



**DATE:** August 28, 2024  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 24-38  
Approving Amendments to Three Urban Renewal Plans

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

Adopt Resolution Nos. 7561, 7562, 7563, 7564, 7565

These actions by the Prosper Portland Board of Commissioners (Board) will approve amendments to three urban renewal plans and reports:

1. Central Eastside
2. Lents Town Center
3. Interstate Corridor

If approved, these technical actions, as well as those in Report 24-37 immediately preceding on the August 28, 2024, agenda will: i) ensure that Prosper Portland complies with Oregon Revised Statutes (ORS) Chapter 457 limits on the amount of assessed value and land area that may be located within tax increment finance (TIF) districts throughout the City; and, ii) allow the Prosper Portland Board to consider approving actions in Report 24-39. Furthermore, they will allow Prosper Portland to maintain its commitments to projects and programs in these three districts.

### **STRATEGIC ALIGNMENT AND OUTCOMES**

These actions deliver on the following Advance Portland objectives:

- Increase Mixed Income Housing in Subdistricts with a Lack of Residential Use and Imbalanced Mix of Uses
- Retain and Increase Commercial Activity and Support Small Businesses in the Central City
- Catalyze Public-Private Partnerships to Unlock Infill Development of Large Scale Mixed-Use, Mixed-Income Sites with High Transit Accessibility
- Activate Vacant Properties and Storefronts with Community-Serving Businesses; Attract New Commercial Development
- Address Housing Production Across a Continuum of Affordability

### **BACKGROUND AND CONTEXT**

On June 28, 2023, Portland City Council through Resolution 37623 directed Prosper Portland 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.” The resolution further stipulated that:

- The East Portland TIF exploration process shall consider up to 7,500 acres of available land area and up to approximately \$6 billion in available assessed value for up to three new districts, including a potential district along 82nd Avenue to support the City's parallel investments in transportation improvements; and
- The Central City TIF exploration process shall consider up to 1,500 acres of available land area and up to approximately \$3.7 billion in available assessed value for new TIF district(s).

Since that time, at the direction of Commissioner Carmen Rubio, staff have convened steering committees to oversee the East Portland and Central City exploration processes that have led to six proposed new TIF districts that will be considered by the Prosper Portland Board in Report 24-39 later in its August 28, 2024, agenda.

ORS 457.420(2)(a) requires that municipalities with a population greater than 50,000 must limit the total amount of land area and assessed value within TIF districts to no more than 15 percent of the total land area and assessed value of that municipality. In order for the Prosper Portland Board and, ultimately Portland City Council, to consider the creation of the six new TIF districts, eight existing TIF districts, as described in Report 24-37 must be terminated to ensure the land area and assessed value located within all new and existing TIF Districts remains below the 15 percent limit.

In order to comply with the ORS 457.420(2)(a) limits, staff are also recommending amending the Central Eastside, Lents Town Center, and Interstate Corridor plans to release additional acreage and assessed value. Amending these plans will help allow for the creation of new districts described in Report-CREATING, while maintaining existing financial commitments.

**Central Eastside.** Staff are proposing two technical amendments to the Central Eastside Plan: i) amend and simplify language in the Central Eastside Plan to better align with the requirements set forth in ORS 457.220 that govern amendment authority, and ii) reduce the boundary to 292 acres, releasing the total assessed values and total land area located within all tax increment finance districts in the city of Portland under ORS 457.420(2). An amended Central Eastside Plan map can be found in Attachment B.

The actions to amend the Central Eastside Plan will allow Prosper Portland to invest its remaining TIF resources in the multi-phased Workshop Blocks project and provide grant and loan resources to small businesses and property owners.

**Lents Town Center.** Staff are proposing two technical amendments to the Lents Town Center Plan: i) amend and simplify language in the Lents Town Center Plan to better align with the requirements set forth in ORS 457.220 that govern amendment authority, and ii) reduce the boundary to 2,036 acres, releasing the total assessed values and total land area located within all tax increment finance districts in the city of Portland under ORS 457.420(2). An amended Lents Town Center Plan map can be found in Attachment B.

The actions to amend the Lents Town Center Plan will allow Prosper Portland to invest its remaining TIF resources in 92<sup>nd</sup> & Harold and Lents Commons, while continuing to provide resources to small businesses through the Prosperity Investment Program.

**Interstate Corridor.** Staff are proposing one technical amendment to the Interstate Corridor plan, terminate the division of ad valorem property tax revenues pursuant to ORS 457.420. This action will have no impact on the ability of Prosper Portland and the Portland Housing Bureau to maintain its commitments to the N/NE Community Development Action Plan and N/NE Housing Strategy, respectively. The existing Interstate Corridor Plan map can be found in Attachment C.

### **EQUITY IMPACT**

Amending these three districts is critical in allowing Prosper Portland and the Portland Housing Bureau to continue to support community economic development and affordable housing for decades to come across the city of Portland. Furthermore, they maintain the ability to deliver on existing financial commitments as described above.

### **COMMUNITY PARTICIPATION AND FEEDBACK**

**Central Eastside.** As part of Prosper Portland’s engagement with the Central Eastside Industrial Council’s Land Use Committee over the annual budget process and through discussions with other stakeholders in the district, staff recommended continuing to provide resources to small businesses and property owners within the amended district for a period of time as they will not be included within the new proposed TIF district. In addition, Prosper Portland still owns assets in the amended area and will use TIF to support the redevelopment of the Workshop Blocks.

**Lents Town Center.** Through a series of one-on-one conversations with small business owners and non-profit organizations in Lents over the course of the past year, staff identified the need to continue to provide resources within the amended Lents Plan boundary as well as those areas no longer included within a TIF district. Partners expressed continued support for Prosperity Investment Program Grants that catalyze redevelopment of long underinvested storefronts and buildings, particularly along SE Foster Road between SE Powell Boulevard and 82<sup>nd</sup> Avenue.

**Interstate Corridor.** On July 31, 2024, staff met with members of the N/NE Leadership Committee to provide context on the broader TIF exploration process and share that the Interstate Plan amendment would have no effect on investing in priorities outlined in the N/NE Community Development Action Plan.

### **BUDGET AND FINANCIAL INFORMATION**

There are no budget impacts related to these Prosper Portland Board actions.

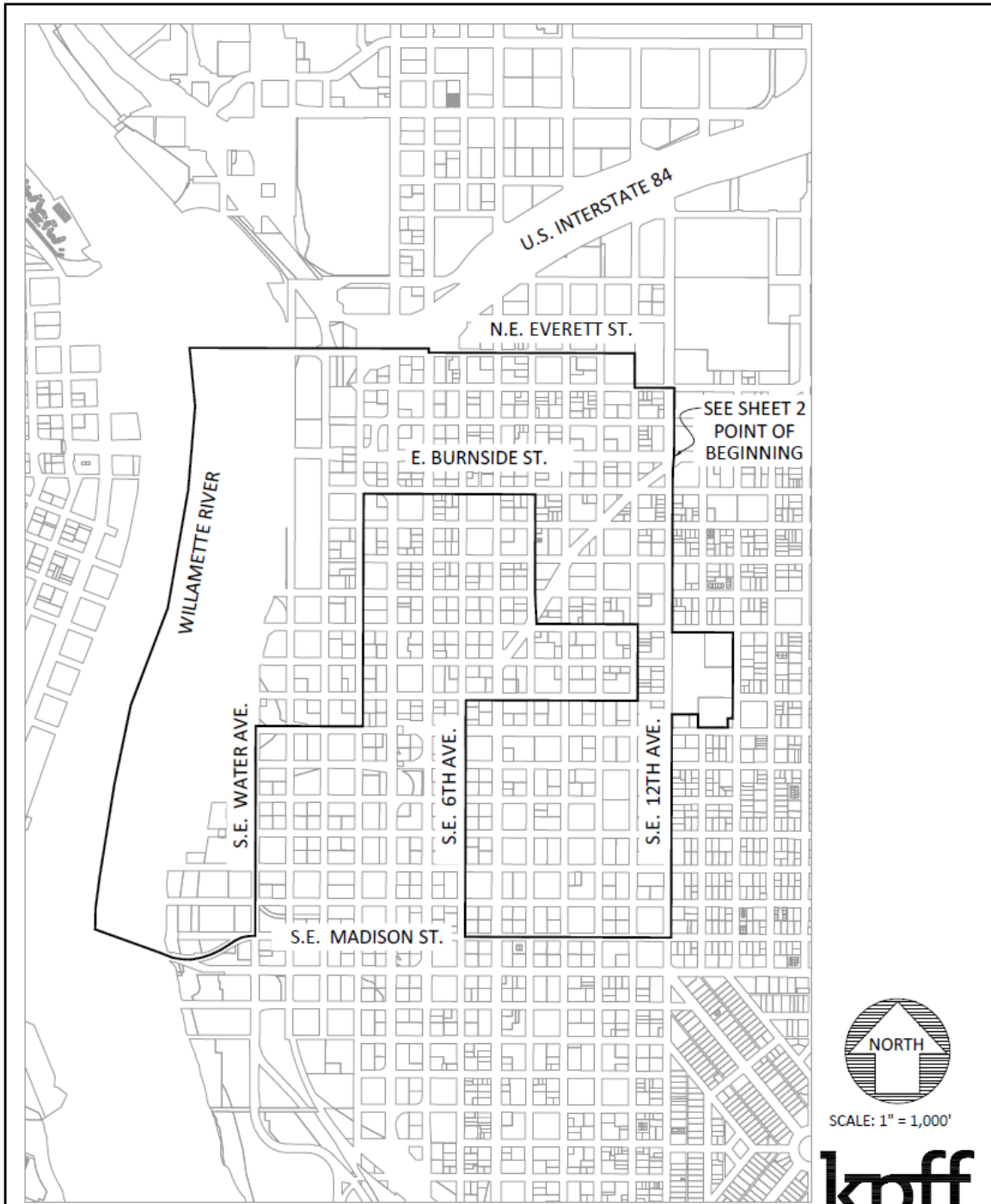
### **RISK ASSESSMENT**

There are few to no risks to approving these actions, as they are within the Prosper Portland Board’s authority and consistent with the following items on the August 28, 2024, agenda.

### **ATTACHMENTS**

- A. Amended Central Eastside Urban Renewal Area Map
- B. Amended Lents Town Center Urban Renewal Area Map
- C. Existing Interstate Corridor Urban Renewal Area Map

**AMENDED CENTRAL EASTSIDE URBAN RENEWAL AREA MAP**



SEE SHEET 2  
 POINT OF  
 BEGINNING



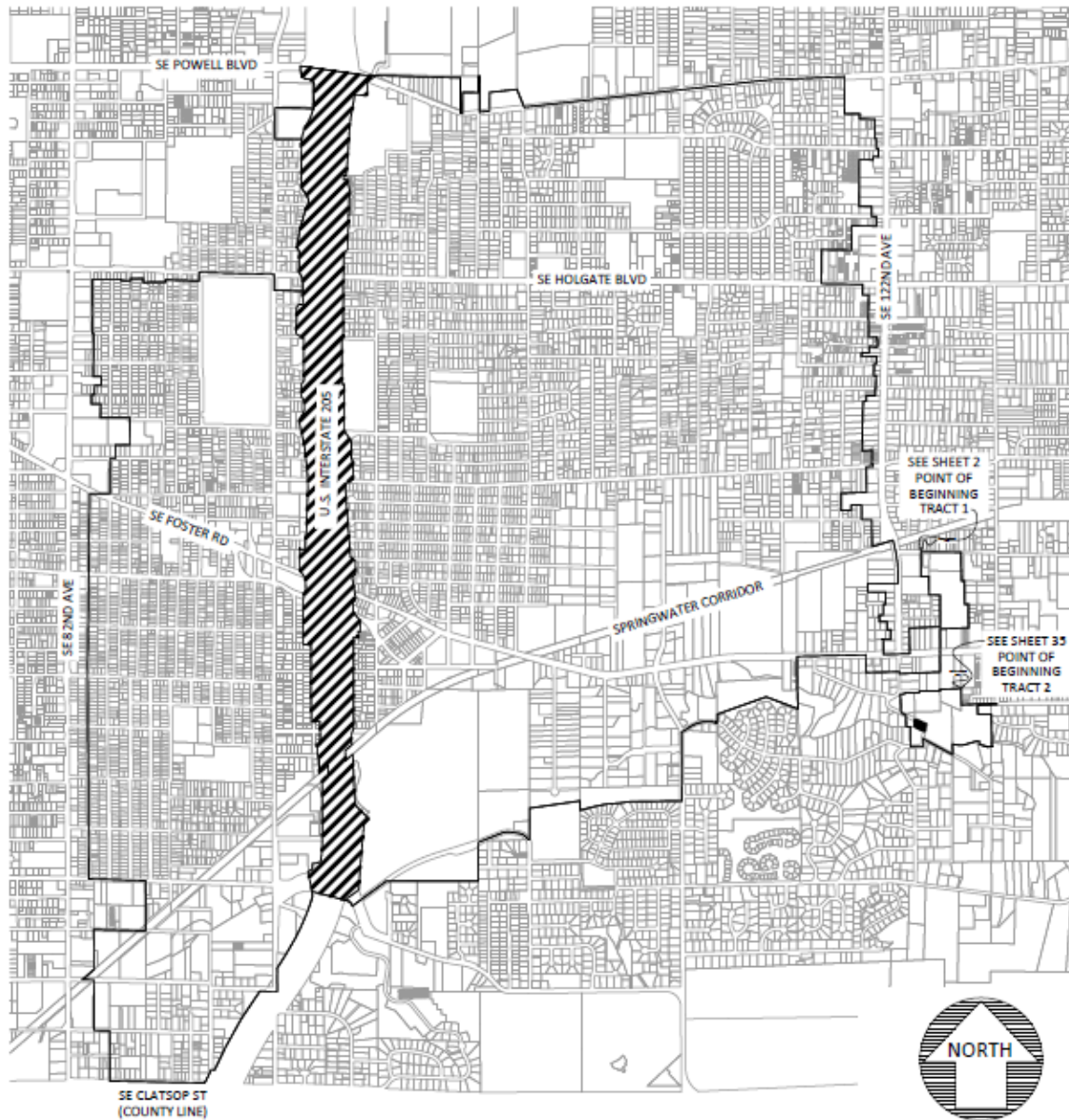
SCALE: 1" = 1,000'



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EXHIBIT B MAP - CES  CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON	DATE:	07/29/2024
	DRAWN BY:	BDM
	CHECKED BY:	TTT
	PROJECT NO.	2400244
	SHEET:	1/13

**AMENDED LENTS TOWN CENTER URBAN RENEWAL AREA MAP**



SCALE: 1" = 2,000'

**LEGEND:**

 = EXCLUDE



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<p><b>EXHIBIT B MAP - LENTS</b></p>	DATE:	08/01/2024
	DRAWN BY:	BDM
<p>CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON</p>	CHECKED BY:	TTT
	PROJECT NO.	2400244
	SHEET:	1/35

**EXISTING INTERSTATE CORRIDOR URBAN RENEWAL AREA MAP**

