

East Portland TIF Exploration – Parkrose-Columbia Corridor
Summary Notes – July 9, 2024

Committee Members: Colleen Johnson, Bill Kent, Corky Collier, Lin Felton, Annette Stanhope, Danell Norby, Dave Ganslein, JR Lilly

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Summary Meeting Notes

1. Camille Trummer welcomed committee members and reviewed the meeting goals and agenda.
2. Camille reviewed the process and timeline for the next steps moving toward a decision to move forward or not.
 - a. *Question:* What does the working group vote look like? If the working group requests more time, what does that process look like? *Answer:* The vote is a structured vote for each individual working group member to cast their vote to see what consensus is. No matter the outcome of the vote to move forward or not, whatever the majority vote is, it is acceptable. If there is a need for more time, the project team would create a document or report to share with Prosper’s Board and City Council. Transparently, if there is a delay in deciding to move forward there is uncertainty around prioritization with the new council and form of government and there would need to be additional budget and staff capacity identified for the continued exploration.
 - b. *Comment:* The letter of intent can look like a number of things, but it is meant to communicate how the working group would like to move forward.
 - c. *Comment:* If the timeframe is pushed beyond this month, the establishment of a TIF district and associated accrual of revenue moves from July 1, 2025 to July 1, 2026.
3. Camille opened the conversation to the working group to discuss the plan and encouraged members to share any reactions, feedback, comments, questions, or concerns.
 - a. *Comment:* One thing is that the plan reads like a catalogue of things that people have mentioned that they want to see in the area but in terms of what is implemented and when, it feels nebulous. Acknowledging that this is supposed to be outlined in the action plan.
 - b. *Comment:* The TIF plan is meant to outline the macro level intention of the district, and the action plans will get into the details you are looking for. It is a cookbook that outlines the recipes that the action plan can put on the menu.
 - c. *Comment:* Even a recipe book doesn’t include every recipe, there is still refinement for what you can choose from. For example, the values, vision, and goals which ones are the priorities? Some of them seem to overlap. How are they prioritized?
 - d. *Comment:* The vision, values, and goals were developed through in-depth conversations with the working group in March. They are numbered for reference, not for prioritization because TIF districts can cover a pretty broad range of investments.
 - e. *Questions:* Regarding priorities, the first five years would be stabilization focused investments, is that something that is baked into the plan? *Response:* This is baked into the implementation principles. It is a guideline to think about phasing projects to focus

on stabilization and working with the best practices for equitable development to avoid displacement. This is how the TIF District Plan and Action Plan interact.

- f. *Question:* Stabilization can be both economic development and can be wealth generation through land ownership or affordable housing? *Response:* It can be even more than that including affordable commercial space. What those activities look like can be outlined in the Action Plan based on what the community needs. The Action Plan also includes outcome measures to track specific investments and outcomes.
- g. *Question:* What is the mechanism that keeps the economic vibrancy and housing stabilization balanced? *Response:* Your investments and the outcomes you want to achieve will be that balance. In action planning, the community decides the balance for what should be funded.
- h. *Question:* If there is an opportunity for concentrated affordable housing within the five-year plan but the committee says it wants to focus on small business, how does that get decided? *Response:* The Nick Fish is a good example, there is the 45% set aside for housing and there are economic development funds going into the ground floor to support small businesses. Those types of projects happen over many years of planning, it is not often a strike-while-the-iron-is-hot situation.
- i. *Comment:* When properties come up for sale and there is an opportunity to purchase/develop, it goes to the community committee to decide and allocate budget. Buying property, identifying what the community wants to see, and developing it is at least a 5-year process.
- j. *Question:* If there is a five-year action plan, is there concern around pivoting priorities as opportunities arise? *Response:* It is a balance of the economic forces of growth and stabilization.
- k. *Comment:* The balancing will happen through action planning but there is funding for both things which enables comprehensive and collaborative planning to make budgets match. That is why TIF is a tool to help create balance over time and be responsive to the market and the community.
- l. *Comment:* There is a lack of commitment from Prosper outlined, it feels like a lot of responsibility is put on community. The financing tool element, how staffing is paid for is not spelled out anywhere or what the process for that looks like. TIF funds are going to Prosper without any outline for what it should be used for.
- m. *Question:* Are you looking for more specificity for the roles that each entity is playing or are you looking for accountability measures? *Response:* More accountability. There needs to be clarity of what is Prosper's role and what the community's role is.
- n. *Comment:* There is a document that PHB created that could be helpful to share. There is a budget process that is set forward by the Board and City Council that goes through a community committee. For any investment or program that Prosper has, there is an outlined guideline and standards for what is an eligible expense and a particular approval process. There are public procurement requirements.
- o. *Comment:* Some kind of reference for this in the document would be good.
- p. *Comment:* The governance charter really outlines how Prosper and Portland Housing Bureau are accountable to community and what commitments are made for TIF investments.

- q. *Question:* How are administrative costs allocated? *Response:* Approximately 15% usually and it could be higher. It varies based on how much time staff are spending working for the district. There are loan underwriters, grant administrators, a district project manager, staff working with committees and ensuring alignment with community priorities and all of these folk's bill time to the district based on how much time they spend working on the TIF district related projects.
 - r. *Question:* Who will vote on moving forward or not? *Response:* Working group members will vote. There is a question around if working group members who have been missing from all previous meetings should be able to vote.
 - s. *Comment:* It feels like this conversation has been going over a lot of what has happened in the past.
 - t. *Comment:* A lot of the document is not surprising because this is what the working group has been talking about for months. Staff did a great job capturing the conversation and priorities. Will add more comments on section 4 to expand some of the language.
 - u. *Comment:* Concerns in the governance document about accountability and getting down to a granular level for audits and budgeting. Understood that budget goes to the Board and to Council but is there an audit at the end of each or at the end of five years?
 - v. *Comment:* There is an annual report that goes to City Council that outlines how money was spent and the outcomes of those investments. The report is developed by the committee to be presented to City Council, Prosper's accounting staff is available to do the accounting work but it is possible to use an outside accounting team if that is deemed necessary. The committee could identify someone, and it would come out of TIF dollars to fund that work. There is a complete audit every year for Prosper Portland and the Portland Housing Bureau which is public and in-depth.
 - w. *Question:* How does outcome analysis work specifically for the anti-displacement work? *Response:* The language you are referring to is an attempt to get at a suggestion for an anti-displacement study from a working group member and it was included to address requests for more specificity in the committee's process. The idea would be for Prosper/PHB to provide information prior to investment, there are some things to pull into conversations as folks learn more about displacement. It is tricky to measure and there are some best practices to learn from. It is important to ask these questions and be intentional about addressing potential issues, even if a specific tool or template is not yet available.
 - x. *Comment:* There is value in calling it out even without having a specific template or tool but highlighting that this is part of the committee's process to ask the question.
4. Camille asked working group members to provide an update on how they want to utilize the next 1-2 meetings.
- a. *Comment:* At the last open house, there was a conversation about how this could help prevent certain things from being funded but it seems more like this is a tool to get what the community wants to see.
 - b. *Comment:* This tool is not intended to stop particular types of development, the comprehensive plan is a better tool for that. This tool is specific to a particular

geography and the types of projects to meet community needs and using these funds to support that development.

- c. *Question:* Is there any community sentiment that this group needs to be sensitive to? *Response:* Manage expectations. This is a funding mechanism tool to incentivize certain things to happen while stabilizing community, attempt to counter displacement, and meet community needs.
 - d. *Comment:* Given that this is the only district with industrial zoning and almost everything is allowed in industrial zoning, that makes this agreement special. For example, Prologis is a development that would be allowable in this zoning. Prologis says look at the benefit to the community for all the jobs we are creating for this community, on the other side, the community says wait those jobs come with a cost. Trying to see the balance with how that conversation happens with the two different zoning areas.
 - e. *Comment:* There is a conflict between people who want to see investment in the industrial area and those who don't. There is some mutual benefit between the residential areas and the industrial areas. There is anxiety around where the money will flow to between the two areas, TIF as a tool is a carrot not a stick, it is meant to incentivize the desired development and ability to dictate in the project list what should be incentivized.
 - f. *Comment:* Warehousing can be excluded from the project list to avoid TIF funding that type of development. Be specific about what you do not want to see investment in in the project list. TIF is not a tool to stop private funding but there is power in what TIF funds can be used for in the TIF plan.
 - g. *Comment:* If you think about the impact that TIF has on the market is that projects that are eligible in the plan show that those are incentivized in the market.
 - h. *Question:* What do you count as a cost? What about non-monetary costs? Pollution for example. How do you incorporate the cost of pollution on residents? *Response:* Holistically, look at what is outlined in the plan. The climate resiliency, sustainability, and environmental justice pieces included in the plan are there to get at this point. There are clear terms about wanting to see a healthy, climate resilient area.
 - i. *Question:* With respect to future plan amendments, would it be possible if a neighborhood opted out for the council to put part or all of the neighborhood back into the TIF? *Response:* These are elected representatives that could do that, but it is uncertain if they would. They would have to go through the legislative process to do so.
 - j. *Question:* Suppose a neighborhood opted out and TIF is created without the neighborhood, could those TIF funds be expended outside of the TIF district? *Response:* No. Money generated in the area cannot be spent outside of the area.
 - k. *Question:* The community leadership committee would be held to public meeting and conflict of interest requirements? *Response:* Yes.
5. Camille affirmed the committee will have two more meetings and encouraged working group members to continue to add comments to the plan, as well as reviewed the next steps.
- a. *Question:* There are additional technical documents to support the plan, will those be available for review next week? *Response:* The issue is that this district has not finalized boundaries so the consultants putting together the report have not been able to pull

data for this district. It may not be ready by next week but the reports from the other East Portland districts will be uploaded to basecamp soon.