



DATE: June 17, 2026
TO: Board of Commissioners
FROM: Cornell Wesley, Executive Director
SUBJECT: Report Number 26-21

Adopting the Annual Budget of Prosper Portland for the Fiscal Year Beginning July 1, 2026, and Ending June 30, 2027; and Making Appropriations

Board action requested and brief description

Adopt Resolution No. 7652

This action by the Prosper Portland Board of Commissioners (Board) will formally adopt Prosper Portland's fiscal year (FY) 2026-27 Recommended Budget, effective July 1, 2026. The Board's adoption of the FY 2026-27 Recommended Budget represents the final phase of the FY 2026-27 budget process, which began in November 2025.

Strategic alignment and outcomes

Upon adoption, the FY 2026-27 Recommended Budget will become Prosper Portland's FY 2026-27 Adopted Budget and allow staff to implement key programs, projects, and initiatives that deliver on the agency's goals to build an equitable economy by growing quality jobs, advancing opportunities for prosperity, creating vibrant neighborhoods and communities, and collaborating with partners to create an equitable city.

Background and context

The annual budget process for Prosper Portland began in November 2025. After multiple public hearings and input from stakeholders, including the Prosper Portland Community Budget Committee (CBC), Portland City Council (City Council), acting as Prosper Portland's Budget Committee, approved a budget on May 20, 2026, referred to as the FY 2026-27 Approved Budget. After City Council approves the Approved Budget, the Prosper Portland Executive Director submits a Recommended Budget to the Prosper Portland Board, which includes minor recommended changes to the City Council Approved Budget.

With this action, the Executive Director is proposing a total Recommended Budget of \$334,408,892. The Recommended Budgeted increases total budgeted expenditures to \$204,310,039, an increase of \$1,503,903 from the Approved Budget as discussed in the Changes to Total Requirements section.

Equity impact

The FY 2026-27 Recommended Budget incorporates projects and programs critical to Advance Portland and Prosper Portland's equity goals.

Community Participation and Feedback

The FY 2026-27 budget process included public participation through the approximately 16-member Community Budget Committee (CBC), which met four times during the drafting of the FY 2026-27 Requested Budget and submitted a letter of recommendation. Staff continued to update the CBC through May 2026 as the budget was presented to City Council, and additional updates were identified for inclusion in subsequent versions. City Council held a public hearing on May 18, 2026, during its public hearing on the Proposed Budget. The public will have a final opportunity to testify on Prosper Portland's budget during the June 17, 2026, Board meeting.

Budget and Financial Information

The FY 2026-27 Recommended Budget incorporates financial decisions that include a total recommended budget of \$204,310,039 in program and project expenditures, including ending fund balance and contingency.

The FY 2026-27 Recommended Budget includes several changes since the Proposed Budget was released on April 20, 2026, and presented to City Council on April 21, 2026. As part of budget approval on May 20, 2026, Council increased appropriations in the General Fund for the following programs:

- \$197,260 in ongoing funding for the Neighborhood Prosperity Network
- \$100,000 in one-time funding for Workforce Development
- \$192,000 in one-time funding from the Recreational Cannabis Tax Fund for the Inclusive Business Resource Network

All other appropriations remain consistent with the FY 2026-27 Proposed Budget and the Mayor's Proposed City of Portland Budget. The recommended budget includes the addition of one new LTE supporting the recently approved Clean Industry Program Intergovernmental Agreement with the Portland Clean Energy Fund (PCEF). The total General Fund with these additions is about \$13 million, a decrease of about \$200 thousand from the base General Fund budget.

Total position count for FY 2026-27 decreased from a Reduction in Force due to the expiration of one-time General Fund of about \$1 million and updated forecast for new tax increment financing (TIF) and Strategic Investment Fund (SIF) resources. Total recommended staffing levels for the Adopted Budget is set at 88 FTE and 7 LTE for a total of 95 positions for FY 2026-27. This is a net decrease of 10 positions from FY 2025-26. Most LTE positions are related to two PCEF Intergovernmental Agreements. Full-time positions include those supported by the General Fund, SIF, and ongoing, active, and newly established TIF districts.

The FY 2026-27 Recommended Budget also includes several adjustments to realign staffing due to reorganization of the Development and Investment Team into the Capital Access Department that will focus on lending and grants, and the Real Estate and Community Development Department that will focus on TIF district projects and real estate development and management, mostly within TIF districts.

Other changes include an increase to the Repair Grant allocation, increase in budgeted expenditures for predevelopment work on Union Station and property management expenditures for the Mason Ehrman building.

The following is a summary of changes to resources and requirements:

Changes to Total Resources:

- **Beginning Fund Balance:** Decreases by \$3,650,047 based on FY 2025-26 year-end revenues and expenditures mainly from the close out of the Business Management Fund to the Grants Offset Fund (within the General Fund) as well as decreased du jour TIF amounts for Cully TIF District and Gateway TIF District.
- **Fees and Charges:** Increases by \$389,160 for additional support on the Clean Industry Grant program funded by the intergovernmental agreement (IGA) with the Bureau of Planning and Sustainability to receive Portland Clean Energy Funds (PCEF).
- **Service Reimbursements:** Increases by \$182,160 to account for additional administrative expenditures to aid in the reorganization of the Development and Investment Team.
- **Transfers In:** Increases by \$200,000. This is a transfer from Central Eastside program income to the Citywide Grants & Investments Fund for additional Repair Grant funding.

Changes to Total Requirements:

- **Administration:** Increases by \$192,660 mainly for the increase in expenditures related to the reorganization of the Development and Investment Team.
- **Economic Development:** Increases by \$268,121. \$207,000 was added to PCEF based on the projected amount needed for additional grant support on the Clean Industry program. Additional technical adjustments were made for staffing across appropriation categories mainly within General Fund.
- **Property Redevelopment:** Increases by a net \$1,043,122. Increases \$950,000 to budget additional expenditures for Union Station predevelopment work and Mason Ehrman property management in Westside TIF District. An additional \$200,000 was added for Repair Grants as a transfer of program income from Central Eastside. These increases are offset by staff adjustments across appropriation categories mainly within General Fund.
- **Transfers:** Increases by \$382,160 to account for additional administrative expenditures related to the reorganization of the Development and Investment Team and the transfer of program income from Central Eastside to the Citywide Grants & Investments Fund (within General Fund) for Repair Grants.

- **Contingency:** Decreases by \$1,359,009 based on the actual amount available in the Grants Offset Fund to cover cash flow within the General Fund.
- **Reserved for Future Expenditures:** Decreases by \$3,391,281 to balance total resources with total requirements.

Risk Assessment

The Board may adopt the FY 2026-27 Recommended Budget with additional changes up to the ten percent allowable increase in expenditures for each fund. Any changes to the FY 2026-27 Recommended Budget directed by the Board must be identified during adoption of the budget to include specific funding sources and appropriation categories. If the Board does not adopt a budget in accordance with local budget law on or before June 30, 2026, Prosper Portland will have no authority to incur expenses after that date.

Attachments

None.