Westside

Tax Increment Finance District Report

October 1, 2024

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INTRODUCTION

Oregon Revised Statues (ORS) 457.087 requires the development of a Tax Increment Financing (TIF) District Report to accompany a proposed TIF Plan.[1] This report satisfies that requirement, providing technical information on existing conditions, proposed projects and financial analyses in support of the Westside TIF District (District) Plan.

Section 1 addresses how and why the District area was selected for inclusion in the Plan boundary and Section 2 provides additional detail on Proposed Projects and Financial Impacts over the life of the District. Section 3 provides a detailed Financial Analysis of the Plan and Section 4 addresses requirements around a Relocation Report. Select existing condition data points are referenced and relied upon in the body of this Report, and Attachment A provides a detailed breakdown of existing conditions for future reference and transparency.

SECTION 1 – PROPOSED TIF DISTRICT AREA REPORT

Section 1.1 –Area Selected for the TIF District

Defining the TIF District boundary provides the ability to fund projects necessary to improve existing conditions for the community and address identified investment needs within specific areas. This section identifies the areas recommended for the Westside TIF District and discusses the reasons for their inclusion. These areas were selected due to physical, social, and economic conditions as described in Section 1.3 and Attachment A[2] and their direct relationship to the investment needs detailed in Section 1.2.

The creation of a TIF District in Downtown and Old Town enables investment in the reinvention and reimagining of Downtown and Old Town, areas whose success is vital not only to Portland's economic health and recovery but to the broader region's as well. Making critical improvements to the Central City can help to achieve the goals of local and regional plans like Portland's Central City 2035 Plan, particularly in the Westside area which aligns with the core of Portland's Downtown, designated as a Regional Center. As Portland anticipates growth, the areas within the TIF District are envisioned as the region's core office employment district, a retail and tourism center, as well as a hub for government and cultural services. The Central City as a whole is also expected to account for 30 percent of the City's population growth in a relatively small area of land offering dense, mixed-use housing options near jobs, transit, and amenities.[3] Without the necessary tools to support this re-imagining, the risk to our economic stability and growth is significant not only for the Westside area but for the city and region. By leveraging the TIF District, we can create a vibrant and thriving urban core that benefits everyone. Establishing a TIF District for the Westside area will ensure that the entire region receives the attention and resources required to stimulate growth, improve infrastructure, and support the local community.

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[1] As used in this Report and the accompanying Plan, the term "TIF plan" has the same meaning as the term "urban renewal plan" as defined in ORS 457.010, and the term "TIF district" means the "urban renewal area(s)" (as defined in ORS 457.010) included within the TIF plan.

[2] Many of the geographies cited for social and economic conditions data in Section 2.1 overlap but extend outside of the TIF District boundary.

[3] City of Portland Bureau of Planning and Sustainability, 'Central City 2035,' April 2020.

The 2023 Economic and Market Conditions Analysis[4] of Portland's Central City subdistricts included a compilation of data on demographics, employment, industry trends, housing, and commercial real estate before and after the COVID-19 pandemic. That report included an assessment of the unique conditions and recovery prospects of each subdistrict, placed each district into one of three typologies (Reimagine, Reinvigorate, Retain), and formulated targeted policy recommendations to address the specific needs and challenges of each area. Portland Housing Bureau's State of Housing Report[5] also identifies trends and specific policies that are relevant for the Central City. In the most recent publication (2023), the report specifically notes the potential for TIF Districts as a tool for inclusive growth and stabilization which can support the overarching No Net Loss Policy for the Central City.

Figure A shows the Central City subdistricts examined in the TIF District exploration process. Figure B compares the Westside TIF District Boundary with the subdistricts.

Figure A. Central City Subdistricts

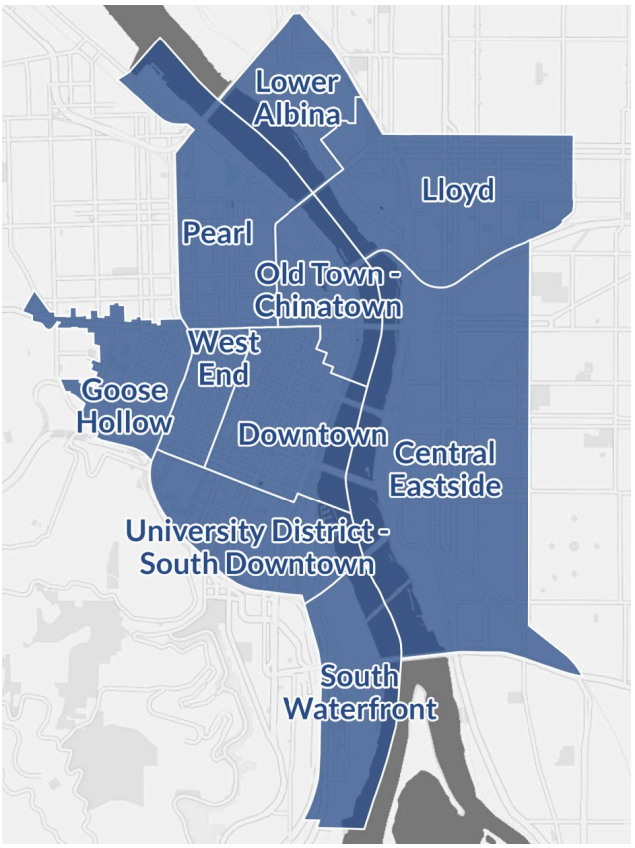
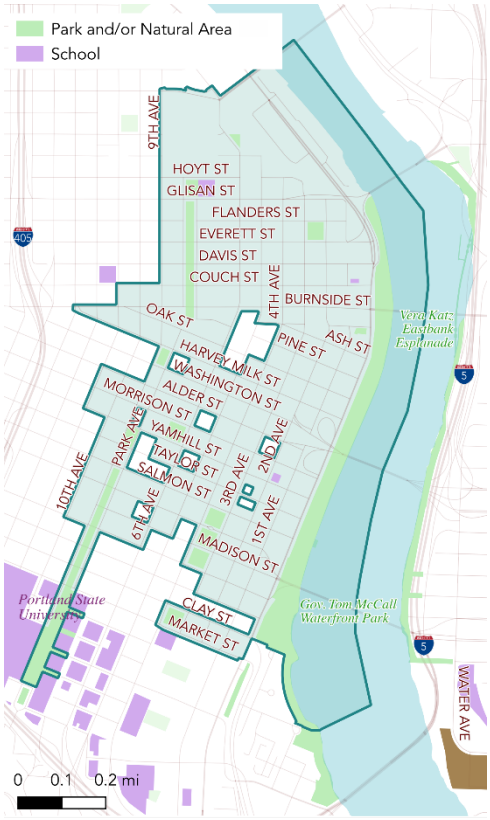


Figure B. Westside TIF District Boundary



The COVID-19 pandemic and associated economic downturn in tandem with the worsening housing crisis along the West Coast have created an uneven recovery for Portland's Central City. On the west side of the Willamette River, the Central City and Old Town subdistricts experienced a high loss in businesses, employment, and foot traffic even as other districts nearby show signs of recovery.

[4] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022.
[5] Portland Housing Bureau, 'State of Housing in Portland,' 2023, https://www.portland.gov/phb/state-of-housing-report.

Subdistricts that had stronger markets pre-pandemic are likely to recover faster and outperform Subdistricts that had weaker markets pre-pandemic.

The Westside TIF District focuses on the Downtown and Old Town subdistricts due to:

- **The subdistricts' status as employment hubs with high concentrations of vacant office spaces as businesses either downsized or opted not to renew leases.** The shift to remote and hybrid work environments during the COVID-19 pandemic led to a dramatic decrease in the number of employees physically present in Downtown and Old Town, with office vacancy at over 20 percent in both areas compared with 18 percent overall citywide. Factors including public safety, cleanliness, and tax differentials within the Portland region drive relocations. In the post-pandemic environment, national office badge space swipe data is down 60 percent since pre-pandemic indicating decreased usage by workers.[6] [ORS 457.010 (a)(b)]
- **A high concentration of vacant retail spaces, due to a sharp decline in foot traffic.** This reduction in foot traffic significantly impacted local businesses, particularly those dependent on office workers, such as restaurants, cafes, and retail stores. Remaining businesses struggle to maintain their customer base. [ORS 457.010 (a)(b)]
- **A structural imbalance of housing and jobs.** The compounding effect of reduced foot traffic and high vacancy rates has made economic recovery more difficult for Old Town and Downtown compared to districts with a more balanced mix of residential and commercial uses, which provide a steadier customer base and greater economic resilience. While office buildings sit empty, rising rents, chronic underproduction of housing, and inflation have created a houselessness crisis throughout the Central City. The Old Town subdistrict has several pockets of affordable housing and social services but these are not balanced out with other uses, including market rate housing. [ORS 457.010 (h)]
- **Historic buildings in specific areas with declining occupancy.** Given the concentration of second floor office spaces and ground floor retail in historic buildings, Old Town and the Skidmore District have experienced vacancy rates in some cases in excess of the areas with newer office buildings. Reimagining these districts to include more housing and more creative reuse of vacant commercial space could help to support District goals of more activity.
- **Perceptions of reduced public safety in the Central City.** Public safety and cleanliness have become pressing issues in both subdistricts, impacting their ability to attract workers and visitors, and attach investment capital. Stakeholder feedback as part of every planning effort post-COVID consistently highlights concerns about safety and cleanliness as barriers to economic recovery. The perception of decreased public safety has deterred businesses from maintaining or establishing their presence in both Downtown and Old Town. [ORS 457.010 (x)]

[6] Kastle Systems, 'Getting America Back to Work,' June 24, 2024, https://www.kastle.com/safety-wellness/getting-america-back-to-work/

Downtown Subdistrict

The plan incorporates the following areas within the Downtown subdistrict in the TIF District to address major challenges and take advantage of specific opportunities:

Downtown office district. For decades, this area has served as the commercial heart and largest concentration of employment of the Portland Region. Post-pandemic trends have led to a dramatic increase in office vacancy rates and commercial activity reflective of both the shift towards remote and hybrid work, which reduced the need for office space, and the lack of residential uses in the area offset this reduction. As a result, businesses dependent on foot traffic from office workers, such as retail stores and restaurants, have also suffered. [ORS 457.010 (a)(e)(g)]

Concentrated commercial areas including the Morrison/Yamhill retail spine. The reduction in foot traffic is another critical issue affecting Downtown Portland. The shift to hybrid work environments means fewer people are physically present in their workplaces, leading to a 25 percent decrease in employee presence compared to pre-pandemic levels, and impacting the demand for office and retail spaces. The Central City's diverse business community has endured through this period, but need targeted investments to support business recovery, enhance public safety, promote mixed-use development, and support increasing customers and demand. Supporting the Central City's diverse business base can help to recapture customers from throughout the Portland region who seek unique products and services offered in the Central City. [ORS 457.010 (a)(g)]

The South Park Blocks. The TIF District extends along the South Park Blocks because this area is an important location for housing. Providing amenities within the park blocks is important to ensuring that this area is an attractive location for future housing and better connecting residents, workers, and visitors to sub-districts across the Central City. [ORS 457.010 (e)]

Concentration of hotels. The Portland Central Business District has a high concentration of hotels, making it a key area for visitor accommodations. However, hotel occupancy has plummeted by 30 percentage points, significantly impacting the local economy. Many of these underutilized hotels are located in the Downtown subdistrict.

Iconic Portland attractions could use reinvestment including the Keller Auditorium, Keller Fountain, and the Cultural Corridor on Southwest Broadway. The economic downturn has significantly impacted Downtown Portland's regional attractions, leading to a sharp decline in visitor numbers and local revenue. Downtown Portland attractions have experienced reduced foot traffic due to fewer office workers and concerns about safety and cleanliness. This decrease not only affects the attractions themselves but also the broader local economy, including hotels and other businesses reliant on tourist activity. Several of these important cultural facilities are in need of renovation or redevelopment, [ORS 457.010 (e)(g)]

Waterfront Park, stretching south of Burnside to the path along Riverplace. This park serves as a crucial public space and attraction that draws both locals and tourists, playing a key role in boosting the local economy. However, without adequate investment, the park's amenities and infrastructure have deteriorated, diminishing its appeal and usability. [ORS 457.010 (e)]

Key areas of the West End near Harvey Milk and SW Oak Streets. This area is a key destination for visitors, with many signature Portland businesses in proximity to the Pearl District and recent development interest. [ORS 457.010 (x)]

Old Town Subdistrict

The plan includes the following areas within the Old Town subdistrict in the TIF District to address major challenges and take advantage of catalytic opportunities:

The Old Town-Chinatown retail corridor. The Old Town Chinatown subdistrict has a diverse mix of businesses concentrated along key streets including NW 4th Avenue, NW 5th Avenue, NW 6th Avenue, and NW Couch Street. This area was once the West Coast's second largest Chinatown, and many of businesses have been in Old Town for generations. This speaks to the racial and demographic diversity of the area both historically and in the present day. With increasing property values and gentrification, many Chinese Americans and Chinese immigrants have been moving out of this part of the city.

These streets feature restaurants, cultural venues, retail shops, and service providers that are essential to the neighborhood's unique character. Old Town businesses experienced an abrupt decrease in daytime foot traffic as office workers shifted to remote environments and during night hours as clubs and music venues closed due to health and safety precautions. At the same time, the corridor faces severe challenges including a significant population living under the poverty limit. Preserving and enhancing the business environment for Old Town's diverse business base will help BIPOC communities and business owners generate wealth.

Tourism is an important driver of business success in Old Town. Old Town has two boutique hotels, the Society Hotel and the Hoxton, that attract similar visitors. The general profile of these visitors are younger adults (20 to 40-year-olds) without children. Compared to other Portland tourists who seek out mainstream tourist destinations, these visitors are typically looking for an "authentic" Portland experience. [ORS 457.010 (g)]

North Park Blocks and Broadway Corridor. The Old Town/Chinatown Subdistrict has historically struggled to attract private-sector investment, and many larger employers in the Subdistrict have left during the pandemic. The Broadway Corridor is included in the TIF District due to its potential for large-scale redevelopment and its strategic location connecting key areas of Portland. Targeted investments could catalyze significant economic growth, create job opportunities, and enhance connectivity, transforming the corridor into a vibrant and economically robust area. The TIF Exploration Committee underscored the need to support investment in large opportunity sites (Lloyd Mall, OMSI, Broadway Corridor). [ORS 457.010 (x)]

Creative spaces and commercial opportunities. Since roughly 2005, Old Town has attracted a variety of artists and apparel design entrepreneurs. Unique sneaker and streetwear proprietors have formed a tight-knit creative culture which could help to reimagine the commercial landscape within this area of the Central City.[7]

[7] Old Town Association, 'Old Town: A Historic Hub of Diversity and Inclusivity in Portland,' https://www.pdxoldtown.org/about.

Waterfront Park north of Burnside. The northern section of Waterfront Park is mainly a passive recreation space and does not feature programming or events. This area could be reimagined as part of a broader design process for Waterfront Park. The land under the western ramp of the Steel Bridge is slated for a new skate park. While this project has been in the planning phases since the 2008 Skatepark System Plan, design and land acquisition for the new skate park has begun as of 2024. [ORS 457.010 (e)]

Section 1.2 – Investment Need

This section presents the required findings to legally support the designation of the TIF District. The findings address the factors specified in the definition of "blighted areas" under ORS 457.010(1), which describes a blighted area as any region "detrimental to the safety, health, or welfare of the community" due to conditions such as "deterioration, faulty planning, inadequate or improper facilities, deleterious land use, or the existence of unsafe structures, or any combination of these factors."

This section links the investment needs findings to the existing conditions detailed in Attachment A and identifies one or more of the conditions listed in ORS 457.010(1)(a) through (i). The Westside TIF District qualifies as an urban renewal area. It is within the assessed value and size limitations imposed by ORS 457.420. Further, the recommended area qualifies as a blighted area as defined by ORS 457.010 in that:

Table A. Conditions Summary

ORS 457.010 CONDITIONS	HOW THE WESTSIDE TIF DISTRICT MEETS THESE CONDITIONS
(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions: **A. Defective design and quality of physical construction** **B. Faulty interior arrangement and exterior spacing;** **C. Overcrowding and a high density of population;** **D. Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or** **E. Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;**	• **(A) Concentration of unreinforced masonry buildings.** Old Town has a high concentration of unreinforced masonry buildings, which are particularly susceptible to catastrophic failure during a significant earthquake. These structures, lacking the necessary reinforcement to withstand seismic activity, pose a substantial risk to public safety and the built environment. • **Inadequate recreation facilities within housing units (D)**. Older housing developments in the TIF District lack the amenities that would be attractive to families and older adults in a post-COVID environment. Many housing units currently lack spaces for physical activity and social interaction including safe play areas and exercise areas. The Central City 2035 Plan highlights the need for open space and recreation connections. • **Concentration of Class B office buildings, which have seen sharp rise in vacancy (E)**. Class A buildings, which offer superior amenities, have seen rising vacancy rates even as tenants seek better quality environments. Many Class B buildings, which often suffer from outdated facilities and less desirable locations, are also struggling with higher vacancy rates. Class B office spaces could be converted to housing, but the spaces would need extensive tenant improvements. Office buildings are difficult to convert to housing due to their deep floor plates, making it challenging to ensure adequate natural

	light and ventilation for residential units. The plumbing and electrical systems in office buildings are not designed to support the kitchens and bathrooms required for housing. The cost of seismic retrofitting of older buildings can also present challenges for residential conversion. • **Concentration of Older Buildings with Antiquated Systems and Deferred Maintenance (A)**. Many of the buildings in the area are older than 50 years. According to the report, 33 percent of buildings were constructed before 1960, which means they have exceeded their lifespan without adequate renovation and their internal systems may not have been updated to address increased risks from climate change. Many of the commercial structures were developed during the 1960s–1980s. These buildings may have deferred maintenance, making them more difficult and expensive to renovate.
(b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;	• **Declining office market.** The office market in the Westside TIF District is facing sizable challenges as changing patterns of employment and preferences for work-from-home and hybrid schedules lead to increased vacancies and lower rents. • **Lack of investments in storefront improvements.** Small businesses struggle with outdated facilities, leading to declining operational efficiency and customer appeal, which can result in increased vacancies and urban blight. • **Incohesive District branding.** The absence of District branding in certain areas of the TIF District fails to create a unique identity, diminishing the area's attractiveness to visitors and investors, and contributing to economic stagnation and community decline.
(c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;	• **Fragmented ownership.** The development of the area is hindered by the need for land assembly, as fragmented parcels must be consolidated to enable large-scale, cohesive projects. Twenty-nine percent of vacant or underutilized parcels are 5,000 square feet or less.
(e) The existence of inadequate streets and other rights of way, open spaces and utilities;	• **Inadequate park facilities.** Parks within the TIF District lack the amenities to meet the needs of the growing residential population and support the area as a regional destination. As the area continues to attract more residents and visitors, the demand for green spaces and recreational facilities will increase. The area has a need to create pedestrian activity through activations and events.

	• **Needed Broadway Corridor street infrastructure.** The 34-acre Broadway site lacks adequate streets to complete the street grid, including Park Avenue, NW Johnson, and NW Kearney Streets. • **Lack of multimodal transportation infrastructure**. The Green Loop project will increase multimodal connectivity and support business throughout the Central City, will pass through the Broadway Corridor within the TIF District.
(f) The existence of property or lots or other areas that are subject to inundation by water;	• **Flooding risk.** Several areas within the TIF District are within the floodplain, including areas along the riverfront and throughout the northeastern corner of the District. These areas are within Zone X, which represents areas with a 0.2 percent annual chance of flood
(g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;	• **Pedestrian activity.** Foot traffic is vital as it stimulates local economies, enhances public safety, and fosters a sense of community. Active pedestrian areas attract businesses, reduce crime through increased foot traffic, and create vibrant, engaging public spaces where people can interact and connect. Without pedestrian activity, areas can become desolate and uninviting, leading to economic stagnation and social isolation.
(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or	• **Underutilized properties**. The area has numerous vacant and underutilized properties with deferred maintenance. About 35 percent of the acreage in the TIF District has an Improvement to Land ratio of less than 1, indicating potential for redevelopment. The depreciated values and impaired investments reduce the capacity to pay taxes and results in inadequate funding for public services. This is inconsistent with the City's policies for the area and local stakeholder priorities. • **Lack of access to the Willamette River.** An important asset to the District, there is little public access to the river beyond small beaches and the river is largely inaccessible. Activation of the waterfront can increase access to this asset for a wider range of Portland residents and attract visitors. • **High levels of housing cost burden**. Half of the TIF District's residents experience housing cost burden, meaning they spend over 30 percent of their income on housing. Housing cost burden puts residents at risk of displacement and suggests a need to stabilize the TIF District's households. • **Concentration of heat islands**. Some areas of the TIF District covered by asphalt roads or parking lots and with

	areas of low tree canopy. 30.2 percent of housing units are in the 75th percentile or higher group (compared to 43.6 percent of Portland), and 9.7 percent are in the 90th percentile (compared to 13.4 percent across the city). Higher urban temperatures can lead to poor health outcomes, especially for vulnerable populations. • **Homeownership need.** Only 20 percent of residents are homeowners compared to 53 percent citywide. Creating opportunities for homeownership can help to stabilize households that currently rent. • **Stabilization of businesses.** There is a significant need for affordable commercial space to support local businesses. Although office and retail rents in the TIF District are lower than Portland's average, many businesses are vulnerable to displacement as the area grows, creating a need for commercial community ownership opportunities and affordable commercial rental spaces.
(i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere	• **Loss of employment.** The area experienced a significant decrease in total employment, dropping by 12,658 jobs from 2019 to 2022. Employment in the Food, Accommodation, and Entertainment industry suffered the greatest losses, accounting for more than 60 percent of jobs lost in the Central City between 2019 and 2021.

Section 1.3 – Existing Conditions

Attachment A summarizes existing conditions in the Westside TIF District to inform investments and strategies. It draws on data collected from sources like the American Community Survey (ACS), market platforms, federal bureaus, and local data sources. This analysis is also informed by the Central City Subdistricts Economic and Market Conditions report published by Prosper Portland in 2022 which provides more detailed information about the Downtown and Old Town/Chinatown areas that fall within the boundaries of the Westside TIF District.

SECTION 2 – PROPOSED PROJECTS REPORT

Section 2.1 – Proposed Projects and Impacts

This section provides an overview of the proposed projects under the Plan and their connection to the current conditions within the TIF District (See Appendix A). It details how each project addresses the specific issues and investment needs identified in the area, demonstrating how these projects will improve conditions for the community (Table B).

The Plan identifies four project categories, organized within two work portfolios:

A. Inclusive Growth (to be implemented by Prosper Portland)
    1. Economic & Urban Development
    2. Open Space and Public Realm
    3. Infrastructure and Utilities

B. Affordable Housing (to be implemented by Portland Housing Bureau)
    1. Affordable Housing Preservation and Production[8] .

Tax Increment Finance plans and districts enable public investments in public/private/community partnerships that would not otherwise be financially feasible and for related planning that is not tethered to annual appropriations. Tax increment funds (TIF) generated by the creation of a TIF District provide a dedicated stream of tax revenue to accomplish those plans and policies, while leveraging outside funding sources to complement the TIF resources. The plan anticipates that the projects described in the Westside TIF District Plan will catalyze the development of vacant and underdeveloped parcels as well as the redevelopment and re-tenanting of underutilized properties with businesses and residents that will require access to City services.

Implementation of this plan will be undertaken with community leadership, input and involvement. Prosper Portland and the Portland Housing Bureau shall solicit community guidance to create re-occurring Five-Year Action Plans. The intent of the Five-Year Action Plan is to establish near-term investment priorities and associated budgets in accordance with the TIF Plan. The Five-Year Action Plans will additionally establish mechanisms for ongoing reporting and implementation oversight.

[8] *In accordance with 2015 Affordable Housing Set Aside Policy, TIF for affordable housing can be used to create and preserve rental housing for families earning less than 60 percent of area median income, and homeownership housing for families earning 80 percent to 100 percent or less of area median income depending on home size.*

Table B. Plan Response to Existing Conditions

Project	Description	Existing Conditions
Economic & Urban Development		
Recruitment and Retention of Large Anchor Employers, National Retailers, and Traded Sector Industries	Offer tenant funding and incentives to attract and retain anchor employers, with particular focus on the Downtown core and hubs to support entrepreneurship and innovation. Offer incentives for lean manufacturing and efficiency improvements. Target and leverage anchor employer investments to catalyze large-scale development opportunities at opportunity sites like Broadway Corridor. Priority project areas include: • Downtown • Old Town • Ankeny Triangle • Pioneer Place & Downtown Retail Core • Broadway Corridor	**Development Conditions** • **A large share of properties in the TIF District are underutilized.** Over one third (35 percent) of parcels in the TIF District have an Improvement to Land Value ratio of less than 1.0, indicating a lack of development on these properties. The TIF District has 81 vacant parcels and 43 underutilized parcels. • **The presence of older buildings, especially in Old Town,** that may be obsolete or in need of deferred maintenance, with 33 percent of buildings built before 1960. Although this share is lower than Portland overall, the area includes unreinforced masonry buildings and buildings with potential brownfield contamination issues, such as asbestos and leaking underground storage tanks. **Economic and Social Conditions** • **Total employment and businesses in the TIF District have fallen post-pandemic** with 372 establishments leaving the Westside area between 2019 and 2022 (equaling approximately 14 percent of all businesses that were located in the TIF District in 2019) and 12, 658 employees. • **The TIF District has a higher unemployment rate than Portland, and lower average wages in certain sectors including manufacturing, retail, and wholesale trade, transportation, and utilities.** While average wages are higher than
Small Business Support	Invest through grant and loan programs and direct investment in tenant and façade improvements, related infrastructure improvements, and incentives for affordable commercial tenanting and related leasing to a) support small business stabilization and growth with a focus on ground floor tenanting and key cultural and retail districts; b) support inclusive wealth creation; and c) create a vibrant retail environment that attracts diverse visitors from the region and beyond. Priority project areas include: • Historic Districts (inc. Old Town, Ankeny Triangle) • Major Commercial & Retail Corridors (inc. 1st Avenue, Transit Mall, Burnside, Morrison/Yamhill)	
Rehabilitation of Existing Buildings and Development of New Commercial Space	Renovation of commercial buildings, including URMs, seismic upgrades, and other climate resilience related improvements. Investments in both large and small construction of new commercial spaces and related parking needs, including conversion of office space to R&D, light	

	manufacturing, maker spaces, and residential, as well as through lease and loan guaranties. Priority project areas include: • Downtown Core • Historic districts and individual buildings (inc. Old Town)	citywide due to the presence of office workers, there are also many retail and service workers in the TIF District. • **Neighborhood and BIPOC-serving service and retail establishments are concentrated in the Westside TIF District.** However, retail areas in the TIF District have not bounced back like in other areas of the city and lost establishments since 2020. These areas have attracted some new businesses that could use support to aid in the recovery of the TIF District. • **The population is less racially and ethnically diverse than Portland,** with a lower share (26 percent) of residents who identify as people of color (POC) compared to Portland as a whole (32 percent). Given that this is a high-opportunity area with good transit access and a concentration of amenities, new investments in housing could serve a broader swath of the community and provide increased access.
Inclusive Neighborhoods	Support development of services and amenities that complement new and renovated housing (e.g. open space; community centers; recreational, arts, and cultural centers etc.) Develop inclusive and welcoming neighborhoods that are reflective of and attractive to a diverse demographic. Enhance waterfront use and activation. Priority project areas include: • Waterfront Park • Cultural District • South Park Blocks	
Regional Assets & Destinations	Invest in regional assets. Introduce destination uses (i.e. music and sporting venues, education and cultural hubs, iconic commercial anchors) that attract a diverse variety of users. Priority project areas include: • Cultural District • Retail core	
Middle-Income Housing (60-120 percent AMI)	Diversify uses via gap financing for new multi-dwelling middle-income residential development via conversion or new development. Create opportunities allowing for more access for families, BIPOC individuals and families, and a wider range of incomes in the TIF District. Priority project areas include: • Old Town • Downtown • Broadway Corridor	

Open Space & Public Realm		
Signage, Connectivity & Accessibility Improvements	Create connectivity within and to the District. Make improvements to support activations within the District, including celebrating cultural assets and history. Implement signage solutions usable for all age groups. Enhance accessibility for individuals with mobility challenges. Priority project areas: • Green Loop • North & South Park Blocks • Retail core • Railroads crossings, large ROWs (Burnside, Naito), bridgeheads, river access	• **The Portland Comprehensive Plan's Open Space designation covers nearly a third of land in the Westside TIF District,** which is envisioned to provide benefits for health, the environment, and attracting visitors. • **The TIF District experiences high traffic volumes, congestion, and increased risk of dangerous crashes on major streets. However, residents in the Westside area are more likely to take public transit and bike than Portland residents.** More than 50 percent of Portland residents drive alone while only 30 percent of residents in the TIF District residents drive alone. New connectivity, signage, and transportation-related improvements could support better safety and access for residents as well as commuters. • **The Green Loop project is envisioned to run through the Westside TIF District, which will increase multimodal connectivity.** Today, the TIF District is well served by bike lanes. The Green Loop will enhance access to central amenities in the Westside TIF District and reinforce it as an activity hub for Portlanders. • **All housing units in the Westside TIF District are within a half-mile walk of existing and planned parks,** with anchors like the North and South Park Blocks. Plans for the North Park Blocks Extension, Steel Bridge Skatepark, and Waterfront Park upgrades are planned to strengthen the Central City as a hub for recreation that serves residents from throughout Portland. • **Poor air quality in the TIF District causes higher than average respiratory health risk than the city and urban heat island effects are concentrated around SW Naito Parkway and W Burnside Street.** The TIF District has a higher population-weighted average
Public Realm Enhancements	Renew the Central City's westside through inclusive placemaking, beautification and activation of public spaces to foster a welcoming, vibrant center for Portland. Implement placemaking strategies to support activation (new and existing), including via car-free zones. Implement public art initiatives to support art walks and events.	

		respiratory health risk rating according to EPA data (52.1 percentile) compared to Portland (39.3 percentile). Investments like parks and active transportation amenities can help to lower emissions in the TIF District while improving air quality and environmental conditions.
Infrastructure & Utilities		
Street and Utilities to Support Development	New streets, street improvements, bike lanes, new and/or relocated utilities (water, storm, sanitary sewer) to serve and provide better access to new District development at Broadway Corridor and other large Westside District sites. Enhance access for a variety of modes of transportation and users. Pursue innovative infrastructure to meet sustainability and climate goals through innovation. Improve seismic resilience and system capacity upgrades. Project priority areas: • Broadway Corridor • Waterfront Park / Pump station at Ankeny & riverfront stormwater storage	• **Sewer infrastructure including pump stations, stormwater pipes, and sewer pipes may need upgrading** particularly in conjunction with new development projects or redevelopment projects that increase the capacity needed within a building. The Ankeny pump station underneath the Willamette River in particular is in poor condition and could be at severe risk during an earthquake.
Affordable Housing		
Affordable Housing[9]	Preserve and stabilize existing regulated affordable housing buildings. Priority project areas include: • Old Town Support development of new affordable multi-dwelling residential uses; including family size units and accessible	• **Almost half of renter households in the Westside TIF District experience housing cost burden.** Half of the TIF District's residents who rent their units experience cost burden, meaning they spend over 30 percent of their income on housing. Given the number of households experiencing housing cost burden in the

[9] *In accordance with 2015 Affordable Housing Set Aside policy, TIF for rental housing will create and preserve housing for families earning less than 60 percent of area median income, and homeownership housing for families earning 80 percent to 100 percent or less of area median income depending on home size.*

	units, including via site acquisition and site preparation such as seismic & liquefaction considerations for development. Priority project areas: • Broadway Corridor • Downtown	area, the TIF District lacks adequate affordable housing supply. • **Residents that are more vulnerable to changing economic conditions, making displacement more difficult to prevent.** The BPS Economic Vulnerability Assessment determined a score of 55 for the TIF District's Census tracts, with any score over 60 considered a tract vulnerable to displacement. • **Households in the TIF District have lower incomes.** More than half of TIF District households earn less than $50,000, compared to Portland at 30 percent. Overall, Median Household Income in Portland is $85,876 compared to $78,506 in the TIF District. • **Regulated affordable housing units are set to expire in the TIF District.** Almost all of the existing regulated affordable housing units are on track to expire, 15 percent of those expiring within 10 years. In addition, much of this housing stock is affordable to households making 0 to 30 percent of AMI, and many of these units are in need of renovation. • **The Westside area has seen lower growth in housing supply than Portland.** The TIF District has expanded its multi-dwelling housing stock by 151 percent since 2000 whereas Portland's multi-dwelling stock grew by 170 percent. • **A third of housing in the TIF District is Naturally Occurring Affordable Housing** which offers more attainable options often in older buildings that is affordable at 60 percent of AMI or lower. This type of housing can be subject to displacement pressures as development occurs in an area and properties turn over.

		• **The population is less racially and ethnically diverse than Portland,** with a lower share (27 percent) of residents who identify as people of color (POC) compared to Portland as a whole (32 percent). Given that this is a high-opportunity area with good transit access and a concentration of amenities, new investments in housing could serve a broader swath of the community and provide increased access. • **The TIF District has a lower share of youth (age 0-17).** Given the low share of households with children in the area, expanding options for family-friendly housing can increase access to nearby amenities and opportunities for families.

Section 2.2 – Cost and Completion Dates

Some projects will require funding from multiple sources, and TIF will often be used to provide matching funds or gap funds to facilitate the implementation of a project. Although this section provides estimated completion dates for all projects, many projects will be funded in phases over a longer period, which means that expenditures for some projects could begin much earlier than the estimated completion dates listed below. Adopted Five-Year Action Plans will further refine and describe the funding priorities, estimated costs, and completion dates for these projects. Prosper Portland's annual budget shall reflect the priorities and investments outlined in the Five-Year Action Plan and in conformance with the TIF Plan.

Table C. Project Cost and Completion Dates

Project Name	Project Cost (Nominal dollars; % net plan Admin & Fees)	Anticipated Completion Date
Economic & Urban Development • Recruitment and Retention • Small Business Support • Rehabilitation of Existing Buildings and Development of New Commercial Space • Inclusive Neighborhoods • Regional Assets & Destinations • Middle Income Housing (60-120 percent AMI)	$259,349,095 (35%)	2059
Open Space & Public Realm • Signage, Connectivity & Accessibility Improvements • Public Realm Enhancements	$74,099,741 (10%)	2045
Infrastructure & Utilities • Streets • Utilities • System Resilience and Capacity	$74,099,741 (10%)	2045
Affordable Housing[10] • Preservation and New Development	$333,448,836 (45%)	2059

[10] *In accordance with 2015 Affordable Housing Set Aside policy, TIF for rental housing will create and preserve housing for families earning less than 60 percent of area median income, and homeownership housing for families earning 80 percent to 100 percent or less of area median income depending on home size.*

SECTION 3 – FINANCIAL REPORT

Section 3.1 - Maximum Indebtedness and Debt Retirement

The maximum amount of the principal of indebtedness that may be issued or incurred under the Plan (the "**Maximum Indebtedness**") is $800,000,000 as shown in Table D. The estimated amount of TIF moneys required for the District to service this Maximum Indebtedness is $986,576,738, which reflects the additional projected costs of the interest on borrowings (loans) which is not a part of the maximum indebtedness. It is anticipated that the indebtedness will be retired or otherwise provided for by FY 2059-60. Table E shows a summary of the financial capacity of the District, including how total TIF revenue translates to the ability to fund tax increment projects in constant 2024 dollars in five-year increments.

Table D. Total Uses

Uses Summary	First 5 Years	First 10 Years	30 Year Total
Bond Issuance Costs and Reserves	19,469	2,361,713	28,127,695
District-Wide Admin/Predev	777,967	3,659,707	30,874,892
Affordable Housing (PHB)	8,402,039	39,524,830	333,448,836
Inclusive Growth (Prosper Portland)	10,269,159	48,308,126	407,548,577
Total	$19,468,634	$93,854,375	$800,000,000

Table E. Total Capacity Through Final Bond Payoff

	Actual Dollars	Rounded Dollars
Total Net TIF	412,830,362	412,800,000
Maximum Indebtedness	310,000,000	310,000,000
Capacity (2024-25 $)	216,700,337	216,700,000
Years 1-5	9,466,080	9,500,000
Years 6-10	27,349,670	27,300,000
Years 11-15	46,255,251	46,300,000
Years 16-20	63,200,852	63,200,000
Years 21-25	83,199,909	83,200,000
Years 26-30	106,618,539	106,600,000
Years 31-35	76,740,061	76,700,000

Section 3.2 – Financial Analysis

The total amount of TIF projected to be used for all projects, excluding administration and finance fees, is $410,581,139 in 2024-25 dollars. The cost of administration and finance fees over the life of the District increase this total to $442,179,967. The Plan assumes an annual inflation rate of 3 percent per year. When accounting for inflation and based on the assumed timing of projects, the total project costs in nominal year-of-expenditure ("YOE") dollars is $740,997,413, which is within the $800,000,000 maximum indebtedness established by the Plan. It is estimated that the frozen base assessed value of the District is $2,401,540,540, 3 percent of the City's assessed value of $80,988,896,967.

The estimated Westside Tax Increment Finance Plan revenues through Fiscal Year End (FYE) 2060 are calculated based on projections of the assessed value within the District and the consolidated tax rate that will apply in the District adjusted for discounts, and delinquencies. The long-term projections for FYE 2026 and beyond assume an annual growth rate of 3 percent for assessed value in the District. These projections of growth are the basis for the projections in Table F, which shows the incremental assessed value, tax rates, and Westside Tax Increment Finance Plan revenues each year.

The first year of Westside Tax Increment Finance Plan collections is anticipated to be the fiscal year ending in 2026. Gross Westside Tax Increment Finance Plan financing (TIF) is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is "tax rate times assessed value used divided by one thousand." The consolidated tax rate includes permanent tax rates only, except for $0.5038/$1,000 of the Portland Public Schools permanent rate levy (the "Gap Tax"). The consolidated rate also excludes levies for general obligation bonds and local option levies. The adjustments are for compression losses estimated at 5 percent and underpayments and delinquencies assumed at 4 percent.

The District is anticipated to complete all projects and have sufficient Westside Tax Increment Finance Plan finance revenue to terminate the tax increment area in FYE 2060, a 35-year tax increment plan. Table G shows more detailed tables on the allocation of tax revenues to debt service. These assumptions show one scenario for financing and that this scenario is financially feasible.

Table F. Projected Incremental Assessed Value, Tax Rates, and Westside Tax Increment Finance Plan Revenues

Yr No.	FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Increment Shared	Tax Rate	Gross TIF URA	Gross TIF Shared	Adjustments (to URA)	Net TIF (URA)	PV of Net TIF (URA)
1	2026	2,473,586,756	2,401,540,540	72,046,216	0	18.70	1,347,034	0	(118,539)	1,228,495	1,192,713
2	2027	2,547,794,359	2,401,540,540	146,253,819	0	18.80	2,749,104	0	(241,921)	2,507,183	2,363,260
3	2028	2,624,228,190	2,401,540,540	222,687,650	0	18.90	4,208,084	0	(370,311)	3,837,773	3,512,106
4	2029	2,702,955,035	2,401,540,540	301,414,495	0	18.90	5,695,769	0	(501,228)	5,194,542	4,615,283
5	2030	2,784,043,686	2,401,540,540	382,503,146	0	19.10	7,304,586	0	(642,804)	6,661,783	5,746,512
6	2031	2,867,564,997	2,401,540,540	466,024,457	0	19.10	8,899,576	0	(783,163)	8,116,413	6,797,368
7	2032	2,953,591,947	2,401,540,540	552,051,407	0	19.10	10,542,415	0	(927,733)	9,614,683	7,817,617
8	2033	3,042,199,705	2,401,540,540	640,659,165	0	19.20	12,298,606	0	(1,082,277)	11,216,329	8,854,273
9	2034	3,133,465,696	2,401,540,540	731,925,156	0	19.20	14,050,621	0	(1,236,455)	12,814,166	9,820,991
10	2035	3,227,469,667	2,401,540,540	825,929,127	0	19.10	15,772,603	0	(1,387,989)	14,384,614	10,703,504
11	2036	3,324,293,757	2,401,540,540	922,753,217	0	19.10	17,621,634	0	(1,550,704)	16,070,930	11,609,982
12	2037	3,424,022,570	2,401,540,540	1,022,482,030	0	19.10	19,526,135	0	(1,718,300)	17,807,835	12,490,057
13	2038	3,526,743,247	2,401,540,540	1,125,202,707	0	19.10	21,487,771	0	(1,890,924)	19,596,847	13,344,499
14	2039	3,632,545,545	2,401,540,540	1,231,005,005	0	19.00	23,385,156	0	(2,057,894)	21,327,262	14,099,833
15	2040	3,741,521,911	2,401,540,540	1,339,981,371	0	18.90	25,321,360	0	(2,228,280)	23,093,080	14,822,569
16	2041	3,853,767,568	2,401,540,540	1,408,373,540	43,853,488	18.80	26,472,916	824,305	(2,329,617)	24,143,299	15,045,306
17	2042	3,969,380,595	2,401,540,540	1,496,790,572	71,049,484	18.70	27,985,194	1,328,398	(2,462,697)	25,522,497	15,441,530
18	2043	4,088,462,013	2,401,540,540	1,586,101,635	100,819,838	18.70	29,655,025	1,885,008	(2,609,642)	27,045,383	15,886,312
19	2044	4,211,115,874	2,401,540,540	1,679,817,653	129,757,681	18.60	31,239,233	2,413,078	(2,749,052)	28,490,180	16,247,552
20	2045	4,337,449,350	2,401,540,540	1,774,567,760	161,341,050	18.60	33,001,282	3,000,427	(2,904,113)	30,097,169	16,664,073
21	2046	4,467,572,830	2,401,540,540	1,872,160,370	193,871,920	18.60	34,816,192	3,605,397	(3,063,825)	31,752,367	17,068,462
22	2047	4,601,600,015	2,401,540,540	1,972,680,759	227,378,716	18.60	36,685,550	4,228,517	(3,228,328)	33,457,221	17,461,073
23	2048	4,739,648,016	2,401,540,540	2,076,216,759	261,890,716	18.60	38,610,988	4,870,329	(3,397,767)	35,213,221	17,842,248
24	2049	4,881,837,456	2,401,540,540	2,182,858,840	297,438,077	18.60	40,594,189	5,531,396	(3,572,289)	37,021,901	18,212,322
25	2050	5,028,292,580	2,401,540,540	2,292,700,182	334,051,857	18.60	42,636,887	6,212,296	(3,752,046)	38,884,841	18,571,616
26	2051	5,179,141,357	2,401,540,540	2,405,836,765	371,764,052	18.60	44,740,865	6,913,622	(3,937,196)	40,803,669	18,920,446
27	2052	5,334,515,598	2,401,540,540	2,522,367,446	410,607,612	18.60	46,907,963	7,635,988	(4,127,901)	42,780,062	19,259,116

28	2053	5,494,551,066	2,401,540,540	2,642,394,047	450,616,479	18.60	49,140,074	8,380,025	(4,324,326)	44,815,747	19,587,921
29	2054	5,659,387,598	2,401,540,540	2,766,021,446	491,825,612	18.60	51,439,148	9,146,383	(4,526,645)	46,912,503	19,907,150
30	2055	5,829,169,226	2,401,540,540	2,893,357,667	534,271,019	18.60	53,807,194	9,935,731	(4,735,033)	49,072,161	20,217,081
31	2056	6,004,044,303	2,401,540,540	3,024,513,974	577,989,788	18.60	56,246,281	10,748,760	(4,949,673)	51,296,609	20,517,984
32	2057	6,184,165,632	2,401,540,540	3,159,604,971	623,020,120	18.60	58,758,542	11,586,181	(5,170,752)	53,587,790	20,810,123
33	2058	6,369,690,601	2,401,540,540	3,298,748,698	669,401,363	18.60	61,346,170	12,448,723	(5,398,463)	55,947,707	21,093,754
34	2059	6,560,781,319	2,401,540,540	3,442,066,736	717,174,042	18.60	64,011,427	13,337,142	(5,633,006)	58,378,421	21,369,123
35	2060	6,757,604,758	2,401,540,540	3,589,684,316	766,379,902	18.60	66,756,641	14,252,214	(5,874,584)	60,882,057	21,636,472

Table G. Westside Tax Increment Finance Plan Revenues and Allocations to Debt Service

	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Prior Year Assessed Value	-	2,401,540,540	2,473,586,756	2,547,794,359	2,624,228,190	2,702,955,035	2,784,043,686
Frozen Base	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540
Increment	-	72,046,216	146,253,819	222,687,650	301,414,495	382,503,146	466,024,457
AV (Baseline)	-	2,473,586,756	2,547,794,359	2,624,228,190	2,702,955,035	2,784,043,686	2,867,564,997
Taxes							
Consolidated Tax Rate	18.5354	18.6968	18.7968	18.8968	18.8968	19.0968	19.0968
Divide the Taxes (to Raise)	-	1,347,034	2,749,104	4,208,084	5,695,769	7,304,586	8,899,576
Net Tax Increment Revenues	**-**	**1,228,495**	**2,507,183**	**3,837,773**	**5,194,542**	**6,661,783**	**8,116,413**
Used for Du Jour	-	1,230,952	2,512,197	3,845,448	5,204,931	6,675,106	8,132,646
Debt Service							
Total Debt Service	-	-	-	-	-	-	-

	31-32	32-33	33-34	34-35	35-36	36-37	37-38
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Prior Year Assessed Value	2,867,564,997	2,953,591,947	3,042,199,705	3,133,465,696	3,227,469,667	3,324,293,757	3,424,022,570
Frozen Base	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540
Increment	552,051,407	640,659,165	731,925,156	825,929,127	922,753,217	1,022,482,030	1,125,202,707
AV (Baseline)	2,953,591,947	3,042,199,705	3,133,465,696	3,227,469,667	3,324,293,757	3,424,022,570	3,526,743,247
Taxes							
Consolidated Tax Rate	19.0968	19.1968	19.1968	19.0968	19.0968	19.0968	19.0968
Divide the Taxes (to Raise)	10,542,415	12,298,606	14,050,621	15,772,603	17,621,634	19,526,135	21,487,771
Net Tax Increment Revenues	**9,614,683**	**11,216,329**	**12,814,166**	**14,384,614**	**16,070,930**	**17,807,835**	**19,596,847**
Used for Du Jour	9,633,912	11,238,761	10,951,936	14,428,486	14,222,765	15,963,144	15,395,911
Debt Service							
BOND 1				1,887,859	1,887,859	1,887,859	1,887,859
Total Debt Service	**1,887,859**	**1,887,859**	**1,887,859**	**1,887,859**	**1,887,859**	**1,887,859**	**1,887,859**

	38-39	39-40	40-41	41-42	42-43	43-44	44-45
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Prior Year Assessed Value	3,526,743,247	3,632,545,545	3,741,521,911	3,853,767,568	3,969,380,595	4,088,462,013	4,211,115,874
Frozen Base	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540
Increment	1,231,005,005	1,339,981,371	1,452,227,028	1,567,840,055	1,686,921,473	1,809,575,334	1,935,908,810
AV (Baseline)	3,632,545,545	3,741,521,911	3,853,767,568	3,969,380,595	4,088,462,013	4,211,115,874	4,337,449,350
Taxes							
Consolidated Tax Rate	18.9968	18.8968	18.7968	18.6968	18.6968	18.5968	18.5968
Divide the Taxes (to Raise)	23,385,156	25,321,360	26,472,916	27,985,194	29,655,025	31,239,233	33,001,282
Net Tax Increment Revenues	**21,327,262**	**23,093,080**	**24,143,299**	**25,522,497**	**27,045,383**	**28,490,180**	**30,097,169**
Used for Du Jour	19,508,488	18,908,576	19,960,895	21,342,851	20,508,960	24,335,348	23,576,288
Debt Service							
BOND 1	1,887,859	1,887,859	1,887,859	1,887,859	1,887,859	1,887,859	1,887,859
BOND 2	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823
BOND 3						2,359,823	2,359,823
Total Debt Service	**4,247,682**	**4,247,682**	**4,247,682**	**4,247,682**	**4,247,682**	**6,607,505**	**6,607,505**

	45-46	46-47	47-48	48-49	49-50	50-51	51-52
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Prior Year Assessed Value	4,337,449,350	4,467,572,830	4,601,600,015	4,739,648,016	4,881,837,456	5,028,292,580	5,179,141,357
Frozen Base	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540
Increment	2,066,032,290	2,200,059,475	2,338,107,476	2,480,296,916	2,626,752,040	2,777,600,817	2,932,975,058
AV (Baseline)	4,467,572,830	4,601,600,015	4,739,648,016	4,881,837,456	5,028,292,580	5,179,141,357	5,334,515,598
Taxes							
Consolidated Tax Rate	18.5968	18.5968	18.5968	18.5968	18.5968	18.5968	18.5968
Divide the Taxes (to Raise)	34,816,192	36,685,550	38,610,988	40,594,189	42,636,887	44,740,865	46,907,963
Net Tax Increment Revenues	**31,752,367**	**33,457,221**	**35,213,221**	**37,021,901**	**38,884,841**	**40,803,669**	**42,780,062**
Used for Du Jour	25,234,797	24,583,238	28,721,451	28,164,486	30,031,152	31,953,818	33,934,164
Debt Service							
BOND 1	1,887,859	1,887,859	1,887,859	1,887,859	1,887,859	1,887,859	1,887,859
BOND 2	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823
BOND 3	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823
BOND 4			2,359,823	2,359,823	2,359,823	2,359,823	2,359,823
Total Debt Service	**6,607,505**	**6,607,505**	**8,967,328**	**8,967,328**	**8,967,328**	**8,967,328**	**8,967,328**

	52-53	53-54	54-55	55-56	56-57	57-58	58-59	59-60
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Prior Year Assessed Value	5,334,515,598	5,494,551,066	5,659,387,598	5,829,169,226	6,004,044,303	6,184,165,632	6,369,690,601	6,560,781,319
Frozen Base	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540	2,401,540,540
Increment	3,093,010,526	3,257,847,058	3,427,628,686	3,602,503,763	3,782,625,092	3,968,150,061	4,159,240,779	4,356,064,218
AV (Baseline)	5,494,551,066	5,659,387,598	5,829,169,226	6,004,044,303	6,184,165,632	6,369,690,601	6,560,781,319	6,757,604,758
Taxes								
Consolidated Tax Rate	18.5968	18.5968	18.5968	18.5968	18.5968	18.5968	18.5968	18.5968
Divide the Taxes (to Raise)	49,140,074	51,439,148	53,807,194	56,246,281	58,758,542	61,346,170	64,011,427	66,756,641
Net Tax Increment Revenues	**44,815,747**	**46,912,503**	**49,072,161**	**51,296,609**	**53,587,790**	**55,947,707**	**58,378,421**	**60,882,057**
Used for Du Jour	22,192,553	38,185,120	28,421,622	-				
Debt Service								
BOND 1	1,887,859	1,887,859						
BOND 2	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823		
BOND 3	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823
BOND 4	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823	2,359,823
BOND 5	-	13,781,367	13,781,367	13,781,367	13,781,367	13,781,367	13,781,367	13,781,367
Bond Payoff								202,756,004
Total Debt Service	**8,967,328**	**22,748,695**	**20,860,837**	**20,860,837**	**20,860,837**	**20,860,837**	**18,501,014**	**221,257,019**

The District is anticipated to complete all projects and have sufficient revenue to terminate the District in FYE 2060 a 35-year program. The projects will be ongoing and the schedule for construction of projects will be based on the availability of funding and will be completed as directed by the Agency in accordance with the Five-Year Action Plans.

The amount of money available for projects in 2024 constant dollars for the District is approximately $410,581,139. This is calculated by taking the maximum indebtedness (MI) and bringing it back to constant 2024 dollars. This is done as the MI is referenced in constant dollars, so understanding how the MI relates to the inflation factor over 30 years is important to be able to make projections on the allocation of funds throughout the life of the District.

Table H shows the approximate $442,179,967 of 2024 constant dollars for projects inflated over the life of the District including administrative expenses and bond issuance costs and reserves, reaching the total maximum indebtedness of $800,000,000. The 3 percent inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470.

The following tables are prepared to show that the District is financially feasible as required by ORS 457. It assumes completion of projects as funding becomes available and in accordance with the Five-Year Action Plans. Annual expenditures for program administration are also shown.

Table H. Financial Feasibility

	Bond Issuance Costs and Reserves	District-Wide Admin/Predev	Affordable Housing (PHB)	Inclusive Growth (Prosper Portland)	Total
Years 1-5	19,469	777,967	8,402,039	10,269,159	19,468,634
Years 6-10	2,342,244	2,881,740	31,122,791	38,038,967	74,385,742
Years 11-15	2,943,822	4,242,202	45,815,786	55,997,072	108,998,883
Years 16-20	2,969,547	5,270,192	56,918,071	69,566,532	134,724,342
Years 21-25	2,996,558	6,349,543	68,575,060	83,813,962	161,735,123
Years 26-30	16,856,054	11,353,249	122,615,088	149,862,885	300,687,276
Total	$28,127,695	$30,874,892	$333,448,836	$407,548,577	$800,000,000

Section 3.3 – Fiscal Impact Statement

The impact of Westside Tax Increment Finance Plan financing of the maximum indebtedness, both until and after the indebtedness is repaid is on all entities levying permanent rate property in the District.

The impact of Westside Tax Increment Finance Plan financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the District. These projections are for impacts estimated through FYE 2060 and are shown in Table I.

Other than the Portland Public Schools Gap Tax, the Portland School District and the Multnomah County ESD are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the Plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The Gap Tax is not anticipated to be calculated in the division of tax revenues to be allocated to Prosper Portland, so the impact on the Portland Public Schools of the Gap Tax is a positive impact. The School District will need to complete appropriate paperwork with the Multnomah County assessor to ensure the Gap tax is not included in the division of taxes.

The City of Portland levies a tax to pay costs of its Fire and Police Disability and Retirement Fund (FPD&R) Plan. The rate for this levy is included in the consolidated tax rate for the District. The levy is imposed such that, when the tax rate is divided for tax increment areas, tax collections are sufficient to provide both the amount requested by the City for the FPD&R Plan and amounts for tax increment plans. Taxpayers pay a higher amount of taxes as a result of the division of taxes. Tax collections for the District attributable to the FPD&R levy are shown in Table J.

Since the properties within the TIF District are also already within the City's urban growth boundary, the City has planned for the need to provide infrastructure to these parcels through its existing plans and policies. In addition, since any new development will be new construction or redevelopment of existing buildings, the current building code requirements will address fire protection needs. Any potential impacts to the City will be countered by the increased revenue resulting from new jobs, stabilized housing, increased property tax revenues from development and redevelopment, and future increased tax base for all overlapping taxing jurisdictions.

Table I. Projected Impact on Taxing District Permanent Rate Levies

	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
City	300,737	610,496	929,548	1,258,172	1,596,654	1,945,290	2,304,386	2,674,255	3,055,220	3,447,613
County	285,388	579,338	882,106	1,193,957	1,515,164	1,846,007	2,186,775	2,537,767	2,899,288	3,271,655
Library	80,162	162,728	247,771	335,366	425,588	518,517	614,234	712,823	814,369	918,962
Metro	6,347	12,885	19,619	26,554	33,698	41,056	48,635	56,442	64,482	72,764
Port	4,606	9,350	14,237	19,270	24,454	29,794	35,293	40,958	46,793	52,803
W Mult Soil/Cons	4,928	10,004	15,232	20,617	26,163	31,876	37,760	43,821	50,064	56,494
FPDR	183,977	386,812	609,273	824,670	1,116,297	1,360,046	1,611,107	1,928,128	2,202,802	2,410,392
Total Gov't	**866,145**	**1,771,613**	**2,717,786**	**3,678,606**	**4,738,019**	**5,772,587**	**6,838,192**	**7,994,193**	**9,133,017**	**10,230,681**
Portland SD No. 1	313,701	636,813	969,618	1,312,407	1,665,481	2,029,146	2,403,721	2,789,534	3,186,920	3,596,229
Portland CC	18,582	37,721	57,434	77,739	98,653	120,194	142,382	165,235	188,773	213,018
Multnomah County ESD	30,067	61,036	92,935	125,790	159,630	194,487	230,388	267,367	305,455	344,686
Total Education	**362,350**	**735,570**	**1,119,987**	**1,515,936**	**1,923,764**	**2,343,826**	**2,776,491**	**3,222,135**	**3,681,149**	**4,153,933**

	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44	44-45
City	3,851,779	4,268,069	4,696,848	5,138,491	5,593,382	5,878,867	6,247,939	6,620,744	7,011,935	7,407,443
County	3,655,192	4,050,236	4,457,131	4,876,233	5,307,908	5,578,822	5,929,058	6,282,835	6,654,061	7,029,384
Library	1,026,692	1,137,654	1,251,946	1,369,665	1,490,917	1,567,013	1,665,389	1,764,760	1,869,032	1,974,455
Metro	81,294	90,080	99,129	108,451	118,051	124,077	131,866	139,734	147,991	156,338
Port	58,993	65,369	71,936	78,700	85,667	90,039	95,692	101,401	107,393	113,450
W Mult Soil/Cons	63,116	69,938	76,964	84,201	91,655	96,333	102,380	108,489	114,900	121,380
FPDR	2,692,963	2,984,012	3,283,792	3,480,297	3,666,189	3,724,866	3,822,204	4,050,269	4,136,383	4,369,696
Total Gov't	**11,430,029**	**12,665,357**	**13,937,746**	**15,136,038**	**16,353,769**	**17,060,016**	**17,994,529**	**19,068,233**	**20,041,695**	**21,172,146**
Portland SD No. 1	4,017,817	4,452,052	4,899,314	5,359,995	5,834,495	6,132,286	6,517,268	6,906,143	7,314,198	7,726,755
Portland CC	237,991	263,712	290,205	317,493	345,599	363,239	386,043	409,077	433,248	457,685
Multnomah County ESD	385,094	426,714	469,582	513,737	559,216	587,758	624,657	661,930	701,040	740,582
Total Education	**4,640,901**	**5,142,478**	**5,659,102**	**6,191,224**	**6,739,311**	**7,083,283**	**7,527,968**	**7,977,150**	**8,448,486**	**8,925,022**

	45-46	46-47	47-48	48-49	49-50	50-51	51-52	52-53	53-54	54-55
City	7,814,817	8,234,411	8,666,594	9,111,742	9,570,244	10,042,502	10,528,927	11,029,945	11,545,993	12,077,523
County	7,415,966	7,814,145	8,224,270	8,646,699	9,081,800	9,529,954	9,991,553	10,467,001	10,956,711	11,461,113
Library	2,083,041	2,194,884	2,310,082	2,428,736	2,550,950	2,676,830	2,806,487	2,940,033	3,077,586	3,219,265
Metro	164,936	173,792	182,913	192,308	201,985	211,952	222,219	232,793	243,684	254,902
Port	119,689	126,116	132,735	139,553	146,575	153,808	161,258	168,931	176,835	184,976
W Mult Soil/Cons	128,056	134,931	142,013	149,308	156,821	164,559	172,530	180,740	189,196	197,906
FPDR	4,610,008	4,857,529	5,112,476	5,375,072	5,645,545	5,924,132	6,211,078	6,506,631	6,811,051	7,124,604
Total Gov't	**22,336,512**	**23,535,808**	**24,771,083**	**26,043,416**	**27,353,920**	**28,703,738**	**30,094,051**	**31,526,074**	**33,001,057**	**34,520,289**
Portland SD No. 1	8,151,689	8,589,371	9,040,183	9,504,520	9,982,787	10,475,402	10,982,795	11,505,411	12,043,704	12,598,147
Portland CC	482,856	508,781	535,485	562,989	591,319	620,498	650,553	681,509	713,395	746,236
Multnomah County ESD	781,311	823,261	866,470	910,975	956,815	1,004,031	1,052,663	1,102,753	1,154,347	1,207,488
Total Education	**9,415,855**	**9,921,413**	**10,442,138**	**10,978,484**	**11,530,921**	**12,099,931**	**12,686,011**	**13,289,674**	**13,911,446**	**14,551,872**

	55-56	56-57	57-58	58-59	59-60
City	12,624,999	13,188,899	13,769,716	14,367,958	14,984,146
County	11,980,647	12,515,767	13,066,940	13,634,649	14,219,389
Library	3,365,195	3,515,503	3,670,320	3,829,781	3,994,026
Metro	266,457	278,359	290,617	303,243	316,248
Port	193,361	201,997	210,893	220,055	229,493
W Mult Soil/Cons	206,877	216,117	225,634	235,437	245,534
FPDR	7,447,563	7,780,211	8,122,839	8,475,745	8,839,239
Total Gov't	**36,085,099**	**37,696,853**	**39,356,959**	**41,066,869**	**42,828,076**
Portland SD No. 1	13,169,223	13,757,431	14,363,285	14,987,315	15,630,066
Portland CC	780,063	814,905	850,792	887,756	925,828
Multnomah County ESD	1,262,224	1,318,602	1,376,671	1,436,482	1,498,087
Total Education	**15,211,510**	**15,890,937**	**16,590,748**	**17,311,552**	**18,053,981**

Revenue sharing means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the District. The first threshold is when annual Westside Tax Increment Finance Plan finance revenues exceed three percent of the original maximum indebtedness of the Plan is in 2038. At the three percent threshold, the Agency will receive tax increment revenue as stated in ORS 457.470(4)(a-e). The overlapping taxing districts would receive the remainder of the TIF revenues. Revenue sharing projections are shown in Table J in the column labelled "Revenue Sharing".

If assessed value in the District grows more quickly than projected, the revenue sharing triggers would be reached earlier.

Table J. Tax Increment Revenue Sharing

FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Increment Shared
2026	2,473,586,756	2,401,540,540	72,046,216	0
2027	2,547,794,359	2,401,540,540	146,253,819	0
2028	2,624,228,190	2,401,540,540	222,687,650	0
2029	2,702,955,035	2,401,540,540	301,414,495	0
2030	2,784,043,686	2,401,540,540	382,503,146	0
2031	2,867,564,997	2,401,540,540	466,024,457	0
2032	2,953,591,947	2,401,540,540	552,051,407	0
2033	3,042,199,705	2,401,540,540	640,659,165	0
2034	3,133,465,696	2,401,540,540	731,925,156	0
2035	3,227,469,667	2,401,540,540	825,929,127	0
2036	3,324,293,757	2,401,540,540	922,753,217	0
2037	3,424,022,570	2,401,540,540	1,022,482,030	0
2038	3,526,743,247	2,401,540,540	1,125,202,707	0
2039	3,632,545,545	2,401,540,540	1,231,005,005	0
2040	3,741,521,911	2,401,540,540	1,339,981,371	0
2041	3,853,767,568	2,401,540,540	1,408,373,540	43,853,488
2042	3,969,380,595	2,401,540,540	1,496,790,572	71,049,484
2043	4,088,462,013	2,401,540,540	1,586,101,635	100,819,838
2044	4,211,115,874	2,401,540,540	1,679,817,653	129,757,681
2045	4,337,449,350	2,401,540,540	1,774,567,760	161,341,050
2046	4,467,572,830	2,401,540,540	1,872,160,370	193,871,920
2047	4,601,600,015	2,401,540,540	1,972,680,759	227,378,716
2048	4,739,648,016	2,401,540,540	2,076,216,759	261,890,716
2049	4,881,837,456	2,401,540,540	2,182,858,840	297,438,077
2050	5,028,292,580	2,401,540,540	2,292,700,182	334,051,857
2051	5,179,141,357	2,401,540,540	2,405,836,765	371,764,052

2052	5,334,515,598	2,401,540,540	2,522,367,446	410,607,612
2053	5,494,551,066	2,401,540,540	2,642,394,047	450,616,479
2054	5,659,387,598	2,401,540,540	2,766,021,446	491,825,612
2055	5,829,169,226	2,401,540,540	2,893,357,667	534,271,019
2056	6,004,044,303	2,401,540,540	3,024,513,974	577,989,788
2057	6,184,165,632	2,401,540,540	3,159,604,971	623,020,120
2058	6,369,690,601	2,401,540,540	3,298,748,698	669,401,363
2059	6,560,781,319	2,401,540,540	3,442,066,736	717,174,042
2060	6,757,604,758	2,401,540,540	3,589,684,316	766,379,902

Table K shows the projected increased revenue to the taxing jurisdictions after the Westside Tax Increment Finance Plan proceeds are projected to be terminated. These projections are for FYE 2061. The table also shows the estimated impact of returned incremental assessed value on the FPD&R tax levy rate, which could be reduced by approximately 3 percent.

The Frozen Base is the assessed value of the District established by the County Assessor at the time the District is established. Excess Value is the increased assessed value in the District above the Frozen Base.

Table K. Additional Revenues Obtained after Termination of TIF – FYE 2061

Taxing District	Type	Tax Rate	From Frozen Base	From Excess Value	Total
General Government					
City	Permanent	4.58	10,991,851	20,865,593	31,857,444
County	Permanent	4.34	10,430,851	19,800,659	30,231,510
Library	Permanent	1.22	2,929,879	5,561,727	8,491,606
Metro	Permanent	0.10	231,989	440,379	672,368
Port	Permanent	0.07	168,348	319,571	487,919
W Mult Soil/Cons	Permanent	0.08	180,116	341,909	522,025
FPDR	Permanent	2.70	6,484,159	12,308,739	18,792,899
Subtotal General Government		13.08	31,417,193	59,638,578	91,055,771
Education					
Portland	Permanent	4.77	11,465,675	21,765,042	33,230,717
Portland CC	Permanent	0.28	679,156	1,289,226	1,968,382
Multnomah County ESD	Permanent	0.46	1,098,945	2,086,103	3,185,048
Subtotal Education		**5.51**	13,243,776	25,140,372	38,384,148
Total		**18.60**	**$44,660,969**	**$84,778,950**	**$129,439,919**

Section 3.4 – Assessed Value and Acreage Analysis

The Plan includes a provision indicating that it will be financed by tax increment revenues (TIF) allocated to the District, as provided in ORS Chapter 457, and that the ad valorem taxes levied by a taxing district in which all or a portion of the District is located, will be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Pursuant to ORS 457.420(2), the Plan may only include such a provision if:

- The assessed value for the TIF District, when added to the total assessed value for other TIF Districts of the City, does not exceed a figure equal to 15 percent of the total assessed value of the City (exclusive of any increased assessed value for other TIF Districts and without regard to adjustments made pursuant to ORS 457.435 (2)(c), 457.455 or 457.470 (2) to (5)), and
- The acreage of the TIF District, when added to the acreage of other TIF Districts of the City, does not exceed 15 percent of the total acreage of the City.

As explained in this Section, the proposed TIF District complies with both the assessed value and acreage limits set forth in ORS 457.420.

As of the date that the TIF Plan is expected to be approved by the City, it is projected that the total Assessed Value for all real property in the City of Portland will be just over $80.98 billion and the total acreage of the City will be 92,768 acres, as shown in Table L, below. In addition, as of the approval date, the total assessed value for the real property contained within all pre-existing TIF Districts will be approximately $2 billion (2.5% of total City AV) and the acreage of such districts will be 2,729 acres (2.9% of total City acreage).[11] Finally, the TIF District is being proposed for creation along with several other TIF Districts that, when combined, will account for up to $9.49 billion in assessed value and 8,415 acres.[12] If all six proposed TIF Districts are approved, the resulting total areas included in all TIF Districts within the City will contain $11.49 billion in assessed value (14.2% of total City AV) and 11,144 acres (12% of total City acreage). These limits will fall within the threshold for assessed value and acreage established by ORS 457.420, which allows for the TIF Plan to include a provision for the division of ad valorem property taxes to finance the TIF District's activities under the Plan.

[11] Prior to adoption of the proposed TIF District, Prosper Portland and/or the City are expected to either take action to amend the size of certain TIF Districts, allow some TIF Districts to expire, and/or otherwise amend the plans to release some or all of the assessed value and acreage associated with the following pre-existing TIF Districts: Central Eastside, Downtown Waterfront, Interstate Corridor, Lents Town Center, Oregon Convention Center, River District, South Park Blocks, and the Neighborhood Prosperity Initiative districts.

[12] The proposed new TIF Districts include: Westside, Lloyd-Holladay, Central Eastside Corridor, Sumner-Parkrose-Argay-Columbia Corridor, 82nd Avenue Area, and East 205.

Table L. Assessed Value and Acreage

TIF District	Frozen Base (as of FY 21-22 values)	Proposed Adjustments	Proposed values (as of FY 23-24 values)	Frozen Base (as of FY 21-22 values)	Proposed Adjustments	Proposed values (as of FY 23-24 values)
	Frozen Base Assessed Value			Acreage		
Central Eastside	$230,541,190	($230,541,190)	$0	708	(708)	-
Downtown Waterfront	$55,674,313	($55,674,313)	$0	233	(233)	-
Gateway Regional Center	$307,174,681	-	$307,174,681	659	-	659
Interstate Corridor	$1,293,460,097	($1,293,460,097)	$0	3,995	(3,995)	-
Lents Town Center	$736,224,033	($736,224,033)	$0	2,846	(2,846)	-
North Macadam	$628,094,444	-	$628,094,444	447	-	447
Oregon Convention Center	$214,100,689	($214,100,689)	$0	410	(410)	-
River District	$432,292,135	($432,292,135)	$0	315	(315)	-
South Park Blocks	$305,692,884	($305,692,884)	$0	98	(98)	-
Cully	$1,071,144,885	-	$1,071,144,885	1,623	-	1,623
Neighborhood Prosperity Initiatives (combined)	$164,919,235	($164,919,235)	$0	245	(245)	-
Westside (NEW)	$0	$2,401,540,540	$2,401,540,540	-	492	492
Lloyd-Holladay (NEW)	$0	$842,896,040	$842,896,040	-	261	261
Central Eastside Corridor (NEW)	$0	$551,392,310	$551,392,310	-	486	486
Sumner-Parkrose-Argay-Columbia Corridor (NEW)	$0	$1,123,860,390	$1,123,860,390	-	1,578	1,578
82nd Ave (NEW)	$0	$1,721,086,470	$1,721,086,470	-	1,868	1,868
East 205 (NEW)	$0	$2,849,078,510	$2,849,078,510	-	3,730	3,730
Total: TIF Districts	**$5,439,318,586**	**$6,056,949,684**	**$11,496,268,270**	**11,579**	**(435)**	**11,144**
Total: City of Portland	$76,142,269,310		$80,988,896,967	92,768		92,768
Percent in TIF District	**7.14%**		**14.19%**	**12.48%**		**12.01%**

SECTION 4 – RELOCATION REPORT

Pursuant to ORS 457.087(9), this report must include: (a) an analysis of existing residents or businesses that may be required to relocate temporarily or permanently as a result of any of the proposed projects identified in Section 2.1, above; (b) a description of the methods to be used for the temporary or permanent relocation of such residents or businesses; and, (c) an enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and the new units to be added.

It is not anticipated that any of the proposed projects identified in Section 2 will require or result in the temporary or permanent relocation of any residents or businesses. In addition, it is not anticipated that any of the proposed projects identified in Section 2 will require or result in the alteration or destruction of any existing housing units. To the extent that temporary or permanent relocation is necessary, Prosper Portland will comply with the requirements set forth in ORS 35.500 to 35.530 to protect the rights of any person or business impacted by such relocation.

Attachments to Report

A. Existing Conditions Report

Attachment A: Existing Conditions

This report summarizes existing conditions in the Westside TIF District to inform investments and strategies. It draws on data collected from sources like the American Community Survey (ACS), market platforms, federal bureaus, and local data sources. This analysis is also informed by the Central City Subdistricts Economic and Market Conditions report published by Prosper Portland in 2022 which provides more detailed information about the Downtown and Old Town/Chinatown areas that fall within the boundaries of the Westside TIF District.

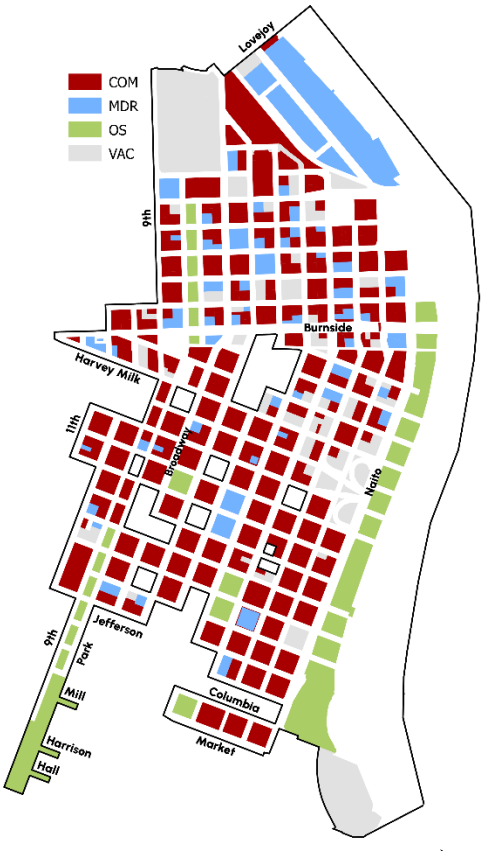
Physical Conditions

This section describes the physical conditions of the TIF District, including current land use, zoning designations, and comprehensive designations.

Land Use

The Westside TIF District includes two subareas of Portland's Central City including Downtown and Old Town/Chinatown. Figure A outlines the current land use within the Westside TIF District which comprises 396 acres, with 230 acres consisting of land within tax lots and the remaining 166 acres in the right-of-way, which makes up nearly half of the TIF District. Commercial uses make up 28 percent of the area throughout Downtown and Old Town/Chinatown. There are no single-dwelling residential uses in the Westside TIF District. Multi-dwelling residential uses comprise nine percent of the area's total acreage and 15 percent of all parcels (1,730). Thirteen percent of parcels (41 acres) of the TIF District are vacant. Detailed numbers are listed in Table A.

Figure A: Land Use, Westside TIF District, 2024



Source: Metro Regional Land Information System (RLIS), 2024

Table A: Land Use, Westside TIF District, 2024

	PARCELS	PERCENT	ACRES	PERCENT
Multi-dwelling Residential	108	15%	35.3	9%
Commercial	447	61%	111.6	28%
Vacant	98	13%	41.1	10%
Open Space ('Rural')	44	6%	34.9	9%
Right of Way	19	3%	166.3	42%
Other	14	2%	7.1	2%

Zoning

The Westside TIF District's zoning includes a combination of residential, commercial, and employment zones.

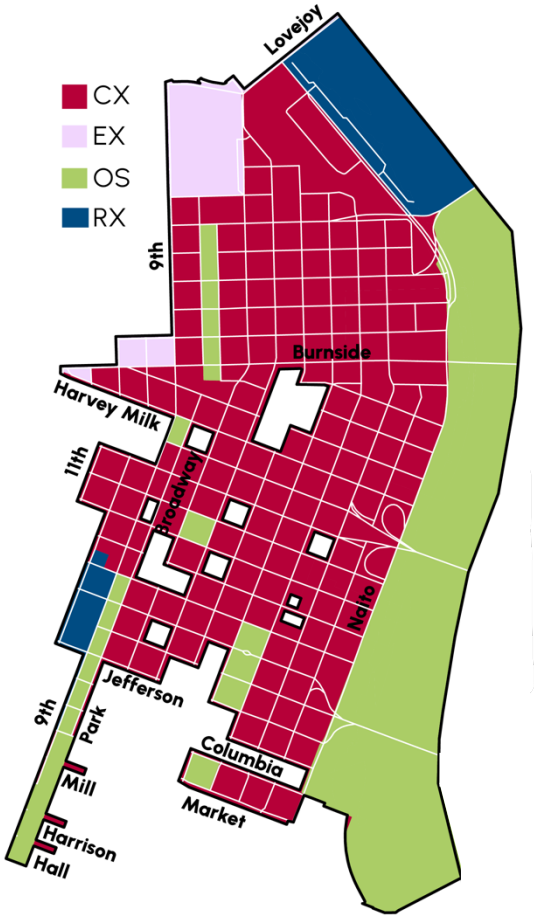
B and Table B show zoning designations of land within the TIF District's boundary. Over half of the acreage of the TIF District (58 percent) is zoned as Central Commercial (CX). An additional 30 percent of acres in the TIF District are zoned Open Space (OS), primarily along the waterfront as well as the North and South Park Blocks. Residential (RX) zoning only covers seven percent of the TIF District's acreage to the northern end between the Broadway and Fremont Bridges. An additional 5 percent is zoned Central Employment (EX) on the north and west sides of the North Park Blocks.

Table B: Parcel Acres by Zoning, Westside TIF District, 2024

	ACRES	PERCENT
Central Commercial (CX)	285.9	58%
Central Employment (EX)	22.7	5%
Open Space (OS)	147.0	30%
Residential (RX)	36.7	7%

Source: Bureau of Planning & Sustainability, 2024

Figure B: Zoning, Westside TIF District



Comprehensive Plan

The Westside TIF District is part of the Central City area designated as a Center in the Portland 2035 Comprehensive Plan, which aims to be "a living laboratory for how the design and function of a dense urban center can concurrently provide benefits to human health, the natural environment, and the local economy."[13] The Central City's role is part of a broader vision to encourage growth and investment in Portland as a key center for jobs, transit, services, and institutions in the region.

Figure C shows the Comprehensive Plan Designations within the Westside TIF District. The designations prescribe the intended future development types and scales. Overall, the Comprehensive Plan designations closely align with current zoning in the TIF District shown in Figure B.

Figure C: Comprehensive Plan Designations, Westside TIF District

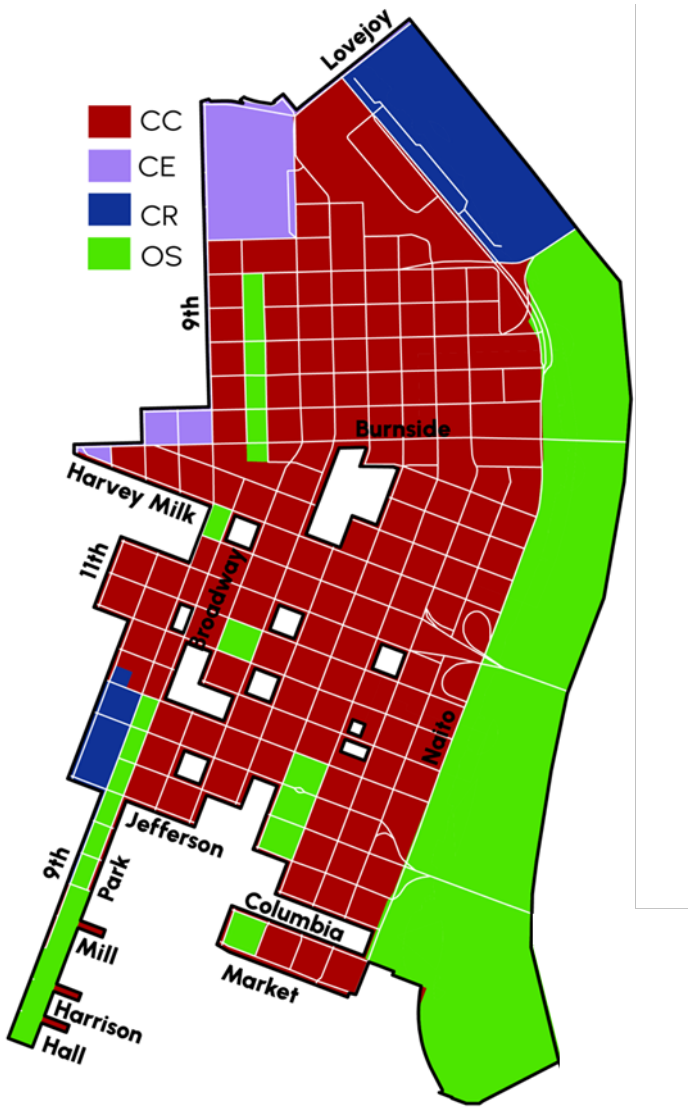


Table C: Parcel Acres by Comprehensive Plan Designation, Westside TIF District

	ACRES	PERCENT	COMP GROUP
Central Commercial (CC)	285.9	58%	Central
Central Employment (CE)	22.7	5%	Central
Central Residential (CR)	36.7	7%	Central
Open Space (OS)	147.0	30%	Parks/Open Space

Source: Bureau of Planning & Sustainability, 2024

[13] City of Portland, '2035 Comprehensive Plan,' May 2023, GP3-12.

Infrastructure

This section outlines the existing condition of the area's transportation infrastructure and explains the need for many of the Plan's projects. The Plan does not attempt to fund every infrastructure project that the City has planned or considered in the TIF District boundary.

Transportation

The Westside District generally has a connected active transportation network, with short blocks, wide sidewalks, and few sidewalk gaps. A dense network of existing and funded bicycle facilities provides a low-stress bicycling experience. From a growth perspective, the transportation focus for this TIF District is on supporting more multimodal travel through the TIF District.

Street Network

The Westside TIF District includes most of NW and SW Downtown generally bounded by the Broadway Bridge at the north, SW Jefferson Street to the south, the Willamette River to the east and NW 10th and SW 9th Avenues to the west. Major City Traffic Streets in this District include:

- **The Broadway Bridge** (which turns into NW Lovejoy Street and NW Broadway, both Traffic Access Streets)
- **The Burnside Bridge** to **West Burnside Street**
- **The Morrison Bridge** to **SW Washington Street and SW Alder Streets**

Other notable routes within the TIF District are SW Naito Parkway and the Hawthorne Bridge to SW Main Street and SW Madison Street.

There are no gravel or unimproved roads within the Central City TIF District.

Road Safety

The TIF District experiences significant traffic volumes, especially on major streets like NW Broadway, Burnside, and Morrison, leading to congestion and increased risks of crashes. There is a high density of both pedestrian and bicycle traffic throughout the TIF District. The mix of buses, streetcars, personal vehicles, pedestrians, and cyclists can lead to conflicts and safety concerns, particularly during peak hours and around key intersections and transit stops.

The 2023 Deadly Traffic Report, produced by the PBOT Vision Zero Program, identifies a High Crash Network that includes the 30 streets with the highest number of crashes in Portland and the highest crash intersections. Through the Westside TIF District, Broadway, Burnside, and 4th Avenue are all part of the Vision Zero High Crash Network, and nearly all of the high crash intersections on these streets are within or near the proposed TIF District boundaries.[14]

From 2017 to 2021, there were 29 serious injury crashes and one fatal crash within the TIF District. During this period, 109 pedestrians and 58 bicyclists were hit by motor vehicles.[15]

[14] Portland Bureau of Transportation, '2023 Deadly Traffic Crash Report,' April 12, 2024, https://www.portland.gov/transportation/vision-zero/documents/portland-2023-deadly-traffic-crash-report-0.
[15] Oregon Department of Transportation, 'Crash Data System,' https://www.oregon.gov/odot/data/pages/crash.aspx.

Through the Vision Zero program, PBOT has implemented traffic calming measures throughout the City, including bicycle, safety, and corridor improvements along Broadway. These efforts aim to significantly lower rates of crashes and enhance the overall safety for both cyclists, drivers, and pedestrians.

Public Transit
The Westside District is well served by MAX, streetcar, and bus service including but not limited to:

- **Red, Blue, Green, and Yellow/Orange MAX lines** all run through the TIF District.
- **The Portland Streetcar A and B Loops** traverse this area, connecting the Pearl District, the Lloyd District, and the Central Eastside. Planned improvements include modernizing streetcar stops and enhancing accessibility.
- **Bus Lines 12 and Line 19, and Line 20** run along Burnside Street, a major east-west corridor. Planned enhancements include new transit signal priority systems and dedicated bus lanes to improve travel times and reliability.
- **Bus Lines 6, 10, and 14** run across the Hawthorne Bridge linking the east side of Portland with Downtown. Planned improvements focus on enhancing bus stops and increasing the frequency of services to accommodate high demand.
- **SW 6th Avenue and SW 5th Avenues** are major bus routes through Downtown, serving a number of bus lines and connecting Downtown to all quadrants of the City as well as surrounding TriMet jurisdictions.

The Rose Lane Project includes several corridors in the Westside TIF District. This citywide initiative aims to reduce bus travel times and improve reliability through dedicated bus lanes and signal priority.

Pedestrian and Bicycle Facilities
The TIF District is well served by sidewalks and bicycle lanes. Within the Westside District, 94 percent of streets have sidewalk coverage. There are a number of planned or under construction bicycle and pedestrian improvement projects identified in Central City in Motion that are critical to improving connectivity across the Westside District including the SW Broadway Bike Improvements Project (which is near completion) and the SW 4th Avenue Improvement Project. The Green Loop project, part of the Central City Plan 2035 to increase multimodal connectivity and support business throughout the Central City, will pass through the Westside TIF District on Park Avenue through most of Downtown.

Sanitary Sewer and Stormwater Systems
This summary is not a comprehensive summary of the BES's risk or assets, nor does it include a full list of the BES's Capital Improvement Projects or priority work as of 2024.

The TIF District is primarily served by combined sewers from the Central Business District and Mill/Jefferson combined basins. The rest of the area is served by separated sewers from Tanner B, Central Business District, Mill/Jefferson sanitary basins. The Ankeny pump station serves the area. The pump station is not predicted to have capacity constraints. This assessment is based on existing and future development predictions made by the Bureau of Planning and Sustainability as of 2023. However, capacity improvements may be required if significant zoning changes increase inflow.

The Ankeny pump station is in poor condition and the associated force main, which runs underneath the Willamette River, has recently failed at a point near the pump station before it travels under the river. The pump station is located along the seawall in an area that will experience high permanent ground deformation in the event of a significant earthquake. No resources are currently available to plan for needed condition and seismic improvements of the pump station. Relocating the pump station is one possibility, although challenging. The Ankeny pump station is also at risk of climate impacts due to its location along the river.

Most stormwater in separated areas is conveyed by storm pipes discharging to the Willamette River. Street runoff from the Mill/Jefferson combined basin is largely collected by separated storm pipes connecting to stormwater outfalls to the Willamette River. BES lacks condition assessment data for close to 40 percent of the storm pipes in this area. **Table D:** shows that 17 percent of sewer pipes and 1.7 percent of storm pipes in the TIF District are in poor or very poor condition.

Table D: Sewer and Storm Pipe Condition Summary for the Westside TIF District

TIF District	Condition	Structural Grades	Sewer Pipe Length (FT)	Sewer Percent by Length	Storm Pipe Length (FT)	Storm Pipe Percentage
Westside	Unknown	Unknown	21,698	20.6%	13,012	39.5%
Westside	Excellent	1	39,939	37.8%	14,531	44.1%
Westside	Good	2	12,775	12.1%	2,449	7.4%
Westside	Fair	3	13,170	12.5%	2,357	7.2%
Westside	Poor	4	11,970	11.3%	524	1.6%
Westside	Very Poor/Need Attention	5	6,018	5.7%	45	0.1%
Westside	Total			105,570	100.0%	32,919

Portland Bureau of Environmental Services, 2024

Planning Priorities

Ankeny pump station is in poor condition and the associated force main, which runs underneath the Willamette River, has recently failed at a point near the pump station before it travels under the river. The pump station is located along the seawall in an area that will experience high permanent ground deformation in the event of a significant earthquake. No resources are currently available to plan for needed condition and seismic improvements of the pump station. Relocating the pump station is one possibility, although challenging. The Ankeny pump station is also at risk of climate impacts due to its location along the river.

Water

In the TIF District, the water infrastructure includes water mains that generally have appropriate capacity for current demands. However, when new projects necessitate relocating these water mains, the Portland Water Bureau will replace existing water mains with seismic-resistant pipes, particularly in areas susceptible to liquefaction during seismic events. These pipes are designed to withstand ground movement and reduce the risk of water main breaks during an earthquake, ensuring a reliable water supply and minimizing repair costs.

Parks Conditions

Level of Service

The City of Portland's Parks 2020 Vision includes the goal that there will be a developed park or natural area within a ½-mile (10- to 15-minute walk) of every resident and a full-service community center within three miles of every resident. Portland Parks and Recreation has assessed levels of service throughout the city. According to their data, all of the housing units in the Westside District are within a half mile of a park. Note that while the level of service provides a quantitative measure of park provision it does not assess park quality, conditions, amenities, or accessibility.

Existing Parks

The proposed TIF District includes many of the significant public spaces in owntown Portland including:

- North Park Blocks
- Governor Tom McCall Waterfront Park north of SE Clay Street
- South Park Blocks north of SE Market Street
- Plaza Blocks (Lownsdale Park Square, Chapman Square, and Terry Schrunk Plaza)
- Pioneer Courthouse Square
- Simon and Helen Director Park
- Darcelle XV Plaza

As is the case with parks across the City, funding streams for repair, replacement, and ADA compliance updates for park facilities in this TIF District are deficient.

Planned Parks and Trails

Planned parks and park improvements in the Westside District include:

- **North Parks Blocks Extension** - This project will extend the North Parks Block to include an approximately 30,000 square foot parcel between NW Glisan and Hoyt Streets. A later phase will include the two-acre site spanning two full blocks from NW Hoyt to NW Johnson Street, which will support the future development of the Broadway Corridor neighborhood and the Green Loop Corridor.
- **Steel Bridge Skatepark in Old Town** – The City has designated $15 million in System Development Charges (SDCs) to fully fund a new skatepark in the Old Town neighborhood. Prosper Portland will provide $250,000 to advance the development process. The park will be located near the Steel Bridge on the west side of the Willamette River. The project is currently in process of community engagement, feasibility assessment, and site investigation. Construction is scheduled to being in 2028.

  Waterfront Park Upgrades – The last master plan of Waterfront Park was completed in 2002.[16] Portland's Central City 2035 Plan includes policies related to improving access to and along the Willamette River for recreational activities.[17]

[16] City of Portland, 'Waterfront Park Master Plan,' July 9, 2020, https://www.portlandoregon.gov/parks/article/485891.

[17] City of Portland Bureau of Planning and Sustainability, 'Central City 2035,' March 9, 2020, https://www.portland.gov/bps/planning/central-city/central-city-documents#toc-cc2035-as-adopted-plan

Environmental Challenges

Brownfields

Brownfields are sites that present potential environmental challenges and physical hazards like underground tanks or unsafe chemicals. Past uses like heavy industry typically cause the contamination found in brownfield sites.[18]

In 2013, the City conducted an inventory[19] of potential brownfields by identifying vacant or underutilized properties from the City's Buildable Lands Inventory and cross-referencing them with the Oregon State Department of Environmental Quality (DEQ) inventory of environmental cleanup sites and leaking underground storage tanks. That analysis found that there were 94 acres of brownfields in the "Downtown High Density" typology in the entire Central City. About 43 acres were impacted by contamination only and the remainder had multiple constraints, including infrastructure, access, and environmentally sensitive areas.[20] Overall, as a share of development cost, remediation is relatively insignificant for the Downtown prototypes considered, while much more substantial for other typologies, especially industrial. Although these sites have been flagged by the DEQ, contamination has not been confirmed for many of them. Detailed Phase 1 and Phase 2 environmental site assessments would provide greater detail about the development status of these sites.

The Westside TIF District contains several potential brownfield sites that can add to the cost of redevelopment. **Overall, the Westside TIF District has a higher density of leaking underground storage tanks and clean-up sites than Portland,** and lower density of leaking heating oil tanks.

Heat Islands

Urban heat islands, caused by limited greenery and high-density urban materials like concrete and asphalt, create significantly warmer conditions in urbanized areas than surrounding areas. These urban heat islands can have daytime temperatures that are 1-7°F hotter and nighttime temperatures that are 2-5°F hotter than other surrounding areas. Climate change also exacerbates this phenomenon, with regions like the Pacific Northwest experiencing temperature increases of nearly 2˚F since 1900 and more frequent heat waves.[21]

The intensity of urban heat islands disproportionately affects low-income and communities of color, often in formerly redlined areas where industrial development compromised environmental and public health. These communities continue to suffer from fewer natural amenities and heightened heat island effects. Groups affected include males, older adults, non-Hispanic white people, people living alone, people living outside or in unstable housing, people living in multi-dwelling housing, and people living in warmer parts of the County[22]

The Westside TIF District has a lower percentage of housing units experiencing heat island effects than Portland. Geographically, these areas are concentrated on the eastern end of the TIF District near the waterfront and the Burnside Bridge. Within the Westside TIF District overall, 30.2 percent of housing

[18] City of Portland, 'What is a brownfield?,' https://www.portland.gov/bes/learn-about-brownfields.
[19] City of Portland, 'Brownfields and Contaminated Sites,' https://www.portlandmaps.com/bps/brownfields/.
[20] City of Portland, 'Portland Brownfield Assessment,' https://www.portland.gov/sites/default/files/2020-02/portland-brownfield-assessment-final-report-with-appendices.pdf, 14.
[21] Multnomah County, ''Health Impacts from Excessive Heat Events in Multnomah County, Oregon, 2021, 'June' 2022, https://multco-web7-psh-files-usw2.s3-us-west-2.amazonaws.com/s3fs-public/20220624_final-heat-report-2021_SmallFile-2.pdf, 14.
[22] Ibid.

units are in the 75th percentile or higher group (compared to 43.6 percent of Portland), and 9.7 percent are in the 90th percentile (compared to 13.4 percent across the city).

Air Quality

The TIF District has a higher population-weighted average respiratory health risk percentile (52.1) compared to Portland (39.3) based on respiratory health risks determined through the EPA.[23] Poor air quality links to a variety of respiratory health effects, especially for vulnerable population including those with heart or lung disease, older adults, children, people with diabetes, and people of lower socio-economic status.[24] Urban air pollution typically caused by transportation (use of private vehicles), domestic use of fossil fuels, industrialization, power generation, combustion and agriculture, producing air pollutants like Ozone (O_3), Particulate matter (PM10, PM2.5), Sulfur oxides (SO_x), Nitrogen oxides (NO_x), Carbon monoxide (CO), and Volatile Organic Compounds (VOCs).[25]

Floodplain Risks

The TIF District is adjacent to the Willamette River floodway and has areas within Flood Zone X. About one-third of the area is within the shaded Zone X, where the annual flood risk is between one percent and 0.2 percent, which is considered a moderate risk of flooding as defined by the US Federal Emergency Management Agency.[26] **The northeastern section of the TIF District is within the shaded Flood Zone X.** Unlike the Special Flood Hazard Area, which mandates homeowners with federally backed mortgages to obtain flood insurance, residents in this zone are not required to follow this rule.[27]

Social Conditions

This section provides an overview of demographic conditions within the TIF District. All data within this section were compiled from the United States Census Bureau's 2018-2022 American Community Survey (ACS). The project team assembled data from 15 United States Census Bureau block groups that provide the best representation of demographic and social characteristics of the area. These block groups encompass an area that is larger than the boundary of the Area.

Population and Population Growth

The Westside TIF District is growing quickly. An estimated 19,968 people live in the Westside TIF District area. The population in this area has grown at a faster rate than the city as a whole. Between 1990 and 2020, the District's population increased by 279 percent while the City of Portland grew 135 percent.[28] Most residents live within the southern parts of the District.

Age

The Westside TIF District's population has more working age residents (aged 18-64) and seniors (aged 65 and over) compared to the rest of Portland. Table E shows the age distribution of the TIF District's residents compared to Portland overall. People who are at working age make up 81 percent of the total

[23] US Environmental Protection Agency, 'EJScreen: Environmental Justice Screening and Mapping Tool,' https://www.epa.gov/ejscreen.
[24] US Environmental Protection Agency, 'Particle Pollution and Respiratory Effects,' https://www.epa.gov/pmcourse/particle-pollution-and-respiratory-effects.
[25] Airqoon, 'Urban Air Pollution: Sources and Pollutants,' https://airqoon.com/resources/urban-air-pollution-sources-and-pollutants/.
[26] US Federal Emergency Management Agency, 'Flood Zones,' https://www.fema.gov/glossary/flood-zones.
[27] Kin Insurance, 'Flood Zone X,' https://www.kin.com/glossary/flood-zone-x/.
[28] NHGIS. Note: Demographic estimates are derived from block groups with at least 10% overlap with proposed boundaries.

population while the percent is 69 percent for the City of Portland. Seniors make up 17 percent of the District's population compared to 14 percent of Portland's population.

Table E: Age of Residents, Westside TIF District and Portland, 2022

	WESTSIDE TIF DISTRICT	PORTLAND
Youth (0-17)	3%	17%
Working Age (18-64)	81%	69%
Seniors (65+)	17%	14%

Source: Table B01001, 2018-2022 ACS 5-Year

Race and Ethnicity

The Westside TIF District has a lower share of residents who identify as people of color compared to the city. Residents who identify as people of color (POC) make up 27 percent of the District's population, which is 5 percentage points lower than Portland's population. The largest racial groups of color in the TIF District are Asian, non-Hispanic (7.0 percent), followed by Black, non-Hispanic (6.8 percent).[29]

Educational Attainment

Educational attainment in the TIF District is roughly on par than Portland's overall educational attainment. While 52 percent of Portland residents have a four-year degree or higher, 49 percent of those residing in the TIF District have achieved this level of education.[30]

Commute Time and Transportation Mode

District residents are less likely to drive and carpool, while more likely to take public transit and bike than Portland residents. More than half of Portland residents drive alone while only 30 percent of TIF District residents drive alone. TIF District residents are also more likely to take public transport, with 19 percent of the population take public transit, 11 percent higher than that for Portland residents. Travel time for TIF District residents is also lower- 74 percent of the residents have a commute time less than 30 minutes, while only 65 percent of the residents in Portland have a less than 30 minutes commute time.

Economic Conditions

The following are economic trends identified in ACS data and other sources like the Quarterly Census of Employment and Wages (QCEW) that have implications for new development in the Westside TIF District:

- **The TIF District's population has grown faster than Portland's**. Population in the TIF District has increased by over 279 percent since 1990 while Portland only grew by 135 percent over same period. However, other Central City subdistricts like the Pearl and South Waterfront have grown more quickly than the TIF District.

- **Residents are vulnerable to changing economic conditions, making displacement more difficult to prevent[31].** The BPS Economic Vulnerability Assessment determined a score of 55 for the District's census tracts, higher than Portland's vulnerability score of 53 and close to the

[29] US Census, Table B03002, 2018-2022 ACS 5-Year
[30] US Census, Table B15003, 2018-2022 ACS 5-Year
[31] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022.

score of 60, which is the threshold for a vulnerable tract. Economic vulnerability means that the residents are more likely to be cost burdened, belonging to communities of color, lacking college degrees, and low income.[32]

- **Housing cost burden affects about half of renter households.** In the Westside TIF District, half of households who rent their units experience cost burden, meaning they pay over 30 percent of their income for housing costs. Renters in the TIF District experience similar cost burdened rates as the city, with the greatest difference exhibited in the number of severely cost burdened households: twenty nine percent of the renter households fall into this category (50 percent of income or more spent on housing). The amount of severely cost burdened renters is four percentage points higher in the TIF District compared to the city.

Table F: Cost Burden, Westside TIF District and Portland, 2022

	WESTSIDE TIF DISTRICT	PORTLAND
Burdened	21%	24%
Severely Burdened	29%	24%
Total Burden	50%	48%

Source: Table B25070, 2022 ACS 5-Year

- **Household income is lower in the TIF District.** Median Household Income (MHI) in the Westside TIF District is $78,506, which is lower than the city's median of $85,876. Compared to Portland, a significantly greater share of households earns less than $50,000 (52 versus 30 percent) and a smaller share of households earn over $150,000 (18 versus 25 percent).

Business and Employment Conditions

Businesses in the Westside TIF District face unique conditions due to a combination of safety, changing demand patterns, infrastructure, and economic factors. The area is a major center for businesses in the city, with over 2,000 establishments including high-end retail, national chains, and small locally owned storefronts. The Westside TIF District is home to 8.8 percent of all jobs in Portland (38,220) and 6.3 percent of all businesses (2,229) in the city are located within the boundary.

The Westside TIF District is home to 2,229 businesses, with nearly three quarters of these establishments in the service industry. In comparison to the city, the Westside TIF District has a higher share of businesses in the service industry (by 5 percentage points); finance, insurance and real estate (by 3 percentage points); and public administration (by 2 percentage points). Other industries have a lower share of establishments located in the TIF District, including construction and resources, manufacturing, and wholesale trade, transportation, and utilities. The share of retail establishments is about on par with Portland as a whole.

[32] U.S. Census Bureau, 2016-2020 ACS 5-year estimates, Tables B25106, B25010, B03002, B19013, B15002. Prepared June 19, 2022, by the Portland Bureau of Planning and Sustainability.

Table G: Share of Establishments by Industry, Westside TIF District and Portland, 2022

	WESTSIDE TIF DISTRICT		PORTLAND		WESTSIDE DISTRICT EMPLOYMENT AS % OF CITY TOTAL
	ESTABLISHMENTS	SHARE	ESTABLISHMENTS	SHARE	
Construction and Resources	50	2%	1,897	5%	3%
Finance, Insurance and Real Estate	236	11%	2,910	8%	8%
Manufacturing	38	2%	1,286	4%	3%
Public Administration	36	2%	173	0%	21%
Retail	161	7%	2,615	7%	6%
Services	1606	72%	23,810	67%	7%
Wholesale Trade, Transportation, and Utilities	102	5%	2,730	8%	4%
Total	**2,229**	**100%**	**35,421**	**100%**	**6%**

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022

Between 2019 and 2022, the Westside TIF District lost 325 businesses and 12,656 workers accounting for 12 percent of establishments and 25 percent of employees that existed in the area in 2019. In comparison, Portland overall saw a positive 12 percent growth in new businesses citywide indicating a sharp loss in particular for the Central City (although the city also experienced a loss of nearly 6 percent of its employees in the same timeframe). Pandemic trends beginning in 2020 like changes to commuting patterns, safety, and perception of crime are likely contributors to these losses.

Table H. Total Establishments and Employees, Westside TIF District and Portland, 2019-2022

	WESTSIDE TIF DISTRICT		PORTLAND	
	ESTABLISHMENTS	EMPLOYEES	ESTABLISHMENTS	EMPLOYEES
2019	2,601	50,863	34,128	463,298
2022	2,229	38,205	35,421	435,238
Change 2019-2022	**-372 (14%)**	**-12,658 (25%)**	**+1,293 (4%)**	**-27,355 (6%)**

Source: OED QCEW

Similar to the concentration of service industry and finance, insurance, and real estate establishments, the Westside TIF District has a higher share of employees working in these industries. The TIF District also has a much higher share of workers in public administration compared to Portland overall (by eight percentage points), and lower share of workers in construction and resources; manufacturing; retail, and wholesale trade, transportation, and utilities.

Table I: Share of Employment by Industry, Westside TIF District and Portland, 2022

	WESTSIDE TIF DISTRICT		PORTLAND		WESTSIDE DISTRICT EMPLOYMENT AS % OF CITY TOTAL
	EMPLOYEES	SHARE	EMPLOYEES	SHARE	
Construction and Resources	973	3%	23,254	5%	4%
Finance, Insurance and Real Estate	3,462	9%	24,781	6%	14%
Manufacturing	242	1%	23,728	5%	1%
Public Administration	4,136	11%	13,994	3%	30%
Retail	1,788	5%	32,856	8%	5%
Services	25,564	67%	264,670	61%	10%
Wholesale Trade, Transportation, and Utilities	2,040	5%	51,955	12%	4%
Total	**38,205**	**100%**	**435,238**	**100%**	**9%**

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022

Average wages in the Westside TIF District are higher than the citywide average for all sectors combined but vary between industries. The service industry accounts for the largest share of employment and has higher average wages than workers in this industry across Portland. Annual wages are highest for workers in the finance, insurance, and real estate industry ($93,772 per year), followed by public administration ($84,333). Employees within the construction and resources industry also make higher wages than these workers in Portland as a whole ($65,675). However, there are some minimal disparities in wages for workers within other industries including manufacturing, retail, and wholesale trade, transportation, and utilities.

Table J: Average Wages by Industry, Westside TIF District and Portland, 2022

	WESTSIDE TIF DISTRICT	PORTLAND
Construction and Resources	$65,675	$39,285
Finance, Insurance and Real Estate	$93,722	$55,321
Manufacturing	$41,980	$42,135
Public Administration	$84,333	$85,721
Retail	$29,747	$31,603
Services	$58,542	$39,478
Wholesale Trade, Transportation, and Utilities	$57,773	$61,898
Total (All Industries)	**$65,675**	**$39,285**

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022

Unemployment is slightly higher in the Westside TIF District than in Portland. In 2022, the TIF District's unemployment rate was 6.7 percent compared to 5.6 percent for Portland overall.[33]

Development Conditions

This section describes relevant trends for development considerations, including the current condition of buildable lands within the Westside TIF District and real estate market trends for residential and commercial properties. These data provide important context for how Prosper Portland might support or leverage development in the District.

Buildable Lands

According to the Bureau of Planning and Sustainability Buildable Lands Inventory, **the Westside TIF District has 81 vacant parcels and 43 underutilized parcels that could be available for development or redevelopment.** Vacant parcels have either no structure, or a structure that covers less than 5 percent of the site area. Underutilized sites are non-vacant sites where the real market value of site improvements is less than the value of the land.

Most of these lots are less than 20,000 square feet – about 81 percent of vacant parcels and 75 percent of underutilized parcels are under 20,000 square feet are under this threshold, respectively. Larger available sites over 100,000 square feet make up about 1 percent of this inventory. These large sites present potential for more catalytic opportunities, while small parcels have more limited potential as infill development.

Table K: Vacant and Underutilized Parcels by Parcel Size, Westside TIF District, 2024

PARCEL SIZE (SQ.FT.)	VACANT PARCELS (% OF TAXLOTS)	UNDERUTILIZED PARCELS (% OF TAXLOTS)
>100,000	1%	0%
50,000-99,999	5%	5%
20,000-49,999	12%	21%
10,000-19,999	20%	23%
5,000-9,999	32%	23%
<5,000	30%	28%

Source: Portland Bureau of Planning and Sustainability, 2024

Over three quarters of the total inventory of vacant and underutilized parcels in the Westside TIF District are located within the CX zone (65 percent). A smaller share of parcels this overall inventory is located in EX zone but make up a proportionately higher share of overall vacant or underutilized square footage due to larger parcel sizes. Parcels the in the RX zone make up a nominal share (about 2 percent) of all vacant and underutilized parcels.

[33] U.S. Census Bureau, 2018-2022 ACS 5-Year estimates, Table B23025.

Table L: Vacant and Underutilized Parcels by Zoning, Westside TIF District, 2024

ZONING	VACANT PARCELS		UNDERUTILIZED PARCELS	
	% OF TAXLOTS	% OF SQ. FT.	% OF TAXLOTS	% OF SQ. FT.
CX	56%	35%	29%	30%
EX	9%	24%	4%	9%
RX	1%	1%	2%	1%

Source: Portland Bureau of Planning and Sustainability, 2024

Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Value Ratio," or "I:L." The values used are real market values. In tax increment areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.[34]

In the Westside TIF District, 155 parcels representing 35 percent of the acreage have I:L ratios less than 1.0, including those parcels that have no improvements on them. No improvement value means there are no taxable structures on the tax lot, including surface parking lots. The remaining 65 percent of the acreage of the parcels in the TIF District have I:L ratios of 1.0 or more as determined by an analysis of the real market values, including 27 percent with a high I:L ratio over 3.0.

Table M: Improvements to Land (I:L) Ratio, Westside TIF District, 2024

PARCEL SIZE (ACRE)	PARCELS	ACREAGE	PERCENT OF ACREAGE
Less than 0.25	43	13.2	12%
0.25-0.49	46	11.4	11%
0.5-0.99	66	13.4	12%
1-2.99	146	40.1	37%
3 or Higher	89	29.5	27%

Source: Metro RLIS

Building Age

The Westside TIF District generally has a newer building stock compared to Portland, with 19 percent of buildings constructed after 2000 compared to 17 percent in the city overall. The largest share of buildings in the TIF District were built in the 1980's and only a third before 1960 (while over half of Portland's building are older than this threshold).

[34] Prosper Portland, "Report Accompanying the Cully Tax Increment Finance Plan," November 2022.

Table N: Buildings by Year Built, Westside TIF District and Portland, 2024

YEAR BUILT	WESTSIDE TIF DISTRICT	PORTLAND
Pre-1960	33%	58%
1960's	1%	7%
1970's	1%	6%
1980's	36%	4%
1990's	2%	6%
2000's	17%	12%
2010 or Later	2%	5%
Unknown	8%	2%

Source: Metro RLIS

The Old Town subdistrict in particular has a concentration of unreinforced masonry buildings built before modern seismic building codes. This area is particularly vulnerable to earthquakes due to its proximity to the river and the presence of liquefiable soils. Unreinforced masonry buildings are especially hazardous during seismic events because their brittle materials and lack of steel reinforcement make them prone to cracking and collapse. The significant weight of these structures amplifies the seismic forces they experience, and the weak connections between walls, floors, and roofs are susceptible to failure.

Residential Real Estate Market Conditions

Growth in multi-dwelling units has been occurring at a slightly slower pace in the Westside TIF District than Portland overall, increasing to 151 percent of its inventory in 2000 compared to 170 percent in the City. No new units are currently under construction in the District despite lower vacancy rates and slightly higher rents per square foot for market rate units.

Table O: Multi-dwelling Market Conditions, Westside TIF District and Portland, Q1 2024

	WESTSIDE TIF DISTRICT	PORTLAND
Multi-Dwelling Units (% of year 2000 total)	151%	170%
Vacancy Rate	6.1%	7.2%
Under Construction (Units)	0	5,183
Asking Rent (per square foot)	$2.10	$2.04

Source: CoStar, 2024 Q1

While the Central City has an average of four jobs per housing unit, the Downtown subdistrict has 19 jobs per housing unit. Old Town has a more even mix, with two jobs per housing unit, but there overall are not many jobs or housing units in the Old Town subdistrict. While the Central Eastside and Pearl subdistricts attracted 2,400 and 1,850 units from 2014 to 2021, Downtown and Old Town subdistricts saw just 421 and 297 units respectively.[35]

[35] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022

Affordable Housing

According to the Portland Housing Bureau, the TIF District has 2,852 subsidized housing units, with the largest share (64 percent) designated for low income (31–60 percent of AMI) and an additional 32 percent designated for very low income (0–30 AMI). There is a smaller inventory of moderate (61-80 percent of AMI) or high income (81-100 percent of AMI) subsidized housing units in the TIF District accounting for 2 percent of subsidized units each. Portland as a whole has a slightly more dispersed subsidized housing portfolio across very low-, low-, moderate-, and high-income limits: 20, 75, 5, and 0.5 percent, respectively.

Oregon Housing and Community Services maintains the Oregon Affordable Housing Inventory (OAHI) to track expiring affordable housing projects. **At least 85 percent of affordable housing units in the Westside TIF District will expire, with 15 percent (395 units) set to expire within 10 years.** The TIF District is projected to experience more unit expiration compared to the city, where 25 percent do not have a known expiration window.

Naturally Occurring Affordable Housing (NOAH) describes units whose rents are not regulated, but that rent on the open market at rates that are affordable to households earning 60 percent or less of Area Median Income.[36] Often these buildings are older, with fewer building amenities, or in need of repair. NOAH properties are vulnerable to redevelopment and repositioning at higher rents, which can lead to displacement of existing residents. Often, these units are in older buildings which have depreciated in value or located in less desirable locations. In the Westside TIF District, NOAH accounts for approximately 33 percent of multi-dwelling units compared to 36 percent across Portland overall.[37]

Table P: Expiration Window by Share of Affordable Units, Westside TIF District and Portland, 2022

	WESTSIDE TIF DISTRICT	PORTLAND
No Expiration Window or Unknown	15%	25%
< 10 Years	71%	63%
> 10 Years	15%	12%

Source: OHCS, OAHI

Housing Tenure and Type

Homeownership is less common in the TIF District compared to Portland. In the Westside area, 80 percent of residents are renters compared to 47 percent of Portland households overall. Over half of units in the TIF District are located in midrise multi-dwelling buildings (56 percent) compared to only 8 percent of the city's residential units overall. Additionally, 30 percent and 10 percent live in low-rise and high-rise buildings respectively. A small share of units (4 percent) in the TIF District are student dormitories or other types of multi-dwelling housing.

[36] This analysis only considers multi-dwelling rents appearing in CoStar data and does not consider single-dwelling rental units.

[37] CoStar, 2024. Analysis by ECOnorthwest, May 2024. This analysis includes rental properties with more than 10 units. ECOnorthwest modeled rents for properties that were missing rent data based on similar features (size, building age, amenities, etc.) of properties with recorded rent data.

Table Q: Share of Housing Units by Type, Westside TIF District and Portland, 2024

	WESTSIDE TIF DISTRICT	PORTLAND
Low-rise Multi-dwelling	30%	26%
Midrise Multi-dwelling	56%	8%
Highrise Multi-dwelling	10%	4%
Dormitories	1%	1%
Other Multi-dwelling	3%	0%
Other Housing Types	0%	61%

Source: Metro RLIS

Office Real Estate Market Conditions

The office market in the Westside TIF District is facing sizable challenges as changing patterns of employment and preferences for work-from-home and hybrid schedules lead to increased vacancies and lower rents.

The onset of the COVID-19 pandemic spurred many employers, particularly those in office-based environments, to reconsider a location in the Central City. High office rents and increasing congestion in the Central City paired with a perceived decrease in safety and the success of virtual work environments has led to near universal increases in office vacancy rates in all the Central City Subdistricts identified in recent work published by Prosper Portland, including with the Downtown and Old Town/Chinatown Districts.[38]

Ongoing increases in office vacancy rates over the near term could be possible as tenants weigh their options for lease renewals and as more employers adopt hybrid or remote work options that could impact firm-level decisions for needed office space. Broadly speaking, average commercial lease rates (direct office base rents) across most of the Central City have remained reasonably flat since 2015. It is also worth noting that observations of new leases have decreased due to the pandemic, since many businesses are either reluctant to sign new leases when their current leases expire, or location decisions were put on hold until there was more clarity around health restrictions and return to work allowances.[39]

The future of the office market in the Central City is uncertain and varies by Subdistrict. Vacancy rates in Portland are among the highest anywhere in the country and are higher than all our peer regions (Austin, Indianapolis, Nashville, Salt Lake City, and Seattle). Based on historic development patterns, it is unlikely that speculative office development will return at scale to the Central City in the next five years to a decade (depending on the Subdistrict; see the Office Absorption Model).

- **Downtown.** Based on current vacancy and leasing trends, Downtown may take a decade or more to reach a new equilibrium without market/policy intervention. In comparison to Portland, office base rents in the Downtown Subdistrict have risen at a slightly faster pace, closely modelling Portland's rate of growth. Since 2013, direct base rent per square foot increased 18 percent to $27.73 along the Downtown Subdistrict. The Downtown Subdistrict has kept pace in office vacancy rates with the City of Portland, recently climbing high above Portland's rates.

[38] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022.
[39] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022, 18.

Since 2018, office vacancy rates in the Subdistrict increased by 11 percentage points to 21 percent in May 2022. Given the oversupply of office space, especially Downtown, vacancies are not expected to drop, and this area is not expected to see speculative office development until at least 2044.[40]

- **Old Town/Chinatown.** In comparison to Portland, office base rents in the Old Town/Chinatown Subdistrict have risen at a similar pace, closely modelling Portland's rate of growth with an upward trend. Since 2003, direct base rent per square foot increased 74 percent to $20.63 along the Old Town/ Chinatown Subdistrict. The Old Town/Chinatown Subdistrict has kept pace in office vacancy rates with the city, recently climbing high above Portland's rates. Since 2016, office vacancy rates in the Subdistrict increased by 18 percentage points to 23 percent in May 2022.[41]

Table R: Office Market Conditions, Westside TIF District, Q1 2024

	WESTSIDE TIF DISTRICT	PORTLAND
Inventory (% of year 2003 total)	102%	112%
Vacancy Rate	27.7%	18.2%
Under Construction (SF)	-	-
Asking Rent (NNN)	$25.07	$26.88

Source: CoStar, 2024 Q1
Note: Real estate market data is not always available through the same year for different real estate types. This analysis uses the most recent year available

Class A and B office spaces in the TIF District are experiencing higher rates of vacancy compared to the older Class C office inventory. Although the Westside has seen a slight increase in premium office space since 2003 with higher rents ($28.58 psf), Class B has maintained a similar inventory over the past two decades. The total inventory of Class C office space has declined in this time period, but lower rents and lower vacancies indicate that some demand exists for these more affordable spaces.

Table S. Office Market Conditions by Class, Westside TIF District, Q1 2024

	CLASS A	CLASS B	CLASS C
Inventory (% of year 2003 total)	109%	100%	88%
Share of Total Office Inventory	43%	42%	15%
Vacancy Rate	31.7%	25.4%	22.5%
Asking Rent (NNN)	$28.58	$23.17	$23.72

Source: CoStar, 2024 Q1

[40] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022, 21 & 45.
[41] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022, 88.

Retail Real Estate Market Conditions

While observations from real estate market platforms are likely limited for the retail market in the TIF District, trends indicate challenges for establishments in the Westside area. The inventory of retail space in the TIF District has decreased in square footage since 2006, while Portland's overall inventory has stayed about the same. The vacancy rate in the TIF District is also higher than the city with lower rents per square foot indicating less demand for retail in the Westside area. This trend was exacerbated by the onset of the COVID-19 pandemic in 2020, with rents generally remaining lower and vacancies generally staying higher in the TIF District over this period.

There is little stand-alone retail in the Central City, most is a mix of uses that relies on foot traffic from a combination of residents, employees, and visitors (including tourists). CoStar data is challenging because it predominantly tracks institutional credit tenants and, therefore, understates the vacancy rate. Similarly, the number of new retail leases being executed is low and the concessions are high, so it is difficult to gauge the current market rent for a retail space. Absent data to provide specific detail, it is clear retail has been the most impacted sector during the pandemic and continues to lag in recovery.

There are some destination-specific retail nodes (like the West End around SW Harvey Milk and SW 10th to SW 13th), but retail primarily relies on demand from foot traffic, and a recovery of the retail sector requires a recovery of foot traffic.[42] Within the Westside TIF District, Downtown and Old Town/Chinatown have distinctly different trends for retail.

- **Downtown.** In comparison to Portland, retail rents in the Downtown Subdistrict started higher and have consistently remained at around $20, outside of a temporary spike in 2018, where rents hit an all-time high of $35.00. Retail vacancy rates in the Subdistrict have experienced a series of rises and declines. It has recently been on an upward trend, increasing 6 percentage points between 2019 and May 2022 to end at 9 percent. Retail vacancy rates in the Subdistrict have experienced a series of rises and declines. It has recently been on an upward trend, increasing 6 percentage points between 2019 and May 2022 to end at 9 percent.[43]
- **Old Town/Chinatown.** In comparison to Portland, retail rents in the Old Town/ Chinatown Subdistrict are coming off a downward trend starting from 2018, where it has increased 97 percent to $18.94 in May 2022. Following a swift drop in 2007, retail vacancy rates in the Subdistrict have been on an upward trend, increasing 4 percentage points between 2019 and May 2022 to end at 6 percent.[44]

Table T: Retail CoStar Market Conditions, Westside TIF District, Q1 2024

	WESTSIDE TIF DISTRICT	PORTLAND
Inventory (% of year 2006 total)	96%	101%
Vacancy Rate	7.3%	5.2%
Under Construction (SF)	-	8,261 SF
Asking Rent (NNN)	$19.94	$21.11

[42] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022, 21.
[43] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022, 46.
[44] Prosper Portland, 'Central City Subdistricts Economic & Market Conditions,' November 2022, 89.

Source: CoStar, 2024 Q1
Note: Real estate market data is not always available through the same year for different real estate types. This analysis uses the most recent year available. Vacancy rates for individual storefronts may be higher but unreported through available data.

Industrial Real Estate Market Conditions

The Westside TIF District today has a limited inventory of industrial space. Industrial properties that exist in the TIF District are generally auto-oriented uses such as repair services. There have been no new increases in the industrial inventory since 2003, and the overall inventory has shrunk to 89 percent of what it was twenty years ago. With only seven industrial properties, the Westside TIF District lacks reliable data about asking rents per square foot.[45]

Foot Traffic Trends

Foot traffic patterns are useful for understanding travel demand as well as indicating economic trends in an area. Placer.ai is a proprietary artificial intelligence software that generates estimated foot traffic counts via anonymized cellular location data. Placer.ai attributes a single visit to a location when the dwell time at that location exceeds seven minutes.[46]

Analysis of visitation trends show that in aggregate, the Central City experienced 26 percent less annual foot traffic from visitors[47] compared to the pre-pandemic level in 2019 to 2023. The overall decrease is not consistent over Central City's subdistricts; the Old Town/Chinatown area saw 31 percent decrease from 2019 to 2023 while Downtown region saw a 60 percent decrease in this timeframe, however, there has been steady recovery of visitation since 2021 for both subdistricts.[48]

[45] CoStar Q1 2024.
[46] Placer.ai, 'Foot Traffic: The Complete Guide', 2023, https://www.placer.ai/guides/foot-traffic
[47] Excluding employees and residents.
[48] ECOnorthwest analysis of Placer.ai data