland staff worked with third-party consultants and key partners to update the district’s Financial Sustainability Plan. The update included the following four updated objectives:

- Leverage community-based tax increment finance (TIF) district investments to deliver on community-defined priorities and secure financial return of the dedicated tax increment funds and related assets. More specifically:
  - 56 percent of remaining TIF will be invested in loans or other investments that, on average, generate a 3.8 percent return.
  - 44 percent of remaining TIF will be invested in grants and infrastructure with no financial return.
- Optimize both public benefits and financial return of non-TIF restricted resources.
- Research and identify new funding sources for programmatic, operational, and capital investment priorities from public and private sources.
- Secure additional public resources to maintain key business lines and to deliver activities that achieve public priorities.

Per the budget message, “The expiration of most TIF districts between 2020 and 2025 represents a structural shift in how economic development is funded in the City of Portland. The updated Financial Sustainability Plan provides a clear path toward funding Advance Portland in the coming year and is focused on securing additional public resources, leveraging existing community-based TIF district investments, optimizing non-TIF resources in the Strategic Investment Fund, and continuing to research opportunities for new funding sources.”

## Resources

<b>Prosper Portland</b>					
Total Resources					
	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Approved</b>	<b>Change</b>
Intergovernmental Revenue	26,207,858	16,459,377	27,516,924	33,829,517	22.9%
Fees and Charges	2,857,907	2,394,808	2,900,094	1,842,336	-36.5%
Other Income	13,392,188	17,912,764	10,973,507	13,181,066	20.1%
Debt Proceeds	87,768,443	65,130,283	55,787,047	65,114,403	16.7%
<b>TOTAL REVENUE</b>	<b>130,226,396</b>	<b>101,897,232</b>	<b>97,177,572</b>	<b>113,967,322</b>	<b>17.3%</b>
Beginning Fund Balance	285,268,159	318,773,155	339,244,472	277,408,521	-18.2%
Transfers In	154,421,373	17,018,817	21,017,627	75,593,512	259.7%
<b>TOTAL RESOURCES</b>	<b>569,915,928</b>	<b>437,689,204</b>	<b>457,439,671</b>	<b>466,969,355</b>	<b>2.1%</b>

Total resources balance to total requirements. Debt proceeds are the primary source of new revenue. The district has a large fund balance that is primarily composed of TIF debt proceeds dedicated to future projects.

As mentioned in the introduction of this review, Prosper Portland does not levy property taxes. In a complex arrangement, the city issues debt that is used to fund Prosper Portland urban renewal projects. It then levies the urban renewal taxes to cover the cost of that debt service (referred to as tax increment financing or “TIF”). The urban renewal taxes and the debt service remain in the city budget. Only the debt proceeds are in Prosper Portland’s budget.

In addition, the city transfers funding to Prosper Portland for economic development work. A FY 2022-23 budget note in the City of Portland’s budget remains a key support of Prosper Portland’s long-term sustainability. The note dedicates \$8 million dollars in ongoing General Fund dollars as former TIF district dollars are returned to the city’s General Fund in the form of increased ongoing property tax revenue.

## REQUIREMENTS

Just under half of the FY 2023-24 approved budget of \$467.0 million is for expenditures. The other half consists of fund transfers and contingency. Unspent contingency will roll forward as beginning fund balance in the following fiscal year.

<b>Prosper Portland</b>					
Total Requirements by Object					
	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Approved</b>	<b>Change</b>
Personnel Services	14,109,146	15,340,263	17,879,292	19,181,103	7.3%
Materials & Services	69,053,177	61,800,556	105,552,568	130,625,486	23.8%
Capital Outlay	13,559,078	4,280,815	32,001,663	67,132,222	109.8%
Debt Service	0	0	4,080,000	0	-100.0%
<b>TOTAL EXPENDITURES</b>	<b>96,721,401</b>	<b>81,421,634</b>	<b>159,513,523</b>	<b>216,938,811</b>	<b>36.0%</b>
Fund Transfers	154,421,373	17,017,802	21,017,627	75,593,512	259.7%
Contingencies	0	0	276,908,521	174,437,032	-37.0%
Ending Fund Balance	318,773,154	339,249,768	0	0	0.0%
<b>TOTAL REQUIREMENTS</b>	<b>569,915,928</b>	<b>437,689,204</b>	<b>457,439,671</b>	<b>466,969,355</b>	<b>2.1%</b>

## Expenditures

Total expenditures – the core of the budget - are \$216.9 million, \$57.4 million higher than the current year. Expenditures have steadily increased since the pandemic low in FY 2021-22. The district has increased investment in capital infrastructure and channels its budget toward economic development programs.

### Personnel Services:

The FY 2023-24 budget includes a total of 94 positions, one more than the current year. Of the positions, 82 are full-time equivalent and the rest are limited duration. The chart on the next page is from the district’s budget proposal and shows the 82 full-time positions.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Department	Actual	Actual	Revised	Proposed
Development and Investment	27.0	27.0	25.0	25.0
Economic Development	17.0	18.0	18.0	19.0
Executive	2.0	2.0	2.0	2.0
Equity, Policy & Communications	10.0	10.0	10.0	11.0
Legal	5.0	5.0	5.0	5.0
Human Resources	2.0	2.0	3.0	3.0
Finance & Business Operations	18.0	17.0	16.0	17.0
<b>Total</b>	<b>81.0</b>	<b>81.0</b>	<b>79.0</b>	<b>82.0</b>

Per the Budget Message, the staffing increase is the result of the transfer of the Social Equity and Education Development (SEED) initiative from the City of Portland to Prosper Portland. Reimagine Oregon Cannabis programming and administration will also be transferred. Funds will be allocated in FY 23-24 to support women-owned and BIPOC-owned small businesses.

**Materials and Services:**

Materials and services increase from \$105.6 million to \$130.6 million in FY 2023-24. Of this amount, \$53.2 million is budgeted for financial assistance programs.

**Capital Outlay:**

Capital project expenditures for FY 2023-24 are \$67.1 million. TIF districts with significant capital outlay include:

- Downtown Waterfront: \$11.7 million construction
- Gateway: \$1.6 million acquisition
- North Macadam: \$15.0 million acquisition
- River District: \$20.1 million demolition and site preparation, \$12.1 million construction

In addition, most TIF districts support tenants or property owners with loan programs for business/property redevelopment. Each district also continues to budget for Prosperity Investment Program (PIP) and Community Livability Grants (CLG); the former supports storefront and other small business improvements and the latter supports investments in non-profit or other community facilities/assets.

**Contingencies, Transfers, Unappropriated:**

Prosper Portland budgets all funds that are not programmed as contingency and so there is no ending fund balance budgeted. This allows Prosper Portland flexibility to respond to new opportunities. Contingencies in the budget are decreasing from \$276.9 million in FY 2022-23 to \$174.4 million in FY 2023-24. Prosper Portland’s contingency fluctuates annually due to cash inflows from debt issues and outflows spent on projects. Transfers include funds transferred from the TIF district funds to the General Fund to pay for the TIF district’s portion of personnel costs, which are all budgeted in the General Fund.



**Expenditures by Function**

<b>Prosper Portland</b>					
Total Requirements by Function					
	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Approved</b>	<b>Change</b>
Administrative Services	12,925,388	15,062,977	15,966,297	16,341,944	2.4%
Community Development	5,024,096	1,022,177	5,726,614	6,260,545	9.3%
Economic Development	51,915,589	36,487,766	92,847,836	153,597,959	65.4%
Housing	26,856,333	28,854,007	40,892,776	40,738,363	-0.4%
Debt Service	0	0	4,080,000	0	-100.0%
<b>TOTAL EXPENDITURES</b>	<b>96,721,406</b>	<b>81,426,927</b>	<b>159,513,523</b>	<b>216,938,811</b>	<b>36.0%</b>
Transfers Out	154,421,373	17,017,802	21,017,627	75,593,512	259.7%
Contingencies	0	0	276,908,521	174,437,032	-37.0%
Ending Fund Balance	318,773,149	339,244,475	0	0	0.0%
<b>TOTAL REQUIREMENTS</b>	<b>569,915,928</b>	<b>437,689,204</b>	<b>457,439,671</b>	<b>466,969,355</b>	<b>2.1%</b>

Total expenditures are budgeted in the five program areas defined the Approved budget and detailed in the following paragraphs. *Our categorization in the table above combines economic development and property redevelopment into one line item. They are segregated in the information below.*

**Economic Development** – The economic development program budget is \$36.1 million, an increase of \$4.7 million from the FY 2022-23 Revised Budget. This category includes programs funded by City of Portland General Fund, Enterprise Zone, Community Development Block Grant funds, Recreational Cannabis Tax (RCT) funds, and one-time federal grant funds:

- business lending
- community economic development
- traded sector business development
- entrepreneurship

Included in this category are one-time carry forward of \$1.0 million and \$900,000 allocated through the Mayor’s Proposed Budget for the Office of Events and Film and small business stabilization. In addition, \$10.3 million ARPA funds are budgeted here.

**Property Redevelopment** – The property redevelopment program budget is \$117.5 million. This category includes projects and programs that relate to property redevelopment. It is comprised of:

- commercial property redevelopment
- commercial real estate lending
- property management activities
- community redevelopment grants

The budget increases by \$56.0 million from the FY 2022-23 Revised Budget. Projects include demolition and other predevelopment costs for the former US Post Office site and Broadway Corridor, funding for University Place in the North Macadam district, and multiple smaller projects across districts, ongoing property management costs across 45 Prosper Portland held properties, and commercial lending and grants that support small businesses across most districts.

**Housing** – The housing program budget is \$40.7 million, a slight decrease from FY 2022-23 Revised Budget of \$40.9 million. The Housing Set Aside policy provides that 45 percent of all new TIF debt proceeds and 70 percent of the amended Interstate Corridor resources are invested in affordable housing. All Housing Set Aside resources that are transferred to the Portland Housing Bureau are accounted for here.

**Infrastructure** – The infrastructure program budget is \$6.3 million, an increase of \$0.6 million from \$5.7 million budgeted in the current year. This category includes all projects and programs that are public infrastructure improvements including parks, public facilities, and transportation.

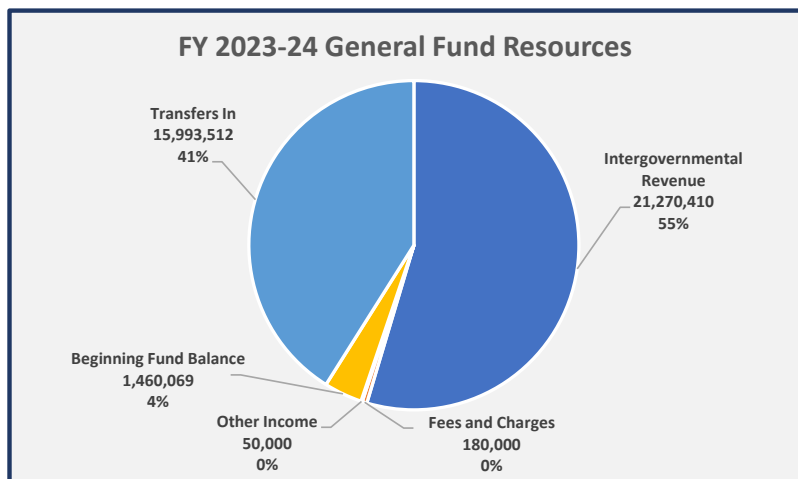
**Administration** – The administration program budget is \$16.3 million. This represents an increase \$300,000 from the revised budget in FY 2022-23. The variance is due to net changes in planned personnel and administrative materials and services costs.

## GENERAL FUND

The total General Fund budget for FY 2023-24 is \$39.0 million, a 7.1% increase.

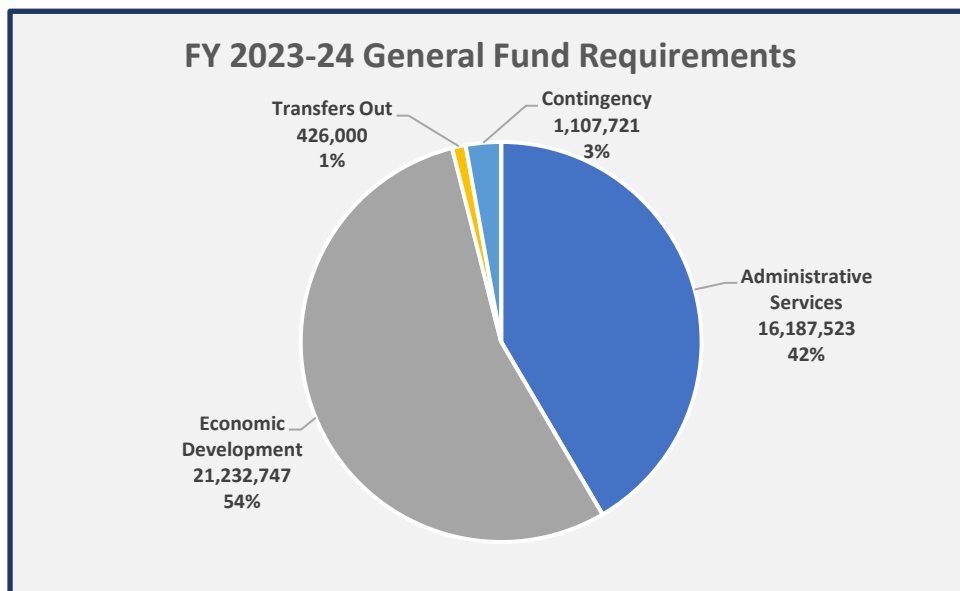
<b>Prosper Portland</b>					
General Fund Resources					
	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Approved</b>	<b>Change</b>
Intergovernmental Revenue	7,118,629	9,582,504	17,790,873	21,270,410	19.6%
Fees and Charges	122,273	225,308	265,000	180,000	-32.1%
Other Income	206,658	130,492	197,062	50,000	-74.6%
<b>TOTAL REVENUE</b>	<b>7,447,560</b>	<b>9,938,304</b>	<b>18,252,935</b>	<b>21,500,410</b>	<b>17.8%</b>
Beginning Fund Balance	1,225,521	1,336,514	1,604,287	1,460,069	-9.0%
Transfers In	13,316,560	15,061,802	16,499,427	15,993,512	-3.1%
<b>TOTAL RESOURCES</b>	<b>21,989,641</b>	<b>26,336,620</b>	<b>36,356,649</b>	<b>38,953,991</b>	<b>7.1%</b>

General Fund resources balance to requirements. The General Fund receives a City of Portland allocation for economic development activities from the City’s general fund. The FY 2023-24 budget for this is \$21.1 million, an increase of \$3.5 million from last year’s contribution. Aside from the dollars from the city, almost all General Fund revenue comes as Transfers In from the TIF funds. As mentioned in the requirements section of this review, these are interfund charges as the agency budgets its personnel services costs in the General Fund and charges the URA funds for their portion of the personnel services costs. The district’s FY 2023-24 Transfers In to the General Fund total of \$15.9 million.



The General Fund increases in this budget, primarily for economic development which comprises 54.5% of total fund requirements. Economic development increases due to growth in the amount of grants anticipated: the approved budget includes \$14.4 million for grants to grantees while the current year revised budget includes \$6.1 million. This includes funds for adult and youth workforce programs, inclusive entrepreneurship, Reimagine Oregon, Social Equity and Education Development, Neighborhood Prosperity Network, and Venture Portland.

<b>Prosper Portland</b>					
General Fund Requirements by Function					
	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Approved</b>	<b>Change</b>
Administrative Services	12,220,115	13,918,950	15,685,897	16,187,523	3.2%
Community Development	0	140	0	0	0.0%
Economic Development	8,183,754	10,458,732	18,826,153	21,232,747	12.8%
<b>TOTAL EXPENDITURES</b>	<b>20,403,869</b>	<b>24,377,822</b>	<b>34,512,050</b>	<b>37,420,270</b>	<b>8.4%</b>
Transfers Out	249,260	354,511	384,530	426,000	10.8%
Contingency	0	0	1,460,069	1,107,721	-24.1%
Ending Fund Balance	1,336,512	1,604,287	0	0	0.0%
<b>TOTAL REQUIREMENTS</b>	<b>21,989,641</b>	<b>26,336,620</b>	<b>36,356,649</b>	<b>38,953,991</b>	<b>7.1%</b>



## OTHER FUNDS

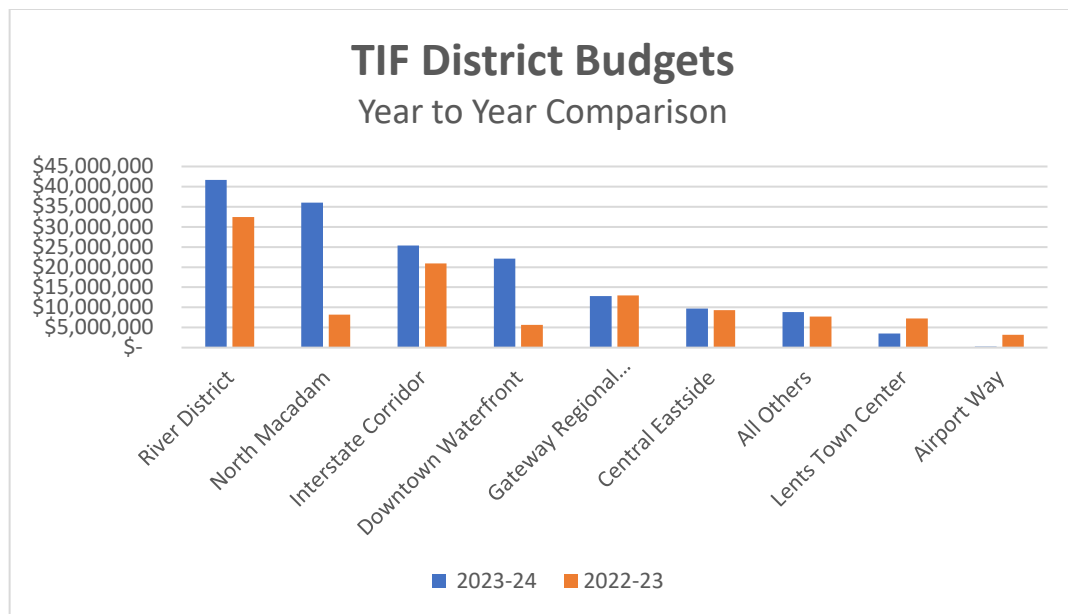
The remainder of the agency’s funds are of two types: Tax Increment Financing (TIF) funds and economic development funds.

### Tax Increment Financing Funds

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

Prosper Portland FY 2023-24 Approved Budget Tax Increment Financing Funds					
	Beginning Fund Balance	Revenue	Expenses	Transfers Out	Contingency
NPI TIF Fund	621,375	-	409,740	-	211,635
Cully TIF Fund	-	537,794	472,327	50,000	15,467
Downtown Waterfront TIF Fund	30,473,024	252,176	22,085,052	4,600,000	4,040,148
North Macadam TIF Fund	38,053,312	23,536,997	35,982,686	21,600,000	4,007,623
River District TIF Fund	27,214,171	18,287,202	41,661,154	3,800,000	40,219
South Park Blocks TIF Fund	1,631,912	65,069	-	1,250,000	446,981
Convention Center TIF Fund	311,190	4,563,748	3,864,282	600,000	398,535
Central Eastside TIF Fund	27,586,501	468,839	9,687,628	9,800,000	8,567,712
Lents Town Center TIF Fund	38,682,488	3,096,908	3,494,180	21,900,000	16,385,216
Interstate Corridor TIF Fund	75,558,994	30,515,183	25,337,914	9,100,000	71,636,263
Gateway Regional Center TIF Fund	9,802,105	10,444,987	12,810,884	1,900,000	5,536,208
Airport Way TIF Fund	2,075,186	195,374	224,523	420,000	1,626,037
Willamette Industrial TIF Fund	4,386,581	29,016	4,049,507	366,090	-
<b>Totals</b>	<b>256,396,839</b>	<b>91,993,293</b>	<b>160,079,877</b>	<b>75,386,090</b>	<b>112,912,044</b>

The following charts shows spending by TIF district for the 22-23 and 23-24 budgets.



## Economic Development Funds

Aside from the General Fund and TIF Funds, Prosper Portland has ten funds, and six are dedicated to specific economic development activities using non-TIF resources. Combined FY 2023-24 budget total for these ten funds is \$79.6 million. Expenditures are \$19.4 million, consistent with prior year amounts. A combined \$60.1 million in fund balance is budgeted as contingency, with the largest share in the Strategic Investment Fund (previously the Enterprise Loans Fund). The Strategic Investment Fund accounts for non-TIF revolving loan funds, including the small business loan program and other business and commercial lending programs. The increased revenue in this fund includes earned income from prior TIF District investments.

<b>Prosper Portland</b>					
<b>FY 2023-24 Approved Budget</b>					
Economic Development Funds					
	<b>Beginning Fund Balance</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Transfers Out</b>	<b>Contingency</b>
Housing & Comm Dev Contract Fund	-	2,262,907	2,262,907	-	-
Comm Op & Enhancements Fund	-	1,132,106	1,132,106	-	-
Affordable Comm Tenanting Fund	495,529	-	-	-	495,529
American Rescue Plan Act Fund	-	10,296,200	10,296,200	-	-
Other Federal Grants Fund	1,151,891	238,917	468,285	47,512	875,011
Enterprise Zone Fund	3,942,495	713,826	1,257,653	-	3,398,668
Ambassador Program fund	8,368	-	8,368	-	-
Strategic Investment Fund	4,378,998	45,199,930	3,421,905	100,000	46,057,023
Business Management Fund	9,433,390	229,733	579,119	-	9,084,004
Internal Service Fund	140,942	-	-	-	140,942
<b>Totals</b>	<b>19,551,613</b>	<b>60,073,619</b>	<b>19,426,543</b>	<b>147,512</b>	<b>60,051,177</b>

## 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 Revised 23-24 budget does include one-time debt service of \$4 million dollars in the Downtown Waterfront TIF fund.

## BUDGET PROCESS & 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 principal 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?

## LOCAL BUDGET LAW COMPLIANCE

The 2023-24 Approved Budget is in substantial compliance with local budget law. The district's budget estimates are reasonable for the purposes shown. The FY 2021-22 audit finds no budgetary noncompliance.

## CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2023-24 budget or budget process and will recommend the Certification Letter contain no recommendations or objections.

# Prosper Portland

## Budget Summary

<u>SUMMARY OF ALL FUNDS</u>	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	%
	Actual	Actual	Revised	Approved	Change
<b>PROPERTY TAX BREAKDOWN:</b>					
<b>TOTAL PROPERTY TAX</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>RESOURCES:</b>					
Beginning Fund Balance	285,268,159	318,773,155	339,244,472	277,408,521	-18.2%
Intergovernmental Revenue	26,207,858	16,459,377	27,516,924	33,829,517	22.9%
Fees and Charges	2,857,907	2,394,808	2,900,094	1,842,336	-36.5%
Other Income	13,392,188	17,912,764	10,973,507	13,181,066	20.1%
Debt Proceeds	87,768,443	65,130,283	55,787,047	65,114,403	16.7%
Transfers In	154,421,373	17,018,817	21,017,627	75,593,512	259.7%
<b>TOTAL RESOURCES</b>	<b>569,915,928</b>	<b>437,689,204</b>	<b>457,439,671</b>	<b>466,969,355</b>	<b>2.1%</b>
<b>REQUIREMENTS BY FUNCTION:</b>					
Administrative Services	12,925,388	15,062,977	15,966,297	16,341,944	2.4%
Housing	26,856,333	28,854,007	40,892,776	40,738,363	-0.4%
Community Development	5,024,096	1,022,177	5,726,614	6,260,545	9.3%
Economic Development	51,915,589	36,487,766	92,847,836	153,597,959	65.4%
Debt Service	0	0	4,080,000	0	-100.0%
Transfers Out	154,421,373	17,017,802	21,017,627	75,593,512	259.7%
Contingencies	0	0	276,908,521	174,437,032	-37.0%
Ending Fund Balance	318,773,149	339,244,475	0	0	0.0%
<b>TOTAL REQUIREMENTS BY FUNCTION</b>	<b>569,915,928</b>	<b>437,689,204</b>	<b>457,439,671</b>	<b>466,969,355</b>	<b>2.1%</b>
<b>REQUIREMENTS BY OBJECT:</b>					
Personnel Services	14,109,146	15,340,263	17,879,292	19,181,103	7.3%
Materials & Services	69,053,177	61,800,562	105,552,568	130,625,486	23.8%
Capital Outlay	13,559,078	4,280,815	32,001,663	67,132,222	109.8%
Debt Service	0	0	4,080,000	0	-100.0%
Fund Transfers	154,421,373	17,017,802	21,017,627	75,593,512	259.7%
Contingencies	0	0	276,908,521	174,437,032	-37.0%
Ending Fund Balance	318,773,154	339,249,768	0	0	0.0%
<b>TOTAL REQUIREMENTS BY OBJECT</b>	<b>569,915,928</b>	<b>437,689,210</b>	<b>457,439,671</b>	<b>466,969,355</b>	<b>2.1%</b>
<b>SUMMARY OF BUDGET - BY FUND</b>					
General Fund	21,989,641	26,336,620	36,356,649	38,953,991	7.1%
Housing & Comm Dev. Contract Fund	2,913,826	4,263,060	3,062,686	2,262,907	-26.1%
Comm Op & Enhancements Fund	1,025,245	1,456,045	2,278,507	1,132,106	-50.3%
Affordable Comm Tenanting Fund	490,168	493,064	495,529	495,529	0.0%
CARES Act Fund	15,002,727	1,304	0	0	0.0%
American Rescue Plan Act Fund	0	3,121,619	7,666,752	10,296,200	34.3%
Other Federal Grants Fund	2,612,685	3,058,354	2,826,251	1,390,808	-50.8%
Enterprise Zone Fund	4,986,709	5,602,706	5,610,091	4,656,321	-17.0%

Ambassador Program Fund	12,935	13,010	12,703	8,368	-34.1%
NPI TIF Fund	2,882,007	2,400,129	1,374,112	621,375	-54.8%
Cully TIF Fund	0	0	0	537,794	0.0%
Downtown Waterfront TIF Fund	40,278,950	40,103,826	38,006,734	30,725,200	-19.2%
North Macadam TIF Fund	52,830,973	55,521,631	47,910,958	61,590,309	28.6%
River District TIF Fund	156,941,308	75,828,868	64,323,874	45,501,373	-29.3%
South Park Blocks TIF Fund	5,426,118	5,403,742	2,596,155	1,696,981	-34.6%
Convention Center TIF Fund	9,699,137	7,186,559	7,276,649	4,874,938	-33.0%
Central Eastside TIF Fund	42,522,855	41,670,041	38,987,925	28,055,340	-28.0%
Lents Town Center TIF Fund	28,557,991	36,620,410	47,145,756	41,779,396	-11.4%
Interstate Corridor TIF Fund	68,945,687	82,700,498	98,628,887	106,074,177	7.5%
Gateway Regional Center TIF Fund	16,187,867	19,699,942	23,311,050	20,247,092	-13.1%
Airport Way TIF Fund	5,950,492	5,963,643	5,637,605	2,270,560	-59.7%
Willamette Industrial TIF Fund	4,382,133	4,385,544	4,402,405	4,415,597	0.3%
Strategic Investment Fund	5,445,744	5,141,051	8,891,225	49,578,928	457.6%
Business Management Fund	80,690,509	10,576,596	10,496,226	9,663,123	-7.9%
Internal Service Fund	140,221	140,942	140,942	140,942	0.0%
<b>GRAND TOTAL ALL FUNDS</b>	<b>569,915,928</b>	<b>437,689,204</b>	<b>457,439,671</b>	<b>466,969,355</b>	<b>2.1%</b>

#### DETAIL OF GENERAL FUND

##### RESOURCES:

Beginning Fund Balance	1,225,521	1,336,514	1,604,287	1,460,069	-9.0%
Federal Revenue	15,912	0	0	0	0.0%
State Revenue	60,088	37,131	68,375	100,000	46.3%
Local Revenue	7,042,629	9,545,373	17,722,498	21,170,410	19.5%
Fees and Charges	122,273	225,308	265,000	180,000	-32.1%
Other Income	206,658	130,492	197,062	50,000	-74.6%
Transfers In	13,316,560	15,061,802	16,499,427	15,993,512	-3.1%
<b>TOTAL FUND RESOURCES</b>	<b>21,989,641</b>	<b>26,336,620</b>	<b>36,356,649</b>	<b>38,953,991</b>	<b>7.1%</b>

##### REQUIREMENTS:

Administrative Services	12,220,115	13,918,950	15,685,897	16,187,523	3.2%
Community Development	0	140	0	0	0.0%
Economic Development	8,183,754	10,458,732	18,826,153	21,232,747	12.8%
Transfers Out	249,260	354,511	384,530	426,000	10.8%
Contingencies	0	0	1,460,069	1,107,721	-24.1%
Ending Fund Balance	1,336,512	1,604,287	0	0	0.0%
<b>TOTAL FUND REQUIREMENTS</b>	<b>21,989,641</b>	<b>26,336,620</b>	<b>36,356,649</b>	<b>38,953,991</b>	<b>7.1%</b>