



PROSPER
PORTLAND
Building an Equitable Economy

DATE: July 12, 2023
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 23-24
Update on Tax Increment Finance District Exploration Processes

BRIEF DESCRIPTION OF INFORMATION ITEM

No action is requested; information only.

At the July 12, 2023, Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on tax increment finance (TIF) district exploration processes in East Portland and the Central City.

STRATEGIC ALIGNMENT AND OUTCOMES

Exploring the use of TIF in East Portland and the Central City is in alignment with Advance Portland and is a proven tool to deliver on community economic development and affordable housing objectives.

BACKGROUND AND CONTEXT

On April 26, 2023, Portland City Council adopted Advance Portland through Resolution 37617, including direction to staff to “launch tax increment finance district exploration processes, with early priority on East Portland (including 82nd Avenue), and future focus on Central City” within 90-days of Advance Portland adoption. Subsequently, on June 28, 2023, through Resolution 37623, Portland City Council directed Prosper Portland and PHB staff to “pursue analysis and creation of new Tax Increment Finance districts to advance equitable development and inclusive growth in East Portland and the Central City.”

Advance Portland, the City of Portland’s (City’s) 2035 Comprehensive Plan, and the Central City 2035 Plan highlight the importance of East Portland and the Central City and point to examples of projects that have historically been funded with and realized through TIF, both in a Central City and neighborhood context, that exemplify the power of public-private partnerships.

Beginning in early 2022, members of the East Portland Action Plan (EPAP) began convening a group of community organizations, staff from Prosper Portland and the Portland Housing Bureau, and other stakeholders to explore the use of TIF in East Portland. The group looked to the Cully TIF district as a model of stabilization, anti-displacement, and equitable growth.

The Central City has urgent needs following the COVID-19 pandemic as a shift towards hybrid work has impacted areas with a high concentration of office space. With unique access to high transit and zoning that allows for dense growth, the Central City has vast potential infill and larger scale projects that unlock affordable, mixed-income, and high-density housing together with opportunities for anchor employers, small businesses, and retailers.

City Commissioner Carmen Rubio, who oversees the City’s Community and Economic Development service area, has directed Prosper Portland and the Portland Housing Bureau to partner with community in a broad TIF exploration process for East Portland, inclusive of the area around 82nd Avenue – as well as Central City. The commissioner has directed the agencies to advance the work as far as possible before the change in City government occurs at year-end 2024. Potential outcomes of the exploration process include the creation of one or more new TIF districts, no creation of districts, or simply a message that the partners need more time for exploration.

Staff will report back to the Prosper Portland Board with future updates on both exploration processes.

ATTACHMENTS

None.