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Central City TIF Exploration Steering Committee Meeting #2

November 7, 2023

Agenda

1. Welcome

2. Public Comment

3. Considerations for TIF Revenue Modelling

- Current Market Considerations

4. TIF Plans & Investment

- Required Elements of TIF Plans
- Governance Models
- TIF Investment

5. Draft Plan Development & Next Steps

- Engagement Opportunities
- Subcommittee Meetings

***** Break *****

6. Subcommittee Breakout Discussion & Report-Out: Vision & Values

Operating Agreements

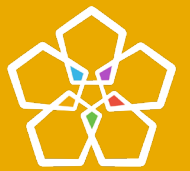
- Active participation
- Share the mic
- Question the problem vs. the individual
- Permission to make mistakes
- Intent vs. impact
- Lead with curiosity
- Commit to confidentiality
- Prioritize communities most impacted

Public Participation Guidelines

- Steering Committee meetings are open to the public
- Public invited to comment at start of meeting
- Public asked to observe and listen
- Reserve discussion / questions / activity participation to Committee members only

TIF Revenue Modelling

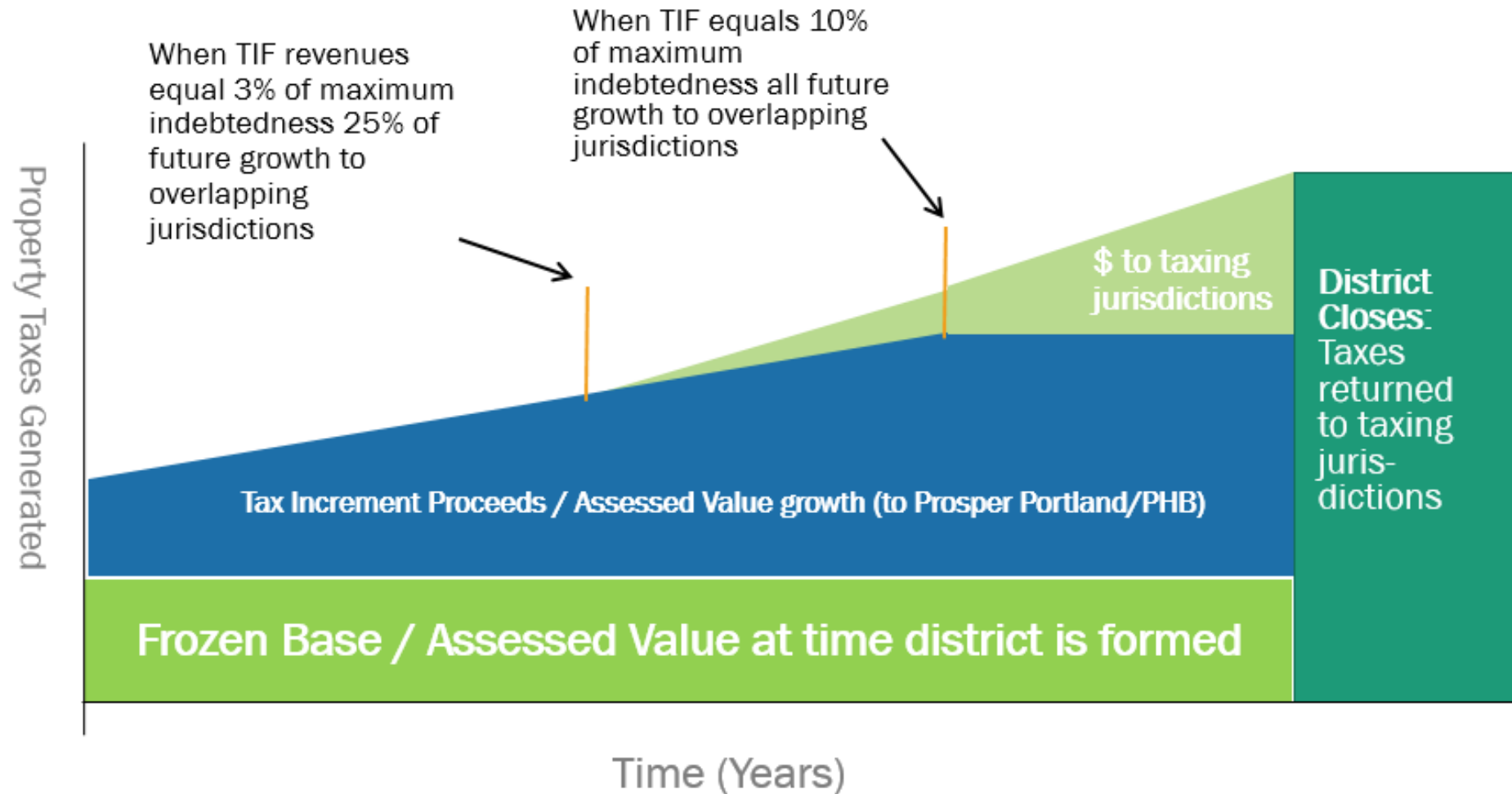
Current Market Considerations



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How TIF Works



Property Tax Structure

- Assessed Value (AV) is the lesser of the Maximum Assessed Value (MAV) and the Real Market Value (RMV)
 - MAV started as the 1995-1996 RMV less 10%. Cannot grow by more than 3% per year.
 - Rates are applied to AV
- Prior to 2023-2024 tax roll, downtown properties generally had RMVs well above AVs (typical AV/RMV ratio was ~ 0.35)
- Concern is that RMV falls enough to reduce AV
- Property Tax is $\sim 2/3$ of discretionary General Fund revenue for City and County

Assessment Model

- **Multnomah County Assessor's Property Value Model is driven by market transactions**
 - Slow decline in model values due in part to lack of market transactions
- **Distressed Sales are not market transactions**
 - But they could become model inputs with few enough market transactions
- **Newest tax roll has ~30% decline in RMV of Downtown Commercial Property**
 - Likely a multi-year process
 - MultCo AV Growth in current year without return of URA AV was 2.5% (very low)

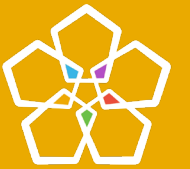
Implications for Central City TIF Districts

- At 50% decline in RMV for Downtown Office, AV still not materially impacted, but at 70% decline impact grows quickly
- Biggest impacts to AV could hit in October 2025 tax roll (right after proposed TIF District establishment)
- If AV base is frozen at TIF District establishment then AV declines or RMV remains low for prolonged period, “increment” would not be generated

Key Take-Aways & Next Steps

- Districts with predominance of office uses are most at risk; District scenarios will need to consider a balanced mix of uses
- Near-term residential development will receive tax abatements for delivery of inclusionary housing units, also impacting tax increment modelling
- Risks most impactful to next 5-10 years of financial modelling
- Stress testing will be critical

TIF Plans & Investment



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Elements of TIF Plans

INTRODUCTION – EXECUTIVE SUMMARY

SECTION 1 – BACKGROUND AND CONTEXT

- Description of TIF District, including **boundary**
- Blight Conditions
- Existing Plans and Objectives

SECTION 2 – VALUES, VISION AND GOALS

- **Values**
- **Vision**
- **Goals**

SECTION 3 – PLAN IMPLEMENTATION

- **Description of Proposed TIF Projects and Outline of Planned Major Activities**
- Maximum Indebtedness and Duration of the Plan
- Description of how the Plan relates to other Local Objectives and Plans

SECTION 4 – GOVERNANCE OF TIF DISTRICT

- **Structure for Ongoing Community Engagement**
- Future Plan Amendments

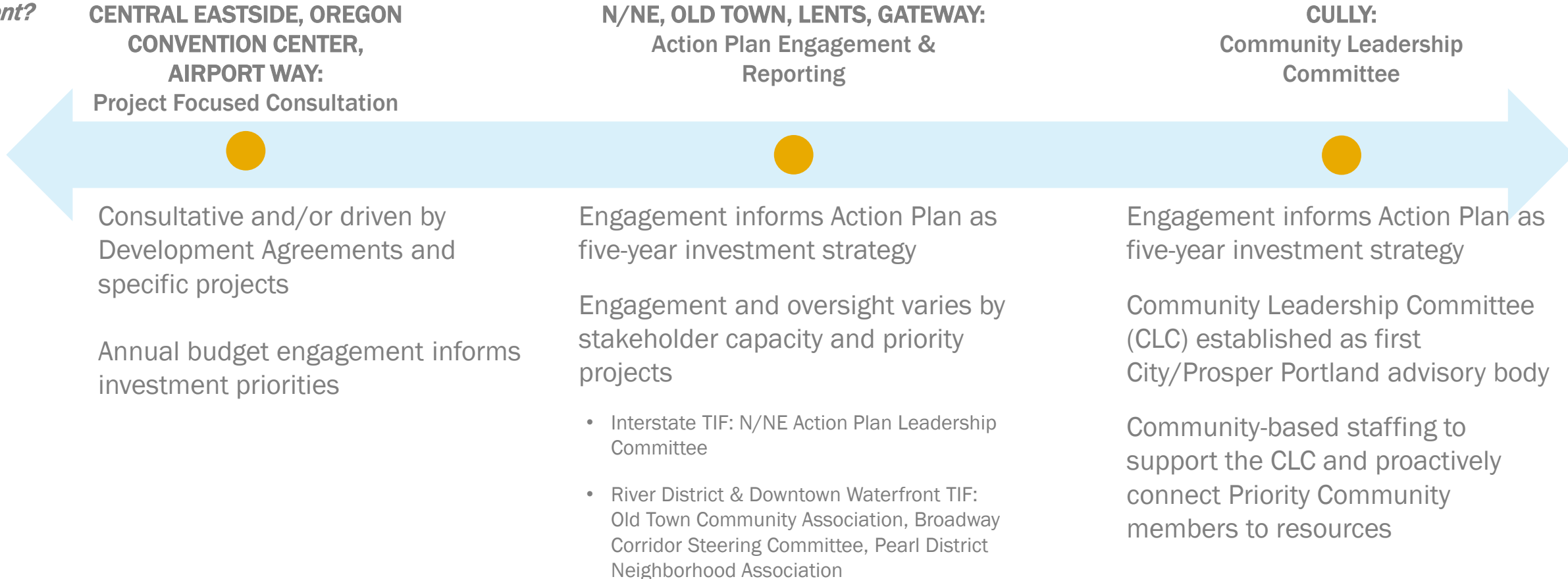
EXHIBITS TO PLAN

Different Types of Governance Models

What's similar?

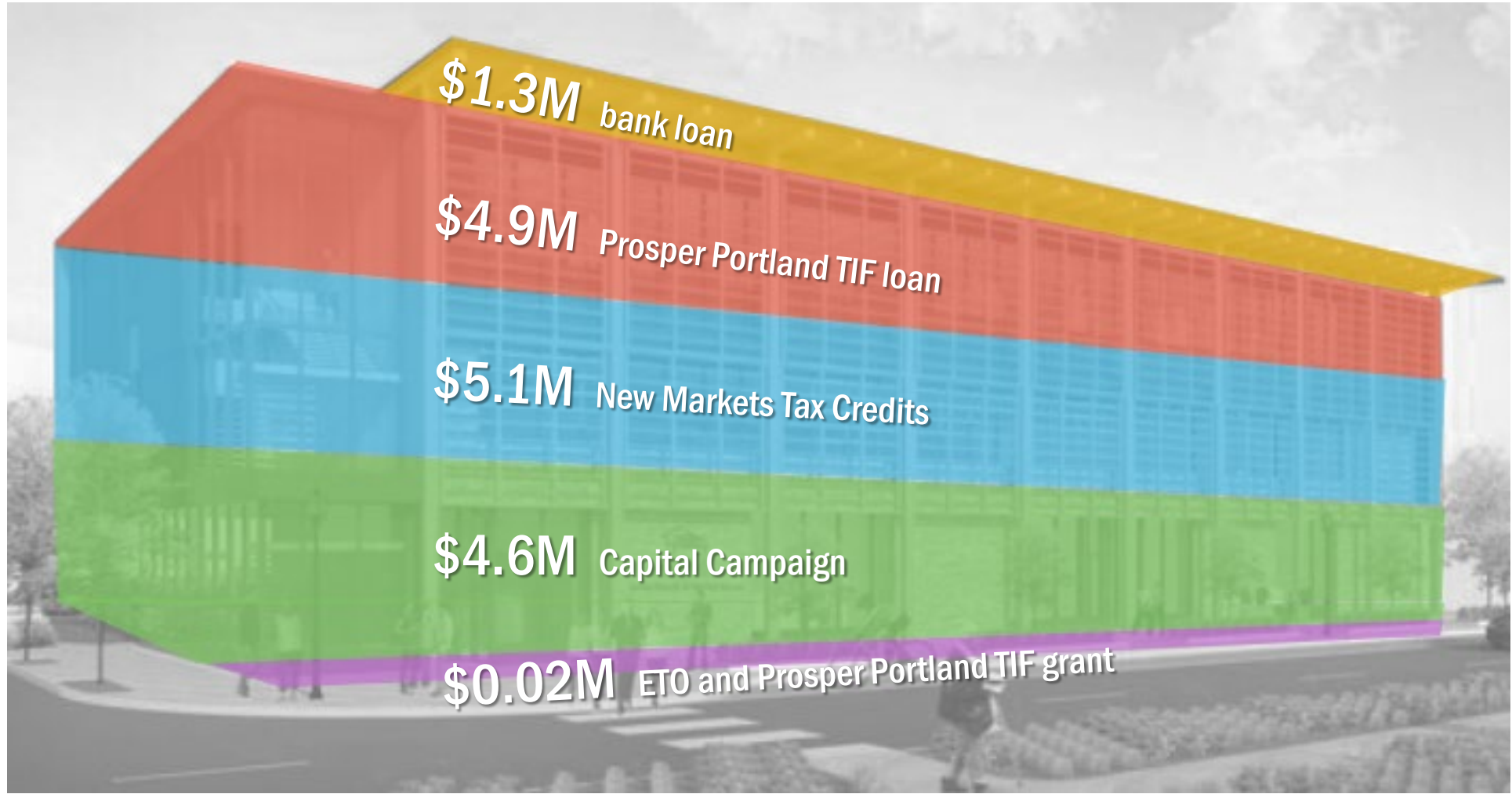
- TIF District Plan governs district geography and eligible projects
- City Council has approval authority for Plan amendments and annual budget
- Prosper Portland board and City Council have approval authority for TIF expenditures

What's different?



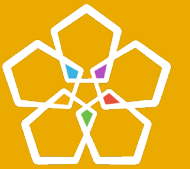
Public/Private Partnership

Asian Health & Service Center (\$16 million)



Plan Development

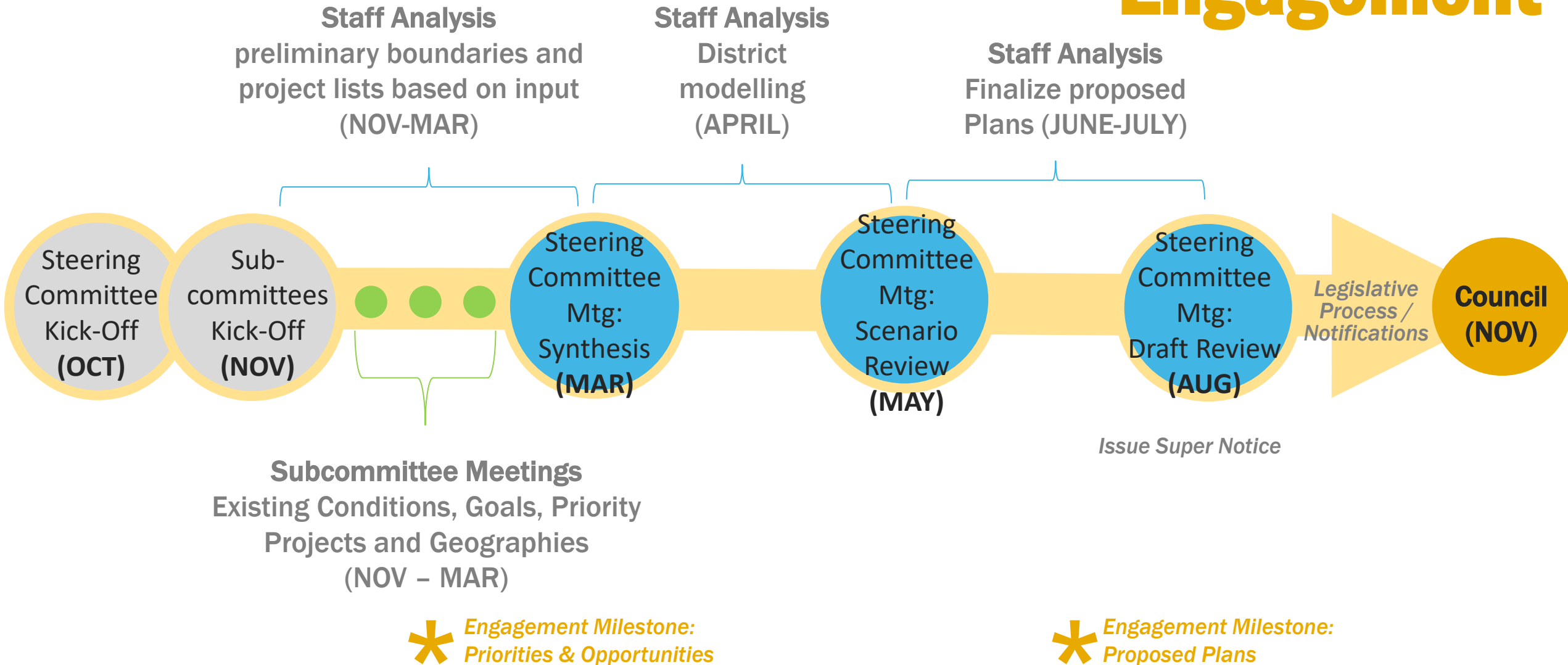
Where we are headed.....



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Timeline & Engagement



Sub-Committee Working Planning Tool

Central City TIF Exploration Business Retention & Recruitment Subcommittee – DRAFT Worksheet

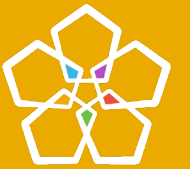
Worksheet Purpose: Subcommittees to provide recommendations for Steering Committee consideration regarding investment priorities, geographic opportunities, and community benefit [priorities](#)

1. Subcommittees to review/refine/confirm inventory from existing plans and reports		2. Subcommittees to provide draft recommendations for consideration and further synthesis by Steering Committee and Prosper Portland / City Staff		3. Subcommittees to undertake initial equity impact assessment and provide early implementation governance considerations to be further discussed by Steering Committee		
Existing Conditions	Goals	Project List	Geographic Opportunity Areas	Social Equity Considerations ¹ <i>Key considerations to inform a racial equity impact assessment</i>	Implementation Principles	Governance Considerations
				<p>1. Disproportionate Impacts: Does the proposed action capture/generate burdens (including costs), either directly or indirectly to communities of color or low-income populations? If yes, are there opportunities to mitigate these impacts?</p> <p>2. Shared benefits: Can the benefits of the proposed action be targeted to reduce historical or current disparities?</p> <p>3. Accessibility: Are the benefits of the proposed metric/action broadly accessible to households and business throughout the community particularly communities of color, low-income populations, people with disabilities, and minority/women businesses?</p> <p>4. Economic opportunity and wealth creation: Does the proposed action support opportunities for creating community wealth for communities of color and low-income populations such as through workforce development, promoting broad-based local ownership, developing local assets for the benefit of local residents, encouraging buy-local strategies, creating living wage jobs, and strengthening systems of support?</p> <p>5. Accountability: Does the proposed action have accountability mechanisms so that communities of color, low-income populations, people with disabilities, and other vulnerable communities will equitably benefit?</p>		

¹ 3 & 4 from Climate Action Plan Update 2015 Equity Considerations; 5 adapted from Democracy Collaborative for building community wealth)

Sub-Committee Discussion:

Vision and Values for use of TIF
in the Central City



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Steering Committee & Subcommittee Assignments

**Business Retention/ Recruitment Subcommittee:
Small business & anchor employers**

**Housing Production Subcommittee:
Residential In-fill & Affordability**

**Large Scale CC Opportunities Subcommittee:
Infrastructure & development**

Co-Chairs*

- Kimberly Branam/Prosper
- Monique Claiborne/Greater Portland

Brokers & Property Owners/Operators

- Lauren Peng/CBRE
- Justin Hobson/Miller Nash
- Peter Andrews/Melvin Mark

Business Organizations & Districts

- Sydney Mead/Portland Metro Chamber
- Nicole Davison Leon/Hispanic Chamber
- Jessie Burke/Old Town CA
- Carolyne Holcomb/CEIC

Anchor Businesses & Industries

- Jessica Curtis/Brookfield, Pioneer Place
- Brian Ferriso/Portland Art Museum (Travel Portland Board)
- Kurt Huffman/ChefStable (Travel Portland Board)

Design Considerations

- Brad Cloepfil/Allied Works

City of Portland & Taxing Jurisdictions

- Andrew Fitzpatrick/Office of Mayor Ted Wheeler
- Jeff Renfro/Multnomah County

Co-Chairs*

- Michael Buonocore/Portland Housing Bureau
- Damien Hall/Home Forward

Market Rate Housing Development

- Sam Rodriguez/Mill Creek
- Matt Goodman/Downtown Development Group
- Jason Franklin (VP Planning/Dev)/PSU Student Housing

Affordable Housing Development & Operations

- Stef Kondor/Related
- Mary-Rain O'Meara/Central City Concern
- Sarah Stevenson/Innovative Housing
- Eric Paine/Community Development Partners

Design Considerations

- Connie Hotovec/Gensler

City of Portland

- Christina Ghan/Office of Commissioner Carmen Rubio

Co-Chairs*

- Millicent Williams/Portland Bureau of Transportation
- Jill Sherman/Edlen & Co

Master Plan Site Owners

- Natalie King/Trail Blazers
- Erin Graham/OMSI
- Tom Kilbane, URG/Lloyd Mall

Master Plan Site Partners

- James Parker/Oregon Native American Chamber
- JT Flowers/Albina Vision Trust
- Dr. Carlos Richard/Historic Albina Advisory Board

Infrastructure & Sustainability Considerations

- Andrea Pastor/Metro

City of Portland & Taxing Jurisdictions

- Angela Rico/Office of Commissioner Carmen Rubio
- Dana White/Portland Public Schools

Sub-Committee Discussions

Vision: What TIF District areas will look like upon plan completion

Values: Core values that will guide implementation of the plans

1. Review excerpts from Central City 2035
2. When considering the use of TIF to further inclusive growth....
 - *What resonates?*
 - *What needs to change, or is missing?*
 - *Are there any geographic specific considerations that should be added?*

Sub-Committee Discussions

Sub-Committee	Location	Facilitators
Business Retention & Recruitment	Commission Room – 1 st Floor	Shea, Camille
Housing Production	Build Partnerships – 2 nd Floor	Jill, Chabre, Justin
Large Scale Development Opportunities	Love Portland – 2 nd Floor	Lisa, Brian
Co-chairs Coordination	Innovate – 2 nd Floor	Sarah, Kimberly

Meeting Schedule and Topics

✓ **October 23, 9:30-11:00**
Project Kick-Off

✓ **November 7, 3:00 – 4:30**
Kick-off Sub-Committees

3 **March 19, 10:30 – 12:00**
Synthesize Input + Preliminary Recommendations

4 **May 9, 10:30 – 12:00**
Refine Recommendations

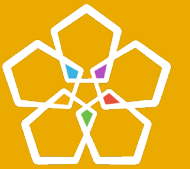
5 **August 1, 1:00 – 2:30**
Confirm Recommendations – Plans, Reports, Findings



November – March: Convene Sub-Committees ~3x
*Existing Conditions, Goals, Priority Projects,
Geographic Opportunities, Equity Lens to inform
implementation principles and governance
discussions*

Questions?

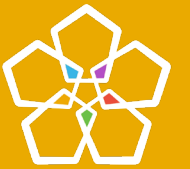
Contact Sarah Harpole at:
CCTIF@prosperportland.us



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Sub-Committee Handouts



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Housing Production

Residential Infill & Affordability

1. Review excerpts from Central City 2025
2. When considering the use of TIF to further inclusive growth...
 - *What resonates?*
 - *What needs to change, or is missing?*
 - *Are there any geographic specific considerations that should be added?*

Vision: what the TIF District areas will look like upon plan completion

- Successful dense mixed-use center composed of livable neighborhoods with housing, services and amenities that support the needs of people of all ages, incomes and abilities.
- Affordable housing supply maintains and supports the area's growing racial, ethnic and economic diversity.
- Vulnerable populations concentrated within the Central City are supported with access to needed human and health services.

Housing Production

Residential Infill & Affordability

Values: core values that will guide implementation of the plan

- Maintain the economic and cultural diversity of established communities. Utilize investments, incentives and other policy tools to minimize or mitigate involuntary displacement resulting from new development.
- Create attractive, dense, high-quality affordable housing that accommodates a broad range of needs, preferences, and financial capability in terms of different types, tenures, sizes, costs and locations. Support new housing opportunities for students, families and older adults.
- Encourage the preservation and production of affordable housing to take advantage of the Central City's unique concentration of active transportation access, jobs, open spaces, and supportive services and amenities.
- For public affordable housing resources, prioritize funding for housing programs and investment to meet the unmet needs of extremely low and very low-income households (0-50 percent MFI).
- Encourage the development of housing projects and units that are compatible with the needs of families with children.

Business Retention & Recruitment

Small Business & Anchor Employers

1. Review excerpts from Central City 2025
2. When considering the use of TIF to further inclusive growth....
 - *What resonates?*
 - *What needs to change, or is missing?*
 - *Are there any geographic specific considerations that should be added?*

Vision: what the TIF District areas will look like upon plan completion

- Economically competitive with robust and expanding business and development activity.
- National leader for innovation in business, higher education and urban development with physical and social qualities that foster and attract diverse creativity, innovation, entrepreneurship and civic engagement.
- Urban character and livability make it the leading location in the region for business and commercial activity and an attractive location for new development.

Business Retention & Recruitment

Small Business & Anchor Employers

Values: core values that will guide implementation of the plan

- Enhance business development efforts and assistance for targeted industry clusters and high growth sectors
- Strengthen the Central City as a location for job creation by addressing development issues that affect businesses and supporting economic development strategies and programs that facilitate economic growth.
- Capitalize upon the physical connections created by the Tilikum Crossing to connect Central Eastside industries with westside institutional assets such as OHSU and PSU
- Support access to and expansion of economic opportunities for all groups facing longstanding disparities, including education, housing and employment so that they can achieve equitable benefits of development and economic prosperity
- Foster long-term success and continuation of Central City industrial districts as prime locations for investment and new industrial businesses.
- Expand activities that support tourism and complement economic success, vibrancy, and livability, with a focus on retail, cultural events and institutions, public spaces, arts and entertainment, urban design, and transportation.
- Support efforts to make the Central City a competitive location for development and business location

Large Scale Opportunities

Infrastructure & Development

1. Review excerpts from Central City 2025
2. When considering the use of TIF to further inclusive growth...
 - *What resonates?*
 - *What needs to change, or is missing?*
 - *Are there any geographic specific considerations that should be added?*

Vision: what the TIF District areas will look like upon plan completion

- Dense, compact, connected network of unique neighborhoods that are inclusive, vibrant, accessible, healthy and safe, with access to essential public services, parks, open space and recreation
- Efficient and safe transportation network is maximized, emphasizing walking, bicycling and transit use. Efficient transportation of freight supports local and regional business growth. Parking is managed to optimize use of the limited supply and balance the need with other uses of rights of way.
- The Willamette River is the defining feature, framed by a well-designed built environment that celebrates views to the larger surrounding landscape, encourages east-west access and orientation and supports a range of river uses.
- Composed of diverse, high-density districts that feature high-quality spaces and a character that facilitates social interaction and expands activities unique to the Central City.
- Public realm is characterized by human-scaled accessible streets, connections, parks, open space, and recreation opportunities that offer a range of different experiences for public interaction.

Large Scale Opportunities

Infrastructure & Development

Values: core values that will guide implementation of the plan

- Design neighborhoods to support physically and socially active healthy lifestyles for all people through the inclusion of plazas, parks, open spaces, and recreation opportunities, a safe and inviting public realm, access to healthy food and active transportation, and the density of development needed to support these economically.
- Promote design solutions and construction techniques to ensure new development is compatible with existing uses.
- Develop and implement strategies to lessen the impact of freeways and transportation systems on neighborhood continuity including capping, burying or other innovative approaches.
- Improve street design and function to increase efficiency and safety for all transportation modes and the ability to meet the needs of businesses, shoppers, residents and visitors. Establish a system and standards that emphasize walking, bicycling, transit use and freight access while continuing to provide automobile access.
- Encourage redevelopment of large sites that includes new compatible uses, green buildings and infrastructure, equity considerations, scenic resource preservation, new pedestrian connections, strong street presence, and new open space amenities.
- Enhance the existing character and diversity of the Central City districts, strengthening existing places and fostering the creation of new urban places and experiences.