



**PROSPER**  
**PORTLAND**  
Building an Equitable Economy

**DATE:** July 9, 2025  
**TO:** Board of Commissioners  
**FROM:** Lisa Abuaf, Interim Executive Director  
**SUBJECT:** Report Number 25-24

Approving the Terms of a Loan to the Historic Portland Public Market Foundation dba James Beard Public Market, in an Amount Not to Exceed \$2,683,125 for the Renovation of Two Commercial Buildings Located at 610 and 622 SW Alder in the Westside Tax Increment Financing District

#### **BOARD ACTION REQUESTED AND BRIEF DESCRIPTION**

Adopt Resolution No. 7616

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to provide a non-programmatic, forgivable commercial property loan (Loan) to Historic Portland Public Market Foundation, dba James Beard Public Market (Borrower) in an amount of up to \$2,683,125 for the major renovation of two commercial buildings located at 610 & 622 SW Alder Street in the Westside Tax Increment Financing (TIF) District, into the James Beard Public Market (Project or Market). A Site Map can be found in Attachment A.

#### **STRATEGIC ALIGNMENT AND OUTCOMES**

This action will deliver on multiple Advance Portland objectives, including the following:

- OUTCOME 3.2: Retain and increase commercial activity and support small businesses in the Central City.
- OUTCOME 3.4: Attract more visitors through events and activation; renovation of the public realm; and support regional cultural organizations and anchors.
- OUTCOME 3.5: Support growth and health of businesses within commercial districts.
- OUTCOME 3.6: Activate vacant properties and storefronts with community-serving businesses; attract new commercial development.

#### **BACKGROUND AND CONTEXT**

The James Beard Public Market is intended to reinvigorate downtown Portland while advancing Oregon's position as a leader in the global culinary economy. The Market will honor the legacy of Portland-born chef and food writer, James Beard, by showcasing regional food producers, culinary artisans, and entrepreneurs in an inclusive, daily, year-round indoor setting.

Following more than a decade of planning and site-related challenges, the Borrower reached a key milestone in January 2025 with the \$3.0 million acquisition of the Ungar Building in downtown Portland, achieved through private philanthropic funds. The Market will form a connected, multi-level venue with the adjacent Seller Building at Southwest Sixth Avenue and Alder Street.

As a 501(c)(3) entity, the organization will support small business and community programming that aligns with the Borrower’s mission and contribute to the Market’s long-term viability as a resource for local entrepreneurs, farmers, and producers. Travel Portland estimates annual foot traffic surpassing 11 million people in neighboring Pioneer Courthouse Square, with the Market serving as a premiere destination for residents and tourists. By leveraging a diverse mix of tenants, the Borrower aims to create a sustainable model for long-term growth, self-sufficiency, and community impact.

The Market is expected to have a catalytic impact on the Central City, generating jobs, boosting small business development, and drawing both residents and culinary tourists. The Market will provide business incubation resources through onsite technical assistance and support provided by MESO and Hacienda CDC, and pop-up vendor space within a high-profile destination.

Uses for the Project are outlined as follows:

<b>Sources</b>	<b>Amount</b>	<b>Percentage</b>
Private Philanthropy (Building Purchase)	\$ 3,081,418	11%
Private Capital Campaign (Construction & Operating Funds)	\$ 11,152,670	38%
State Support (Lottery Bond Proceeds)	\$ 10,000,000	34%
Prosper Portland (Citywide Grant & Investments Fund)	\$ 3,000,000	10%
Portland Clean Energy Fund (PCEF)	\$ 2,000,000	7%
<b>Total Sources</b>	<b>\$ 29,234,088</b>	<b>100%</b>
<b>Uses</b>	<b>Amount</b>	
Building Acquisition	\$ 3,081,418	11%
Pre-Development & Soft Costs	\$ 2,303,682	8%
Hard Construction Costs	\$ 23,698,271	81%
Operating Funds	\$ 150,717	1%
<b>Total Uses</b>	<b>\$ 29,234,088</b>	<b>100%</b>

The total estimated cost for renovation of the two buildings is \$26 million. The Market has raised funds to pay for early-stage project soft costs during the past several months, including \$500,000 in grant funding from Prosper Portland. If approved, this loan would cover most of the remaining project soft costs and would be funded from the agency’s Citywide Grants & Investment Fund (CGIF), which currently has \$2.0 million allocated for the project. Staff will adjust the budget as part of FY2025-26 Budget Amendment No. 1 to transfer \$1.0 million of funds from the Strategic Investment Fund to the project allocation, per City Council budget direction, to provide the full \$3.0 million tranche of funding from the agency.

Approximately \$2.1 million in soft cost expenses will be incurred between July and October, along with approximately \$165,000 in abatement and demolition costs, which will be paid for by the Prosper Portland loan. Hard construction is scheduled to start in October, starting with the mechanical, electrical, and plumbing systems. Approximately \$450,000 of the Prosper Portland loan will be applied towards these costs, but the balance of the construction funding will come from other sources.

On June 23, 2025, the Market was informed that the Oregon Legislature approved House Bill 3377, which will provide a \$10 million allocation of lottery bond proceeds to support construction of the project. It is a direct appropriation without a sponsoring agency and discussions about how the funds will flow to the Market are underway.

The Borrower is also engaged in a capital campaign to raise \$11 million of private capital which will also be allocated for the construction project. To date, the Borrower has received commitments for \$2.5 million from private investors. The Borrower is confident that the funding commitments from the State and City of Portland will spur additional private investment in the project. The organization is seeking \$2.0 million in funding from PCEF through a proposed Anchor Destination program, which will largely be allocated to the vendor spaces.

As a High Impact project, Prosper Portland's funding will be structured as a forgivable loan, with forgiveness of principal (not interest) occurring in up to two tranches based on the accomplishment of the following project milestones:

1. Established partnership with Micro-Enterprise Services of Oregon (MESO) that provides technical assistance, vendor education, and pop-up vending opportunities, with clearly defined goals and outcomes. Forgiveness of 50% granted once MESO/Borrower provides documentation demonstrating active engagement with initial cohort of at least three vendors selected as tenants at the Market.
2. Building has obtained a Certificate of Occupancy (CoC), including completion of tenant improvements for vendor spaces. Upon verification, the remaining 50% of the loan principal will be forgiven. The Borrower will be required to pay the balance of interest drawn from the reserve during the construction period.

### **EQUITY IMPACT**

The Project is subject to Prosper Portland's Green Building and Construction Business and Workforce Equity policies together with broader potential for equitable impact through the Borrower's ownership and programming of the Market space, as outlined above.

### **COMMUNITY PARTICIPATION AND FEEDBACK**

Prosper Portland staff did not engage in community outreach specific to this proposed action.

### **BUDGET AND FINANCIAL INFORMATION**

The Citywide Grants & Investment Fund (CGIF) currently has \$2.0 million allocated for the project. Staff will adjust the budget as part of FY2025-26 Budget Amendment No. 1 to transfer \$1.0 million of funds from the Strategic Investment Fund to the project allocation, per City Council budget direction, to provide the full \$3.0 million tranche of funding from the agency (see Attachment B).

**RISK ASSESSMENT**

The Market is not yet fully funded, and securing additional capital on a timeline matching construction progress is critical to project completion. The Borrower is actively engaged in a capital campaign needed to complete construction and has demonstrated success through the property acquisition and combined \$13 million from the State and City of Portland, signaling confidence to private investors for the Market's completion and the momentum needed to ensure a successful capital campaign.

**ATTACHMENTS**

- A. Site Map
- B. Strategic Investment Fund & Citywide Grant Fund



**STRATEGIC INVESTMENT FUND AND CITYWIDE GRANT FUND**

**Financial Summary  
 Forecast**

<u>Strategic Investment Fund</u>	<u>Revision</u> FY 2024-25	<u>Adopted</u> FY 2025-26	<u>Forecast</u> FY 2026-27	<u>Forecast</u> FY 2027-28	<u>Forecast</u> FY 2028-29	<u>Forecast</u> FY 2029-30
<b>Resources</b>						
Beginning Fund Balance	53,080,686	33,632,394	23,675,403	16,519,571	7,774,238	2,270,758
<b>Revenue</b>						
Fees and Charges	50,000	50,000	50,000	50,000	-	-
Interest on Investments	1,045,578	966,136	757,887	584,946	457,470	339,707
Loan Collections	493,662	793,100	3,418,946	1,534,729	1,512,248	1,382,284
Property Sales	63,266	-	-	-	-	-
Rent and Property Income	-	1,566,559	1,066,559	1,066,559	1,066,559	1,066,559
Transfers In	5,764,808	4,100,670	-	5,000,000	-	6,540,931
<b>Total Revenue</b>	<b>7,417,314</b>	<b>7,476,465</b>	<b>5,293,392</b>	<b>8,236,234</b>	<b>3,036,277</b>	<b>9,329,481</b>
<b>Total Resources</b>	<b>60,498,000</b>	<b>41,108,859</b>	<b>28,968,795</b>	<b>24,755,805</b>	<b>10,810,515</b>	<b>11,600,239</b>
<b>Requirements</b>						
<b>Economic Development</b>						
<b>Community Economic Development</b>						
A00448-Neighborhood Prosperity Opportunity	-	864,437	-	-	-	-
A00639-Construction Equity Fund-CEF	335,000	160,000	76,093	50,000	-	-
<b>A00850-Economic Development-SIF</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Business Lending</b>						
A00217-Small Business Lending-SBL	6,680,460	2,000,000	2,000,000	1,000,000	602,342	-
<b>Economic Development Total</b>	<b>7,015,460</b>	<b>6,024,437</b>	<b>2,076,093</b>	<b>1,050,000</b>	<b>602,342</b>	<b>-</b>
<b>Property Redevelopment</b>						
<b>Commercial Property Lending</b>						
A00750-Predevelopment & Construction Loans-RELf	4,200,000	1,000,000	1,000,000	1,500,000	1,581,281	-
A00751-Acquisition & Permanent Loans-RELf	3,800,000	-	-	-	-	-
A00772-Middle Income Housing-RELf	3,800,000	3,200,000	3,000,000	3,000,000	-	-
<b>Real Estate Management</b>						
A00307-84 NE Weidler-CNV	-	-	-	20,000	20,000	20,000
A00310-Hotel Garage Operations-CNV	-	1,257,249	720,796	720,796	720,796	720,796
A00350-Cascade Station Parcel G-NOI	46,314	46,314	46,314	46,314	-	-
A00545-Cascade Station Parcel E-NOI	41,097	32,190	32,190	32,190	-	-
A00547-Cascade Station Parcel D-NOI	36,331	36,331	36,331	36,331	-	-
<b>Real Estate Predevelopment</b>						
A00752-Real Estate Investments-NOI	-	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
A00349-Cascade Station-APW	50,000	-	-	-	-	-
<b>Real Estate Disposition</b>						
A00547-Cascade Station Parcel D-APW	2,858,800	-	-	-	-	-
<b>Property Redevelopment Total</b>	<b>14,832,542</b>	<b>9,572,084</b>	<b>8,835,631</b>	<b>9,355,631</b>	<b>6,322,077</b>	<b>4,740,796</b>
<b>Total Program Expenditures</b>	<b>21,848,002</b>	<b>15,596,521</b>	<b>10,911,724</b>	<b>10,405,631</b>	<b>6,924,419</b>	<b>4,740,796</b>
<b>Personnel Services</b>	<b>107,191</b>	<b>977,093</b>	<b>768,750</b>	<b>787,968</b>	<b>807,669</b>	<b>827,859</b>
<b>Total Fund Expenditures</b>	<b>21,955,193</b>	<b>16,573,614</b>	<b>11,680,474</b>	<b>11,193,599</b>	<b>7,732,088</b>	<b>5,568,655</b>
Interfund Transfers - Indirect Charges	96,713	859,842	768,750	787,968	807,669	827,859
Interfund Transfers - Cash Transfers	2,290,640	-	-	5,000,000	-	-
Contingency	36,155,454	200,891	180,433	185,846	191,421	197,164
Reserved For Future Expenditures	-	23,474,512	16,339,138	7,588,392	2,079,337	5,006,561
<b>Total Fund Requirements</b>	<b>60,498,000</b>	<b>41,108,859</b>	<b>28,968,795</b>	<b>24,755,805</b>	<b>10,810,515</b>	<b>11,600,239</b>

**Financial Summary  
 Forecast**

General Fund	Revision	Adopted	Forecast	Forecast	Forecast	Forecast
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Resources</b>						
Beginning Fund Balance	5,204,307	3,255,765	48,188	48,193	242,742	443,127
Revenue						
City General Fund & Recreational Cannabis Tax	24,486,220	16,174,862	16,815,156	17,235,535	17,666,424	18,108,085
Fees and Charges	2,041,524	585,060	500,000	500,000	500,000	-
Grants - State & Local	889,270	80,000	-	-	-	-
Interest on Investments	79,738	48,117	5	2,881	8,717	14,729
Miscellaneous	540,000	50,000	50,000	50,000	50,000	50,000
Transfers In	16,625,495	16,463,813	12,962,613	12,794,084	13,047,046	12,002,447
Total Revenue	44,662,247	33,401,852	30,327,774	30,582,500	31,272,187	30,175,261
Total Resources	49,866,554	36,657,617	30,375,962	30,630,693	31,514,929	30,618,388
<b>Requirements</b>						
Administration						
A00005-Administration-ADM	3,758,781	3,113,790	4,670,000	4,670,000	4,670,000	4,670,000
A00011-Equity Council-ADM	170,000	146,000	-	-	-	-
A00041-Labor Relations-ADM	5,000	15,000	-	-	-	-
A00042-Employee Education Fund-ADM	26,344	20,000	-	-	-	-
A00044-Equity Policy Communications-ADM	23,000	23,000	-	-	-	-
A00543-Non-Rep Education Fund-ADM	15,000	25,000	-	-	-	-
A00549-Yardi Asset Management-ADM	15,250	5,000	-	-	-	-
A00564-Prosper Portland Central Office-ADM	1,103,589	1,110,554	-	-	-	-
A00692-Diversity Equity & Inclusion - DEI - ADM	625,875	125,875	-	-	-	-
Administration Total	5,742,839	4,584,219	4,670,000	4,670,000	4,670,000	4,670,000
Economic Development						
Business Advancement & Traded Sector						
A00454-Metals & Machinery-GEN	50,000	-	-	-	-	-
A00455-Cluster Development-GEN	150,000	648,408	664,618	681,233	698,264	715,721
A00457-International Business Dev-GEN	50,000	-	-	-	-	-
A00458-Green Cities-GEN	95,000	-	-	-	-	-
A00459-Athletic & Outdoor-GEN	95,000	-	-	-	-	-
A00461-Greater Portland-GEN	20,000	-	-	-	-	-
A00462-Technology & Media-GEN	30,000	-	-	-	-	-
A00581-Cluster Development-LCF	98,200	-	-	-	-	-
A00605-Portland Means Progress-GEN	90,000	-	-	-	-	-
A00748-Food & Beverage-GEN	70,000	-	-	-	-	-
A00753-Strategic Retention & Expansion-LCF	598,540	-	-	-	-	-
A00791-Port of Portland Ec Dev IGA-LCF	45,000	-	-	-	-	-
A00853-Office of Events & Film-CGI	-	1,400,000	-	-	-	-
Community Economic Development						
A00460-Portland Film Office-GEN	20,730	-	-	-	-	-
A00467-Neighborhood Prosperity Network-GEN	603,246	618,327	633,785	649,630	665,871	682,518
A00469-Inclusive Business Resource Network-GEN	1,504,607	1,271,606	1,256,655	1,288,070	1,320,274	1,353,278
A00471-Venture Portland-GEN	531,684	129,315	132,548	135,862	139,259	142,740
A00472-Workforce Development-GEN	1,240,585	1,085,771	1,112,915	1,140,738	1,169,256	1,198,487
A00539-Small Business & Community Development-GEN	140,000	-	-	-	-	-
A00566-Mercatus-GEN	56,080	56,080	57,482	58,919	60,392	61,902
A00569-Mercatus-LCF	21,158	10,000	10,000	10,000	10,000	10,000
A00573-Cannabis Business Development-GEN	582,900	-	-	-	-	-
A00578-Social Equity & Economic Dev Grants-GEN	926,647	-	-	-	-	-
A00608-My People's Market-LCF	161,895	40,000	40,000	40,000	40,000	40,000
A00616-Inclusive Business Resource Network Cannabis-GEN	463,873	565,328	945,898	969,546	993,785	1,018,629
A00645-Southwest Corridor-LCF	25,000	-	-	-	-	-
A00654-Portland Film Office-LCF	156,918	-	-	-	-	-
A00706-Central City TIF Analysis-GEN	100,000	-	-	-	-	-
A00707-Equitable Development Outside TIF-GEN	150,000	-	-	-	-	-
A00711-Events Office-GEN	473,143	41,202	42,232	43,288	44,370	45,479
A00712-My People's Market-GEN	56,080	56,080	57,482	58,919	60,392	61,902
A00721-Restore Program-GEN	335,881	-	-	-	-	-
A00738-Reimagine Oregon-GEN	1,649,226	1,365,593	1,183,269	1,212,851	1,243,172	1,274,251
A00747-Events & Activations-LCF	28,725	-	-	-	-	-
A00754-Reimagine Economic Development Support-GEN	112,500	-	-	-	-	-
A00758-Ice Rink-LCF	590,302	-	-	-	-	-
A00760-Ice Rink-GEN	250,000	-	-	-	-	-
A00792-Visitor Development Fund-LCF	900,000	-	-	-	-	-
A00793-Travel Portland Contract-LCF	500,000	500,000	500,000	500,000	500,000	-
A00843-Office of Small Business-GEN	200,000	40,417	41,427	42,463	43,525	44,613
Business Lending						
A00189-Business Lending-ADM	1,000	1,000	-	-	-	-
Economic Development Total	13,173,920	7,829,127	6,678,311	6,831,510	6,988,560	6,649,520
Property Redevelopment						
Commercial Property Lending						
A00358-Commercial Real Estate Lending-ADM	1,000	1,000	-	-	-	-
A00414-Commercial Property Assessed Clean Energy-ADM	-	5,500	-	-	-	-
A00769-Middle Income Housing Financial Assistance-GF	-	-	102,500	105,062	107,689	110,382
A00596-Community Redevelopment-GEN	1,900,000	-	-	-	-	-
A00713-East Portland Investment-GEN	411,892	-	-	-	-	-
A00741-Albina Vision Trust-GEN	571,524	-	-	-	-	-
A00776-Albina Vision Trust (AVT/15)-LCF	72,935	15,479	-	-	-	-
A00777-Metro Grants-LCF	789,270	10,000	-	-	-	-
Redevelopment Grants						
A00790-Repair Grant-GEN	964,119	-	-	-	-	-
A00816-Central Eastside PIP Grants-LCF	225,000	-	-	-	-	-
A00815-Lents PIP Grants-LCF	225,000	-	-	-	-	-
A00842-James Beard SAG-LCF	350,000	-	-	-	-	-
A00851-Special Authority Loans-CGI	-	1,650,000	-	-	-	-
A00854-Central Eastside PIP Grants-CGI	-	225,000	-	-	-	-
A00855-Lents PIP Grants-CGI	-	225,000	-	-	-	-
Property Redevelopment Total	5,510,740	2,131,979	102,500	105,062	107,689	110,382
Total Program Expenditures	24,427,499	14,545,325	11,450,811	11,606,581	11,766,240	11,429,002
Personnel Services	15,455,624	14,079,903	13,590,435	13,362,684	13,751,400	12,845,955
Total Fund Expenditures	39,883,123	28,625,228	25,041,246	24,969,265	25,517,649	24,275,857
Interfund Transfers - Indirect Charges	3,804,660	4,934,201	5,286,523	5,418,686	5,554,153	5,693,007
Interfund Transfers - Cash Transfers	2,100,000	3,050,000	-	-	-	-
Contingency	4,078,771	48,188	48,193	242,742	443,127	649,524
Total Fund Requirements	49,866,554	36,657,617	30,375,962	30,630,693	31,514,929	30,618,388