



May 16, 2025

To: Portland Council President Pirtle Guiney, Finance Committee Chair Zimmerman, and Councilors,

Re: Portland Regional Business Coalition Support for Mayor Wilson's proposed budget

On behalf of the Portland Metro Chamber and a united regional business community we write to express our strong support for Mayor Keith Wilson's proposed budget. We strongly encourage the council to make minimal changes and avoid pitting critical services against each other as you move toward final adoption. Mayor Wilson has done a remarkable job of developing a budget that, while imperfect, closes what started as a \$100M+ budget deficit, while preserving and investing in the highest value services that are most important to the residents and businesses – public safety, homeless services, and livability.

Additionally, we write today and provide ample data to support our united opposition to any budget amendments that make further cuts to our city's economic development agency, Prosper Portland, cuts to public safety services, or new or increased taxes.

Unfortunately, without urgent action to kick start economic growth, get major projects moving, and maintain a tax and regulatory environment conducive to business growth, this is certain to be the first of several years of budget deficits. We understand the strong desire for you, as the city's newly elected leaders, to shape the budget in your own vision. However, we urge you to follow the Mayor's prudent approach to the 2025-26 budget and adopt it as proposed or with minimal changes. This will set the stage for you and Mayor Wilson to engage a broad coalition of stakeholders over the next year to design a 2026-27 budget that represents our collective vision for Portland's next chapter.

We urgently ask the council to consider the broader economic context:

- **City Budget Deficit Primarily driven by declining business taxes.** The city's official explanation for the current, historically large budget deficit is "*facing an anticipated \$65 million budget shortfall, due to a series of compounding issues: inflation, expiring pandemic-era federal funds, increasing health care costs, overtime costs in police and fire bureaus, and declining property and business taxes.*"
- **Continued job and population loss.** [*The Oregon Employment Department's April, 2025 Multnomah County Update*](#) reports Portland to be one of only 12 of the top 50 metros with negative job growth, and 9th worst in the nation. Multnomah County is one of only two counties that lost jobs year over year.
- **Housing Production Paralysis.** As of May 15, there are a paltry 196 housing permits in the intake stage with the Bureau of Development Services.
- **Unsustainable tax burden.** Local taxes on businesses rose 82% from 2019–2023.

We are grateful to the entire council for participating in district town halls with businesses in April. It was an unprecedented level of engagement directly with businesses from the entire council at which you heard the same feedback and themes we continue to hear from our thousands of members:

- Frustration over persistent retail and property crime
- Parents unable to safely take their children to public parks
- Developers stalled by slow permitting and regulatory red tape
- Growing concern about the unsustainable cost of doing business in Portland

We cannot overstate our level of concern about Portland's deteriorating economic conditions, and we implore upon the entire council to take the City's economic future into consideration before proceeding with any amendments that upset the careful balance Mayor Wilson has struck with this budget.

Mayor Wilson's budget achieves exactly what is most important in this first year of what will likely be a multi-year fiscal reset – it balances the budget without raising taxes, protects the fragile progress we have made restoring public safety, limits cuts to economic development, and invests in ending unsheltered homelessness. It is not an overstatement to say that any further cuts to economic development, housing development, and the Portland Police Bureau will certainly accelerate the negative economic cycle.

Portland cannot afford any new or increased taxes. Embrace the opportunity of a fiscal reset

Equally important is to resist the urge to raise taxes simply to put a short-term band aid on structural and operational models that are antiquated and unsustainable. The Governor's Central City Task Force Tax Advisory Group made up of diverse and respected Portland leaders unanimously reached the following deeply researched conclusions in 2024 (report attached):

1. Lawmakers and voters have enacted at least 20 major tax measures since 2009 that affect Portland households and businesses.
2. The state and local tax burden in Portland is high for all but the lowest income households.
3. Portland has the second highest top marginal income tax rate in the United States.
4. Local taxes on businesses based in Portland increased 82% during 2019-2023.
5. Households leaving Multnomah County have incomes on par with those that stay but higher incomes than those moving in.
6. Slow job growth, relative to the region, coincides with business tax increases in Portland.

These conclusions are the foundation for Governor Kotek's call for at least a 3-year moratorium on new and increased taxes. A moratorium we are pleased to say has universally been honored by local governments thus far, and we implore upon the council to align with the Governor's Central City Task Force. The Portland economy simply does not have any more tax revenue to squeeze out of it. The only path forward is to embrace the fiscal reset with this first budget, embrace the opportunity to rebuild city departments that prioritize long-term asset management and high-quality basic service delivery, and adopt policies that eliminate red tape, attract investment and embrace partnership with the private sector to grow revenue that support the services Portlanders expect from their tax dollars.

Public Safety: The foundation for recovery

Public safety is the foundation upon which all other recovery efforts depend. Residents, businesses, and visitors must feel safe for commerce to thrive, tourism to rebound, and families to remain in the city. While Portland's progress in this area remains fragile, Mayor Wilson's budget takes modest but critical steps to protect that momentum - particularly by enabling the Portland Police Bureau to continue rebuilding its ranks. **Today, Portland has just 1.2 sworn officers per 1,000 residents, placing us 48 out of**

the top 50 largest U.S. cities. Our peer cities average nearly twice that. Without targeted investments in staffing and overtime relief, our ability to respond to crime and community needs will degrade further.

We urge the council to oppose any attempts to “divert” or reduce public safety funding, including from police overtime. Overtime exists because the bureau is chronically understaffed—not due to inefficiency or mismanagement. Defunding overtime will not reduce calls for service; it will only delay response times, damage morale, and deepen the crisis. Furthermore, undercutting police and fire capacity—when Portlanders already feel unsafe in public spaces, parks, and transit—threatens to reverse fragile public confidence and hinder economic revitalization.

With these priorities in mind, when finalizing the 2025-26 budget we urge councilors to:

- **Oppose any further cuts to economic development and public safety.**
The city has never needed its economic development bureau more. Prosper Portland is well positioned to be a significant and necessary development partner in the years ahead, and any amendments that propose further cuts to Prosper are flirting with economic disaster. We simply cannot understand any proposal to gut the city’s critical economic development programs and strategies at any time, let alone when our city is staring down the very real possibility of long-term economic stagnation or decline.
- **Further, we cannot disrupt the fragile progress we have made toward restoring public safety.** We urge the council to support Mayor Wilson’s small, targeted investment that will allow PPB to continue to recruit and grow our number of sworn officers toward the national average. We ask you to apply common sense to proposals to “divert” funds from police overtime or specific types of calls. Overtime is something we must reduce through increased staffing. Police and fire overtime exist because those understaffed bureaus do not have a choice whether to respond to the needs of residents and businesses. By “redirecting” overtime funds you will only cause a larger budget deficit for the council to fix in future years. The reality is that any band aid fix like this will only result in a fiscal mess down the road.
- **Honor the Governor’s call for a tax moratorium and oppose any new or increased taxes.**
Additionally, we remind you that the City of Portland, and thereby the council, are required to refer new or increased taxes to voters. If this budget is adopted with new taxes, it will require voter approval where it will likely face stiff and organized opposition. The proposal that has been floated to double the parks levy to maintain basic service levels should be considered dead on arrival. It would be inappropriate to ask Portland residents to double their taxes just to maintain the current, unacceptable level of service. That is the very definition of a broken operating model. The council should get to work on wholesale structural reform of Portland Parks and Recreation, aligned with proven sustainable models from peer cities. In the coming years, Portland parks will need to transition to a partnership management model that transforms our parks into active, self-sustaining drivers of economic vitality and revenue generation.
- **Support Councilor Zimmerman’s common-sense proposal to restore some parks services.**
We understand the council’s desire to restore some cuts to basic parks services. However, we urge you to see that it is a false tradeoff to cut public safety or homeless services budgets to fund parks services as a few councilors have proposed. Without the restoration of basic public safety, the strain on our parks and the depressed levels of participation in their programs will continue. We urge you to support the budget neutral solution proposed by Councilor Zimmerman, which will

restore these services by reducing the overly bloated tree code enforcement staff to a reasonable level.

- **Support generational development projects and pro-housing production policies to jumpstart economic growth.** We are ready to work with you to support budget and policy solutions that disrupt the negative economic loop we are beginning to fall into. Let's work together to accelerate generational development projects like New Albina/Rose Quarter, OMSI District, Broadway Corridor, East Portland TIFF, Portland Diamond Project, PSU Performing Arts Center and Keller Auditorium design and development, the future of Tom McCall Waterfront Park and river activation, James Beard Market and more. We encourage you to direct your creative policy energy toward these game changing projects that have broad unifying support.

Let's work together for the future of Portland

We close our letter with our beloved city's greatest statistic - *Portland's small businesses have the highest share of employment of the top 50 largest cities in the nation.*

These are neighborhood and family businesses, startups and storefronts across all industry sectors. The one thing they all have in common is a deep love and belief in Portland. We ask you to forego short term, divisive political theater and make thoughtful budget decisions for the long term. You have an unprecedented opportunity - and responsibility - to begin the process of transforming the City of Portland into a city that loves its businesses back. Supporting business and job growth is the only revenue recovery and growth strategy that will pull the city out of what could be several years of fiscal instability. Each one of our organizations remains deeply committed to your success and ready to collaborate with you to write Portland's next great chapter.

We are particularly committed to helping develop new, sustainable operating and financial models - based on peer city best practices - that will quickly stabilize Portland's Bureau of Permitting and Development and Bureau of Transportation. These two bureaus, along with Prosper Portland, are essential to interrupting our current negative economic trajectory, restoring positive job and revenue growth, and accelerating housing production.

For these reasons, we urge you to adopt the 2025-26 budget without new taxes while protecting economic development and public safety services.

Thank you for your time and consideration.