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Central City TIF Exploration Steering Committee Meeting #5

August 1, 2024

Agenda

1. Welcome
2. Public Comment
3. TIF District Recommendations
 - ✓ District Boundary Revisions & Names
 - ✓ Project List & Budget Allocations
 - ✓ Impacts to Taxing Jurisdictions
4. TIF District Votes
5. Next Steps



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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



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Operating Agreements

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



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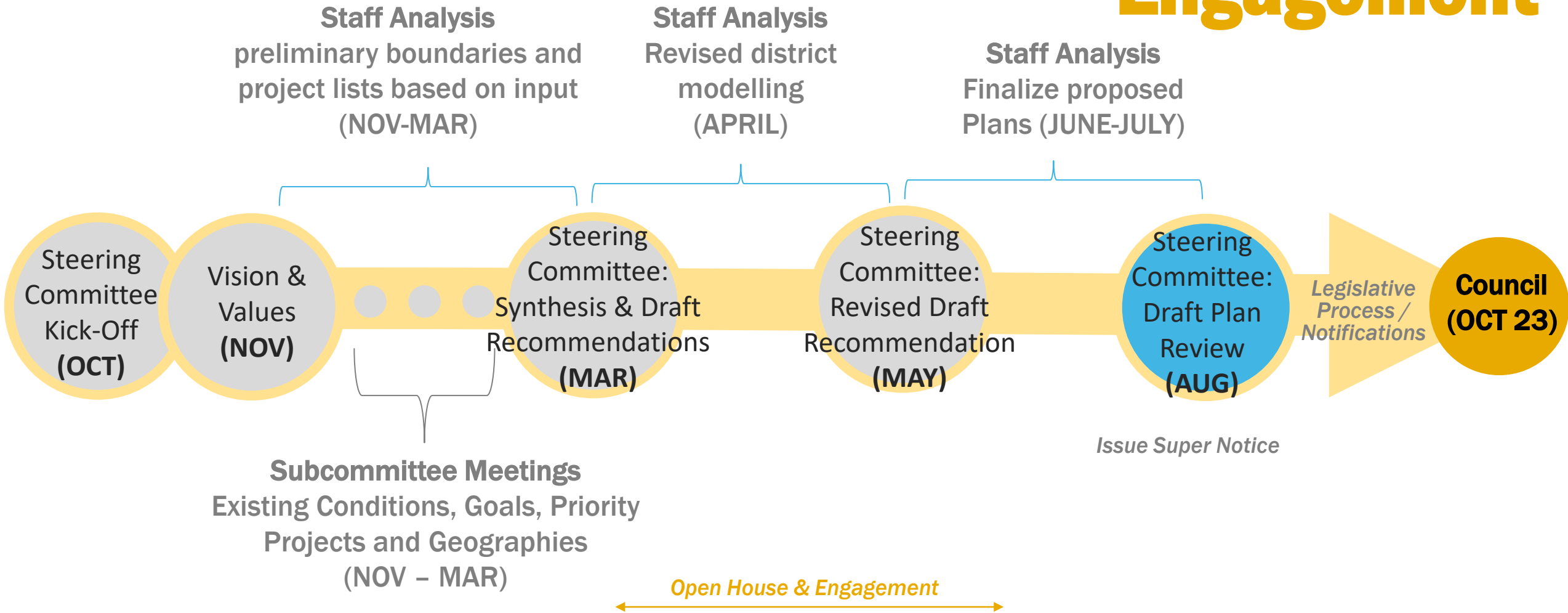
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City Council Direction

- Consider up to **1,500 acres** and **\$3.8 billion** in assessed value for new TIF districts in Central City
- Any new districts created should:
 - Acknowledge lessons learned from past TIF districts
 - Advance inclusive economic growth, entrepreneurship and job growth, equitable development, community stabilization, and housing production for a full range of income levels
 - Balancing these priorities with the financial impact to the city budget and other taxing jurisdictions
- Return to City Council in October 2024 with an update and any new proposed TIF districts that are supported by Central City Steering Committee and consistent with the above



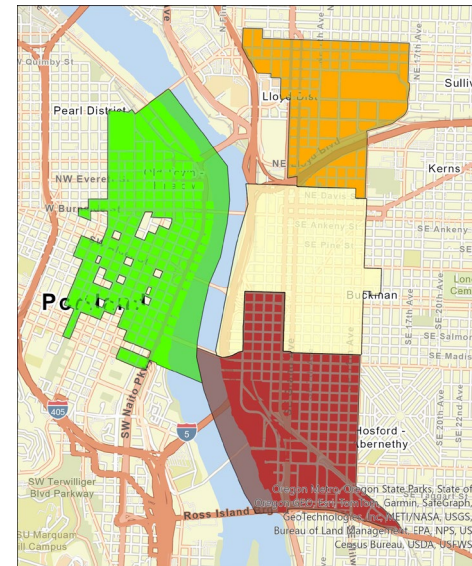
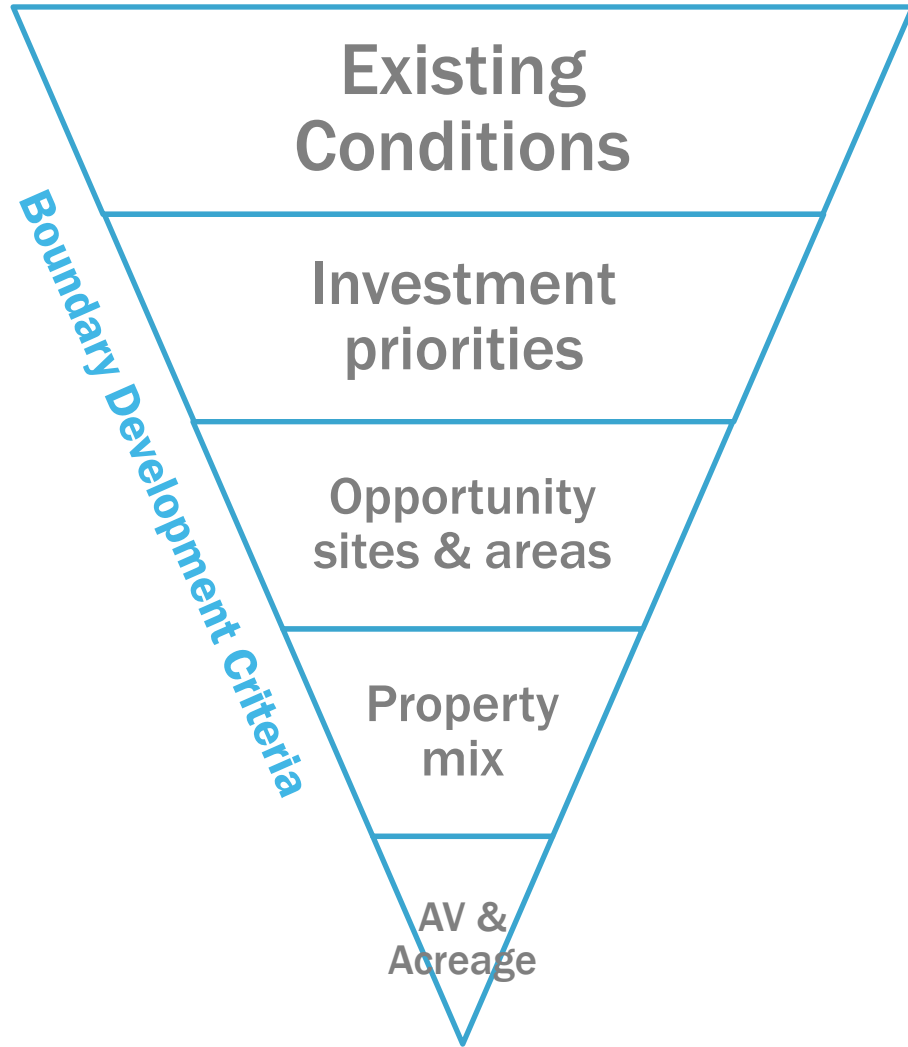
Timeline & Engagement



TIF District Recommendations

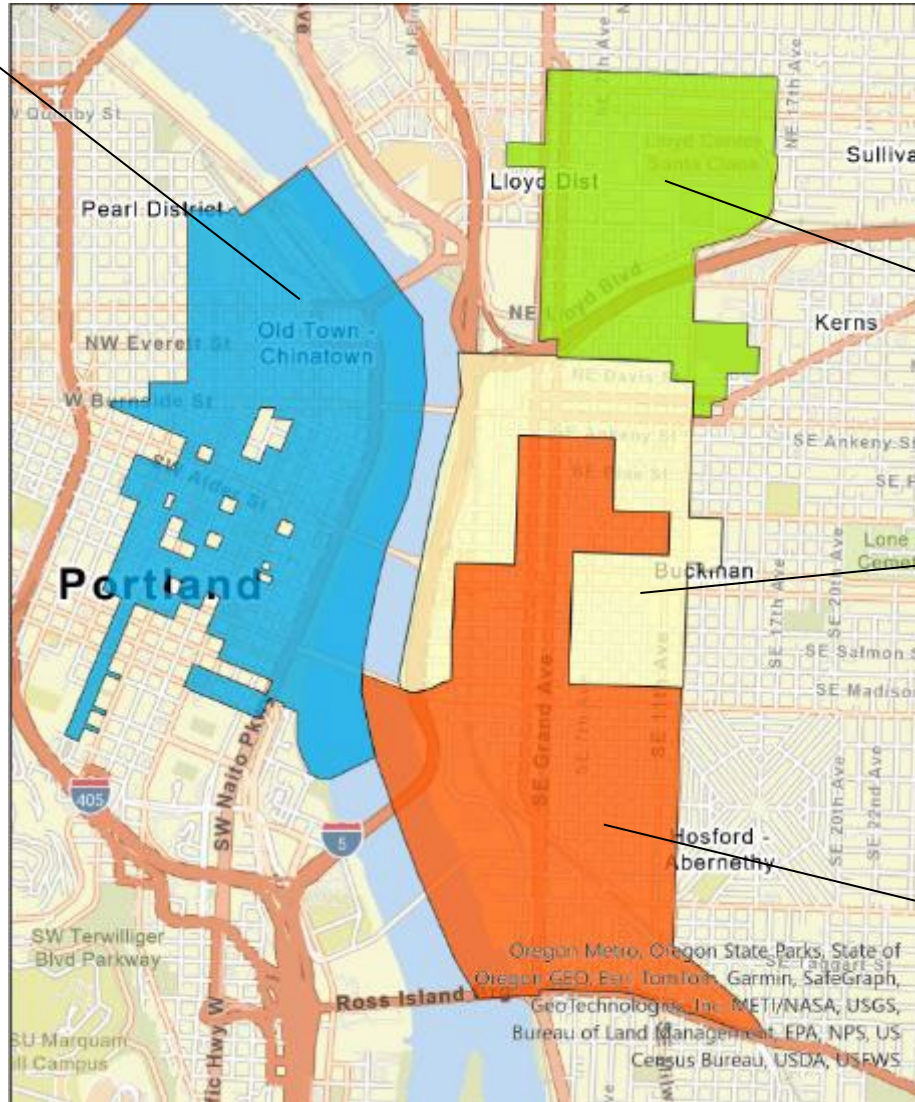
- ✓ **District Boundaries & Names**
- ✓ **Financial Modeling & Impacts to Taxing Jurisdictions**
- ✓ **Project List & Budget Allocations**

Evolution of Draft TIF District Scenarios



Final Proposed Central City TIF Districts

Westside TIF District



Lloyd-Holladay TIF District

Amended Central Eastside TIF District*

Central Eastside Corridor TIF District

* Existing Central Eastside TIF District to remain in amended/reduced geography

	AV	Acreage
Westside	\$2.4B	492
Central Eastside Corridor	\$551.4M	486
Lloyd-Holladay	\$842.9M	261
TOTAL	\$3.796B	1,239
Below/(above) target	\$4.17M	261

TIF District Recommendations

- ✓ District Boundaries & Names
- ✓ Project List & Budget Allocations
- ✓ Financial Modeling & Impacts to Taxing Jurisdictions

Priority Central City TIF Investments

Jobs & Small Business

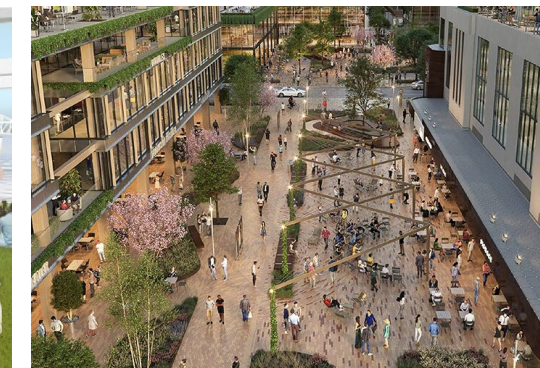
1. Recruit/retain large and traded sector anchor employers
2. Support inclusive commercial tenant options
3. Recruit/retain national retailers
4. Rehabilitation of existing buildings and new commercial spaces

Catalytic Development & Placemaking

1. Enhance accessibility, connectivity, and wayfinding
2. Create a renewed vision through placemaking, regional attractions, and activation of public spaces
3. Improve street connectivity
4. Provide utility infrastructure (water, storm, sanitary sewer)

Housing

1. Invest in affordable housing (0-60% AMI)
2. Invest in middle income housing (60-120% AMI)
3. Support conversion of office space to residential use



Financial Model

Rate of AV Growth & Debt Issuance Decisions Drive Funding Availability

District	2030 / YR 5	2035 / YR 10	2055 / YR 30
Westside	\$19M	\$94M+	\$800M
Lloyd-Holladay	\$7M	\$27M+	\$290M
Central Eastside Corridor	\$4M	\$17M+	\$200M

- Assumptions: 3% average AV growth; limited long-term borrowing first 20 years; 7% bond rates; 4% discounts/delinquencies; 5% M5 Compression
- Cash flow includes staffing and administration (~25%) and Affordable Housing Set-Aside



Central City District Priorities

Investment Priorities & Allocations	Westside	Lloyd	CES Corridor
Economic & Urban Development (35%) <ul style="list-style-type: none"> Commercial Renovation, Seismic, New Development Recruitment and Retention Tenant Improvements Regional Assets & Destinations Middle Income Housing (60-120% AMI), conversions 	\$259M	\$94M	\$65M
Affordable Housing (45%) <ul style="list-style-type: none"> 0-60% AMI Preservation and New Development 	\$333M	\$121M	\$84M
Infrastructure (20%) <ul style="list-style-type: none"> Parks, Open Space, Public Realm Enhancements Street and Utilities to Support Vertical Development Signage, Connectivity & Accessibility 	\$148M	\$54M	\$37M
SUBTOTAL*	\$741M	\$269M	\$187M

* Total resources for capital investments net of admin and financing costs.



Potential Outcomes: Central City Districts

	Central City TIF Investment	Estimated Outcomes
Affordable Housing* <ul style="list-style-type: none"> • Preservation & development of affordable rental • Homeownership repair and down-payment assistance • Houselessness community services 	\$538M	2,150 - 3,500 units
Economic & Urban Development <ul style="list-style-type: none"> • Commercial property acquisition, development & renovation • Small business and traded sector retention & growth • Neighborhood services and amenities • Arts and culture, including regional assets • Middle-Income rental housing (60-120% AMI) 	\$418M	608 to 912 small business served; 7,600 to 13,300 jobs supported
Infrastructure <ul style="list-style-type: none"> • Street and utilities • Wayfinding, connectivity & accessibility • Public parks & open spaces • Public recreational investments 	\$239M	Regional & local community serving infrastructure: e.g. Waterfront Park, Green Loop, Master Plan site development

** In accordance with policy: rental housing created and preserved focused on 60% AMI units & homeownership housing focused on 80% - 100% AMI or less depending on home size.*



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Who Decides?

- **Prosper Portland Board (55% Economic & Urban Development Resources) & City Council (45% Affordable Housing Set-Aside Resources)** authorize project spending and annual budgets
- **Ad hoc Action Plan Committees** create 5-year Action Plans to determine investment priorities, ongoing oversight, and reporting
- **District-specific ad hoc committees** to include private sector and community representatives

Westside	Central Eastside Corridor	Lloyd-Holladay
<ul style="list-style-type: none"> • Portland Metro Chamber/Downtown Retail Council • Downtown Clean & Safe ESD • Old Town Chinatown, River District, Downtown Neighborhood/Community Associations • Greater Portland, Inc 	<ul style="list-style-type: none"> • Central Eastside Industrial District • Central Eastside Together ESD • OMSI Master Plan partners <ul style="list-style-type: none"> • OMSI • NW Native Chamber • Columbia River Inter-Tribal Fish Commission • PCC, Opera etc. • Hand, Buckman Neighborhood Associations 	<ul style="list-style-type: none"> • Go Lloyd • Lloyd ESD • Central Eastside Industrial Council • Lloyd Mall Master Plan partners • Lloyd EcoDistrict • Neighborhood resident representation: Lloyd Community Association, Kerns Neighborhood Association • Small business representation along Broadway /Weidler couplet

All districts: culturally specific chambers of commerce (Hispanic Metro Chamber, PACCO, Black American Chamber of Commerce), affordable housing stakeholders, property owners, developers/brokers (e.g. BOMA, NAIOP, ULI, Oregon Smart Growth), anchor institutions/employers, residents, small business owners

Property Tax Assessment Considerations

The Risk:

- Frozen base with current Assessed Value is established but then Assessed Value declines further or Real Market Value remains low for prolonged period – so no tax increment is generated
- Risk is most significant for Westside TIF District
 - Newest tax roll has ~30% decline in RMV of Downtown Office Property;
 - Preliminary FY24/25 forecast show a potential decrease in AV because of RMV declines

Potential Impact:

- Delayed funding available in impacted TIF districts

Steps Taken to Plan for and Mitigate Risk:

- Used FY23/24 assumptions (instead of customary anticipated increase) for all TIF models
- Actual Frozen Base will be set in Nov. 2024, using FY 24/25 AV instead of FY23/24 AV
- District scenarios include a balanced mix of uses
- Model anticipates conservative 3% growth over life of district

TIF District Recommendations

- ✓ District Boundaries & Names
- ✓ Project List & Budget Allocations
- ✓ Financial Modeling & Impacts to Taxing Jurisdictions

Central City TIF District Explorations

Impact on Taxing Jurisdictions -Revenue share 2038 to 2042 depending on district

General Government (Low to High Range)

	Westside	Lloyd	CES Corridor	Central City Total	Average Annual
City of Portland	\$196M-\$243M	\$71M-\$85M	\$49M-\$56M	\$316M - \$384M	\$24M
Multnomah County	\$185M-\$230M	\$67M-\$81M	\$46M-\$53M	\$299M - \$365M	\$23M
Mult. Co. Library	\$52M-\$64M	\$19M-\$23M	\$13M-\$15M	\$84M - \$103M	\$7M
FPDR Fund	\$119M-\$148M	\$43M-\$52M	\$30M-\$34M	\$192M - \$234M	\$15M
Other (Metro, Port, East MS&C)	\$10M-\$13M	\$4.1M-\$5M	\$2.9M-\$3.3M	\$17M - \$21M	\$1.4M
SUBTOTAL	\$564M-\$698M	\$205M-\$246M	\$141M-\$162M	\$900M-\$1.1B	\$70M



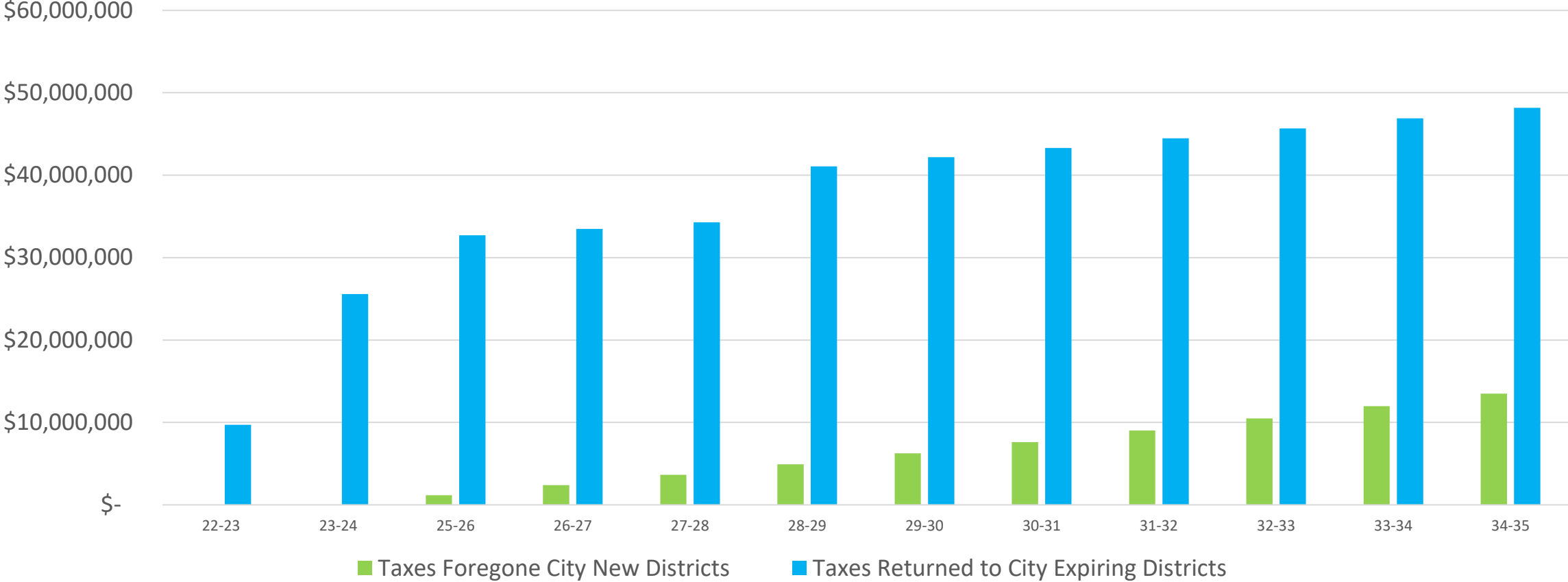
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City of Portland General Fund

Estimated Taxes Foregone vs. Returned



Impact in First 10 Years:

Taxes returned from expiring districts	\$448M
<u>Taxes foregone – new districts</u>	<u>\$71M</u>
Net taxes returned:	\$377M

Through 2059, there is a positive net impact of \$1.3B with 3% avg growth on most of the returning TIF

Central City TIF District Explorations

Impact on Taxing Jurisdictions -Revenue share 2038 to 2042 depending on district

K-12 Education (with SSF backfill, constant ADMw)

	Westside	Lloyd	CES Corridor	Total Central City Impact	Average Annual
Portland Public Schools	\$16.2M-\$20M	\$5.8M-\$7.0M	\$4M-\$4.6M	\$26M - \$31.7M	\$1M-1.2M

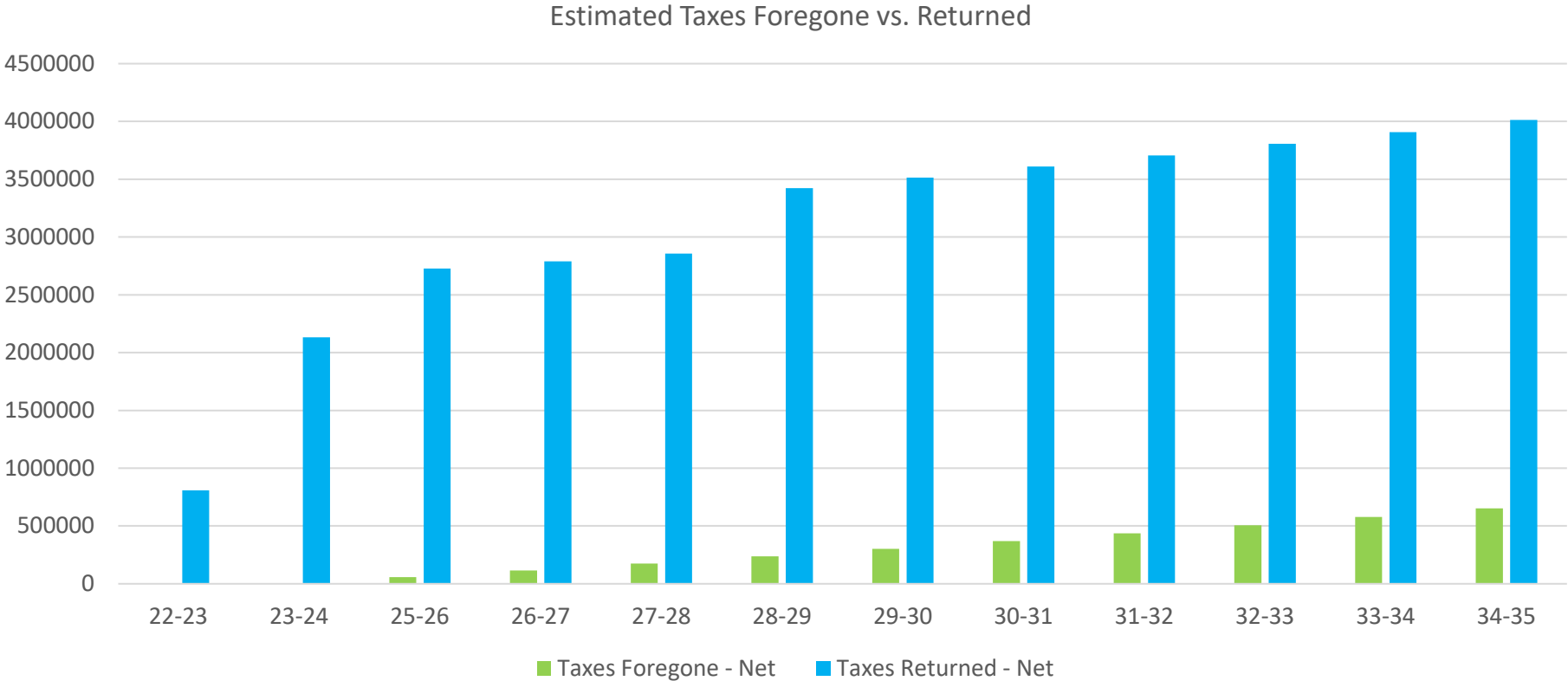


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Portland Public Schools – Net Impact



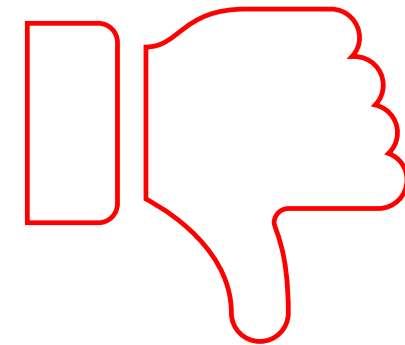
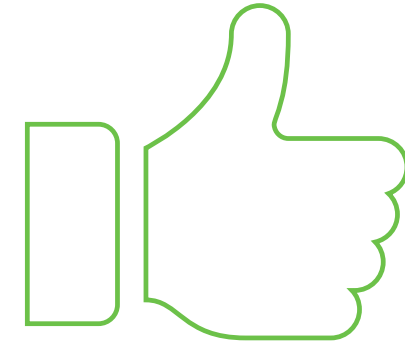
Impact in First 10 Years:

Taxes returned from expiring districts	\$37.3M
<u>Taxes foregone – new districts</u>	<u>\$3.4M</u>
Net taxes returned:	\$33.9M

Through 2059, there is a positive net impact of \$130M

Discussion & Vote

- ✓ Westside TIF District
- ✓ Lloyd-Holladay TIF District
- ✓ Central Eastside Corridor



Immediate Next Steps



Action Planning Process *(if approved)*

1. Prosper Portland & Portland Housing Bureau Establish Ad Hoc Committee *(early 2025)*

- Who participates?

2. Draft Action Plan (2025 - 2026)

- SWOT Analysis
- Determine 5-Year Budget
- Identify Near-Term Investment Priorities
- Prescribe On-going Reporting & Oversight

3. Prosper Portland Board & City Council Approval of Action Plan



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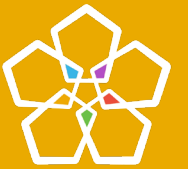
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Upcoming Milestones

Activity	Date
Prosper Portland Board Vote	August 28
Consult and Confer Period	September 4 – October 19
Report to Multnomah County Commission	September 17
Planning Commission Hearing & Recommendation	September 10 & October 8
City Council Public Hearing	October 23
City Council Vote on Plan Adoption	October 30



Thank you!



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