



PROSPER
PORTLAND
Building an Equitable Economy

DATE: March 11, 2026
TO: Board of Commissioners
FROM: Cornell Wesley, Executive Director
SUBJECT: Report Number 26-06
Progress Reports for Lloyd-Holladay, Central Eastside Corridor, and Westside Tax Increment Finance Districts

BRIEF DESCRIPTION OF INFORMATION ITEM

No action is requested; information only.

This report provides status updates regarding the action planning process for three Central City tax increment finance (TIF) districts:

1. Lloyd-Holladay TIF District;
2. Central Eastside Corridor TIF District; and
3. Westside TIF District.

In June 2025, Prosper Portland and the Portland Housing Bureau (PHB) began convening community stakeholders (Working Groups) to develop five-year Action Plans for each district. An Action Plan is developed through a budgeting and prioritization process that identifies spending priorities for anticipated resources over a five-year timeframe based on the types of eligible investments outlined in the TIF district plans and the community's near-term priorities.

Based on recent data from Multnomah County (the County), the current outlook for revenue in the TIF districts projects no tax increment revenue growth through fiscal year (FY) 2026-27. As a result, finalizing the Action Plans for the TIF districts has been paused until TIF resources are available.

A modest amount of program income is available from concluded or sunseting Central City TIF districts (River District, Downtown Waterfront, and Oregon Convention Center TIF Districts), in excess of the amounts needed to complete prior action plans or project commitments, as a result of land sales, loan payments, and earned interest. This report outlines recommendations for the investment of program income in FY 2026-27 to maintain economic development momentum in each district in alignment with the priorities identified by Working Groups.

STRATEGIC ALIGNMENT AND OUTCOMES

With limited and focused funding available, these recommendations deliver on the following Advance Portland outcomes from Objective 3, Foster a Vibrant Central City and Commercial Districts:

- Outcome 3.2: Retain and Increase Commercial Activity and Support Small Businesses in the Central City; and

- Outcome 3.4: Attract More Visitors Through Events and Activation; Renovation of the Public Realm; and Support for Regional Cultural Organizations and Anchors.

BACKGROUND AND CONTEXT

On October 30, 2024, Portland City Council (City Council) voted to adopt six new TIF district plans intended to spur economic growth, create jobs, and invest in a range of affordable housing options in both Central City and East Portland over the next 30 years.

City Council additionally directed Prosper Portland and PHB to convene ad hoc working groups, advising Prosper Portland's Executive Director and PHB's Director, to inform development of the first Action Plans for each of the three new Central City TIF districts.

The Working Groups met eight times between June 2025 and February 2026 and were tasked with the following key outputs:

- Inform context and vision for a five-year investment strategy;
- Develop investment priorities;
- Align budget allocations and anticipated outcomes;
- Recommend a future approach for governance and reporting on Action Plan progress; and
- Recommend an Action Plan for Prosper Portland Board of Commissioners and City Council approval.

In November 2025, Prosper Portland and PHB received updated assumptions from the County that were significantly different from TIF model estimates that had been developed with County input as part of the TIF district exploration process. Commercial properties in Portland's Central City continue to show a severe decline in value since the pandemic, resulting in a number of property tax appeals and revaluations. These market dynamics mean there will be no tax increment revenue generation in the Central City TIF districts for the coming fiscal year, FY 2026-27.

For some districts, the Certified Frozen Base, the baseline against which future growth in tax increment is measured, may continue to be adjusted due to pending utility values that will not be finalized until summer 2026; and additional property tax appeals remain in the pipeline.

Given this reality, Prosper Portland and PHB, in consultation with the Working Groups, paused the action planning process pending future availability of TIF resources and have identified a recommended alternative path forward for the coming fiscal year.

The Working Groups' efforts to date have been captured in district progress reports, included as Attachments A, B, and C. These reports also highlight the near-term economic development investment priorities identified by the Working Groups and recommend use of available program income resources to maintain early economic and urban development investment momentum through FY 2026-27. PHB has determined that funding for affordable housing investment priorities identified by the Working Group will be available once TIF resources begin to accrue in the districts.

The proposed allocations of program income are equivalent to the initial TIF budget forecasts for economic development investments in FY 2025-26 – FY 2026-27. The priorities are summarized below and described in greater detail within the attached progress reports.

TIF District	Proposed Program Income Allocation	Summary of FY 2026-27 Economic Development Investment Priorities
Lloyd-Holladay	\$153,000	Grants to small businesses with an emphasis on retaining and growing existing businesses within the District, such as the tenants of the Lloyd Center Mall
Central Eastside Corridor	\$144,000	Grants for small businesses, employer retention / recruitment, and public realm activations
Westside	\$525,000	Competitive grants for public realm activation with the intent of generating foot traffic and stimulating economic activity

Prosper Portland and PHB staff will continue to engage with the Working Groups and other community partners and interested parties to provide updates as new revenue information becomes available. Prosper Portland and PHB will re-engage with the Working Group on action planning in coming years as TIF resources become available and will subsequently seek City Council adoption of Action Plans.

EQUITY IMPACT

Development of the draft Action Plans involved an engagement process that gathered feedback and insight from a robust range of community stakeholders to inform the district investment priorities and governance considerations. Equity, inclusivity, and accessibility are key values that provide direction for the process of convening, planning, implementing, and overseeing TIF investment within Portland. Engagement with community stakeholders also sought to ensure that the TIF district investments adequately addressed and prioritized community needs, challenges, and opportunities within the constraints of available resources.

COMMUNITY PARTICIPATION AND FEEDBACK

Like the Community Leadership Committees named for the East Portland TIF districts, the Working Groups are comprised of a broad cross section of leaders from each district and provide continuity from the prior Central City TIF Exploration Steering Committee. A list of Working Group members is included in each report.

Working Group members were identified through a combination of an open call application process and direct appointment to ensure that members have a strong connection to the district and represent a broad range of knowledge or experience related to work that will be done in the TIF districts. Direct appointment positions were offered to the neighborhood’s Enhanced Services District, business district, community association(s), and master plan site development partners (e.g., OMSI, Lloyd Center Mall, Broadway Corridor). Open call applications were distributed through Prosper Portland and PHB newsletters, Central City TIF interested parties email distribution list, direct emails, and community partner networks. Applications were reviewed and selected by a committee of Prosper Portland and PHB staff, City Council District Office representation, and the district organization direct appointments.

Evaluation criteria included connection to the district, TIF related skills/experience, collaboration, and overall committee composition.

In addition to engagement with the Working Groups, Prosper Portland and PHB undertook community engagement via an online survey with 108 responses, tabling at two community events, organizational briefings, and four written updates to an interested parties list.

The Working Groups were also tasked with setting forth recommendations for governance that best suits each District's needs, recognizing differences in stakeholder perspectives, capacity, and existing organizational infrastructure. The recommended governance approaches, summarized in the attached progress reports, will be revisited as the Action Plans are finalized.

BUDGET AND FINANCIAL INFORMATION

The three Central City TIF districts are estimated to raise approximately \$1.29 billion in maximum indebtedness through 2054. During district formation in 2024, each district was initially modeled using a three percent average assessed value growth with estimated losses due to Measure 5 compression, discounts, and delinquencies comparable to historical trends.

However, the actual certified frozen base for each district (subject to further change based on pending centrally assessed values including utility) as well as the initial assessed value growth, differ from initial modelling, resulting in no TIF revenue for FY 2025-26. Based on the decline of commercial values since establishing the frozen base in FY 2024-25, it is likely there will be limited or no tax increment revenue in FY 2026-27. There is also continued risk that the trend of declining office and commercial values will continue to impede tax increment growth and revenue for Central City districts beyond FY 2026-27. As a result, modelled bond issuances in each district will also be delayed, further impacting initial five-year Action Plan budget assumptions.

Modest program income resources are available in each district as a result from land transactions, loan repayment, and interest earned in each TIF district. Staff and the Working Groups are recommending that the Year 1-2 Economic Development budgets in each district's draft Action Plans are kept whole using program income in order to maintain needed momentum in each district.

The Westside TIF District has additional program income resources dedicated to the prior Old Town Chinatown Action Plan commitments and the Broadway Corridor. These commitments remain intact and are not impacted by these investment recommendations.

ATTACHMENTS

- A. Lloyd-Holladay TIF District Progress Report
- B. Central Eastside Corridor TIF District Progress Report
- C. Westside TIF District Progress Report

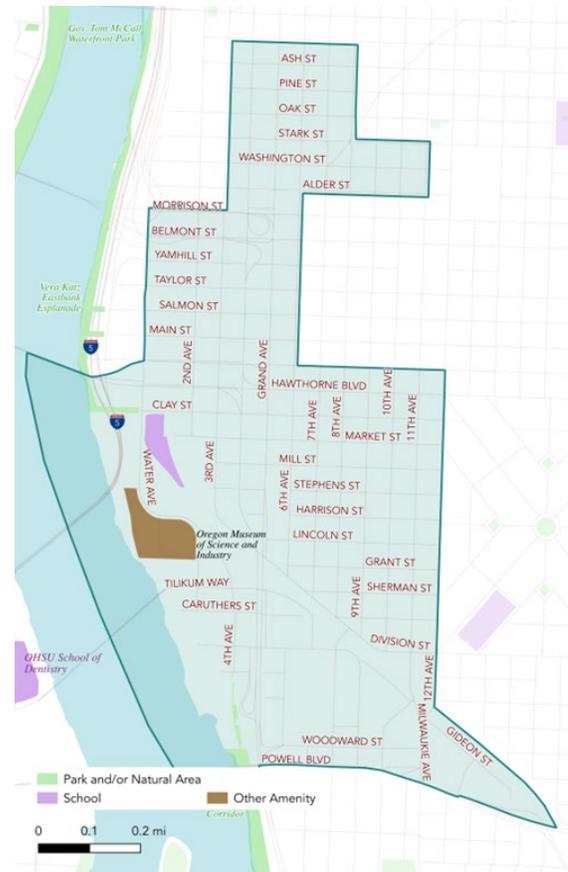
Central Eastside Corridor Tax Increment Finance (TIF) District Progress Report

1. District Overview

The Central Eastside Corridor Tax Increment Finance District (District) covers 708 acres in Portland's Central City. The District was approved after a year-long exploration process co-led with community partners and action by the Prosper Portland Board of Commissioners and Portland City Council in October 2024. The exploration process and resulting Central Eastside Corridor TIF Plan (TIF Plan) was developed in response to long-term needs in the district and the impact of COVID-19 on neighborhoods with a high proportion of office space and low proportion of residential units.

The TIF Plan goals include revitalizing the District by attracting large employers, supporting small businesses, improving the public realm, and growing an active, affordable, and inclusive neighborhood. The District is anchored by the OMSI District redevelopment and a robust employment center that blends innovation and industry. It is a hub for makers, creatives, entrepreneurs, and large employers with an opportunity for investment to drive equitable growth and economic opportunity while embracing the riverfront.

The TIF Plan projects an estimated \$200 million to become available for investment over the 30-year life of the District. In accordance with the Affordable Housing Set Aside Policy, 45% of resources are anticipated to be administered by the Portland Housing Bureau (PHB) for investment in affordable housing. The remainder of the District's resources are to be administered by Prosper Portland for investment in economic and urban development. The initial financial model for the district's first years – through



FY2030-31 – anticipated approximately \$7.1 million of TIF funding, including an anticipated first bond issuance in year five consistent with City of Portland policy.



2. Community Engagement

When City Council approved the Central Eastside Corridor TIF District, it directed Prosper Portland and PHB to convene an ad hoc working group, advising Prosper Portland's Executive Director and PHB's Director, to inform development of the district's first Five-Year Action Plan.

Working Group members were identified through a combination of an open call application process and direct appointment to ensure that working group members have a strong connection to the district and represent a broad range of knowledge or experience related to work that will be done in the TIF districts. Direct appointment positions were offered to the neighborhood's Enhanced Services District, Business District, Community Associations, and the OMSI Master Plan Site. Open call applications were distributed through Prosper Portland and Portland Housing Bureau newsletters, Central City TIF interested parties email list, direct emails, and community partner networks. Applications were reviewed and selected by a committee of Prosper Portland and PHB staff, City Council District Office representatives, and the district organization direct appointments. Evaluation criteria included connection to the district, motivation to serve on the working group, TIF related skills/experience, collaboration, and overall committee composition.

Like the East Portland Community Leadership Committees, the Working Group is comprised of a broad cross section of leaders from the District and provided continuity from the prior Central City TIF Exploration Steering Committee. See Attachment A for a list of the Working Group members.

The Working Group met eight times from June 2025 – February 2026 to inform the context and vision for the five-year investment strategy. This included developing investment priorities, aligning budget allocations and anticipated outcomes, and recommending the future approach for governance and reporting on Action Plan progress. Prosper Portland and the Portland Housing Bureau additionally undertook extensive community engagement via an online survey with 116 responses, tabling at two community events, organizational briefings, and four written updates to an interested parties list.

3. Community Vision & Investment Priorities

The long-term vision for the District is to **facilitate a well-connected, balanced, and complete neighborhood with a focus on progressing a vibrant public realm with arts and culture, industrialized employment, and a robust range of housing and economic development opportunities.**

As a first step in achieving this long-term vision, the Working Group developed near-term goals and priorities for the District based on current conditions and existing opportunities. A full table assuming the early modelled budget allocations and apportioned with Working Group guidance is also included as Attachment B.

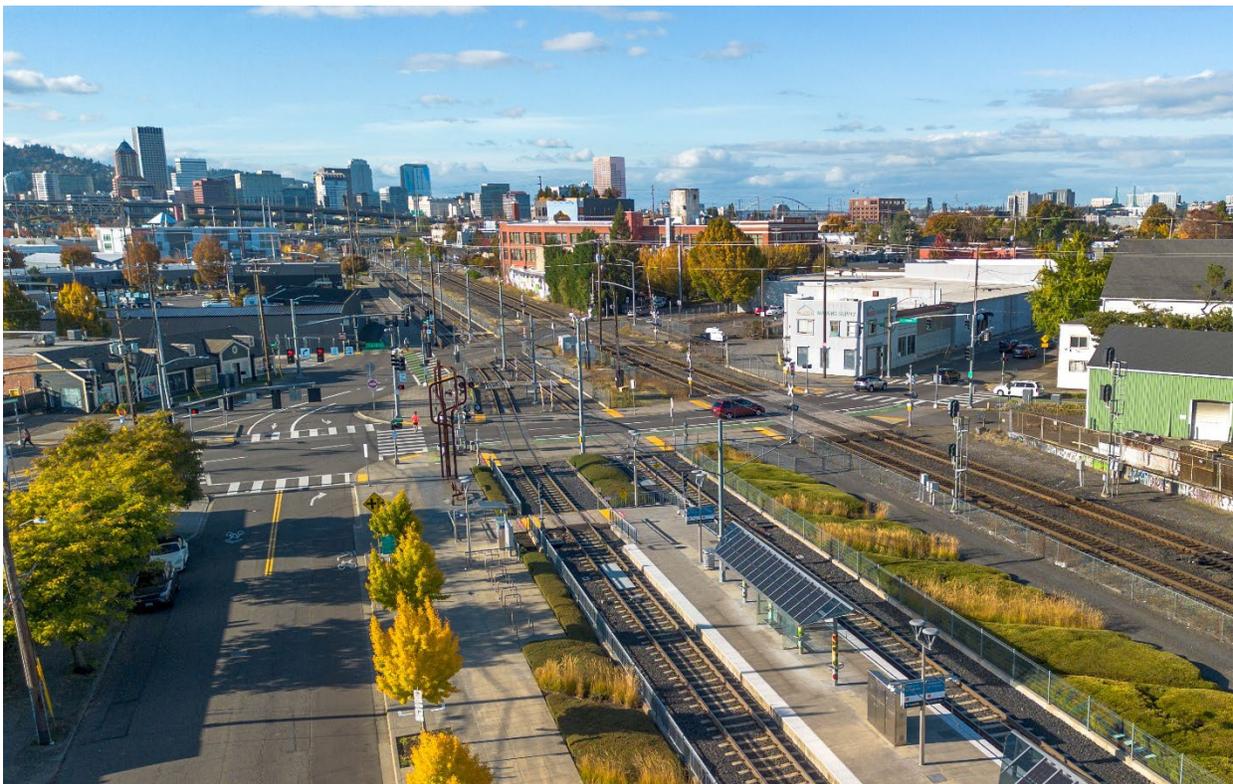
1. Vibrant Arts & Culture District:

- a. Amplify the district as a tourist destination with safe pathways and wayfinding for visiting restaurants, shops, and anchor entertainment destinations
- b. Prioritize public art, activations, and support for artists and art organizations to access affordable spaces
- c. Invest in multi-cultural district with a thriving Indigenous and Native American hub

2. Thriving Business Community:

- a. Support and grow small businesses offering diverse products and services through grants and loans

- b. Incentivize business incubation and access to affordable space via grants
 - c. Invest in employers through recruitment, retention, and expansion strategies
 - d. Maintain industrial sanctuary and preserve industrial businesses
3. Housing Production:
- a. Flexible, opportunistic funding to support affordable housing development
 - b. Minimize resident displacement
 - c. Include preferences in future RFPs/NOFAs for units and amenities designed for artists, makers, and other creative professionals



4. Governance

Ongoing engagement and governance are critical for ensuring accountability and transparency in the expenditure of public funds. Recognizing differences in stakeholder perspectives, capacity, and existing organizational infrastructure – the Working Group was tasked with setting forth a recommendation for governance that best suits the

District's current needs. Considerations included keeping stakeholders informed but not overburdened and balancing the level of engagement with the resources available – which is anticipated to change over time as resources increase.

The Working Group recommended the continued convening of a standing advisory committee to review annual investment outcomes and discuss budget adjustments as needed, with the existing Working Group to serve as the advisory committee. The group agreed that the initial advisory committee may need to be augmented to address gaps in expertise and/or membership replacement as necessary. Initially, the advisory committee was recommended to meet no less than twice per year in alignment with the City's annual budget cycle.

Additional reporting and engagement were recommended to occur via quarterly district investment reports on Prosper Portland's website, agency participation in various standing organizational meetings within the District, and via stakeholder participation in initiative specific committees, focus groups, etc., as applicable.

5. Current TIF Projections and Path Forward

The Working Group advised PHB and Prosper Portland on the investment of \$7 million of modeled TIF resources. However, based on preliminary data from Multnomah County, the current outlook for revenue in the District currently projects no TIF revenue growth through FY 2026-27. As the Central City continues to feel the impacts of the COVID-19 pandemic and remote work policies, the District has not seen the conservative growth typically expected in the early years of a TIF district.

Fiscal Year 2026-27 Economic & Urban Development Investments

The lack of TIF revenue requires near-term reliance on other non-TIF resources such as program income, generated from previously owned assets, and a loan portfolio specific to the Central Eastside TIF District. Program income could provide \$144,000, sufficient to keep the projected economic development investment budgets intact through FY 2026-27, and in alignment with the economic development investment priorities identified by the Working Group.

Prosper Portland's program income funds are modest and not a long-term solution. However, having resources available to meet early district priorities enables the District to sustain early momentum. The Portland Housing Bureau does not have other

available resources and affordable housing investments will hold until the Affordable Housing set-aside resources become available.

During action planning discussions, the Working Group strategically allocated initial funds for small business support programs, employer retention and recruitment, and public realm enhancements. As such, the \$144,000 in non-TIF resources for FY2025-26 – FY2026-27 is proposed to be invested in accordance with the following Goals, Actions, and Outcomes identified by the Working Group:



- **Goal:** Public realm activations that promote cultural inclusion and community livability and enhance district connectivity to shape identity of the District.

Action: Invest in community anchor nonprofits via Community Livability Grants (CLG) for projects located in the geographic priority area between SE Morrison Street, SE Hawthorne Boulevard, SE Martin Luther King Boulevard, and SE Water Avenue.

Outcome: Grants disbursed to one to two community-led public realm enhancement projects to be completed in the prioritized geographic focus area.

- **Goal:** Employers choose the District to locate their business and employee presence.

Action: Support businesses through grants for business tenant improvements and/or manufacturing efficiency improvements, including grants for businesses already located in the District to retain and improve space. Provide business expansion, retention, and relocation resources to employers.

Outcome: Grant provided to one anchor employer for tenant improvements in the District.

- **Goal:** Retain, stabilize, and grow locally owned small businesses offering diverse products and services in the District.

Action: Provide grants to small businesses for TIF-eligible improvements, with an emphasis on retaining and growing existing businesses. Prioritize filling ground floor active uses that drive foot traffic along major corridors in the district.

Outcome: Grants disbursed to one to two small business in the District.

Governance

Prosper Portland is committed to engaging the Working Group throughout the agency's annual budget process to ensure alignment with the Working Group's priorities and the identified non-TIF resources available within the District. The Working Group will convene quarterly through FY2026-27 to inform and monitor investment activity. As TIF resources become available, the Working Group will convene with greater frequency to finalize the Action Plan. Prosper Portland will also attend various standing organizational meetings within the District to share updates on the investment of resources and learn about other District-related initiatives.



After exploring available options, the Portland Housing Bureau determined that funding for affordable housing investment priorities identified by the Working Group will be available once TIF resources begin to accrue in the District. While there will be no reporting for affordable housing resources during FY2025-26 – FY2026-27, PHB will remain available to the Work Group and individual members as needed.

We acknowledge the dedication and insights of the Central Eastside Corridor Action Plan Working Group, the community members who responded to our survey and/or provided feedback at community events, and the preceding Central City TIF Exploration Steering Committee. The work to date summarized here, and recommended next steps, reflects the collective efforts of many contributors, and this collective commitment and thoughtful engagement was essential in shaping the recommendations presented here.

6. Attachments

A. Central Eastside Corridor Working Group Members

B. Draft Action Plan Budget

Attachment A: Central Eastside Corridor Working Group Members

Carolyne Holcomb, Central Eastside Industrial Council
Leah Nanpei, Vice President of Real Estate and Facilities, OMSI
Mark Linehan, Hosford-Abernethy Neighborhood Association
Michael Woods, Buckman Community Association
Mike Larkin, Central Eastside Together
Amanda Lucier, property owner / photojournalist
Chelsea Rooklyn, Killian Pacific / Willamette Light Brigade Board
Dietrich Wieland, Mackenzie Inc.
Eric Hoffman, SUM Design Studio + architecture
Hovering Laplante, Sweet & Salty PDX
Jill Sherman, Edlen & Co. / OMSI
Lluvia Merello, Portland Indigenous Marketplace
Matt Fairris, BAE Urban Economics
Tiffany Conklin, Portland Street Art Alliance
Ty Brown, REACH CDC

* names in bold indicate direct appointed position

Attachment B: Draft Action Plan Budget

NOTE: The following budget reflects the investment priorities of the Working Group based on the resources initially believed to be available within the district. It does not accurately reflect actual resources available based on revised financial modelling.

	Yr 1-2	Yr 3-4	Yr 5-6	Total FY25-26 thru FY30-31	Outcomes
<i>Prosper Portland: Economic & Urban Development (55%)</i>					
Vibrant Arts & Culture District					
Public Realm Grants	70,000*	75,000	1,225,000	\$1,370,000	18-45 Grants
Infrastructure / Open Space	0	0	1,000,000	\$1,000,000	PBOT or Portland Parks & Rec project support
Thriving Business Community					
Small Business Support - Grants	50,000*	218,000	400,000	\$668,000	9-15 grants to small businesses
Small Business Support - Loans	0	50,000	400,000	\$450,000	3-7 loans to small businesses
Employer Retention / Recruitment / Expansion	24,000*	100,000	400,000	\$524,000	Expansion/retention and/or recruitment of 6-10 traded sector companies
<i>PHB: Affordable Housing Set-Aside (45%)</i>					
Housing Production					
Affordable Housing Development	0	0	2,754,000	\$2,754,000	1-3 opportunities
Homeowner Stabilization	100,000	0	0	\$100,000	20-25 grants to homeowner households
Renter Stabilization	0	300,000	0	\$300,000	2-3 Rehab Loans
Total Action Plan Budget				\$7,166,000	

* Prosper Portland has identified non-TIF resources sufficient to retain the Year 1-2 economic development priorities identified by the Working Group.

Lloyd Holladay Tax Increment Finance (TIF) District Progress Report

1. District Overview

The Lloyd-Holladay Tax Increment Finance District (District) covers 261 acres in Portland's Central City. The District was approved after a year-long exploration process co-led with community partners and action by the Prosper Portland Board of Commissioners and Portland City Council in October 2024. The exploration process and resulting Lloyd-Holladay TIF Plan (TIF Plan) was developed in response to long-term needs in the district and the impact of COVID-19 on neighborhoods with a high proportion of office space and low proportion of residential units.



The TIF Plan goals include revitalizing the District by attracting large employers, supporting small businesses, and growing an active, affordable, and inclusive neighborhood. The District includes the 29-acre Lloyd Center Mall Master Plan site which is a significant opportunity for new market rate and affordable housing production, employment growth, and public space enhancements that are currently needed for a more 24/7 active and vibrant neighborhood.

The TIF Plan projects an estimated \$290 million to become available for investment over the 30-year life of the District. In accordance with the Affordable Housing Set Aside Policy, 45% of resources are anticipated to be administered by the Portland Housing Bureau (PHB) for investment in affordable housing. The remainder of the District's resources are to be administered by Prosper Portland for investment in economic and urban development. The initial financial model for the district's first years – through FY2030-31 – anticipated approximately \$10.5 million of TIF funding, including an anticipated first bond issuance in year five consistent with City of Portland policy.



2. Community Engagement

When City Council approved the Lloyd-Holladay TIF District, it directed Prosper Portland and PHB to convene an ad hoc working group, advising Prosper Portland’s Executive Director and PHB’s Director, to inform development of the district’s first Five-Year Action Plan.

Working Group members were identified through a combination of an open call application process and direct appointment to ensure that working group members have a strong connection to the district and represent a broad range of knowledge or experience related to work that will be done in the TIF districts. Direct appointment positions were offered to the neighborhood’s Enhanced Services District, Business District, Community Association, and the Lloyd Mall Master Plan Site. Open call applications were distributed through Prosper Portland and Portland Housing Bureau newsletters, Central City TIF interested parties email list, direct emails, and community partner networks. Applications were reviewed and selected by a committee of Prosper Portland and PHB staff, City Council District Office representatives, and the district organization direct appointments. Evaluation criteria included connection to the district, motivation to serve on the working group, TIF related skills/experience, collaboration, and overall committee composition.

Like the East Portland Community Leadership Committees, the Working Group is comprised of a broad cross section of leaders from the District and provided continuity from the prior Central City TIF Exploration Steering Committee. See Attachment A for a list of the Working Group members.

The Working Group met eight times from June 2025 – February 2026 to inform the context and vision for the five-year investment strategy. This included developing investment priorities, aligning budget allocations and anticipated outcomes, and recommending the future approach for governance and reporting on Action Plan progress. Prosper Portland and the Portland Housing Bureau additionally undertook extensive community engagement via an online survey with 108 responses, tabling at two community events, organizational briefings, and four written updates to an interested parties list.

3. Community Vision & Investment Priorities

The long-term vision for the District as described in the TIF Plan is to **facilitate a well-connected, balanced, and complete neighborhood with a focus on stitching together a cohesive community fabric anchored around the Lloyd Center Master Plan site.**

As a first step in achieving this long-term vision, the Working Group developed the following investment priorities for the District based on current conditions and existing opportunities. A full table assuming the early modelled budget allocations and as apportioned with Working Group guidance is also included as Attachment B.

1. Commercial Vitality:
 - a. Fill ground floor and office vacancies
 - b. Stabilize and grow small businesses most vulnerable to displacement and lack of access to capital through loans, grants, and synergistic co-location
 - c. Expand local food culture and attract/retain people to the District, with particular focus on improving provision for residents, employees, and visitors to the Convention Center and the Rose Quarter
 - d. Grow quality jobs and employee presence within the District
2. Vibrant Public Realm:

- a. Implement public infrastructure to reconnect community and unlock development, which may include improvements as part of the Lloyd Mall Central City Master Plan, subject to the pending Master Plan
 - b. Provide Community Livability Grants to anchor nonprofits that support cultural inclusion and district vitality via public art, murals, and street amenities
 - c. Invest in the reimagination of existing and creation of new open space
3. Affordable Housing Production and Stabilization:
- a. Invest in public/private partnerships to catalyze under-utilized sites and unlock development across the housing continuum to support the vision of a 24-hour neighborhood
 - b. Invest in a continuum of affordable, mixed-income, and limited profit housing, including rental and homeownership opportunities
 - c. Stabilize current residents to mitigate displacement

4. Governance

Ongoing engagement and governance are critical for ensuring accountability and transparency in the expenditure of public funds. Recognizing differences in stakeholder perspectives, capacity, and existing organizational infrastructure, the Working Group was tasked with setting forth a recommendation for governance that best suits the District's current needs. Considerations included keeping stakeholders informed but not encumbered with redundant or unnecessary meetings and balancing the level of engagement with the resources available – which can change over time as resources increase.

The Working Group recommended the continued convening of a standing advisory committee to review annual investment outcomes and discuss budget adjustments as needed, with the existing Working Group to serve as the initial advisory committee in the early years while resources are limited. The advisory committee will meet quarterly for FY2026-27 to coincide with the City's annual budget process and develop an implementation strategy to deploy the fiscal year resources. As TIF resources increase, the advisory committee will consider remaining as the existing committee to develop a second 5-Year Action Plan, or recommend forming a new advisory committee to be empaneled by City Council.

Additional reporting and engagement were recommended to occur via quarterly district investment reports on Prosper Portland’s website, agency participation in various standing organizational meetings within the District, and via stakeholder participation in initiative specific committees, focus groups, etc. as applicable.

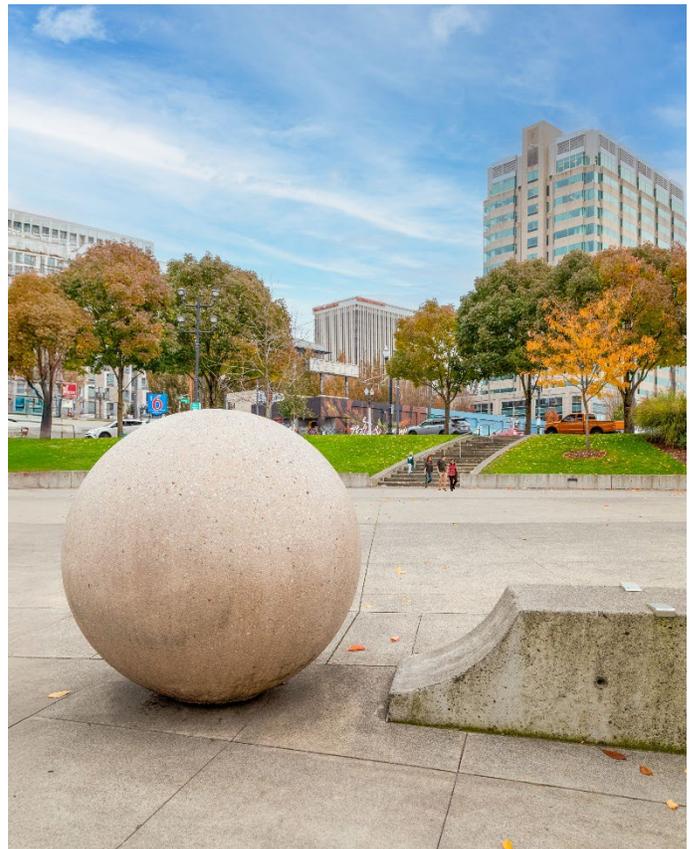
5. Current TIF Projections and Path Forward

The Working Group advised PHB and Prosper Portland on the investment of \$10.5 million of modeled TIF resources. However, based on preliminary data from Multnomah County, the current outlook for revenue in the District projects no TIF revenue growth through FY 2026-27. As the Central City continues to feel the impacts of the COVID-19 pandemic and remote work policies, the District has not seen the conservative growth typically expected in the early years of a TIF district.

Fiscal Year 2026-27 Economic & Urban Development Investments

Prosper Portland initially owned two assets within the District, the Inn at the Convention Center and the 910 Building, both of which were carried over from the prior Oregon Convention Center TIF District. The recent sale of the Inn at the Convention Center could provide \$153,000 in program income sufficient to keep the projected economic development investment budgets intact for FY2026-27 – and in alignment with the economic development investment priorities identified by the Working Group. Sale proceeds are additionally identified for reinvestment in the 910 Building.

Located at 910 NE Martin Luther King Jr. Boulevard, the 910 Building will be repositioned as a food hall, bar, music venue, and meeting space that serves District residents, employees, and visitors while providing opportunities for small businesses. This investment is additionally in alignment with priorities identified by the Working Group.



Prosper Portland’s program income funds within the District, typically generated by property sales, loan payments, and earned interest, are modest and not a long-term solution, but having resources available to meet early district priorities enables the District to sustain early momentum. PHB does not have other available resources and affordable housing investments will hold until the Affordable Housing set-aside resources become available.

During action planning discussions, the Working Group strategically allocated initial funds for small business support programs to stabilize existing businesses and increase ground floor activation within the District. As such, the \$153,000 in non-TIF resources for FY2025-26 – FY2026-27 is proposed to be invested in accordance with the following Goal, Action, and Outcome identified by the Working Group:

- **Goal:** Retain, stabilize, and grow small businesses.

Action: Stabilize and grow small businesses most vulnerable to displacement and lack of access to capital.

Provide grants to small businesses with an emphasis on retaining and growing existing businesses within the District, such as the tenants of the Lloyd Center Mall.



While many current tenants of the mall have expressed preference to remain in the mall, advocacy for the future of the Lloyd Center goes beyond the purview of the Working Group. Since the Working Group’s scope of influence is over Prosper Portland and Portland Housing Bureau’s investments in the district, members agreed to maximize support for small businesses to be responsive to the needs of mall tenants. Additionally, the Working Group directed Prosper Portland to explore opportunities to support demising of larger-format spaces to better support small businesses and create opportunities for co-location.

Prosper Portland’s Lloyd-Holladay TIF District Relationship Manager and staff with the Office of Small Business will work with existing organizations in the area

including the Lloyd Enhanced Services District, Lloyd Community Association, and Northeast Broadway Business Association to identify strategic and feasible opportunities. For new businesses, prioritize ground floor active uses that drive foot traffic in the district. Additionally, explore opportunities to support demising of larger-format spaces to better support small businesses and create opportunities for co-location.

Outcome: Grants disbursed to two to three small businesses.

Governance

Prosper Portland is committed to engaging the Working Group throughout the agency's annual budget process to ensure alignment with the Working Group's priorities and the identified non-TIF resources available within the District. The Working Group will convene quarterly through FY2026-27 to inform and monitor investment activity. As TIF resources are available, the Working Group will convene with greater frequency to finalize the Action Plan.

Prosper Portland will also attend various standing organizational meetings within the District to share updates on the investment of resources and the status of the 910 Building; and learn about other District-related initiatives.

After exploring available options, the Portland Housing Bureau determined that funding for affordable housing investment priorities identified by the Working Group will be available once TIF resources begin to accrue in the District. While there will be no reporting for affordable housing resources during FY2025-26 – FY2026-27, PHB will remain available to the Work Group and individual members as needed.

We acknowledge the dedication and insights of the Lloyd-Holladay Action Plan Working Group, the community members who responded to our survey and/or provided feedback at community events, and the preceding Central City TIF Exploration Steering Committee. The work to-date summarized here, and recommended next steps, reflects the collective efforts of many contributors, and this collective commitment and thoughtful engagement was essential in shaping the recommendations presented here.

6. Attachments

- A. Lloyd-Holladay Working Group Members
- B. Draft Action Plan Budget

Attachment A: Lloyd Holladay Working Group Members

Julie Gustafson, Northeast Broadway Business Association
Keith Jones, Lloyd Enhanced Services District
Owen Ronchelli, Go Lloyd
Tom Kilbane, Urban Renaissance Group/Lloyd Center Central City Master Plan Site
Ziggy Lopuszynski, Lloyd Community Association
Alison Wicks, Metro (Affordable Housing)
Debbie Kitchen, Central Eastside Together
Emily Mandic, American Assets Trust
Jona Davis, Northeast Coalition of Neighborhoods (NECN)
Khanh Tran, National Association of Minority Contractors - Oregon
Kristin Leiber, Lloyd EcoDistrict
Kurt Creager, Holy Rosary Church
Matthew Henderson, Virtua Gallery/Lloyd Center tenant
Minyana Bishop, Immigrant and Refugee Community Organization (IRCO)/Resident
Steve Day, PacifiCorp
Willie Levenson, Human Access Project

* names in bold indicate direct appointed position

Attachment B: Draft Action Plan Budget

NOTE: The following budget reflects the investment priorities of the Working Group based on the resources initially believed to be available within the district. It does not accurately reflect actual resources available based on revised financial modelling.

	Yr 1-2	Yr 3-4	Yr 5-6	Total FY25-26 thru FY30-31	Outcomes
Prosper Portland: Economic & Urban Development (55%)					
Commercial Vitality					
Small Business Support - Grants	153,000*	400,000	700,000	\$1,253,000	15-30 grants to small businesses
Small Business Support - Loans			444,000	\$444,000	1-3 loans to small businesses
910 Building			1,500,000	\$1,500,000	Redevelopment of 910 Building to serve as bar and food cart pod
Employer Retention / Recruitment / Expansion		90,000	90,000	\$180,000	Expansion/retention/and/or recruitment of 1-3 traded sector companies
Vibrant Public Realm & Infrastructure					
Public Realm - Grants		130,000	400,000	\$530,000	6-8 grants to community non-profit partners
Infrastructure / Open Space			2,000,000	\$2,000,000	Street and/or open space to unlock residential development and increase connectivity
PHB: Affordable Housing Set-Aside (45%)					
Affordable Housing Production & Stabilization					
Affordable Housing - Acquisition			3,247,000	\$3,247,000	1 acquisition opportunity
Affordable Housing – Predevelopment			800,000	\$800,000	1 Predevelopment Loans
Affordable Housing – Homeowner Stabilization	100,000			\$100,000	8-10 grants to homeowner households
Affordable Housing – Renter Stabilization		500,000		\$500,000	1 Rehab Loan
Total Action Plan Budget				\$10,554,000	

* Prosper Portland has identified non-TIF resources sufficient to retain the Year 1-2 economic development priorities identified by the Working Group.

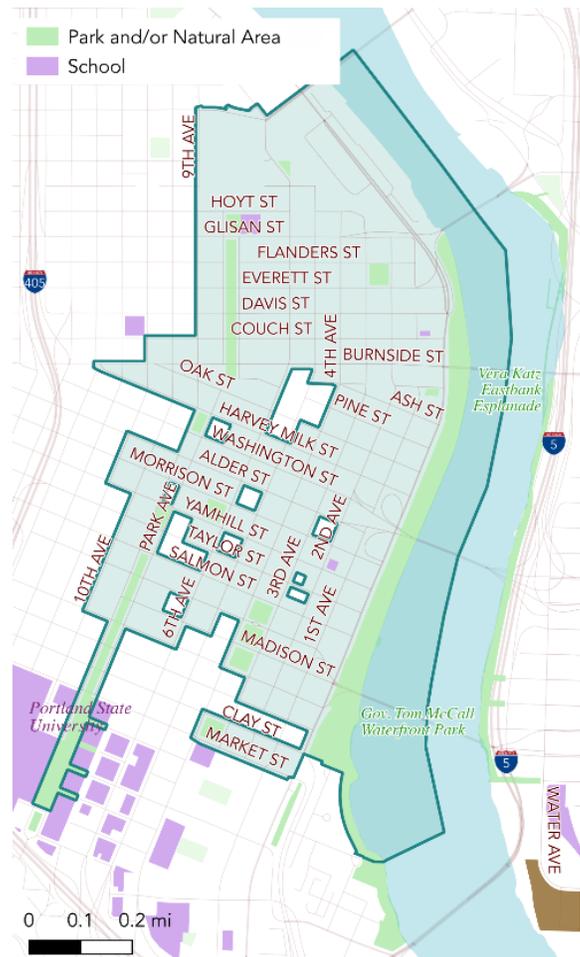
Westside Tax Increment Finance (TIF) District Progress Report

1. District Overview

The Westside Tax Increment Finance District (District) covers 396 acres in Portland's Central City. The District was approved after a year-long exploration process co-led with community partners and action by the Prosper Portland Board of Commissioners and Portland City Council in October 2024. The exploration process and resulting Westside TIF Plan (TIF Plan) was developed in response to long-term needs in the district and the impact of COVID-19 on neighborhoods with a high proportion of office space and low proportion of residential units.

The TIF Plan goals include revitalizing the District by attracting large employers, supporting small businesses, improving the public realm, and growing an active, affordable, and inclusive neighborhood. The District is anchored by the Broadway Corridor site, which is a significant opportunity for new market rate and affordable housing production, employment growth, and public space enhancements that are currently needed for a more 24/7 active and vibrant neighborhood.

The TIF Plan projects an estimated \$800 million to become available for investment over the 30-year life of the District. In accordance with the Affordable Housing Set Aside Policy, 45% of resources are anticipated to be administered by the Portland Housing Bureau (PHB) for investment in affordable housing. The remainder of the District's resources are to be administered by Prosper Portland for investment in economic and urban development. The initial financial model for the district's first years – through



FY2030-31 – anticipated approximately \$20.8 million of TIF funding, including an anticipated first bond issuance in year five consistent with City of Portland policy.



2. Community Engagement

When City Council approved the Westside TIF District, it directed Prosper Portland and PHB to convene an ad hoc working group, advising Prosper Portland's Executive Director and PHB's Director, to inform development of the district's first Five-Year Action Plan.

Working Group members were identified through a combination of an open call application process and direct appointment to ensure that working group members have a strong connection to the district and represent a broad range of knowledge or experience related to work that will be done in the TIF districts. Direct appointment positions were offered to the neighborhood's Enhanced Services District, Business District, Community Associations, and the Broadway Corridor Master Plan Site. Open call applications were distributed through Prosper Portland and Portland Housing Bureau newsletters, Central City TIF interested parties email list, direct emails, and community partner networks. Applications were reviewed and selected by a committee of Prosper Portland and PHB staff, City Council District Office representatives, and the district organization direct appointments. Evaluation criteria included connection to the district, motivation to serve on the working group, TIF related skills/experience, collaboration, and overall committee composition.

Like the East Portland Community Leadership Committees, the Working Group is comprised of a broad cross section of leaders from the District and provided continuity from the prior Central City TIF Exploration Steering Committee. See Attachment A for a list of the Working Group members.

The Working Group met eight times from June 2025 – February 2026 to inform the context and vision for the five-year investment strategy. This included developing investment priorities, aligning budget allocations and anticipated outcomes, and recommending the future approach for governance and reporting on Action Plan progress. Prosper Portland and the Portland Housing Bureau additionally undertook extensive community engagement via an online survey with 242 responses, tabling at two community events, organizational briefings including the Old Town Chinatown Community Association, and four written updates to an interested parties list.



3. Community Vision & Investment Priorities

The long-term vision for the District as described in the TIF Plan is to **facilitate inclusive growth, transformation, and revitalization in a post-pandemic setting and to establish widely shared economic prosperity and continuous positive activity in the heart of the city.**

As a first step in achieving this long-term vision, the Working Group developed the following investment priorities for the District based on current conditions and existing opportunities. A full table assuming the early modeled budget allocations and apportioned with Working Group guidance is also included as Attachment B.

1. Commercial Vitality:

- a. Support and grow small businesses offering a diversity of products and services through loans, grants, and synergistic co-location
- b. Attract/retain people to the district – both tourists and locals
- c. Grow quality jobs and employee presence within the district
- d. Develop a retail investment strategy to retain and recruit retailers

2. Public Realm, Arts & Culture:

- a. Invest in public art, murals, and street amenities
- b. Use grant and loan funding to support our Cultural Institutions
- c. Support district activations with Community Livability Grants
- d. Work to improve district connectivity to and from Tom McCall Waterfront Park

3. Housing & Livability:

- a. Prioritize economic development in the initial years to strengthen the development market
- b. Invest in a spectrum of housing affordability, including preserving existing affordable housing
- c. Pursue partnership models to deliver mixed income, live/work, and active ground floor uses in affordable housing

4. Governance

Ongoing engagement and governance are critical for ensuring accountability and transparency in the expenditure of public funds. Recognizing differences in stakeholder perspectives, capacity, and existing organizational infrastructure, the Working Group was tasked with setting forth a recommendation for governance that best suits the District's current needs. Considerations identified by the Working Group included continuity in combination with staggered membership terms, speed, accountability, efficiency in keeping stakeholders informed but not overburdened, and balancing the level of engagement with the resources available – which can change over time as resources increase.

The Working Group recommended the continued convening of a standing advisory committee to review annual investment outcomes and discuss budget adjustments as needed, with the existing Working Group initially filling this role in the early years while resources are limited. The Working Group recommended the advisory committee should meet no less than twice per year in alignment with the City's annual budget cycle and further recommended staggered term-limits to be set for committee members to ensure continuity as well as diverse and evolving representation.

Additional reporting and engagement were recommended to occur via quarterly district investment reports on Prosper Portland's website, agency participation in various standing organizational meetings within the District, and via stakeholder participation in initiative specific committees, focus groups, etc., as applicable.



5. Current TIF Projections and Path Forward

The Working Group advised PHB and Prosper Portland on the investment of \$20.8 million of modeled TIF resources. However, based on preliminary data from Multnomah

County, the current outlook for revenue in the District projects no TIF revenue growth through FY 2026-27. As the Central City continues to feel the impacts of the COVID-19 pandemic and remote work policies, the District has not seen the conservative growth typically expected in the early years of a TIF district.

Fiscal Year 2026-27 Economic & Urban Development Investments

The lack of TIF revenue requires near-term reliance on other non-TIF resources such as program income. Generated from previously owned assets and a loan portfolio specific to the prior River District TIF District, the bulk of the District's program income resources are allocated to existing commitments in the Broadway Corridor and the Old Town Action Plan. However, a modest amount of non-allocated program income funds may be available and sufficient to meet the projected economic development investment portion of the budget through FY2026-27 in alignment with the investment priorities identified by the Working Group.

While not a long-term solution, these funds provide a resource to meet early District economic development priorities and sustain momentum. The Portland Housing Bureau does not have other available resources and affordable housing investments will remain on hold until the Affordable Housing set-aside resources become available.

During action planning discussions, the Working Group initially identified funds for small business support programs, the development of a retail strategy, and public realm enhancements to stabilize existing businesses and increase ground floor activation within the District. However, in light of the revised financial forecast, the Working Group elected to instead pool and prioritize funds for a competitive district activation grant program to stimulate economic activity. As such, the \$525,000 in non-TIF resources for FY2025-26 – FY2026-27 is proposed to be invested in accordance with the following Goal, Action, and Outcome identified by the Working Group:

- **Goal:** Support small businesses and increase foot traffic and retail activity within the Westside TIF District via projects or initiatives that leverage maximum partnered investment.

Action: Create a Public Realm Activation Grant program that will be implemented as a competitive, application-based program. The grants will be open to the entire District and include community representation in the review and selection of grant applications. Evaluation criteria will prioritize projects with the greatest potential for generating foot traffic, demonstrated leveraging of

additional funding, and supporting adjacent retailers. Funds are intended for new and/or enhanced activations rather than backfilling budget shortfalls.

Outcome: \$525,000 in grants awarded to three to eight businesses and/or organizations with the intent of supporting public realm activations, generating foot traffic, and stimulating economic activity.

Governance

Prosper Portland is committed to engaging the Working Group throughout the agency's annual budget process to ensure alignment with the Working Group's priorities and the identified non-TIF resources available within the District. The Working Group will convene quarterly through FY2026-27 to inform and monitor investment activity. As TIF resources are available, the Working Group will convene with greater frequency to finalize the Action Plan. Prosper Portland will also attend various standing organizational meetings within the District to share updates on the investment of resources and learn about other District-related initiatives.

After exploring available options, the Portland Housing Bureau determined that funding for affordable housing investment priorities identified by the Working Group will be available once TIF resources begin to accrue in the District. While there will be no reporting for affordable housing resources during FY2025-26 – FY2026-27, PHB will remain available to the Work Group and individual members as needed.

We acknowledge the dedication and insights of the Westside Action Plan Working Group, the community members who responded to our survey and/or provided feedback at community events, and the preceding Central City TIF Exploration Steering Committee. The work to date summarized here, and recommended next steps, reflects the collective efforts of many contributors, and this collective commitment and thoughtful engagement was essential in shaping the recommendations presented here.

6. Attachments

- A. Westside Working Group Members
- B. Draft Action Plan Budget

Attachment A: Westside Working Group Members

Diana Stuart, Downtown Portland Neighborhood Association
Matthew Claudel, Old Town Community Association
Peter Andrews, Melvin Mark
Sydney Mead, Downtown Portland Clean & Safe
Vanessa Sturgeon, TMT Development / Portland Metro Chamber
Alan Jones, Jones Architecture
Alisha Sullivan, Portland Winter Light Festival
Angel Medina, Republica
Beth Burns, p:ear
Cody McNeal, Urban Development Partners
Elizabeth Nye, Lan Su Chinese Garden
Giovanni Bautista, Resident / Metro housing policy analyst
Jennifer Cole, Pacific Northwest College of Art
Jennifer Polver, Pioneer Courthouse Square
Jessica Elkan, James Beard Public Market
Randall Friesen, Columbia Pacific Building & Construction Trades Council

* names in bold indicate direct appointed position

Attachment B: Draft Action Plan Budget

NOTE: The following budget reflects the investment priorities of the Working Group based on the resources initially believed to be available within the district. It does not accurately reflect actual resources available based on revised financial modelling.

*Prosper Portland has identified non-TIF resources sufficient to retain the Year 1-2 economic development priorities identified by the Working Group.

	Yr 1-2	Yr 3-4	Yr 5-6	Total FY25-26 thru FY30-31	Outcomes
<i>Prosper Portland: Economic & Urban Development (55%)</i>					
Commercial Vitality					
Small Business Support - Grants	0	200,000	400,000	\$600,000	10-15 businesses served
Anchor Retail - Loans	0	700,000	2,000,000	\$2,700,000	5-30 loans plus Retail strategy
Employer Retention / Recruitment / Expansion	0	170,000	200,000	\$370,000	Expansion/retention/and/or recruitment of 1-10 companies
Vibrant Public Realm & Infrastructure					
Cultural Capital Improvements - Loans	0	0	1,033,000	\$1,033,000	1-3 loans
Public Realm - Grants	525,000*	200,000	500,000	\$1,225,000	5-10 Grants
Infrastructure / Open Space	0	500,000	6,000,000	\$6,500,000	Enhance Waterfront Park and improve district connectivity
<i>PHB: Affordable Housing Set-Aside (45%)</i>					
Housing Production					
District Preservation Study	200,000	0	0	\$200,000	1 District-wide analysis
Mixed-Income Housing Fund	0	0	4,000,000	\$4,000,000	1 mixed-income housing project
Affordable Housing Fund	0	0	4,182,000	\$4,182,000	1 opportunity for preservation, rehabilitation, or acquisition
Total Action Plan Budget				\$20,810,000	