



**DATE:** April 15, 2026  
**TO:** Board of Commissioners  
**FROM:** Cornell Wesley, Executive Director  
**SUBJECT:** Report Number 26-11

Adopting Budget Amendment No. 2 for the Fiscal Year Beginning July 1, 2025, and Ending June 30, 2026; and Making Appropriations

## Board action requested and brief description

Adopt Resolution No. 7642

This action by the Prosper Portland Board of Commissioners (Board) will amend the current fiscal year (FY) 2025-26 budget as follows:

- (1) Decrease contract revenues, State grants, and property income to carry forward revenue receipts to forecasted years;
- (2) Increase budgeted interest revenue based on updates to estimated fund balances and timing of expenditures;
- (3) Increase transfers to close out the Business Management Fund into the Grant Offset Fund; and
- (4) Carry forward infrastructure and property redevelopment budgets that are projected to spend in forecasted years to align with the draft FY 2026-27 Proposed Budget.

## Strategic alignment and outcomes

The FY 2025-26 Budget Amendment No. 2 (Amendment No. 2) ensures that the Board has appropriated adequate public funds to be lawfully expended by Prosper Portland to implement all planned projects and programs established through the strategic planning and agency work planning processes. This action will also address any changes to these efforts following the first amendment to the FY 2025-26 Budget through Board Resolution 7631 in December 2025. Outcomes related to budgeted projects and programs will be measured over time to determine how Prosper Portland's allocation of resources implement Advance Portland, the City of Portland's economic development strategy, and the agency's ongoing efforts to build an equitable economy.

## Background and context

Amendment No. 2 follows the previous budget amendment that was approved by the Board through Resolution No. 7631 on December 17, 2025, which focused on carryover from FY 2024-25 for projects and programs that did not spend by June 2025 and also updated the closeout of expiring Tax Increment Financing (TIF) funds.

Amendment No. 2 is a comprehensive revision, focused on updating the budget to reflect timing of project and program expenditures through the end of the current fiscal year. Adjustments to expenditure appropriations primarily relate to projects or programs that will get carried forward to future fiscal years. Overall, adjustments to resources and requirements through this amendment will provide both the best estimate of available resources for the remainder of FY 2025-26 and an updated forecast for the FY 2026-27 budget development cycle.

## Equity impact

The FY 2025-26 Adopted Budget incorporates projects and programs critical to Advance Portland and Prosper Portland's equity goals. Amendment No. 2 augments the initial adopted budget by moving some resources to forecast years and increasing other available resources in the current year to continue to advance ongoing projects and programs.

## Community Participation and Feedback

Prior to the beginning of the fiscal year, Prosper Portland's budget development process included extensive public outreach through meetings with the agency's Community Budget Committee and other stakeholders. While no specific outreach has taken place regarding this action, notice of the public hearing to be held by the Prosper Portland Board on Amendment No. 2 was published prior to the meeting in the manner required by local budget law. As with all agency budget actions, the public is invited to testify at the public hearing held by the Board on April 15, 2026. All changes included in Amendment No. 2 are consistent with funding priorities established in the FY 2025-26 Adopted Budget and four-year forecast.

## Budget and Financial Information

Recommended amendments to the FY 2025-26 Budget through Amendment No. 2 reflect the financial implications of business decisions which amount to \$186,710,237 in program and project expenditures. The total budget amounts to \$528,152,360 when including interfund transfers, contingency and reserves. (See Exhibit A to Resolution 7643 for all fund appropriation changes.) In summary, key changes to resources and requirements are outlined below:

### Changes to Total Resources:

- **Beginning Fund Balance:** Increases by \$313,808 based on FY 2024-25 year-end revenues and expenditures in the General Fund.
- **City General Fund & Cannabis Fund:** Decreases by \$313,808 to align with the City of Portland's (City) Fall Technical Adjustment Ordinance and account for City overhead charges that were not invoiced in FY 2023-24.

- **Fees and Charges:** Decreases by \$10,270,676, which primarily accounts for the delay in projects funded by the intergovernmental agreement (IGA) with the Bureau of Planning and Sustainability to receive Portland Clean Energy Funds (PCEF).
- **Grants-Federal except Housing and Community Development (HCD):** Increases by \$30,000 for reimbursement on a U.S. Department of Environmental Quality (DEQ) grant passed through to Prosper Portland.
- **Grants-State & Local:** Decreases by \$1,500,000 to carry over a State infrastructure grant for the Oregon Museum of Science and Industry (OMSI) street improvements.
- **Interest on Investments:** Increases by \$4,017,726 based on fund balances and timing of expenditures and to align with the City's interest rate.
- **Loan Collections:** Increases by \$500,000 for a Palindrome Communities loan payoff.
- **TIF Debt Proceeds:** Increases by \$1,473,006 for du jour drawdowns (short-term debt) for Gateway Regional Center (Gateway) TIF District and Cully TIF District to support planned projects this fiscal year.
- **Miscellaneous:** Increases by \$510,000 to account for outstanding accounts receivable on 10<sup>th</sup> and Yamhill.
- **Property Income:** Decreases by \$6,077,673 due to the delay in property sales for Block 25 and 4<sup>th</sup> & Burnside.
- **Reimbursements:** Increase by \$323,149 for Union Station projected common area maintenance (CAM) reimbursement.
- **Transfers In:** Increases by a net \$3,977,623 to close out the Business Management Fund and transfer its remaining balance to the Grant Offset Fund to help with cash flow out of General Fund and Westside TIF District for an environmental obligation on the USPS site for the Broadway Corridor redevelopment. This is offset by a decrease in Central Eastside TIF District and Lents Town Center (Lents) TIF District program income transfers to the Strategic Investment Fund (SIF). Funds are needed in Central Eastside TIF District and Lents TIF District for potential project expenditures.

#### Changes to Total Requirements:

- **Administration:** Increases by \$365,069 to move administrative staff out of other appropriation categories for work done in TIF districts, as well as an increase in administrative budgets for professional services contracts related to best practices as well as Human Resources.
- **Economic Development:** Decreases by \$833,029. The largest changes are decreases in Gateway TIF District by \$497,000, due to no projected business finance loans, and a decrease in PCEF by \$377,000 to carry forward funding for the Green Construction Contractor Development Program.
- **Housing:** Decreases by a net \$19,141 to match an amended IGA with the Portland Housing Bureau and adjust facilitator contracts in new TIF districts.

- **Infrastructure:** Decreases by \$15,297,000 to carry over budgets for street improvements for Bond Avenue, Gateway TIF District, and OMSI due to project delays.
- **Property Redevelopment:** Decreases by a net \$70,962,466 to carry over budgets to forecasted years. Larger decreases include \$21 million in North Macadam TIF District for mixed income housing and University Place project delays; \$19 million in Old Town Action Plan investments; \$14 million in Gateway TIF District for middle income housing and commercial property loans; \$7 million in PCEF for loans and grants; and \$5 million in SIF for middle income housing and disposition expenditures.
- **Transfers:** Increases by a net \$3,977,623 to close out the Business Management Fund and transfer its remaining balance to the Grant Offset Fund to help with cash flow out of General Fund and Westside TIF District for an environmental obligation on the USPS site. This is offset by a decrease in Central Eastside TIF District and Lents TIF District program income transfers to SIF. Funds are needed in Central Eastside TIF District and Lents TIF District for potential project expenditures.
- **Contingency:** Increases by \$2,425,710 to balance resources and expenditures.
- **Reserved for Future Expenditures:** Increases by \$78,177,809 to cover projects in forecasted years, mainly in TIF districts. Larger increases were in North Macadam TIF District (\$34 million), Gateway TIF District (\$18 million), Westside TIF District (\$14 million), as well as Central Eastside TIF District (\$5 million).

## Risk Assessment

Should the Board decide not to approve FY 2025-26 Budget Amendment No. 2, there may be inadequate appropriations for some projects and programs that are committed and underway that did not fully expend in the prior fiscal year. Over-expenditure of an appropriation within a fund is a violation of local budget law (Oregon Revised Statutes 294). The recommended budget amendment ensures proper appropriations authority for all expenditures.

## Attachments

None.