

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7655

**AUTHORIZING PAYMENT OF FISCAL YEAR
2025-26 CITY OF PORTLAND GENERAL FUND
OVERHEAD OF \$726,176**

WHEREAS, Prosper Portland, as the duly designated economic development and urban renewal agency of the City of Portland ("City"), is granted broad powers under Oregon Revised Statutes 457 and City Charter Chapter 15 for the planning and implementation of tax increment finance ("TIF") funded projects and economic development activities;

WHEREAS, Prosper Portland's strategic goal is to achieve widely shared prosperity among all residents of Portland by harnessing and expanding Prosper Portland's tools for job creation, place-making, and economic opportunity;

WHEREAS, the City and Prosper Portland desire that Prosper Portland implement certain economic development activities on a citywide basis, primarily community economic development and business advancement, and the City has approved funding to Prosper Portland to do so;

WHEREAS, implementing these economic development activities supports Prosper Portland's mission and goals related to increasing access to jobs and fostering equitable wealth creation;

WHEREAS, the City and Prosper Portland annually enter into an agreement to establish the terms and conditions by which the City will provide General Fund funding to Prosper Portland to implement economic development activities on a citywide basis;

WHEREAS, City Council, through the City of Portland's Budget process annually allocates General Fund overhead to its Bureaus and Funds, and to Prosper Portland, based on a City General Fund Overhead Model that uses recent historical General Fund expenditures and numbers of Full Time Employees;

WHEREAS, Prosper Portland annually budgets City General Fund overhead as part of the Proposed, Approved, Adopted and Revised Budgets based on Prosper Portland's understanding of the City's model;

WHEREAS, the General Fund overhead allocation paid by Prosper Portland is used by the City to cover the costs it incurs in performing governance functions for Prosper Portland, namely, appointing and confirming Board members and serving as Prosper Portland's budget committee;

WHEREAS, unlike Bureaus of the City of Portland that also pay this allocation, Prosper Portland does not receive any additional City services in exchange, such as contracting, human resources, or city attorney services, so the portion of the overhead allocation exceeding the cost

of the governance functions effectively reduces City General Fund support for Prosper Portland's economic development activities;

WHEREAS, the amount of overhead the City has allocated to Prosper Portland has increased from \$318,808 in FY 2023-24 to \$726,176 in FY 2025-26 due to an increase in the amount required to fund certain City functions and Council Offices with General Fund Overhead and Prosper Portland's proportional amount due to increased City General Fund support over the last three years;

WHEREAS, for FY 2024-25, in the budget process, the City approved General Fund support to Prosper Portland in an amount simultaneously reduced by the General Fund overhead allocation, which the City implemented by disbursing the gross amount and subsequently invoicing Prosper Portland for the allocation, and Prosper Portland staff paid those invoices;

WHEREAS, for FY 2025-26, the City approved funding to Prosper Portland without the corresponding simultaneous reduction for the General Fund overhead allocation, and has now invoiced Prosper Portland for the allocation at year-end; and

WHEREAS, although the City General Fund overhead invoice received at year-end (June 2026) is greater than the amount Prosper Portland budgeted for this cost, Prosper Portland has identified adequate FY 2025-26 appropriations in Prosper Portland's General Fund, Administrative category to pay the full amount of invoice.

NOW, THEREFORE, BE IT RESOLVED, that the Prosper Portland Board of Commissioners authorizes the Executive Director to execute and pay the Fiscal Year 2025-26 City General Fund overhead allocation invoice in the amount of \$726,176 from appropriations within the General Fund Administrative category;

BE IT FURTHER RESOLVED, that the Board ratifies and approves the payment by Prosper Portland staff of the City General Fund overhead allocation invoices for FY 2024-25; and

BE IT FURTHER RESOLVED, that with the affirmative vote of no fewer than four commissioners for this resolution and of all of those present, this resolution will become effective immediately upon its adoption, and otherwise it will take effect thirty days after adoption.