

# Budget Review 2025-26

## Prosper Portland



### BUDGET HIGHLIGHTS

- Prosper Portland's FY 2025-26 Approved Budget is \$346 million, \$202 million (36%) less than the FY 2024-25 Revised Budget. This budget demonstrates the impacts of large tax increment financing (TIF) district closures, which are not yet balanced out by new districts approved in fall 2024.
- The budget decrease is mostly due to beginning fund balance reduction of \$146 million as TIF district funds are spent down on projects and districts are closed. Debt proceeds also see reduction (\$26 million, \$36 million less than Revised Budget) as fewer bonds are issued for projects. General Fund expenditures fall by \$10 million with decreases in grant and technical assistance spending.
- Prosper Portland introduces six new districts in this budget: 82<sup>nd</sup> Ave, Central Eastside Corridor, East 205, Lloyd-Holladay, Sumner, Parkrose, Argay, Columbia, and Westside TIF districts. The total funds budgeted for these districts is \$35 million and will continue to grow as the districts levy additional TIF taxes in the future.
- Prosper Portland's total FY 2025-26 revenue from these sources is \$16 million, a decline of \$9 million from FY 2024-25. These resources make up about 23% of Prosper Portland's 5-year revenue forecast, net of service reimbursements and transfer in.
- This year sees a change in budgetary practice as the district moves funds for future projects from contingency to reserve for future expenditures. As a result of the shift, the appropriations, or spending limits, in the budget are considerably lower than in the past and ending fund balance is increased.
- Property redevelopment is the largest category of budgeted expenditures. This category of spending sees a decrease of \$61 million (40%) as less activity is planned for the next fiscal year. The budgeted redevelopment projects are again continuations from last year, including:
  - work on the former US Post Office site and Broadway Corridor;
  - funding for University Place in the North Macadam district;
  - investments for loans, grants, and predevelopment work in Interstate and Gateway;
  - ongoing property management costs across Prosper Portland held properties; and
  - commercial lending and grants that support small businesses across most districts.

# 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 the ability to create urban renewal agencies with which to receive federal urban renewal funds and to collect property taxes using tax increment financing (TIF districts).

Prosper Portland	2021-22	2022-23	2023-24	2024-25
Base Frozen Value in Billions	\$4.776	\$4.776	\$5.638	\$2.299
Excess Value Used in Billions	\$6.715	\$6.590	\$2.987	\$1.746
Excess Value Not Used in Billions	\$5.907	\$7.732	\$10.805	\$5.324
Total Value All Plan Areas in Billions	\$17.323	\$18.109	\$19.430	\$11.369
Special Levy Tax Rate	\$0.1961	\$0.1887	-0-	-0-
Number of Plan Areas	17	17	17	6
Measure 5 Impact	\$-7,367,312	\$-6,369,920	\$-2,574,197	\$-1,825,207
Number of Employees (FTE's)	80	78	81	88

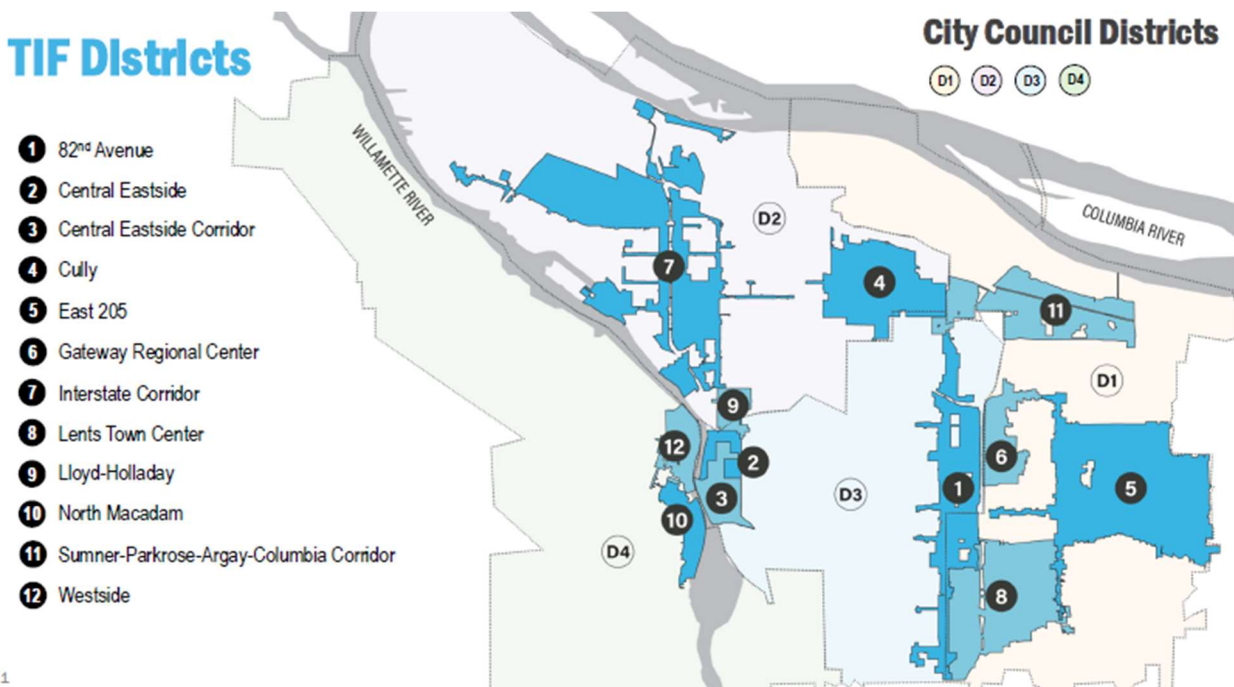
## Tax Increment Financing (TIF) Districts

Prosper Portland does not levy taxes; instead, the city of Portland issues debt and levies taxes to repay that debt on behalf of Prosper Portland. 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.

## Tax Increment Financing Districts in Portland

Twelve plan areas are included in the FY 25-26 budget, including the six newest districts: 82<sup>nd</sup> Ave, Central Eastside Corridor, East 205, Lloyd-Holladay, Sumner, Parkrose, Argay, Columbia, and Westside TIF districts. Nine districts will receive TIF debt proceeds in FY 25-26.

The map below is from January 2025.



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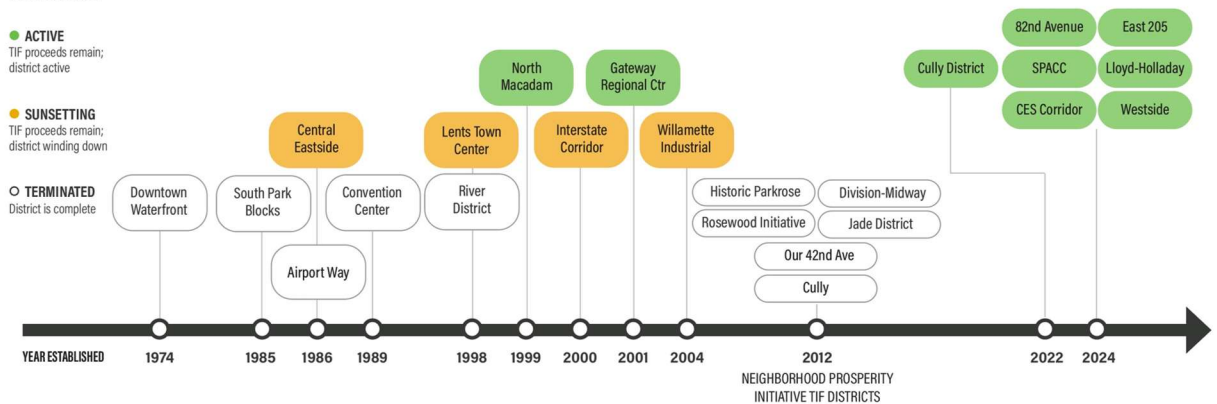
## Portland TIF Districts: Status

### District Status

● **ACTIVE**  
TIF proceeds remain;  
district active

● **SUNSETTING**  
TIF proceeds remain;  
district winding down

○ **TERMINATED**  
District is complete



In addition to tax increment financing, four of the oldest plan areas (Downtown Waterfront, Convention Center, Airport Way, and South Park Blocks) could impose a special levy over all property within the City of Portland's boundaries. The city limited the special levy to \$15,000,000, but the amounts allocated to each plan area changed from year to year. As of FY 23-24, these districts are no longer levying the special levy as they are all closed. They will continue to spend accumulated debt proceeds on projects until funds are gone, but the city is no longer paying the debt service or levying taxes for those districts.

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.

*Note: The chart is for actuals in the current fiscal year.*

## Current Financial Impact

FY 2024-25 TIF District Values and Taxes (in millions)					
	Base Frozen Value	Excess Value		Total Value	Taxes Imposed
		Used	Not Used		
<b>Excess Value Unused</b>					
Central Eastside	230.5		1,038.4	1,268.9	
Gateway	307.2	386.1		693.3	8.2
Interstate Corridor	1,293.5		3,046.8	4,340.3	
Lents Town Center	736.2		1,238.9	1,975.1	
North Macadam	628.1	1,285.9		1,914.0	28.6
Cully Blvd.	1,103.1	73.9		1,177.0	1.3
<b>Total</b>	<b>\$4,298.6</b>	<b>\$1,745.9</b>	<b>\$5,324.1</b>	<b>\$11,368.6</b>	<b>\$38.1</b>

Source: Multnomah County Assessment and Taxation & TSCC



All taxing districts with geographic area in a City of Portland urban renewal district will benefit from the closing of TIF districts as the increased assessed values returns to their tax rolls and increases their revenue. However, the return of assessed value does not apply equally to all local taxing districts in the county. Small districts may only have area in some TIF districts. With the addition of the six new TIF districts, additional taxes will be foregone as the districts ramp up in coming years.

### Changing Approach to TIF Districts

In the past TIF location decisions were driven by Prosper Portland. Prosper Portland's new focus is on community-driven TIF districts, rather than the former top-down approach. Prosper Portland's new approach to TIF districts 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

In light of these changes, the city has agreed to transfer funds 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 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. Additionally, the city can choose to allocate additional dollars to Prosper Portland.

## BUDGET OVERVIEW

Prosper Portland's FY 2025-26 Approved Budget is \$346 million, \$201 million (37%) less than FY 2024-25 Revised Budget. This year's budget decline is primarily attributable to closures of TIF districts. Intergovernmental revenues for the City of Portland reduce in this budget, resulting in cuts to General Fund programs. The bulk of the TIF district closures occurred in 2024, with four large districts slated for closure. As TIF districts close, the property tax earned during the TIF period is no longer routed to Prosper Portland. Instead, those funds return to the other taxing districts (schools, city, county, special districts).

Revenues from existing TIF district debt proceeds are projected to decrease by \$36 million in 2025-26, after a \$13 million decrease last year. The reduced TIF resources is known as the "TIF Cliff" and requires alternate funding strategies for the district's long-term financial stability. Last year, the district completed a new Financial Sustainability Plan to guide future spending.

The district opened six new TIF districts this year: 82<sup>nd</sup> Ave, Central Eastside Corridor, East 205, Lloyd-Holladay, Sumner, Parkrose, Argay, Columbia, and Westside TIF districts. The budget impacts are small (with the exception of the Westside TIF district) but will grow in future years as the funds generated by the TIF increment increase. The Westside TIF district has the same geographic footprint as the River District TIF district and will receive the funds to finish Old Town property investments and Broadway Corridor/USPS project.

As Prosper Portland focuses on community requested TIF district creation and existing large districts close, dollars from the City of Portland become even more important. In last year's requested budget, Commissioner Rubio noted the spending plan for Prosper Portland:

*Prosper Portland will spend down existing TIF resources through FY 2028-29. While some new resources will be generated in existing TIF districts (Gateway and Cully), most budgeted resources will be generated from General Fund, Strategic Investment Fund and, if adopted, new TIF Districts by FY 2028-29. Allocation of Returning TIF set aside resources provides operational support to continue current ongoing programing for the Inclusive Business Resource Network, Neighborhood Prosperity Network, Workforce Programs, and Business Advancement. Returning TIF also provides support to seed the Small Business Office, small business tenanting and leasing operational support, partial funding for the Office of Events and Film, and the deployment of the \$45 million Strategic Investment Fund, providing small business financial assistance and middle-income housing across the City.*

With the new districts approved, Prosper is expecting \$70M in total new resources for the five-year period between FY 2025-26 and 2029-30 for investment and related operations, meaning approximately \$50-\$60M in new TIF available for economic development, affordable housing, and related infrastructure capital investments. Higher levels of TIF resources will be available in FY 2030-31 and future years.

As part of the Approved Budget, the City Council specified that Prosper Portland will spend \$3 million of Strategic Investment Fund reserve dollars for specific purposes:

- James Beard Public Market (\$1 million)
- Repair and Restore Grants (\$1 million)
- Summer Works (\$300,000)
- NextGen (\$200,000)
- Office of Events and Film (\$450,000)
- Large Event Grants (\$50,000)

## RESOURCES

Prosper Portland Total Resources					
	2022-23 Actual	2023-24 Actual	2024-25 Revised	2025-26 Approved	Budget Change
Intergovernmental Revenue	24,692,644	27,665,678	36,303,328	24,403,489	-32.8%
Fees and Charges	11,356,553	3,813,766	13,551,140	16,084,195	18.7%
Other Income	15,443,630	21,851,553	21,574,583	24,756,051	14.7%
Debt Proceeds	56,887,187	57,787,139	61,437,452	25,668,589	-58.2%
<b>TOTAL REVENUE</b>	<b>108,380,014</b>	<b>111,118,136</b>	<b>132,866,503</b>	<b>90,912,324</b>	<b>-31.6%</b>
Beginning Fund Balance	339,244,476	351,172,663	361,974,564	216,461,660	-40.2%
Transfers In	22,862,572	89,897,507	53,440,367	38,973,574	-27.1%
<b>TOTAL RESOURCES</b>	<b>470,487,062</b>	<b>552,188,306</b>	<b>548,281,434</b>	<b>346,347,558</b>	<b>-36.8%</b>

As mentioned, Prosper Portland does not levy property taxes. Instead, 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 TIF taxes and the debt service remain in the city budget. Only the debt proceeds are in Prosper Portland's budget.

Prosper Portland began closing TIF districts in recent years. The impact of these closures will be most felt in FY 2024-25. The City of Portland sends Prosper Portland General Fund dollars to support economic development work as Prosper transitions to a community-led TIF development process that will likely result in fewer and smaller TIF districts going forward.

**Debt Proceeds** continue to be the primary source of new revenue and see a decline this year of \$35.8 million as TIF districts close. The district has a large **beginning fund balance** that is primarily composed of TIF debt proceeds dedicated to future projects, and this declines from \$361 million to \$216 million in the FY 25-26 budget.

**Intergovernmental revenue** declines \$12 million to a total of \$24 million. Revenue from the City of Portland is budgeted here in the amount of \$13.1 million for ongoing, one-time, and returning TIF General Fund resources. Prosper will also receive \$3.1 million in Recreational Cannabis Tax resources from the city.

**Fees and Charges** increase by 19% to a total of \$16 million. Portland Clean Energy funds from the city are budgeted here and make up the majority of funds - \$11.9 million for FY 25-26, up from \$8.5 million the prior year. The voter-approved Clean Energy Surcharge is a 1% charge imposed on large retailers with \$1 billion in national revenue and \$500,000 in revenue in Portland and the proceeds are funding services across a range of city bureaus.

**Other Income** includes interest on investments, property income, and other sources of funds. Property income makes up the majority of this category, at \$15.5 million for FY 25-26, an increase of \$4 million from the prior year.

**Transfers In** also see a decrease. Transfers reduce as TIF activities lessen.



# REQUIREMENTS

Over half of the FY 2025-26 approved budget is for expenditures (\$189 million). The remainder consists of fund transfers and contingency. Unspent contingency will roll forward as beginning fund balance in the following fiscal year.

Prosper Portland Total Requirements by Object					
	2022-23 Actual	2023-24 Actual	2024-25 Revised	2025-26 Approved	Budget Change
Personnel Services	16,615,298	19,458,630	22,237,844	23,143,303	4.1%
Materials & Services	56,040,806	66,681,211	196,674,596	135,406,872	-31.2%
Capital Outlay	19,734,443	16,898,868	58,303,184	30,660,911	-47.4%
Debt Service	4,061,276	0	0	0	0.0%
<b>TOTAL EXPENDITURES</b>	<b>96,451,823</b>	<b>103,038,709</b>	<b>277,215,624</b>	<b>189,211,086</b>	<b>-31.7%</b>
Fund Transfers	22,862,574	89,897,506	53,781,144	38,973,574	-27.5%
Contingencies	0	0	217,284,666	13,148,404	-93.9%
Ending Fund Balance	351,172,665	359,252,087	0	105,014,494	0.0%
<b>TOTAL REQUIREMENTS</b>	<b>470,487,062</b>	<b>552,188,302</b>	<b>548,281,434</b>	<b>346,347,558</b>	<b>-36.8%</b>

## Contingencies, Transfers, Unappropriated:

In the past, Prosper Portland budgeted all dollars not programmed as expenditures as contingency. They did not budget an ending fund balance. This year sees a change in budgetary practice as the district moves funds for future projects from contingency to reserve for future expenditures – contingency is meant to be spent in the current year, whereas reserves are held for future budget years. Therefore, reserves are a more appropriate budgetary category for these resources. As a result of the shift, the appropriations, or spending limits, in the budget are considerably lower than in the past. If the funds are needed sooner than anticipated, the district has the ability to appropriate the funds through a supplemental budget.

Taken together, these categories of non-expenditure requirements see a decrease as TIF districts close and fewer dollars are held for future year projects.

## EXPENDITURES

Total expenditures – the core of the budget - are \$189 million, \$88 million less than the current year. Expenditures have steadily increased since the pandemic low in FY 2021-22. This year the closing of TIF districts continues to have impacts and expenditures decrease 32%.

**Personnel Services** increase by 5% and fund 105 positions, the same number of FTE as last year.

**Materials and Services (M&S)** decrease for the second year in a row. The majority of M&S costs budgeted are for Financial Assistance (predominately loans and grants for businesses), which decrease to \$57 million from \$119 million in the current year – the majority of the decrease is in loans to borrowers (43.8 million decrease), but grants are also reduced (15.2 million decrease).

**Capital Outlay** expenditures see one of the larger percentage decreases, dropping by nearly half (\$28 million reduction), as TIF districts close and fewer projects are planned.

## EXPENDITURES BY FUNCTION

<b>Prosper Portland</b>					
Total Requirements by Function					
	<b>2022-23 Actual</b>	<b>2023-24 Actual</b>	<b>2024-25 Revised</b>	<b>2025-26 Approved</b>	<b>Budget Change</b>
Administrative Services	14,886,995	17,067,376	14,417,167	13,226,213	-8.3%
Community Development	497,331	756,092	21,642,832	20,400,555	-5.7%
Economic Development	25,328,336	34,653,797	40,813,671	30,266,024	-25.8%
Property Development	35,812,201	35,245,295	149,797,640	89,321,147	-40.4%
Housing	15,865,684	15,316,124	50,544,314	35,997,147	-28.8%
Debt Service	4,061,276	-	-	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>96,451,823</b>	<b>103,038,684</b>	<b>277,215,624</b>	<b>189,211,086</b>	<b>-31.7%</b>
Transfers Out	22,862,574	89,897,507	53,781,144	38,973,574	-27.5%
Contingencies	0	0	217,284,666	13,148,404	-93.9%
Ending Fund Balance	351,172,665	359,252,115	-	105,014,494	0.0%
<b>TOTAL REQUIREMENTS</b>	<b>470,487,062</b>	<b>552,188,306</b>	<b>548,281,434</b>	<b>346,347,558</b>	<b>-36.8%</b>

Total expenditures are budgeted in the five program areas defined in the Approved budget and detailed in the following paragraphs.

**Administrative Services** – The administration program budget is \$13 million, a decrease of \$1.2 million from FY 25. The decrease is almost entirely in the business management fund, which in FY 25 budgeted \$900,000 in administrative services for management of a parking garage that has since been transferred back to the City of Portland.

**Community Development / Infrastructure** – The infrastructure program budget is \$20 million, an increase of \$1.2 million. This category includes all projects and programs that are public infrastructure improvements including parks, public facilities, and transportation. The majority of the increase is budgeted for construction costs in the North Macadam TIF fund.

**Economic Development** – The economic development program budget is \$30 million, a decrease of \$7.6 million from the Revised Budget as Prosper Portland receives fewer funds from the City of Portland. This category includes programs funded by the Strategic Investment Fund, 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

**Property Redevelopment** – The property redevelopment program budget is \$89 million. This category includes projects and programs that relate to property redevelopment. It is comprised of:

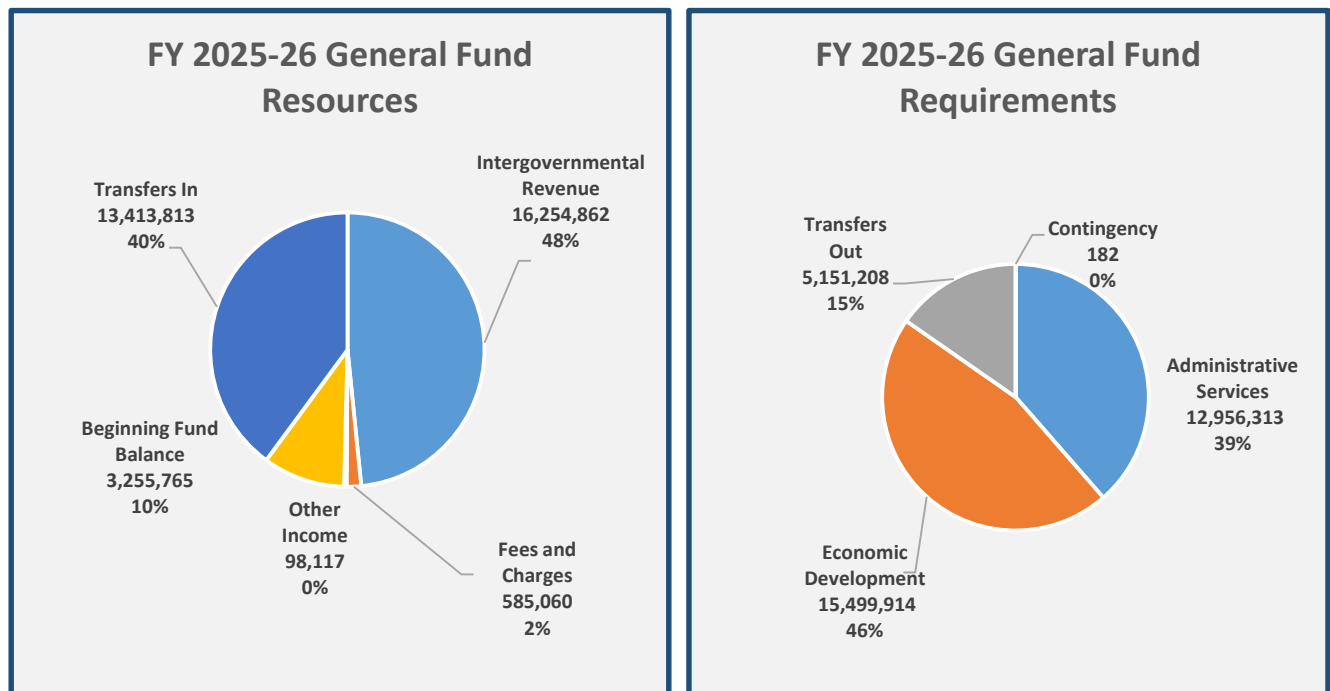
- commercial property redevelopment
- commercial real estate lending
- property management activities
- community redevelopment grants



The budget decreases by \$60.5 million from the FY 2024-25 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 \$36 million, a \$14.5 million increase from the FY 25 Revised budget. The City of Portland Housing Set Aside policy provides that 45 percent of all new cumulative TIF debt proceeds and 70 percent of the amended Interstate Corridor resources are invested in affordable housing. This policy is reviewed every five years. All Housing Set Aside resources that are transferred to the Portland Housing Bureau are accounted for here.

## GENERAL FUND



Prosper Portland General Fund Resources					
	2022-23 Actual	2023-24 Actual	2024-25 Revised	2025-26 Approved	Budget Change
Intergovernmental Revenue	16,803,592	18,627,079	25,375,490	16,254,862	-35.9%
Fees and Charges	333,670	1,088,843	2,041,524	585,060	-71.3%
Other Income	414,040	534,579	619,738	98,117	-84.2%
<b>TOTAL REVENUE</b>	<b>17,551,302</b>	<b>20,250,501</b>	<b>28,036,752</b>	<b>16,938,039</b>	<b>-39.6%</b>
Beginning Fund Balance	1,604,287	2,014,870	5,204,307	3,255,765	-37.4%
Transfers In	15,379,723	21,567,564	16,625,495	13,413,813	-19.3%
<b>TOTAL RESOURCES</b>	<b>34,535,312</b>	<b>43,832,935</b>	<b>49,866,554</b>	<b>33,607,617</b>	<b>-32.6%</b>

The total General Fund budget for FY 2025-26 is \$34 million, a 33% decrease. This decrease is largely due to reductions in intergovernmental revenue, consisting of City of Portland General Fund and Recreational Cannabis Tax (RCT) pass-through dollars.

The General Fund receives a City of Portland allocation for economic development activities from the city's general fund and the recreational cannabis tax (RCT). As noted earlier in this review, Tax Increment Financing (TIF) districts are closing, returning General Fund dollars to the City of Portland. The previous City Council had allocated \$8 million each to Prosper Portland and the Portland Housing Bureau from returning TIF proceeds on an annual basis, with the intent that Prosper Portland will use these funds for programs to fulfill job growth, offer small business support, and achieve community capacity goals that are not eligible for funding through TIF. This work is achieved through staff expertise, working capital, and technical assistance. Prosper Portland also receives recreational cannabis tax (RCT) dollars from the city.

Prosper Portland's total FY 2025-26 revenue from these sources is \$16 million, a decline of \$9 million from FY 2024-25. These resources make up about 23% of Prosper Portland's 5-year revenue forecast, net of service reimbursements and transfer in.

<b>Prosper Portland</b>					
General Fund Requirements by Function					
	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Approved</b>	<b>Change</b>
Administrative Services	14,665,719	16,755,607	13,133,908	12,956,313	-1.4%
Economic Development	17,495,223	20,703,321	26,749,215	15,499,914	-42.1%
<b>TOTAL EXPENDITURES</b>	<b>32,160,942</b>	<b>37,458,928</b>	<b>39,883,123</b>	<b>28,456,227</b>	<b>-28.7%</b>
Transfers Out	354,511	1,167,598	5,904,660	5,151,208	-12.8%
Contingency	0	0	4,078,771	182	-100.0%
Ending Fund Balance	2,014,871	5,206,409	-	-	0.0%
<b>TOTAL REQUIREMENTS</b>	<b>34,530,324</b>	<b>43,832,935</b>	<b>49,866,554</b>	<b>33,607,617</b>	<b>-32.6%</b>

General Fund resources balance to requirements. The General Fund includes funds for adult and youth workforce programs, inclusive entrepreneurship, Reimagine Oregon, Social Equity and Education Development, Neighborhood Prosperity Network, and Venture Portland, among others.

As with last year, both major functions in the General Fund, Administrative Services and Economic Development, decreased this year. The majority of the decrease occurs in reductions to grants (-\$5 million) and professional services contracts for property redevelopments (-2.3 million).

## OTHER FUNDS

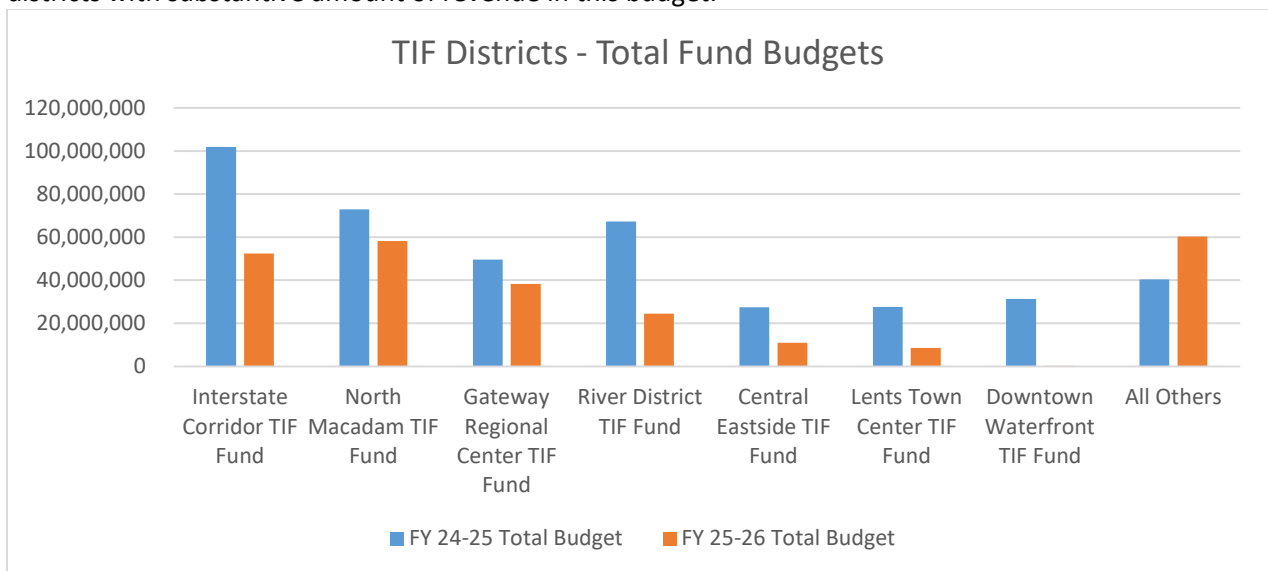
The remainder of the agency's funds are mostly of two types: Tax Increment Financing (TIF) funds and economic development funds. Last year Prosper Portland added the Portland Clean Energy Fund, to track revenues and expenditures relating to Clean Energy Tax revenue received by Prosper Portland.

## Tax Increment Financing Funds

Each TIF area has its own fund. The TIF fund budgets are shown in the following chart and table.

<b>Prosper Portland</b> <b>FY 2025-26 Approved Budget</b> Tax Increment Financing Funds						
	Beginning Fund Balance	Revenue	Expenses	Transfers Out	Contingency	Ending Fund Balance
Cully TIF Fund	322,586	2,425,329	1,182,300	204,681	0	1,360,934
Downtown Waterfront TIF Fund	199,227	3,715	0	150,778	0	52,164
East 205 TIF Fund	0	1,460,114	1,099,280	343,607	0	17,227
North Macadam TIF Fund	49,808,514	8,364,020	40,452,673	505,701	0	17,214,160
River District TIF Fund	20,839,534	3,576,645	1,001,593	20,935,697	0	2,478,889
Central Eastside Corridor TIF Fund	0	191,981	114,940	73,409	0	3,632
Sumner, Parkrose, Argay, Columbia	0	581,396	461,986	119,313	0	97
Convention Center TIF Fund	1,059,098	1,711,005	1,985,581	372,616	0	411,906
Central Eastside TIF Fund	8,104,218	2,776,090	5,873,364	4,044,884	0	962,060
Lents Town Center TIF Fund	8,080,636	429,147	1,899,110	1,272,006	2,000,000	3,338,667
Lloyd-Holladay TIF Fund	0	659,847	226,487	87,587	0	345,773
Interstate Corridor TIF Fund	50,773,394	1,560,149	35,515,242	1,184,039	0	15,634,262
Gateway Regional Center TIF Fund	25,059,865	13,120,327	21,787,253	1,002,516	0	15,390,423
82nd Ave TIF Fund	0	899,991	655,491	183,286	0	61,214
Westside TIF Fund	0	31,129,490	11,820,683	1,046,690	0	18,262,117
Willamette Industrial TIF Fund	493,727	12,248	104,960	65,931	0	335,084
<b>Totals</b>	<b>164,740,799</b>	<b>68,901,494</b>	<b>124,180,943</b>	<b>31,592,741</b>	<b>2,000,000</b>	<b>75,868,609</b>

TIF district budgets vary from year to year depending on planned projects and work. The largest budgets for TIF districts in FY 25-26 are North Macadam, Interstate Corridor, and Gateway Regional Center. These districts are actively working on projects with remaining funds. Once closed, a TIF district no longer receives property tax revenue but may continue spending down fund balance or use loan collection proceeds to finish projects, this is the case for both the Convention Center and the River District. The newest districts have small budgets for this initial year but will grow as tax revenue grows. Westside TIF district receives \$21 million in transfers from the closing River District; it is the only one of the six new districts with substantive amount of revenue in this budget.



## Non-TIF Funds

In addition to the General Fund and TIF Funds, Prosper Portland has nine funds dedicated to specific economic development activities using non-TIF resources and an internal service fund. The internal service fund accounts for resources that are set aside for insurance policy deductible and other amounts not fully reimbursed from insurance proceeds. This year sees the closure of the American Rescue Plan Act; no dollars budgeted for FY 25-26. Combined FY 2024-25 budget for these nine funds is \$75 million, an increase of \$11 million from last year. The increase is almost all in the Strategic Investment Fund, which was first introduced conceptionally in FY 23-24 and was formerly 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 and interest earnings.

<b>Prosper Portland</b>						
<b>FY 2025-26 Approved Budget</b>						
Economic Development Funds & Internal Service						
	<b>Beginning Fund Balance</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Transfers Out</b>	<b>Contingency</b>	<b>Ending Fund balance</b>
Housing & Comm Dev. Contract Fun	0	2,148,627	2,148,627	0	0	0
Comm Op & Enhancements Fund	0	2,375,000	2,209,942	165,058	0	0
Affordable Comm Tenanting Fund	15,691	235	15,691	0	235	0
Other Federal Grants Fund	783,486	6,297,440	6,300,300	22,143	758,483	0
Clean Energy Fund	0	11,855,696	10,772,678	1,083,018	0	0
Enterprise Zone Fund	4,790,369	277,486	1,623,064	177,877	3,266,914	0
Strategic Investment Fund	36,155,454	3,375,795	16,503,614	781,529	200,891	26,145,885
Business Management Fund	6,715,797	201,474	0	0	6,917,271	0
Internal Service Fund	4,299	129	0	0	4,428	0
<b>Totals</b>	<b>48,465,096</b>	<b>26,531,882</b>	<b>39,573,916</b>	<b>2,229,625</b>	<b>11,148,222</b>	<b>26,145,885</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 FY 22-23 actuals do 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?
X		Are contingencies shown only in operating funds?
X		Did budget committee approve the budget?
X		Does audit show the district was in compliance with budget law?

## LOCAL BUDGET LAW COMPLIANCE

The 2025-26 Approved Budget is in substantial compliance with local budget law, with the exception of FY 24-25 Revised Budget transfers being out of balance. The district will correct this typographical error when the budget is Adopted. The district's budget estimates are reasonable for the purposes shown. The FY 2023-24 audit finds no budgetary noncompliance.

## CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2025-26 budget or budget process and will recommend the Certification Letter contain no recommendations or objections.

# Prosper Portland

## Budget Summary

### SUMMARY OF ALL FUNDS

#### PROPERTY TAX BREAKDOWN:

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
	Actual	Actual	Revised	Approved	Change

<b>TOTAL PROPERTY TAX</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
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#### RESOURCES:

Beginning Fund Balance	339,244,476	351,172,663	361,974,564	216,461,660	-40.2%
Intergovernmental Revenue	24,692,644	27,665,678	36,303,328	24,403,489	-32.8%
Fees and Charges	11,356,553	3,813,766	13,551,140	16,084,195	18.7%
Other Income	15,443,630	21,851,553	21,574,583	24,756,051	14.7%
Debt Proceeds	56,887,187	57,787,139	61,437,452	25,668,589	-58.2%
Transfers In	22,862,572	89,897,507	53,440,367	38,973,574	-27.1%
<b>TOTAL RESOURCES</b>	<b>470,487,062</b>	<b>552,188,306</b>	<b>548,281,434</b>	<b>346,347,558</b>	<b>-36.8%</b>

#### REQUIREMENTS BY FUNCTION:

Administrative Services	14,886,995	17,067,376	14,417,167	13,226,213	-8.3%
Housing	15,865,684	15,316,124	50,544,314	35,997,147	-28.8%
Community Development	497,331	756,092	21,642,832	20,400,555	-5.7%
Economic Development	61,140,537	69,899,092	190,611,311	122,587,171	-35.7%
Debt Service	4,061,276	0	0	0	0.0%
Transfers Out	22,862,574	89,897,507	53,781,144	38,973,574	-27.5%
Contingencies	0	0	217,284,666	13,148,404	-93.9%
Ending Fund Balance	351,172,665	359,252,115	0	102,014,494	0.0%
<b>TOTAL REQUIREMENTS BY FUNCTION</b>	<b>470,487,062</b>	<b>552,188,306</b>	<b>548,281,434</b>	<b>346,347,558</b>	<b>-36.8%</b>

#### REQUIREMENTS BY OBJECT:

Personnel Services	16,615,298	19,458,630	22,237,844	23,143,303	4.1%
Materials & Services	56,040,806	66,681,211	196,674,596	138,406,872	-29.6%
Capital Outlay	19,734,443	16,898,868	58,303,184	30,660,911	-47.4%
Debt Service	4,061,276	0	0	0	0.0%
Fund Transfers	22,862,574	89,897,506	53,781,144	38,973,574	-27.5%
Contingencies	0	0	217,284,666	13,148,404	-93.9%
Ending Fund Balance	351,172,665	359,252,087	0	102,014,494	0.0%
<b>TOTAL REQUIREMENTS BY OBJECT</b>	<b>470,487,062</b>	<b>552,188,302</b>	<b>548,281,434</b>	<b>346,347,558</b>	<b>-36.8%</b>

#### SUMMARY OF BUDGET - BY FUND

General Fund	34,535,312	43,832,935	49,866,554	33,607,617	-32.6%
Housing & Comm Dev. Contract Fund	3,639,377	3,427,267	2,642,347	2,148,627	-18.7%
Comm Op & Enhancements Fund	2,564,205	3,087,624	2,961,196	2,375,000	-19.8%
Affordable Comm Tenanting Fund	501,321	517,013	517,012	15,926	-96.9%
American Rescue Plan Act Fund	7,659,916	9,142,107	3,522,924	0	-100%
Other Federal Grants Fund	2,951,359	2,201,043	8,030,807	7,080,926	-11.8%
Clean Energy Fund	0	0	8,500,000	11,855,696	39.5%
Enterprise Zone Fund	5,951,665	5,976,913	5,989,239	5,067,855	-15.4%
Ambassador Program Fund	12,916	13,312	13,000	0	-100%

NPI TIF Fund	1,340,461	981,990	0	0	0.0%
Cully TIF Fund	0	145,236	1,305,353	2,747,915	110.5%
Downtown Waterfront TIF Fund	38,383,160	32,966,551	31,296,974	202,942	-99.4%
East 205 TIF Fund	0	0	0	1,460,114	0.0%
North Macadam TIF Fund	49,901,097	71,303,824	72,818,862	58,172,534	-20.1%
River District TIF Fund	72,572,446	64,244,946	67,184,468	24,416,179	-63.7%
Central Eastside Corridor TIF Fund	0	0	0	191,981	0.0%
South Park Blocks TIF Fund	2,643,993	2,042,899	807,079	0	-100%
Sumner, Parkrose, Argay, Columbia TIF	0	0	0	581,396	0.0%
Convention Center TIF Fund	8,058,214	8,446,176	6,855,835	2,770,103	-59.6%
Central Eastside TIF Fund	39,473,828	37,583,141	27,329,650	10,880,308	-60.2%
Lents Town Center TIF Fund	48,744,452	48,433,602	27,581,875	8,509,783	-69.1%
Lloyd-Holladay TIF Fund	0	0	0	659,847	0.0%
Interstate Corridor TIF Fund	99,493,351	117,792,886	101,848,560	52,333,543	-48.6%
Gateway Regional Center TIF Fund	22,327,089	25,405,427	49,618,302	38,180,192	-23.1%
82nd Ave TIF Fund	0	0	0	899,991	0.0%
Airport Way TIF Fund	5,742,878	5,543,569	5,272,682	0	-100%
Westside TIF Fund	0	0	0	31,129,490	0.0%
Willamette Industrial TIF Fund	4,453,770	4,579,013	4,537,769	505,975	-88.8%
Strategic Investment Fund	8,695,493	54,573,678	60,498,000	43,631,919	-27.9%
Business Management Fund	10,697,457	9,799,367	9,278,647	6,917,271	-25.4%
Internal Service Fund	143,302	147,787	4,299	4,428	3.0%
<b>GRAND TOTAL ALL FUNDS</b>	<b>470,487,062</b>	<b>552,188,306</b>	<b>548,281,434</b>	<b>346,347,558</b>	<b>-36.8%</b>

#### DETAIL OF GENERAL FUND

##### RESOURCES:

Beginning Fund Balance	1,604,287	2,014,870	5,204,307	3,255,765	-37.4%
State Revenue	68,375	121,243	889,270	80,000	-91.0%
Local Revenue	16,735,217	18,505,836	24,486,220	16,174,862	-33.9%
Fees and Charges	333,670	1,088,843	2,041,524	585,060	-71.3%
Other Income	414,040	534,579	619,738	98,117	-84.2%
Transfers In	15,379,723	21,567,564	16,625,495	13,413,813	-19.3%
<b>TOTAL FUND RESOURCES</b>	<b>34,535,312</b>	<b>43,832,935</b>	<b>49,866,554</b>	<b>33,607,617</b>	<b>-32.6%</b>

##### REQUIREMENTS:

Administrative Services	14,665,719	16,755,607	13,133,908	12,956,313	-1.4%
Economic Development	17,495,223	20,703,321	26,749,215	15,499,914	-42.1%
Transfers Out	359,499	1,167,598	5,904,660	5,151,208	-12.8%
Contingencies	0	0	4,078,771	182	-100%
Ending Fund Balance	2,014,871	5,206,409	0	0	0.0%
<b>TOTAL FUND REQUIREMENTS</b>	<b>34,535,312</b>	<b>43,832,935</b>	<b>49,866,554</b>	<b>33,607,617</b>	<b>-32.6%</b>