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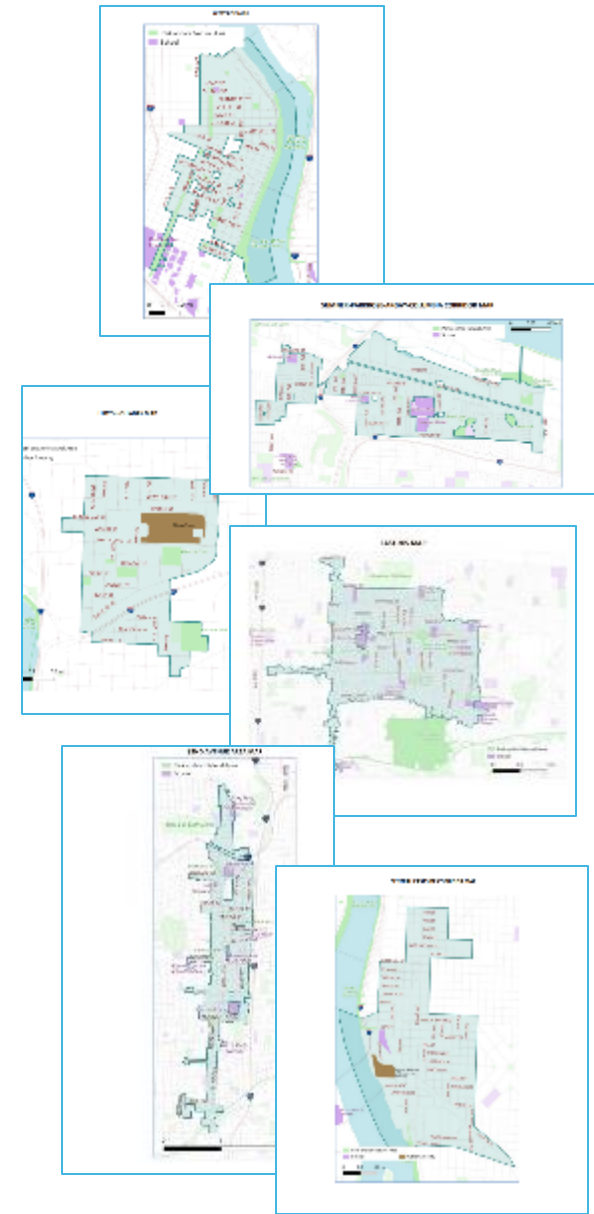


# **Terminating, Amending and Creating New Tax Increment Finance Districts**

**Prosper Portland Board of Commissioners  
August 28, 2024**

# Presentation Overview

- Portland TIF District & Housing Set Aside Overview
- Policy Context
- TIF Exploration Process: City Council Direction
- Terminating Eight & Amending Three TIF Districts
- **Creating Six TIF Districts**
  - East Portland: Engagement, Priorities, Implementation
  - Central City: Engagement, Priorities, Implementation
  - Financial Impacts & Next Steps
- Invited Testimony



# TIF District Overview & Set Aside Policy



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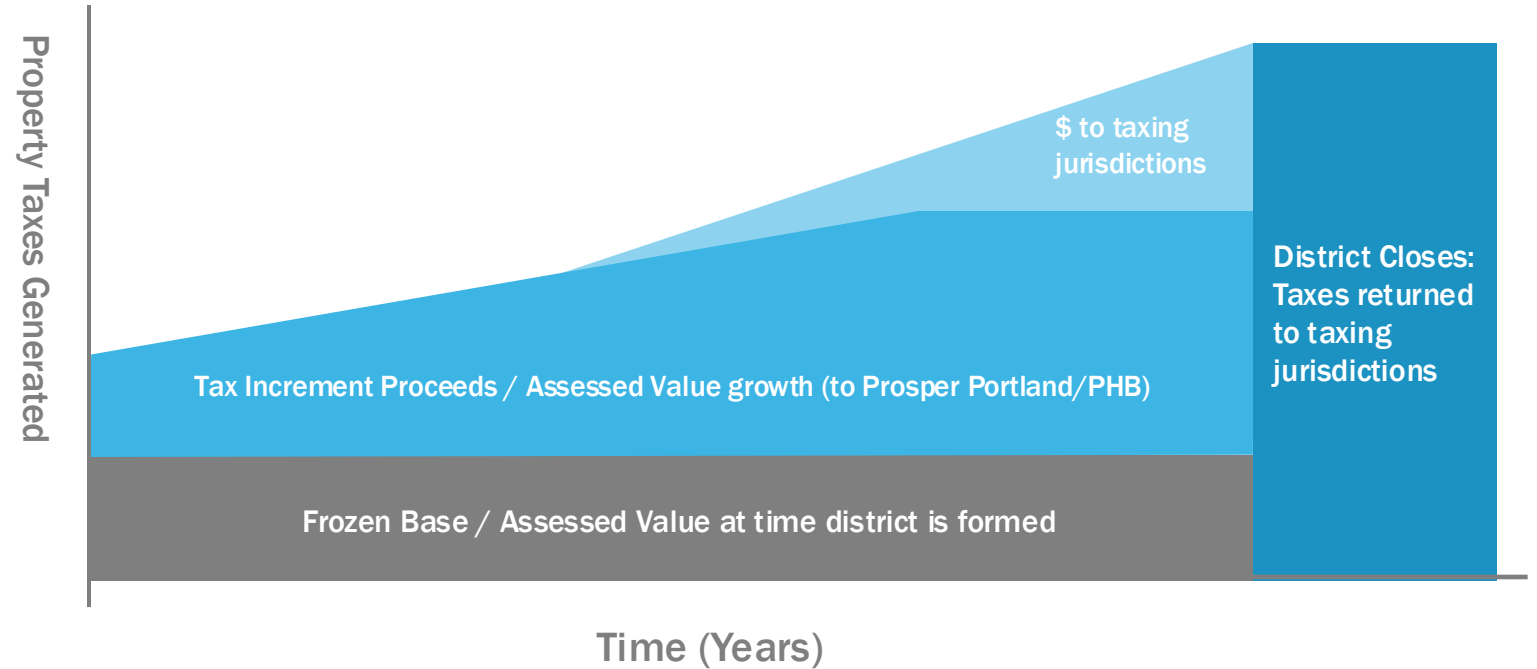


# What is Tax Increment Financing?

Tax Increment Financing is a long-term source of funding that can be invested in community priorities for physical improvements.

It is not a new or increased tax.

Funding comes from the growth in property taxes within a defined TIF district.

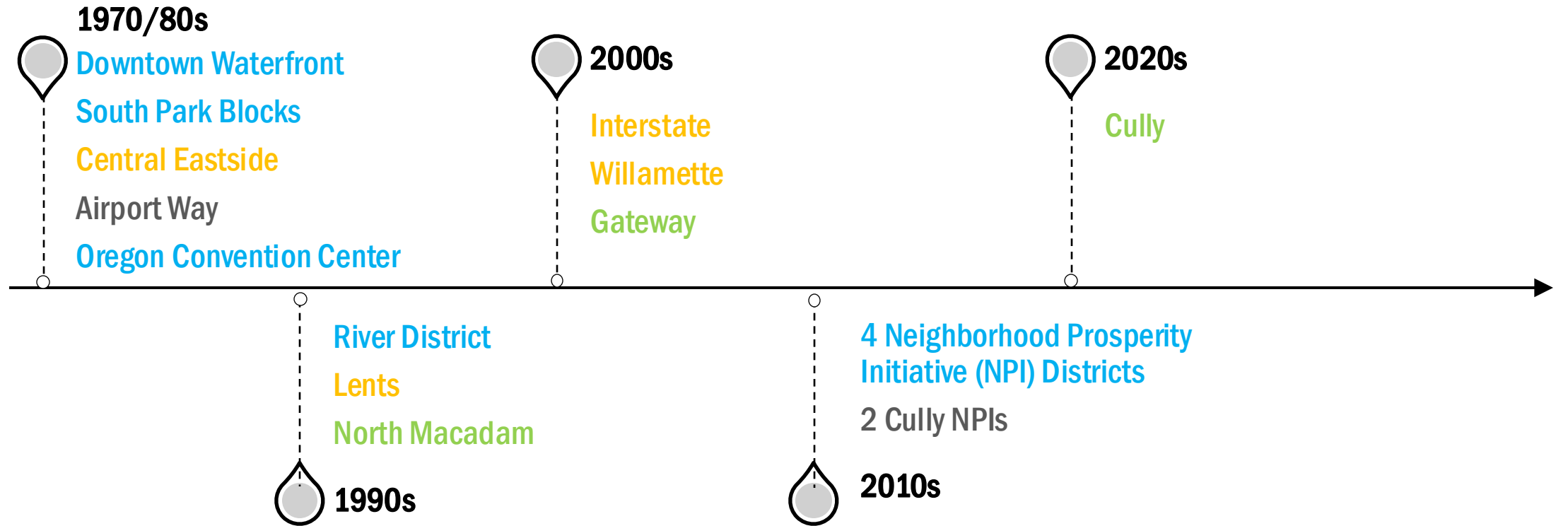


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# Portland TIF Districts: Status



**Active** - TIF proceeds remain and district is active



**Sunsetting** - TIF proceeds remain and district is winding down



**Concluded** - No TIF proceeds remain, district is largely inactive -



**Terminated** - District is complete



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# Looking Back

Constructing ~ 150 units of new housing offset the 4.6% rent growth attributable to being in a TIF District

Relative to comparison areas without TIF, TIF Districts saw:



**6x** the amount of total square footage of development



**25x** the amount of high-density development



**4x** growth rate in housing production



**5,300 units** of TIF-funded affordable housing  
(46% of all affordable housing built in the city)

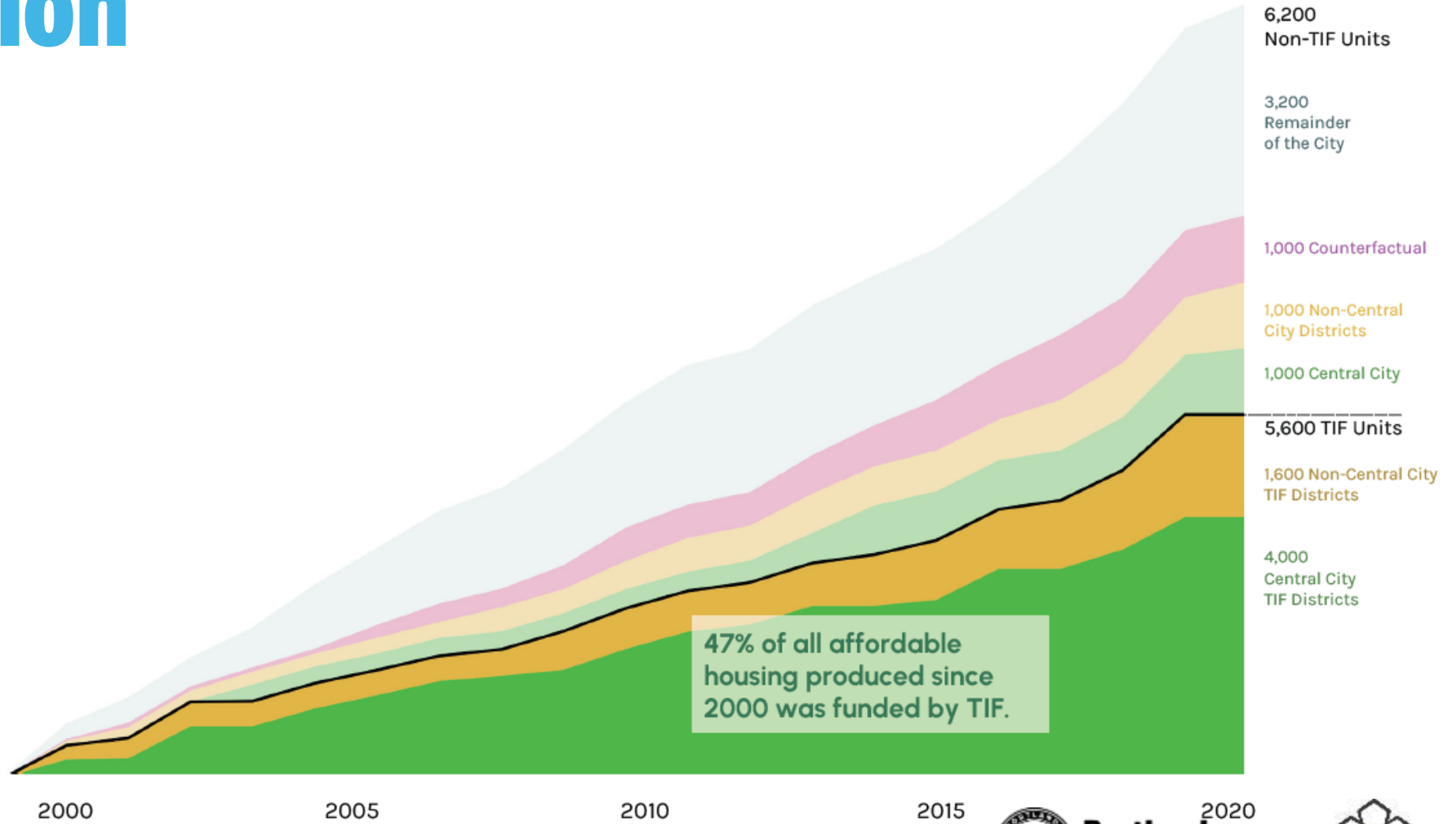


**24,000 more jobs**, which generally had 20% higher wages

Source: ECONorthwest (2024) *Understanding Portland Tax Increment Finance District Investment Impacts 2000-2022*

# TIF Set Aside Production

Affordable Housing Unit Production (2000 to 2020)



Source: ECONorthwest (2024) *Understanding Portland Tax Increment Finance District Investment Impacts 2000-2022*



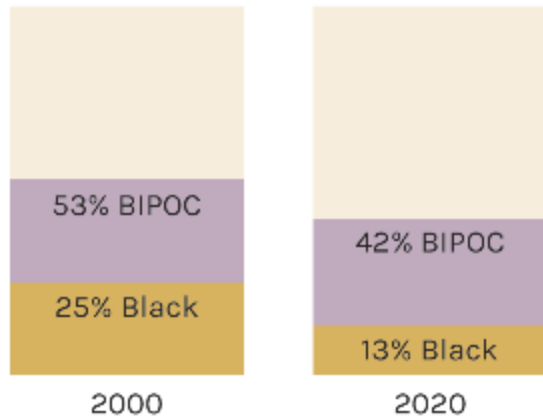
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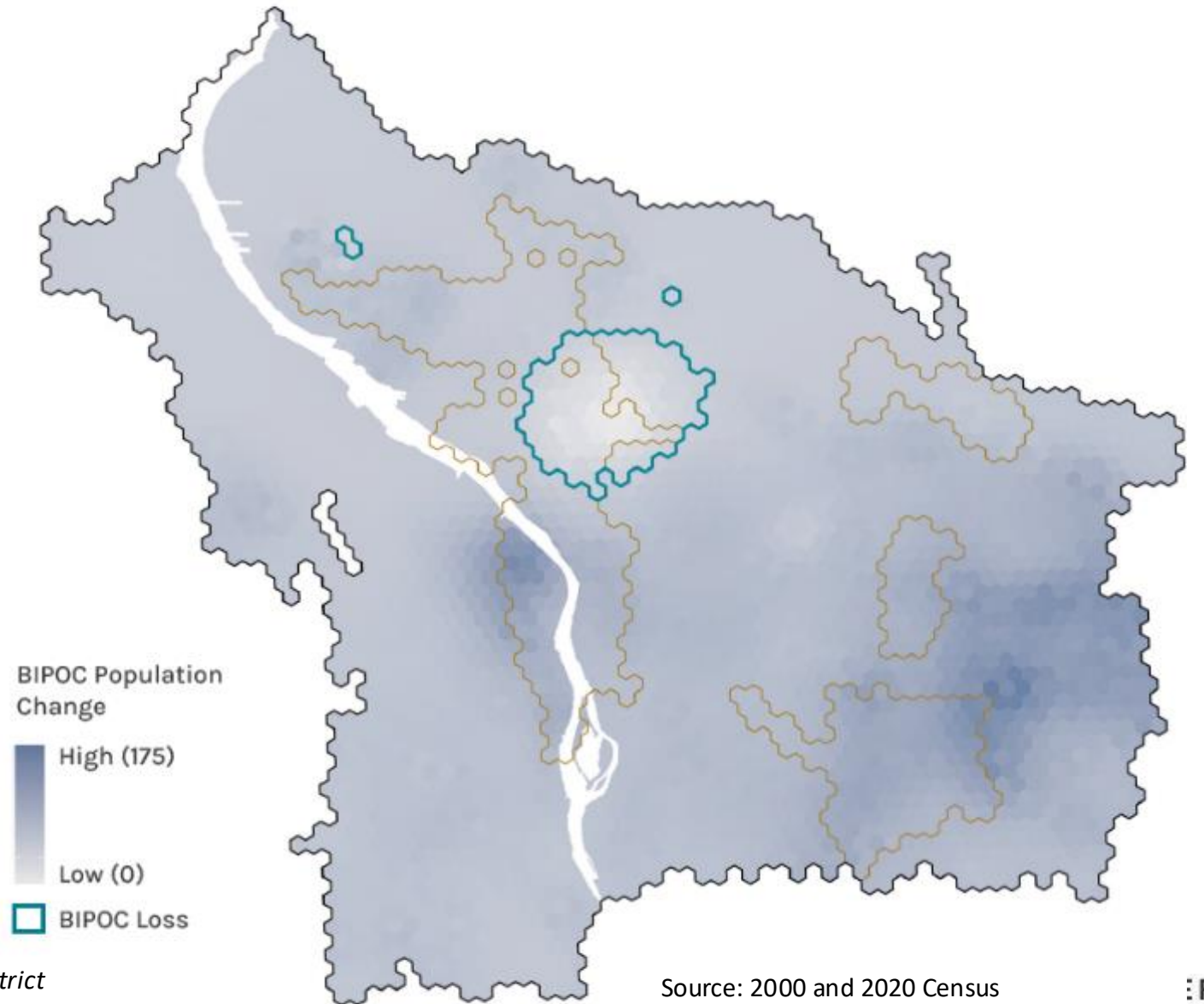
# TIF's Impact on the Black Community in Northeast Portland

Interstate Population, 2000 and 2020



In the 20 years between 2000 and 2020, the Black population in the Interstate Corridor fell from a quarter of the population to 13%.

## Nominal Change in BIPOC Population by Census Tract (2000 to 2020)



Source: 2000 and 2020 Census

From: ECONorthwest (2024) *Understanding Portland Tax Increment Finance District Investment Impacts 2000-2022*





# What did the City learn?

TIF is part of a broader public toolkit that should include other public policies and other funding sources. As the City considers forming new TIF Districts, it should focus on:

- Incenting significant new housing production in TIF districts
- Reducing systemic barriers to economic opportunity before and during investments in infrastructure or other catalytic projects
- Building community trust through better accountability and transparency on how money flows and is connected to public outcomes
- Leveraging state/federal dollars to maximize positive impacts



# Affordable Housing Set Aside Policy

## Adopted Policy

45% of TIF funds generated in districts *citywide* for affordable housing.

This means 45% of TIF funds are spent on affordable housing across all districts *cumulatively*.

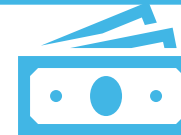
TIF funding is leveraged with other funds including LIHTC and Bonds



City Council established the TIF Affordable Housing Set Aside policy in 2006, reserving 30% of TIF funds for affordable housing.



In 2015, following a policy review, City Council increased the set-aside to 45%, with sub-targets for each district.



Policy is reviewed approximately every 5 years



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# Affordable Housing Set-Aside

## Housing Set Aside Expenditures Since 2015 Policy Update
















 **ACTUAL**

Spent and Budgeted:  
FY 2015-16 through FY 2023-24

 **FORECAST**

Spent and Budgeted:  
FY 2015-16 through FY 2028-29

**TIF District**

CLOSEOUT DISTRICTS								
Downtown Waterfront	\$1,971,909	Set-aside targets do not apply		\$1,971,909	Set-aside targets do not apply			
South Park Blocks*	8,688,012	Set-aside targets do not apply		8,760,500	Set-aside targets do not apply			
Oregon Convention Center	11,865,373	Set-aside targets do not apply		11,865,373	Set-aside targets do not apply			
<b>Subtotal Closeout Districts</b>	<b>22,525,294</b>			<b>22,597,782</b>				
ACTIVE DISTRICTS		% Set-Aside	Set-Aside Target %	Progress to Set-Aside Target		% Set-Aside	Set-Aside Target %	Progress to Set-Aside Target
Central Eastside	5,579,476	18%	32%		10,570,424	32%	32%	
Lents Town Center	42,815,627	37%	42%		48,167,387	42%	42%	
Interstate Corridor	113,332,788	52%	70%		153,554,888	70%	70%	
Gateway Regional Center	13,896,080	32%	33%		24,825,051	27%	33%	
North Macadam	57,239,103	45%	46%		68,274,956	46%	46%	
River District*	41,087,357	26%	29%*		45,491,136	29%	29%*	
Cully	79,500	37%	45%		12,471,000	45%	45%	
<b>Subtotal Active Districts</b>	<b>273,950,431</b>	<b>40%</b>	<b>45%</b>		<b>363,354,842</b>	<b>46%</b>	<b>45%</b>	

<b>Total Housing Set Aside</b>	<b>\$296,475,725</b>	<b>\$385,952,624</b>
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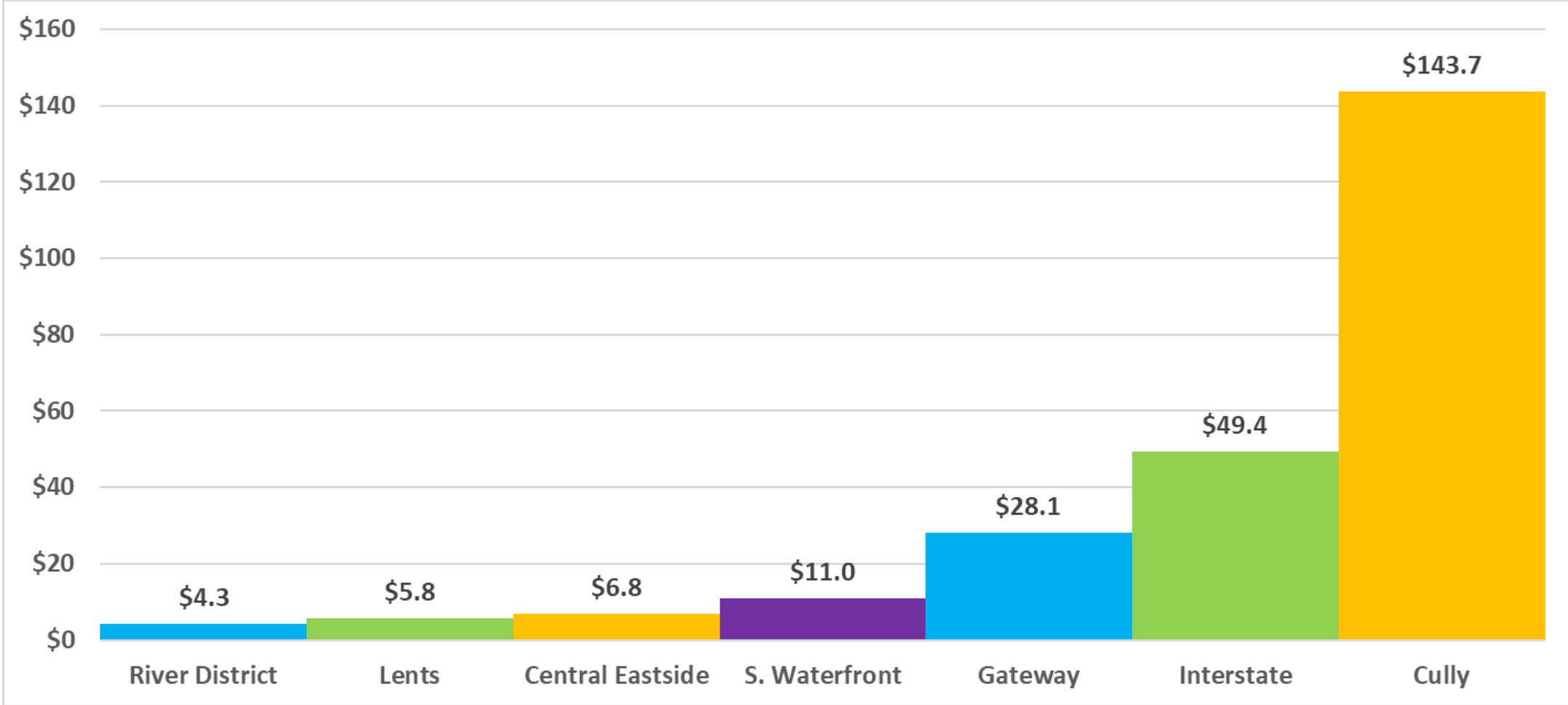
\*Updated policy target shown for districts that are new (Cully), increased maximum indebtedness (Interstate, Gateway), or due to agreement to transfer Set Aside funding (from South Park Blocks to River District).

\*\*Total does not include districts closed before 2015 (amount based on pre-2015 allocation)

\* The original 31% set-aside target for River District was decreased to 29% as a result of a \$2.9M swap from River District to South Park Blocks in FY 21-22 to support affordable housing projects.

# All Remaining Affordable Housing Set Aside Funds

(by TIF District in \$ millions)



# Implementing & Evaluating Set Aside Policy

- If approved, 6 new TIF districts would be added to Appendix B of Set Aside policy, with individual targets of 45% by city council.
- In the next 24 months, PHB plans to do a comprehensive review of the Set Aside policy in partnership with Prosper Portland and broad range of community stakeholders.
- Any recommended changes to the policy would need to be approved by City Council and Prosper Portland's Board



# City Council Direction



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# Strategic Alignment

## Advance Portland

- Invest in traded sector industries to increase access to quality jobs and business growth
- Increase access to capital for entrepreneurs and small businesses
- Foster a vibrant Central City through
  - Mixed income housing;
  - Anchor business retention and recruitment; and
  - Partnerships to develop large scale sites with high transit accessibility
- Foster vibrant neighborhood commercial districts through
  - Small business support;
  - New commercial mixed-use development;
  - Infrastructure connectivity; and
  - Housing production across a continuum of affordability

## Housing Production Strategy

- Promote Regulated Affordable Rental Housing (0 – 80% AMI)
- Large Scale Site Preparation for Significant Multiphase Housing Production
- Property Acquisition and Rehabilitation
  - Single Dwelling Home Repair
  - Homeownership
- Gap Financing for Middle Income Housing





# City Council Resolution

1. Kicked off City process for East Portland and Central City TIF exploration
2. Defined acreage and assessed value parameters for evaluation processes
3. Any new districts created should:
  - Incorporate lessons learned from past TIF districts
  - Advance inclusive economic growth, entrepreneurship, job growth, equitable development, community stabilization, and housing production for range of income levels
  - Balancing these priorities with the financial impact to taxing jurisdictions
4. Return to City Council in October 2024 with any proposed, advisory body-supported, TIF districts that are consistent with Council Direction; or, return with updates on where each process stands





# City Council Resolution: Acreage & Assessed Value

**3%** City acreage to be in TIF districts (max is 15%)\*

**3%** City assessed value (AV) to be in TIF districts (max is 15%)

**11,186** Available acreage for TIF in FY24/25

**\$9.8B** Available AV for TIF in FY24/25

**7,500** Max East Portland Acreage

**\$6B** Max East Portland AV

**1,500** Max Central City Acreage

**\$3.8B** Max Central City AV

**Additional 447** acres released and available by end of FY 2026-27

\* Assumes Downtown Waterfront, Lents Town Center, Interstate Corridor, and Central Eastside TIF districts are amended to officially terminate collections of property tax revenues & release acreage

# Terminating Eight TIF Districts & Amending Three TIF Districts

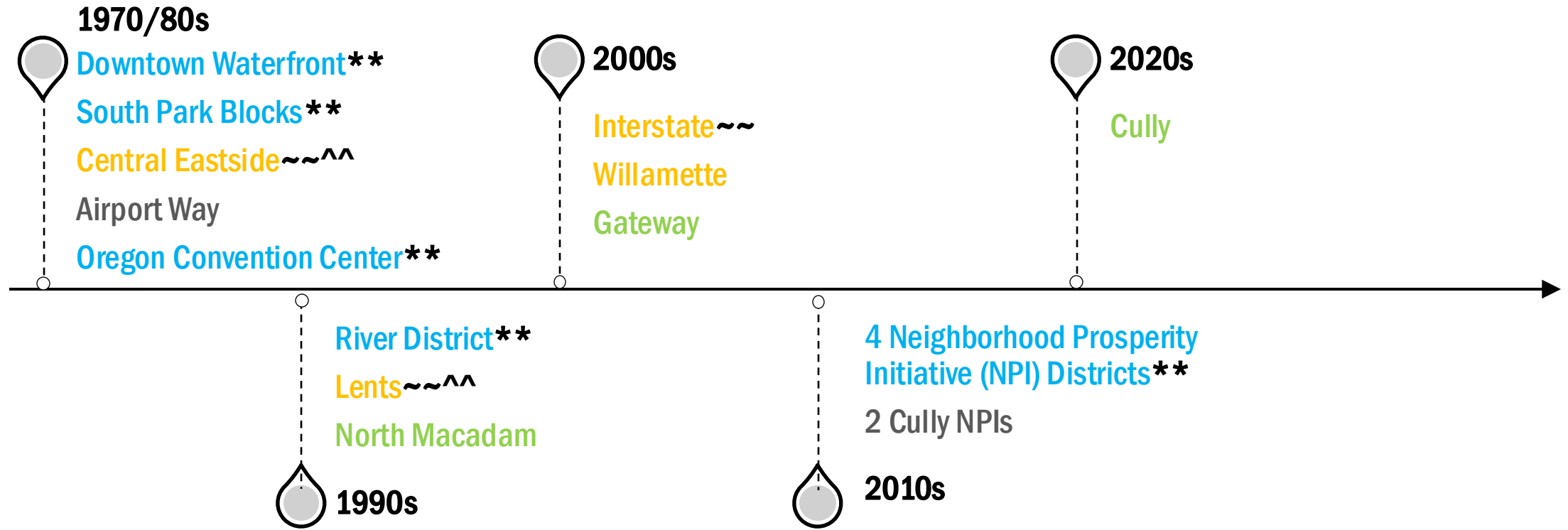


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# Portland TIF Districts: Status & Actions



- Active** - TIF proceeds remain and district is active
- Sunsetting** - TIF proceeds remain and district is winding down
- Concluded** - No TIF proceeds remain, district is largely inactive -
- Terminated** - District is complete

- \*\*Terminating**
- ~~Releasing AV and Acreage**
- ^^Amending Boundaries**



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# Terminating Districts

<p>South Park Blocks</p>	<ul style="list-style-type: none"> <li>Invested \$113.5M in TIF resources to implement affordable and market rate housing (including Museum Place developments), partnership on PSU growth, and NW/South Waterfront streetcar alignment</li> <li>No remaining resources for investment</li> </ul>
<p>Oregon Convention Center</p>	<ul style="list-style-type: none"> <li>Invested \$167.5M in support of Convention Center and Rose Quarter expansions, Convention Center Hotel development, affordable housing, Blumenauer Bridge, and Eastside streetcar alignment.</li> <li>\$3M in limited remaining non-TIF resources committed to property management and operations of Prosper owned properties</li> </ul>
<p>Neighborhood Prosperity Network:</p> <ul style="list-style-type: none"> <li>82<sup>nd</sup> Ave &amp; Division NPI (Jade), Division Midway NPI, Parkrose NPI, Rosewood NPI</li> </ul>	<ul style="list-style-type: none"> <li>Invested \$8.8M in admin &amp; operations, direct grants, and small business supports</li> <li>The 2011 Neighborhood Prosperity Initiative called out community based economic development planning</li> <li>Micro-TIF districts to link underrepresented groups, drive equitable access, and building community capacity.</li> <li>Maximum indebtedness of \$1.25M in 10 years per district</li> <li>Three of the four districts have purchased properties that serve as community hubs, providing supports to businesses and residents.</li> </ul>
<p>Downtown Waterfront</p>	<ul style="list-style-type: none"> <li>Invested \$160M in TIF resources for Pioneer Place, Ankeny Blocks development, affordable housing development and preservation, Portland Saturday Market and extension of Waterfront Park, Naito Parkway improvements, and light rail &amp; transit mall improvements</li> <li>~\$5M in remaining TIF resources proposed for investment in Falcon Building conversion in support of Old Town Action Plan</li> </ul>
<p>River District</p>	<ul style="list-style-type: none"> <li>Invested \$489.5M in TIF resources to implement Station Place acquisition &amp; development, Hoyt Street development agreement, Brewery Blocks, The Nines Hotel, Vestas Americas headquarters, affordable housing development and preservation, NW/South Waterfront streetcar alignment</li> <li>~\$27M in remaining non-TIF resources committed to Old Town Action plan and property management and operations of Prosper owned properties</li> </ul>

# Amending Districts

TIF District	Investments	Boundaries
Interstate Corridor	<ul style="list-style-type: none"> <li>Retaining \$70M in TIF resources to implement N/NE Action Plan and Affordable Housing Set Aside</li> </ul>	<ul style="list-style-type: none"> <li>Retaining boundary</li> <li>Releasing AV and acreage no longer required for revenue generation</li> </ul>
Central Eastside	<ul style="list-style-type: none"> <li>Retaining \$19M in TIF resources with focus on Workshop Blocks development and small business and industrial support via grants &amp; loans</li> <li>Reserving of a portion of near term property sales revenue to support small businesses in areas where they will be limited or no TIF district resources outside of new CES Corridor TIF district approval.</li> </ul>	<ul style="list-style-type: none"> <li>Reducing boundary to avoid overlap with new CES Corridor TIF districts</li> <li>Releasing AV and acreage no longer required for revenue generation</li> </ul>
Lents	<ul style="list-style-type: none"> <li>Retaining \$23M in TIF resources with a focus on housing production and small business support within the Lents Town Center and along Foster and 92<sup>nd</sup> Avenue in alignment with the Lents Action Plan</li> <li>Reserve of a portion of near-term property sales revenue to support small businesses in areas impacted by the amendment and not covered by a new 82<sup>nd</sup> Ave TIF district.</li> </ul>	<ul style="list-style-type: none"> <li>Reducing boundary to avoid overlap with new 82<sup>nd</sup> Avenue TIF district</li> <li>Removing “islands” caused by a new 82<sup>nd</sup> Avenue TIF district</li> <li>Releasing AV and acreage no longer required for revenue generation</li> </ul>

# Creating Six TIF Districts



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# Process & Upcoming Milestones

Activity	Date
City Council Adopts Resolution	June 2023
East Portland TIF Exploration Steering Committee Kick-off (Working Groups convene Dec 2023/Jan 2024)	August 2023
Central City TIF Exploration Committee Kick-off	October 2023
Working Group/Committee Votes	Jul – Aug 2024
<b>Prosper Portland Board Vote (starts legislative process)</b>	<b>August 28</b>
Consult and Confer Period (45-day)	Sept 4 – Oct 19
Multnomah County Commission	September 17
Planning Commission Hearings/Recommendation	Sept 10, 24 & Oct 8
City Council Public Hearing	October 23
City Council Vote to Adopt Plans	October 30



# TIF Exploration: Engagement Summary

**95** Steering Committee & Working Group members

**65** Committee meetings  
Summer 2023 through Summer 2024

**3** City Bureau-Led Open Houses

**380** Interested Parties List Members  
14 updates distributed during the process to 250 EPDX individuals and 130 Central City individuals

**355** EPDX Informational Video Views & Survey Responses  
Lead by Community Based Staff Person, Paula Byrd, with the Rosewood Initiative

**335** Central City Open House & Survey Points of Feedback

**25** EPDX Community Outreach Partners  
Community-led events by Ebony Collective, Oregon Walks, Black Community of Portland, Leaders Become Legends, PDX Saints Love, Pathfinder Network, Historic Parkrose, APANO/Jade District, Division-Midway Alliance, Rosewood Initiative, Affiliated Tribes of Northwest IEDC, IRCO, Pathfinder Network, Argay Terrace NA, Sumner NA, East Portland Action Plan, Thrive, East Portland Chamber of Commerce, SE Uplift, Venture Portland, Hazelwood NA, Powellhurst-Gilbert NA, Montavilla East Tabor BA, Dads Helping Dads, League of Women's Voters

**12** Central City Community-Led Presentations  
Hosted by Central Eastside Industrial Council, Portland Metro Chamber Central City Coalition, Old Town Community Association, Pearl District Neighborhood Association, Lloyd EcoDistrict, GoLloyd Venture Portland, SE Uplift, NAIOP, Urban Land Institute Northwest, Oregon Smart Growth, and BOMA Oregon



# Potential Outcomes

	East Portland	Central City	Total
<b>Affordable Housing*</b>			
<ul style="list-style-type: none"> <li>• Preservation &amp; development of affordable rental</li> <li>• Homeownership repair and down-payment assistance</li> <li>• Houselessness related capital expenditures</li> </ul>	\$643M	\$538M	\$1.1B 4,500 to 8,000 units
<b>Economic &amp; Urban Development</b>			
<ul style="list-style-type: none"> <li>• Commercial property acquisition, development &amp; renovation</li> <li>• Small business and traded sector retention &amp; growth</li> <li>• Neighborhood services and amenities</li> <li>• Arts and culture, including regional assets</li> <li>• Middle-Income rental housing (60-120% AMI)</li> </ul>	\$643M	\$419M	\$1.1B 1,600 to 2,400 small business served  20,000 to 35,000 jobs supported
<b>Infrastructure</b>			\$384M
<ul style="list-style-type: none"> <li>• Street and utilities</li> <li>• Wayfinding, connectivity &amp; accessibility</li> <li>• Public parks &amp; open spaces</li> <li>• Public recreational investments</li> </ul>	\$144M	\$240M	Regional & local community serving infrastructure, like Waterfront Park, the Green Loop, and sidewalk & safety improvements in East Portland

\* 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.



# East Portland



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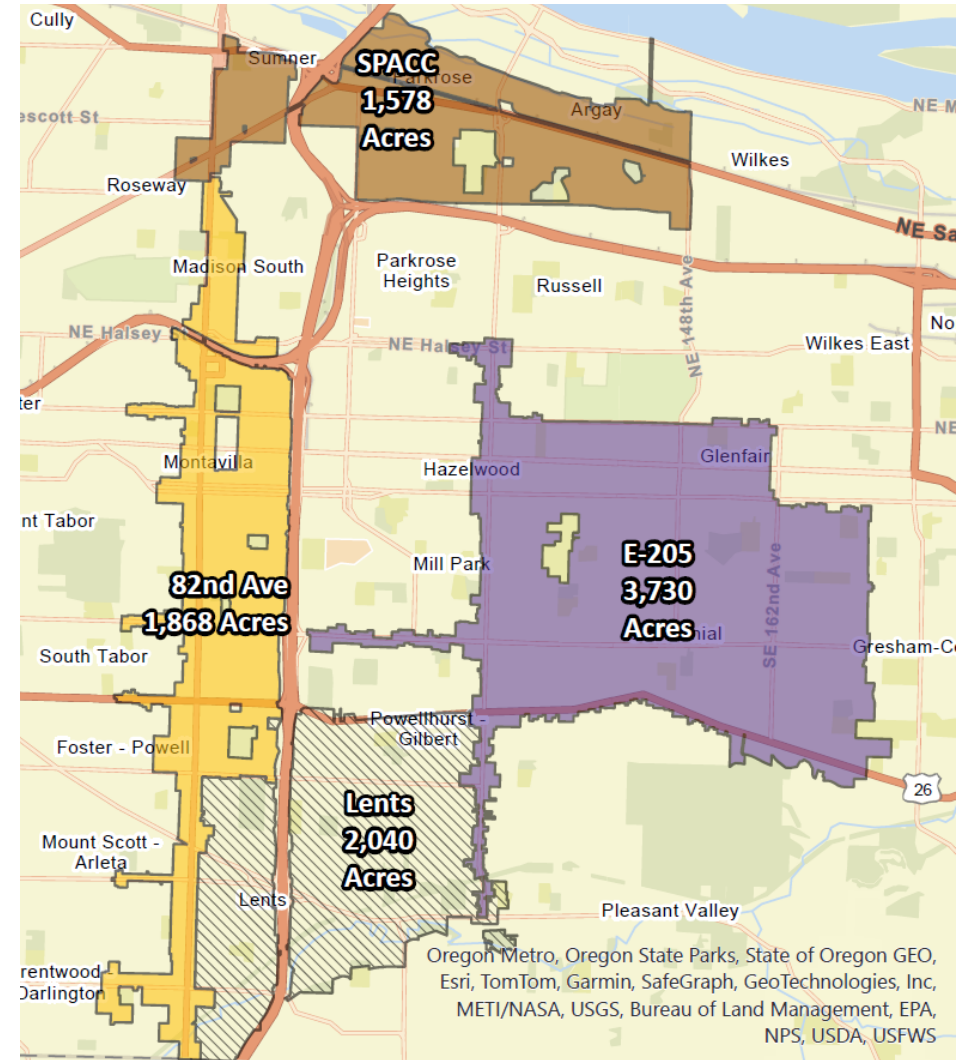


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# East Portland Proposed Districts

## Overview

District	Acreage	AV
SPACC	1,578	\$1.12B
82 <sup>nd</sup> Ave Area	1,868	\$1.72B
East 205	3,730	\$2.85B
<b>Total</b>	<b>7,176</b>	<b>\$5.69B</b>
<b>Compared to Target</b>	<b>&lt;7,500</b>	<b>&lt;\$6B</b>



Sandy Blvd  
Halsey St  
Glisan St  
Stark St  
Division St  
Powell Blvd  
Foster Rd

82<sup>nd</sup> Ave  
122<sup>nd</sup> Ave  
174<sup>th</sup> Ave

Oregon Metro, Oregon State Parks, State of Oregon GEO, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA, USFWS





# How we got here...



# East Portland TIF Exploration Structure

## Steering Committee

Alando Simpson	City of Roses Disposal & Recycling
Andy Miller	Our Just Future
Angela Rico	Office of Commissioner Rubio
Annette Mattson	Mt. Hood Community College
Bill Bruce	Raimore Construction
Carmen Rubio	City of Portland Commissioner
Christina Ghan	Office of Commissioner Rubio
Duncan Hwang	Asian Pacific American Network of Oregon
Jeff Renfro	Multnomah County
Jessica Arzate	Multnomah Educational Services District
Jonath Colon	Centro Cultural
JR Lilly	Former East Portland Action Plan Advocate
Kevin Martin	Renter
Kimberly Branam	Prosper Portland
Lee Po Cha	IRCO
Leslie Goodlow	Portland Housing Bureau
Matina Kauffman	Habitat for Humanity
Moe Farhoud	Property Owner
Mourad Ratbi	East Portland Community Office
Nick Sauvie	Rose CDC
Qing Tan	Pure Spice Restaurant
Sabrina Wilson	Rosewood Initiative
ShaToyia Bentley	The Ebony Collective
Tye Gabriel	East Portland Chamber of Commerce

## Working Groups

82nd Ave	Jamal Dar
	Nancy Chapin
	Sara Fischer
	Barbara Geyer
	* Duncan Hwang
	Alisa Kajakawa
	Zachary Lauritzen
	Jacob Loeb
	Joshua Pangelinan
	Valeria McWilliams
	Zonnyo Riger
	* Nick Sauvie
	Dana White

E205	Giovanni Bautista
	Mike Devlin
	Amanda Pham Haines
	Ali Omar Ibrahim
	Blanca Jimenez
	Marie Josee Kangabe
	* Annette Mattson
	Ana Meza
	Ken Richardson
	Kristin Romaine
	Lisha Shrestha
	Jennifer Parrish Taylor
	* Sabrina Wilson
	Karen Wolfgang

Parkrose/ Columbia Corridor (SPACC)	Corky Collier
	Lin Felton
	Dave Ganslein
	Colleen Johnson
	* JR Lilly
	Michael Lopes Serrao
	Donell Morgan
	Danell Norby
	* Alando Simpson / Bill Kent
	Annette Stanhope

# Steering Committee Alignment Vote

- ✓ Consider up to **7,500 acres** and **\$6 billion** in assessed value for new TIF districts in East Portland
- ✓ 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
- ✓ Balance these priorities with the financial impact to the City budget and other taxing jurisdictions

**11**

Plans Align

**0**

Plan do not Align

**3**

Abstain

**5**

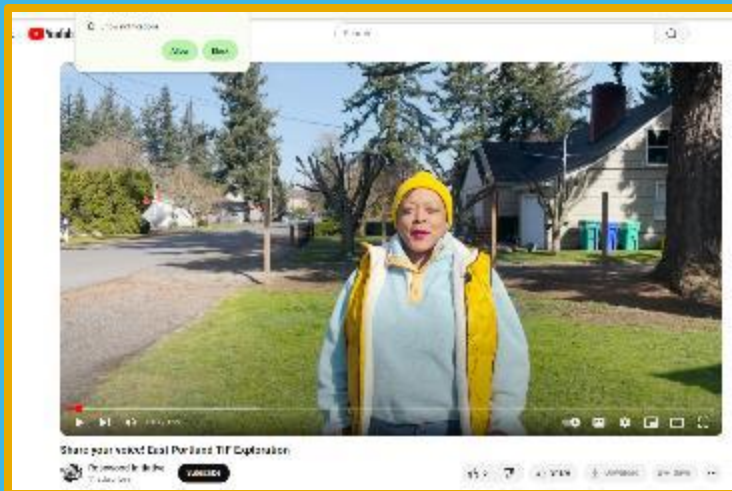
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# Public Engagement

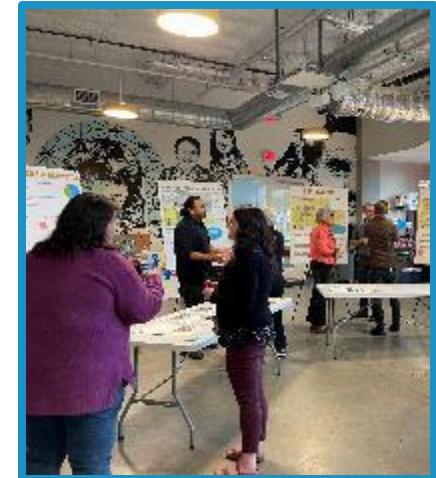
## COMMUNITY PROJECT MANAGER ENGAGEMENT

- Community survey in seven languages
- Brief informational video
- Collaborative open houses with Neighborhood Prosperity Networks
- 1-on-1 conversations



## PROSPER PORTLAND AND PHB ENGAGEMENT

- Informational pamphlets in 17 languages
- Virtual office hours
- Regular email/newsletter updates
- 1-on-1 conversations
- Community organization briefings
- Community and culturally-specific organization outreach contracts
- Public open houses



# Commonalities across Districts

The background features two large, stylized yellow icons. On the left is a house with a gabled roof and a chimney. On the right is a storefront with a canopy supported by four pillars.

Support for **existing residents and businesses** to remain, thrive and anchor new growth

**Housing opportunities** for all incomes; homeownership opportunities

Spaces for **community connection that create pride and belonging** for diverse communities

**Middle- and living-wage jobs** accessible to existing residents

New, **thriving small businesses** and community-serving retail services; **maker's spaces and home-based business** showcase opportunities

**Targeted infrastructure improvements** to improve multi-modal connectivity, safety, and resilience

Ongoing **community education, engagement, leadership**



# East Portland District Project Lists

	82 <sup>nd</sup> Avenue	E205	SPACC
<b>Affordable Housing</b>			
<ul style="list-style-type: none"> <li>• Single family home repair &amp; homeownership</li> <li>• Multifamily rental, inc. rehab and preservation</li> <li>• Land acquisition</li> <li>• Houselessness related capital expenditures</li> <li>• Affordable infill/middle density housing</li> <li>• Manufactured dwelling parks</li> </ul>	\$191M (45%)	\$323M (45%)	\$129M (45%)
<b>Economic &amp; Urban Development</b>			
<ul style="list-style-type: none"> <li>• Commercial Property Acquisition, Development &amp; Renovation (includes land banking, small business support and workforce housing)</li> <li>• Arts, Culture and Signage</li> <li>• Recreational Improvements</li> </ul>	\$170M (40%)	\$323M (45%)	\$129M (45%)
<b>Infrastructure</b>			
<ul style="list-style-type: none"> <li>• Street and utilities improvements</li> <li>• Connectivity and accessibility</li> <li>• Public parks &amp; open spaces</li> <li>• Public recreation investments</li> </ul>	\$64M (15%)	\$72M (10%)	\$29M (10%)
<b>SUBTOTAL*</b>	<b>\$425M</b>	<b>\$718M</b>	<b>\$287M</b>



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

# 82nd - Overview

- Full length of 82<sup>nd</sup> Avenue Corridor
- Western commercial “fingers”
- Intentional about a mix of zoning
- Inclusive of new Brentwood-Darlington Neighborhood Center
- Exclude schools, areas with higher value single-family homes

1,868 acres  
\$1.7B assessed value  
\$460M maximum indebtedness



# What are people excited about?

Prioritize Homeownership & Home Repair Programs Early



Multi-modal Connections that Build on 82<sup>nd</sup> Avenue Infrastructure and Transit Investments



Conversion of Existing Hotels into Housing or Community Uses





# What are people excited about?

More Neighborhood-serving Retail and Services along 82<sup>nd</sup> Ave.



Remediation and Redevelopment of Large, Underdeveloped Sites



Tree Canopy and landscaping along 82<sup>nd</sup> Avenue to Reduce Deadly Urban Heat Island Effects



Improved 24-hour Vibrancy to Reduce Safety and Quality of Life Issues



# 82nd Ave Working Group Votes

**10**

Proceed

**2**

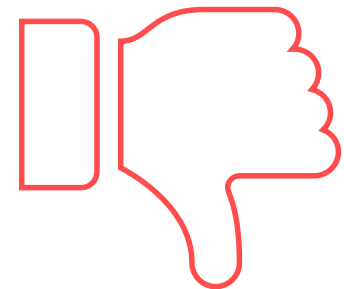
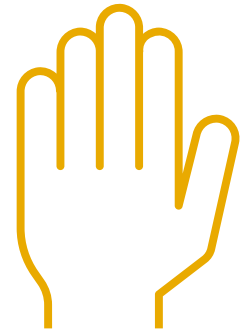
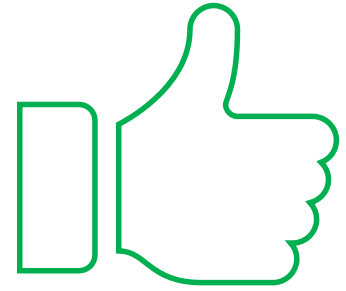
Wait

**0**

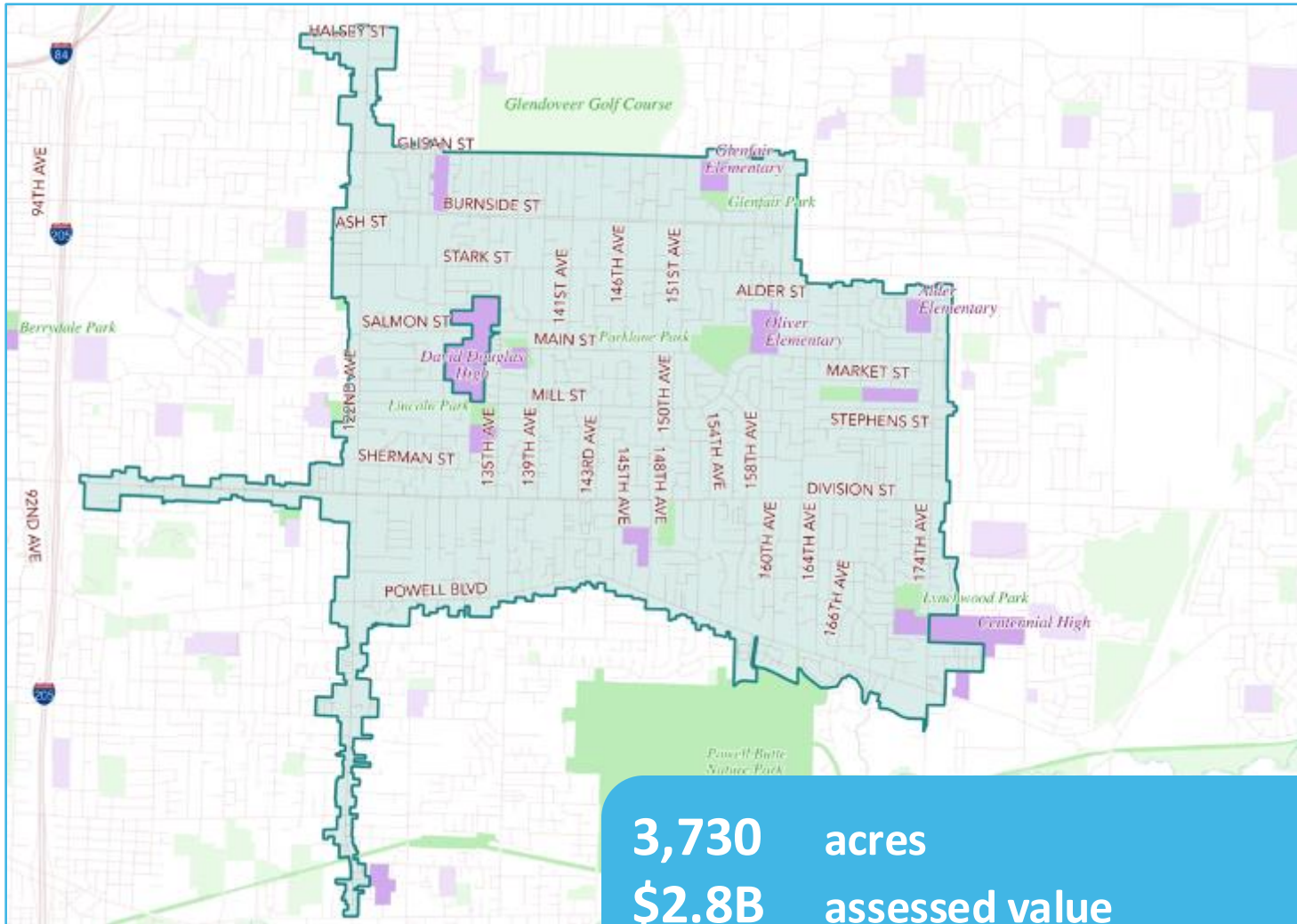
Stop

**1**

Abstain or Did Not Vote



# East 205 - Overview



**3,730** acres  
**\$2.8B** assessed value  
**\$770M** maximum indebtedness

- Focus on 122<sup>nd</sup>
- Division
- East to the City Boundary
- Anchor with NPNs (Rosewood and DMA)
- Include Halsey to meet up with Gateway TIF
- Exclude DDHS due to acreage limitation



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# What are people excited about?

Prioritize Homeownership & Home Repair Programs Early



Affordable and Workforce Housing



Affordable Child Care



Connectively and Walkability



Shared Commercial Kitchen



# What are people excited about?

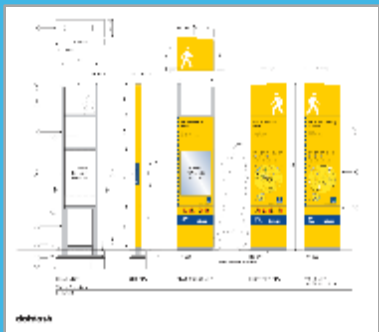
Recreation and Community Center



Multi-cultural Maker's Space, Home-Based Business Showcase



Multi-lingual Directional Signage





# East 205 Working Group Votes

**11**

Proceed

**1**

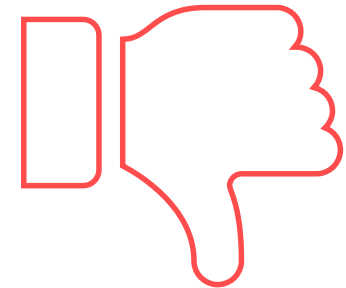
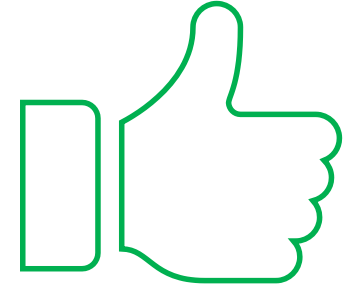
Wait

**0**

Stop

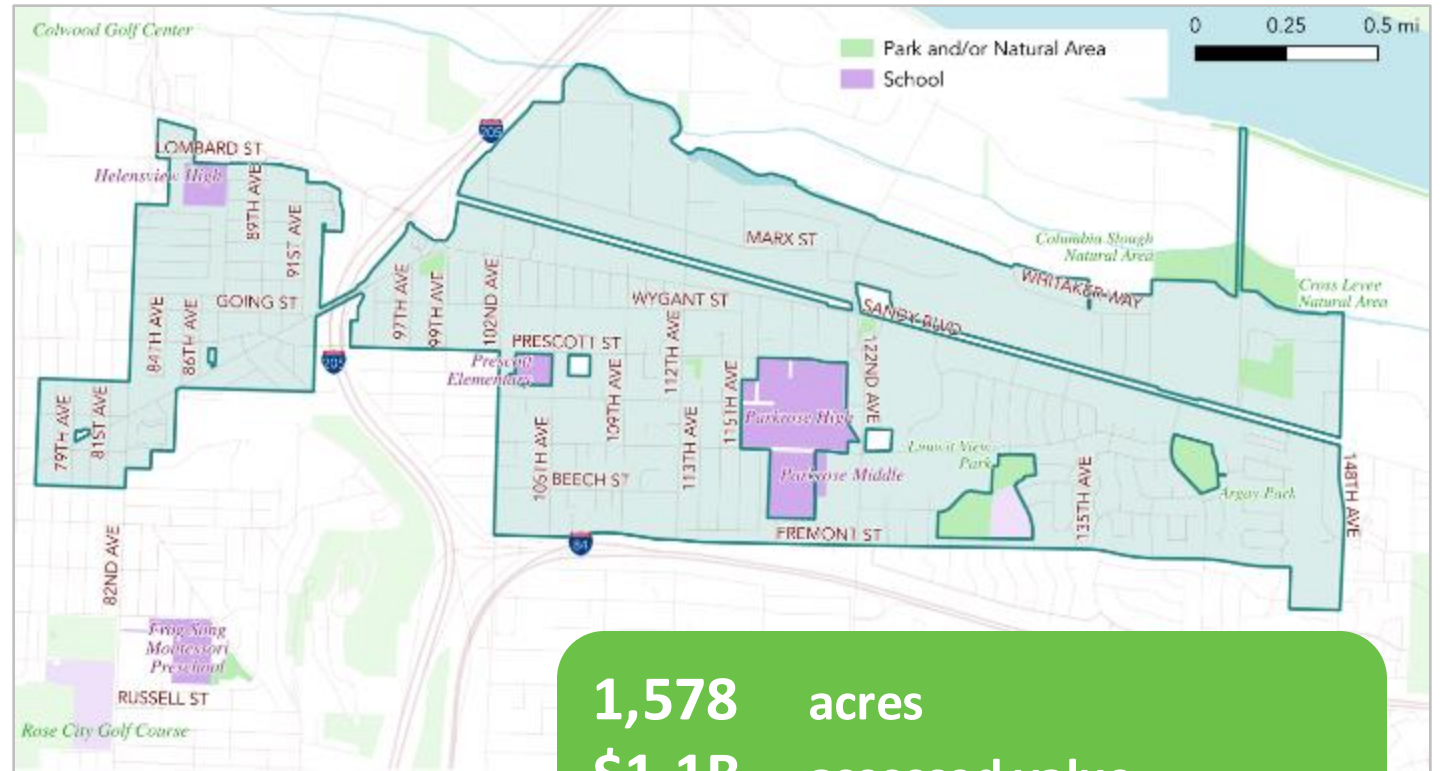
**2**

Abstain or Did Not Vote



# SPACC - Overview

- Anchor with Historic Parkrose NPN District
- Include full length of Sandy Boulevard and bridge West/East of I-205 areas
- Include area of the Columbia Slough
- Include both residential and industrial land



**1,578** acres  
**\$1.1B** assessed value  
**\$310M** maximum indebtedness



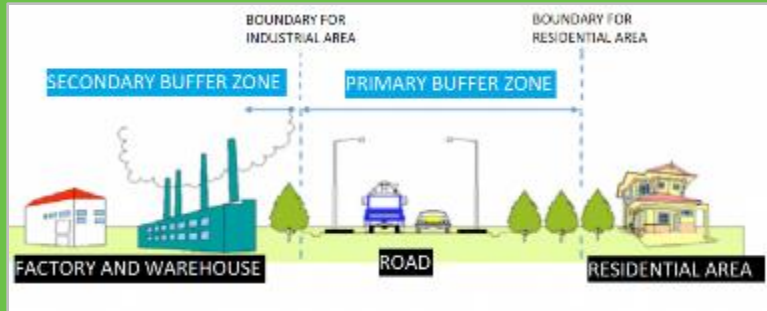
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# What are people excited about?

Buffers between industrial and residential land; mutually beneficial development



Recreational improvements to publicly accessible open spaces, including the Columbia Slough



Public spaces to enjoy neighborhood amenities





# What are people excited about?

Workforce training center(s) and spaces to learn additional skills and acquire certifications



Remediation and redevelopment of sites along Sandy Boulevard



Affordable retail shops for families and places for youth to hang out after school



# SPACC Working Group Votes

Move Forward with TIF This Year?

7

Proceed



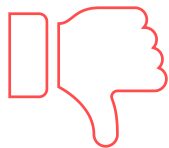
3

Wait



0

Stop



0

Abstain/Did Not Vote

Which Boundary Option?

## SPACC Boundary Vote

Option 1: Maintain present boundary

**7 yes; 3 abstain**

Option 2: Remove all areas east of 122nd Avenue\*

Option 3: Remove the residential portions of Argay Terrace NA but maintain the industrial areas\*

*\* Allowed opportunity for Argay Terrace areas to be included, following additional exploration and boundary amendment by future City Council*

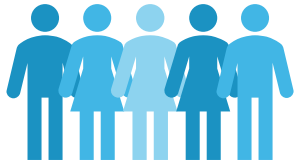


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Housing Bureau**



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PORTLAND**

# Governance: Community Leadership Committees



**13 members with strong connections to the district:** live, work, worship, have children enrolled in school, previously displaced, etc.



**Reflect full diversity of community, and specifically, representatives from populations disproportionately vulnerable to displacement**



**Committee members must understand and support the stabilization & inclusive growth goals and values of the Plan**



**Range of experience and knowledge to inform implementation, drawing from life experiences, community connections and leadership, education and professional experience**



**Members represent interests of vulnerable community**



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# Future Committee Scopes of Work

## ACTION PLANNING AND ACTION PLAN AMENDMENTS

Develop  
Action Plans  
and Action  
Plan  
Amendments

Provide  
Guidance on  
Program  
Offerings

tailoring,  
requests for new  
programs,  
funding  
solicitation  
development

Provide  
Guidance on  
Program  
Implementatio  
n and Public  
Engagement

public education,  
engagement, reps  
on selection  
committees

## TIF PLAN AMENDMENTS

Propose  
Amendments

Provide  
Guidance on  
Community  
Engagement  
as Part of  
Adoption  
Process

Strategic  
Convening\*

Participate  
and lead in  
East Portland  
Equitable  
Development  
and Inclusive  
Growth  
Convenings

\* Discussed, but not included in charters as a requirement



# Central City



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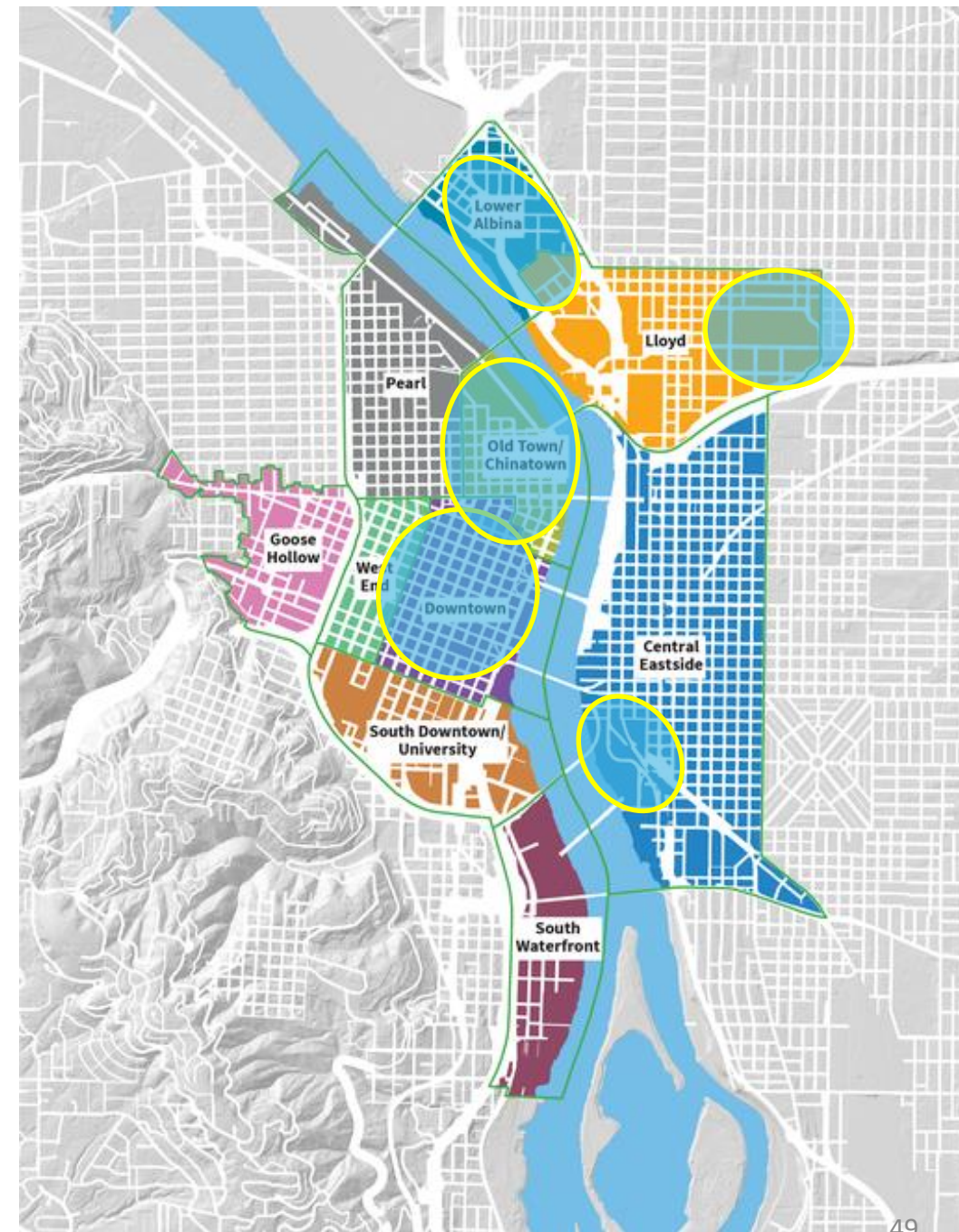
# Study Areas & Priorities

Housing production, preservation for range of incomes

Traded sector retention, recruitment, & job growth

Large scale catalytic development

Small business & entrepreneurship support



# Central City TIF Exploration Committee

Jeff Renfro  
Dana White  
Kimberly Branam  
Monique Claiborne  
Andrew Fitzpatrick  
Peter Andrews  
Justin Hobson  
Lauren Peng  
Sydney Mead  
Nicole Davison Leon  
Jessie Burke  
Carolyne Holcomb  
Jason Chupp  
Jessica Curtis  
Marc Brune  
Angel Medina  
Brian Ferriso  
Brad Cloepfil  
Michael Buonocore  
Damien Hall

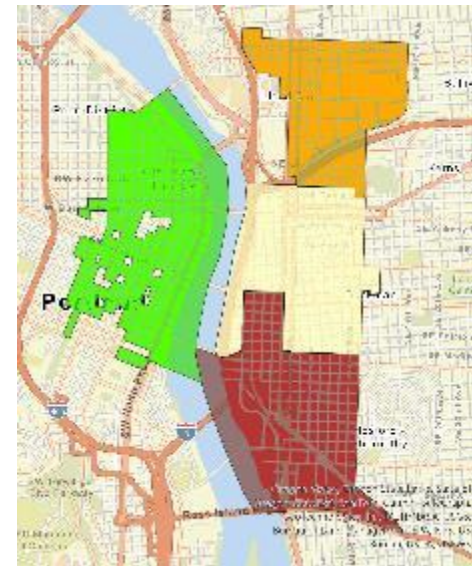
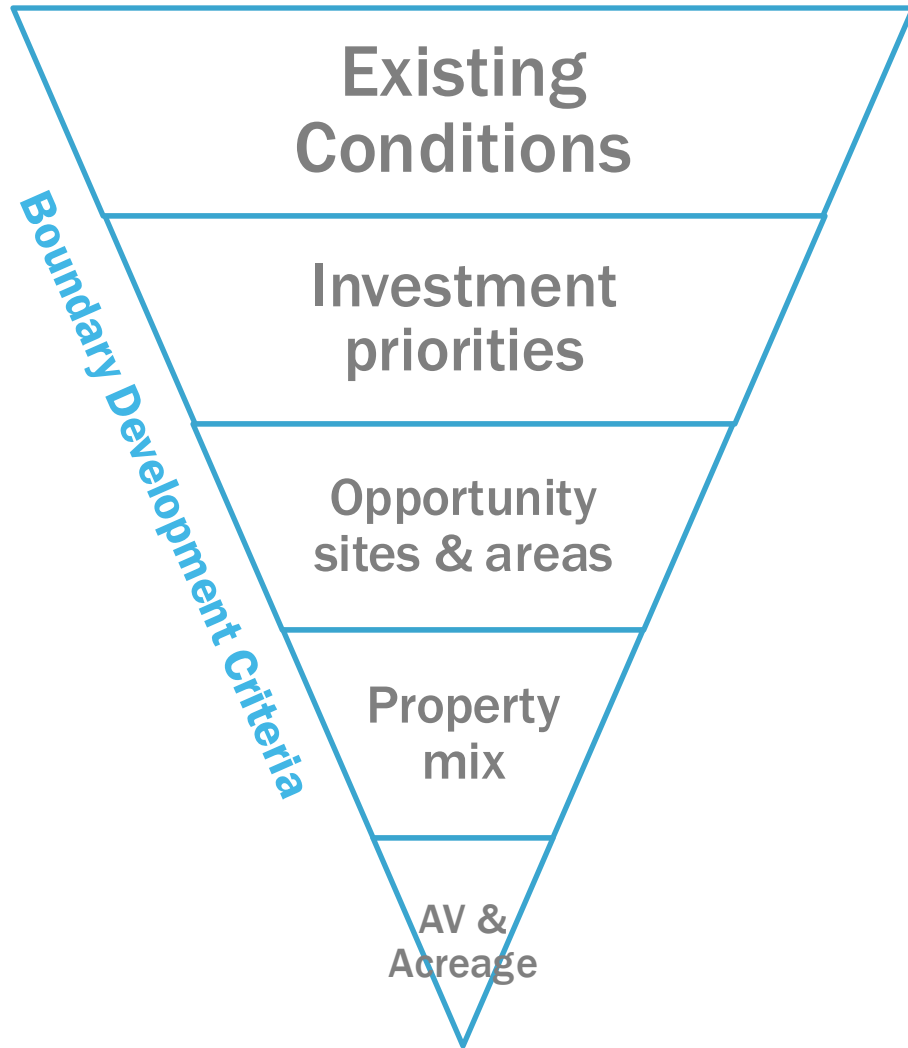
Multnomah County  
Portland Public Schools  
Prosper Portland  
Greater Portland Inc  
Office of Mayor Wheeler  
Melvin Mark  
Miller Nash  
CBRE  
Portland Metro Chamber  
Hispanic Chamber  
Old Town Community Association  
Central Eastside Industrial Council  
Swinerton  
Brookfield Properties / Pioneer Place  
PAE Engineers  
Republica  
Portland Art Museum / Travel Portland  
Allied Works  
Portland Housing Bureau  
Home Forward

Christina Ghan  
Sam Rodriguez  
Matt Goodman  
Jason Franklin  
Stef Kondor  
Mary-Rain O'Meara  
Sarah Stevenson  
Eric Paine  
Gus Baum  
Ian Roll  
Millicent Williams  
Jill Sherman  
Angela Rico  
Natalie King  
Erin Graham  
Tom Kilbane  
James Parker  
JT Flowers  
Dr. Carlos Richard  
Andrea Pastor

Office of Commissioner Rubio  
Mill Creek Residential  
Downtown Development Group  
Portland State University  
Related Northwest  
Central City Concern  
Innovative Housing  
Community Development Partners  
Security Properties  
Gensler  
Portland Bureau of Transportation  
Edlen & Co  
Office of Commissioner Rubio  
Trail Blazers  
OMSI  
Urban Renaissance Group / Lloyd Mall  
Oregon Native American Chamber  
Albina Vision Trust  
Historic Albina Advisory Board  
Metro



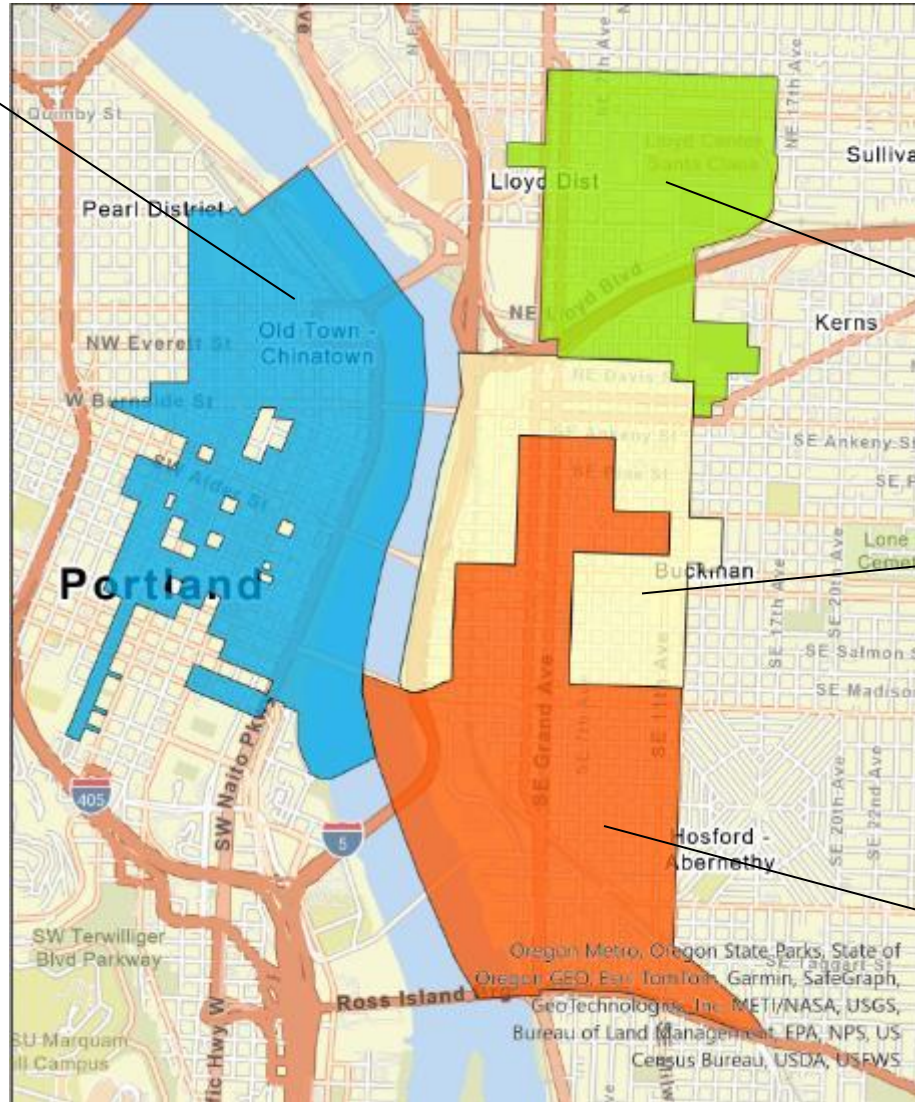
# Evolution of Draft TIF District Scenarios



# Proposed Central City TIF Districts

## Westside TIF District

	AV	Acreage
Westside	\$2.4B	493
Central Eastside Corridor	\$551.4M	485
Lloyd-Holladay	\$842.9M	261
<b>TOTAL</b>	<b>\$3.796B</b>	<b>1,239</b>
Below/(above) target	\$4.17M	261



## 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/acreeage does not accrue to cap



# Central City District Investment Priorities

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

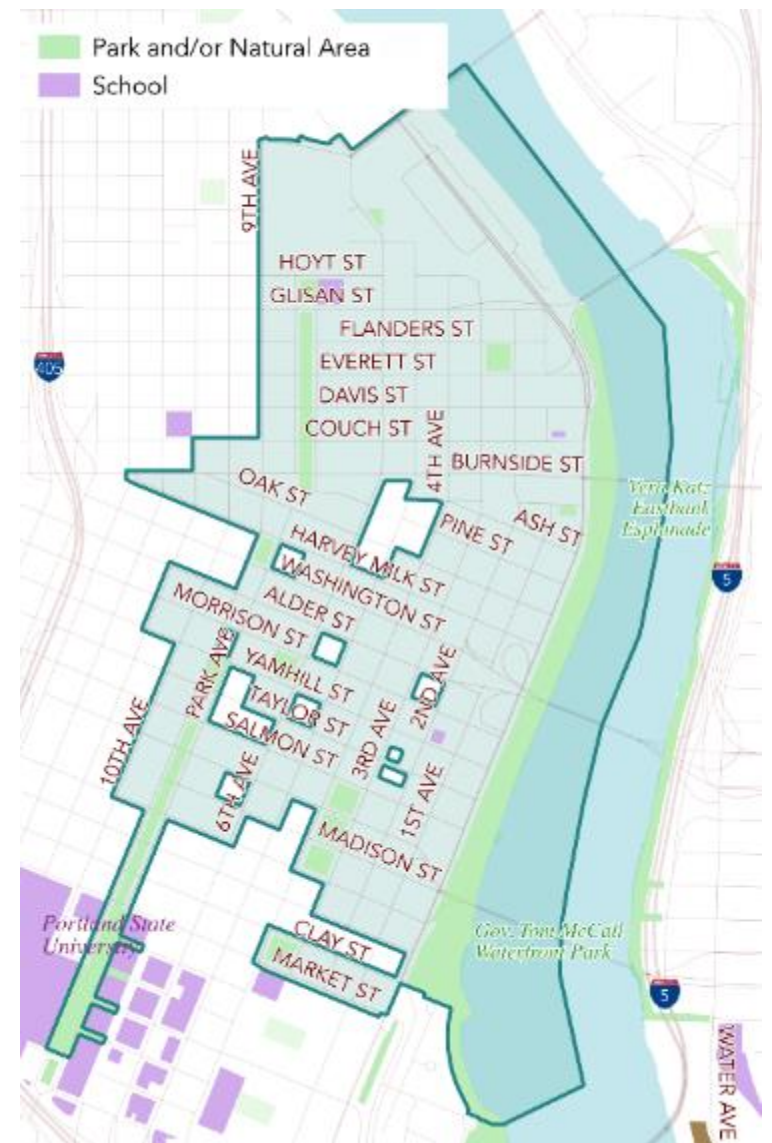


\* Total resources for capital investments net of admin and financing costs.

# Westside TIF District

## Existing Conditions & District Rationale:

- Status as **employment hub with high concentrations of vacant office spaces** as businesses either downsized or opted not to renew leases.
- **A high concentration of vacant retail spaces**, due to a sharp decline in foot traffic.
- A **structural imbalance of housing and jobs**.
- **Historic buildings** in specific areas with declining occupancy.
- Perceptions of reduced public safety in the Central City impacting **role of downtown as regional asset**
- Support for **single westside district**



Assessed Value: \$2.4 billion

Acreage: 493 acres

Maximum Indebtedness: \$800 million



# Westside TIF District

## Stakeholder Investment Priorities:

- Retain **major retailers and small businesses**; Importance of downtown retail core
- **Housing with balance of affordable and middle-income** based on existing mix and opportunity
- **Address high commercial vacancy**, including office to residential conversion
- **Placemaking**, including Park Blocks, Waterfront Park, connectivity between active nodes
- Investments that facilitate **24/7 activity**



Image: Carol Mayer-Reed

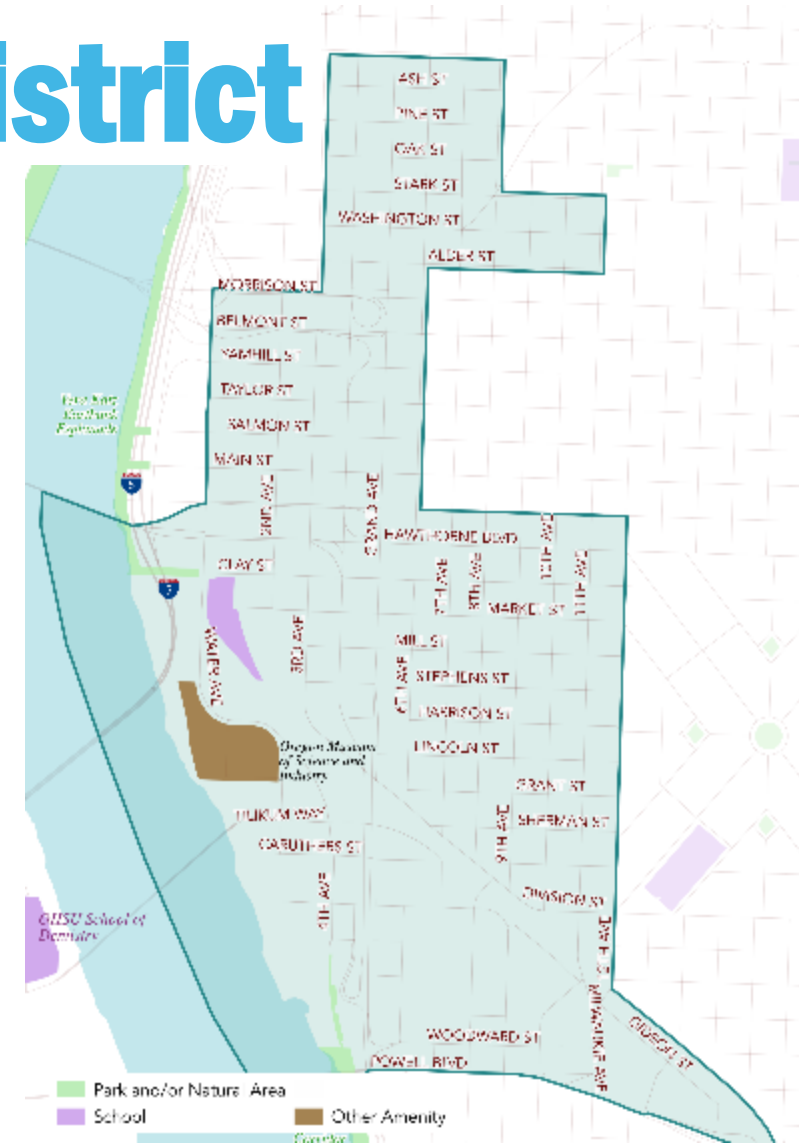
District	2030 YR 5	2035 YR 10	2050 YR 30
Westside	\$19M	\$94M+	\$800M

- 3% average AV growth; limited long-term borrowing first 20 years, 5% compression/4% discounts and delinquencies; 7% bond rates
- Cash flow includes staffing and administration (~25%) and Affordable Housing Set-Aside (45% net admin costs)

# Central Eastside Corridor TIF District

## Existing Conditions & District Rationale:

- Need for infrastructure and district parking strategy to **unlock potential of OMSI district** as 24-acre vibrant mixed-use district that includes new 1,200 housing units, commercial spaces, and public open space.
- MLK/Grant and Stark Street commercial corridors are not meeting full **potential for serving small businesses and providing district amenities** to support residential development.
- Need for investment in outdated industrial buildings to **support industrial and commercial job growth**
- Underutilized **housing potential** in appropriately zoned areas of the district



Assessed Value: \$551 million

Acreage: 485 acres

Maximum Indebtedness: \$200 million

# Central Eastside Corridor TIF District

## Stakeholder Investment Priorities:

- Infrastructure to support mixed-use mixed-income development in **OMSI District**
- Safe and effective **transportation and parking infrastructure** to retain employees and draw customers; Address **connectivity** challenges over railroad tracks
- **Embrace the waterfront** and opportunities to connect with the river
- Mix of **affordable and middle-income housing** with district amenities to support residents



Image: OPB

District	2030 YR 5	2035 YR 10	2050 YR 30
Central Eastside Corridor	\$4M	\$17M+	\$200M

- 3% average AV growth; limited long-term borrowing first 20 years, 5% compression/4% discounts and delinquencies; 7% bond rates

- Cash flow includes staffing and administration (~25%) and Affordable Housing Set-Aside (45% net admin costs)

# Lloyd-Holladay TIF District

## Existing Conditions & District Rationale:

- A high concentration of **hotels with significantly reduced occupancy** is impacting the local economy and area's ability to attract workers, visitors, and tourism.
- **High retail vacancies** (30% compared to 5% in Portland)
- A **structural imbalance of housing and jobs.**
- **Underutilized large-scale development sites** offer potential for mixed-use mixed-income development (Lloyd Center, Regal Cinema)
- **Industrial properties in need of reinvestment** (Portland Bottling)



Assessed Value: \$842 million

Acreage: 261 acres

Maximum Indebtedness: \$290 million



# Lloyd-Holladay TIF District

## Stakeholder Investment Priorities:

- Mixed-use mixed-income **redevelopment of Lloyd Center**
- Support **small businesses** along Broadway/Weidler couplet; Recruit **anchor retailers**
- Mix of **affordable and middle-income housing** with district amenities to support residents
- **Placemaking**, including street trees and embracing eco-district identity
- **Multi-modal infrastructure** to support development and district connectivity



Image: KATU

District	2030 YR 5	2035 YR 10	2050 YR 30
Lloyd-Holladay	\$7M	\$27M+	\$290M

- 3% average AV growth; limited long-term borrowing first 20 years, 5% compression/4% discounts and delinquencies; 7% bond rates
- Cash flow includes staffing and administration (~25%) and Affordable Housing Set-Aside (45% net admin costs)

# Steering Committee Alignment Vote

- ✓ Consider up to **1,500 acres** and **\$3.8 billion** in assessed value for new TIF districts in Central City
- ✓ 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
- ✓ Balance these priorities with the financial impact to the City budget and other taxing jurisdictions

**20**

**Proceed:  
Westside**

**20**

**Proceed: Lloyd-  
Holladay**

**20**

**Proceed: Central  
Eastside Corridor**

**14**

**Not Present/  
Abstain**

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

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



# Central City Action Planning Process

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

- Convene separate committees per district in Spring 2025

## 2. Draft Action Plan (*Spring – Winter 2025*)

- 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 (*Winter 2025/26*)



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Building an Equitable Economy

# Financial Impacts



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# EPDX & Central City TIF District Explorations

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

## General Government (Low to High Range)

	East Portland	Central City	Total Impact*	Average Annual
City of Portland	\$374M - \$470M	\$316M - \$384M	\$690M - \$854M	\$20M - \$24M
Multnomah County	\$355M - \$446M	\$299M - \$365M	\$655M - \$811M	\$19M - \$23M
Mult. Co. Library	\$100M - \$125M	\$84M - \$103M	\$183M - \$227M	\$5M - \$7M
Other (Metro, Port, East MS&C)	\$22M - \$27M	\$17M - \$21M	\$39M - \$48M	\$1.1M-\$1.4M
<b>SUBTOTAL</b>	<b>\$.9B-\$1.1B</b>	<b>\$.7B-\$.9B</b>	<b>\$1.6B-\$2.0B</b>	<b>\$45.1M-\$55.4M</b>



# EPDX & Central City TIF District Explorations

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

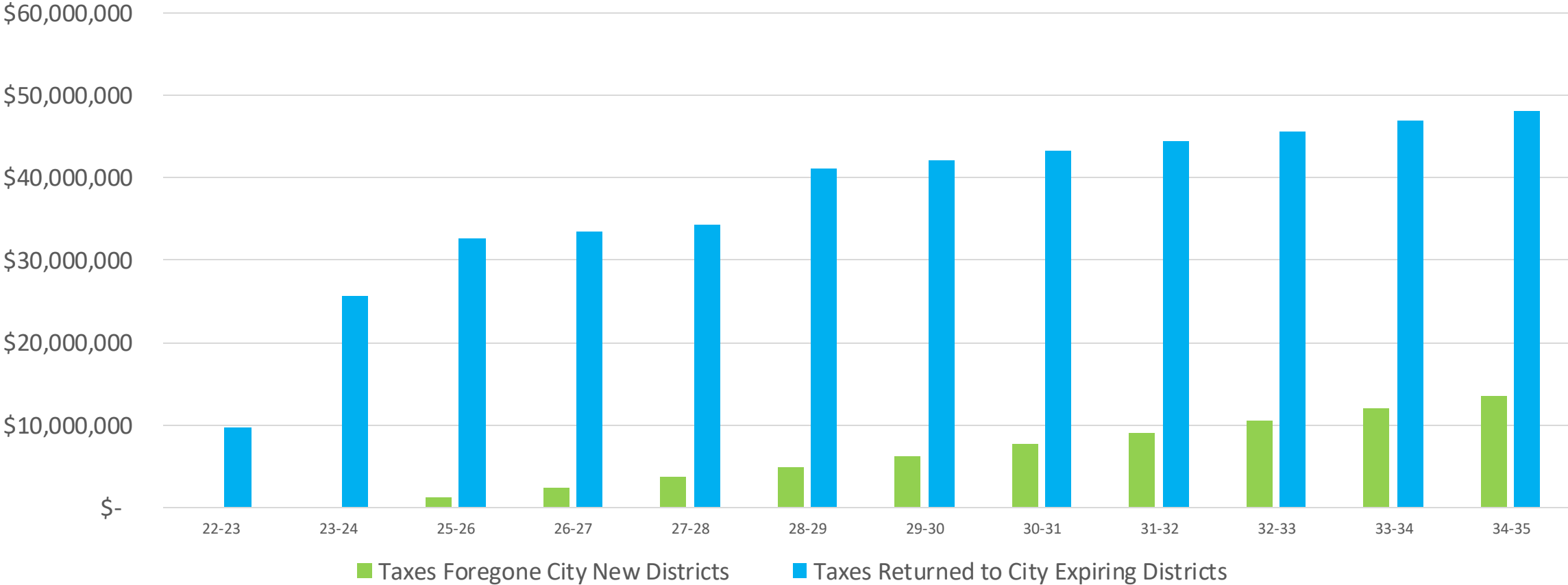
## K-12 Education (with SSF backfill, constant ADMw)

	East Portland	Central City	Total Impact*	Average Annual
Reynolds	\$ .5M - \$ .6M	-	\$ .5M - \$ .6M	\$14K - \$18K
Parkrose	\$ .4M - \$ .6M	-	\$ .4M - \$ .6M	\$13K - \$18K
David Douglas	\$1.3M - \$1.6M	-	\$1.3M - \$1.6M	\$41K - \$50K
Centennial	\$ .9M - \$1.0M	-	\$ .9M - \$1.0M	\$26K - \$32K
Portland Public Schools	\$9.4M - \$12.0M	\$26M - \$31.7M	\$35.4M - \$43.7M	\$1.0M - \$1.2M
<b>SUBTOTAL</b>	<b>\$12.5M - \$15.8M</b>	<b>\$26M - \$31.7M</b>	<b>\$38.5M - \$47.5M</b>	<b>\$1.1M - \$1.4M</b>



# 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



# Next Steps

## TIF District Approvals

**August 28: Prosper Portland Board vote** (starts legislative process)

**September 4 – October 19: Consult & Confer period** (45-day)

**September 17: Multnomah County Commission**

**September 10, 24 & October 8: Planning Commission Hearings & Recommendation**

**October 30: City Council Vote**

## TIF District Funding

**Budget Development:** November 2024 through May 2025

**July 1, 2025:** TIF district resources start

## Engagement & Action Planning

**Spring 2025: Convening of EPDX leadership committees and CC Action Plan committees**

**Spring 2025 – Winter 2025: Development of Action Plans**

**Winter 2025/26: Approval of Action Plans by Board and Council**



# Invited Testimony



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# Discussion



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Housing Bureau**



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# 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:

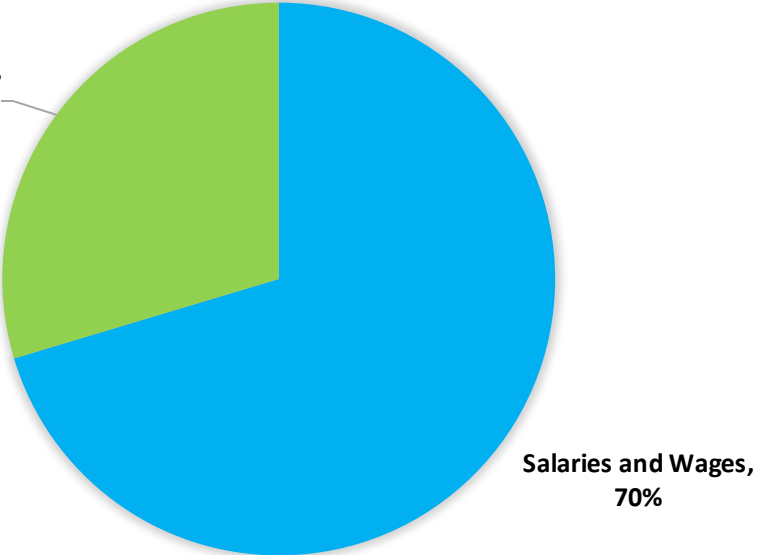
- Delayed funding available in impacted TIF districts

## Steps Taken to Plan for and Mitigate Risk:

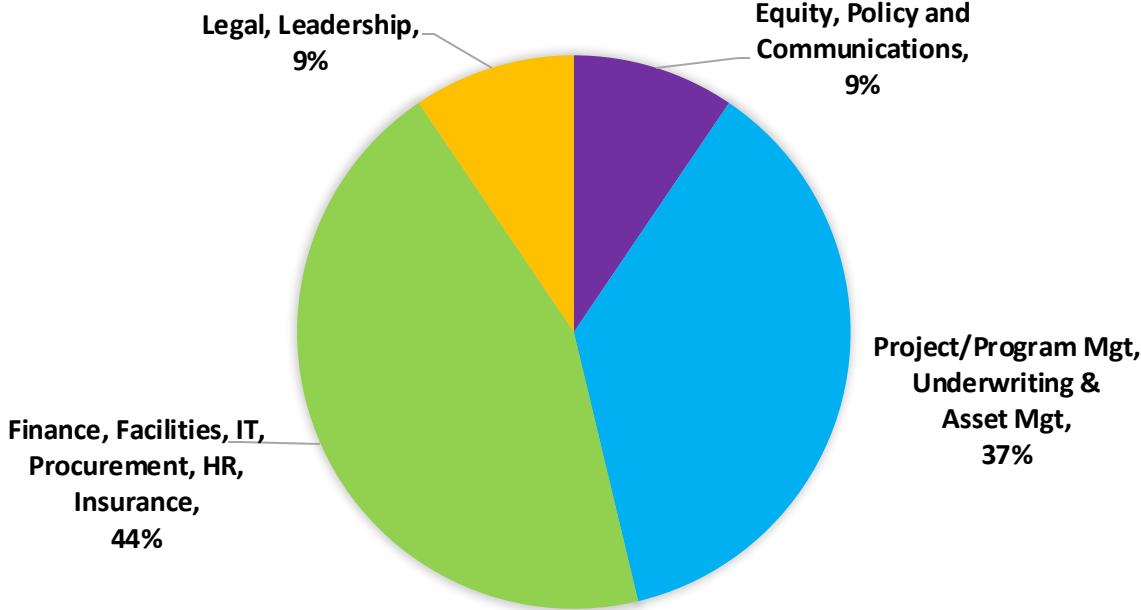
- Used FY23/24 assumptions (instead of customary anticipated increase) for all TIF models
- Actual Frozen Base will be set in Nov. 2024, using FY 24/25 AV instead of FY23/24 AV
- District scenarios include a balanced mix of uses
- Model anticipates conservative 3% growth over life of district

# Administration: What is included?

ADMINISTRATIVE COSTS



ADMINISTRATIVE ACTIVITIES





# Administration: Why 25%

## History:

- Prosper: Administration to Total Expenditures average 25% between 2001 and 2024
  - 19% when including Housing Set Aside in total resources/expenditures
  - Varies greatly by year and district depending on level of staff activity to implement projects and programs – and when capital is disbursed
    - District ranges from 20%-29% depending mix of projects and program activity
    - Annual amounts range from 5%-100% depending timing of capital
  - Activities vary from year-to-year:
    - Generally higher staff to capital ratio in earlier in district implementation
    - Ratios will vary depending on complexity of project/program and capital amounts
    - Accounting, HR, procurement, IT and insurance supports all processes throughout the TIF district implementation
  - Sources:
    - 4% from overall 'District Administration' – (Pre-Set Set Aside Calc)
    - ~21% from 55% allocated for Economic/Urban Development and Infrastructure (Post-Set Aside Calc)

# Administration: What if Capped?

Example: Lents TIF District – FY 2014-15 through FY 2023-24

Expenditures FY 2014-15 through FY 23-24				
Expense	Actual at 23%		What If Capped at 10%?	
	10 Year Total	Avg Annual	10 Year Total	Avg Annual
Admin	18,739,785	1,873,978	8,309,921	830,992
Total	83,099,206	8,309,921	83,099,206	8,309,921

Impact: Average annual admin expenditures decrease by over \$1M per year resulting in about four fewer FTE directly supporting projects and programs and reduced legal, contracting, and financial support; harder to deploy \$64M in direct capital and X amount in leveraged capital to implement LTC

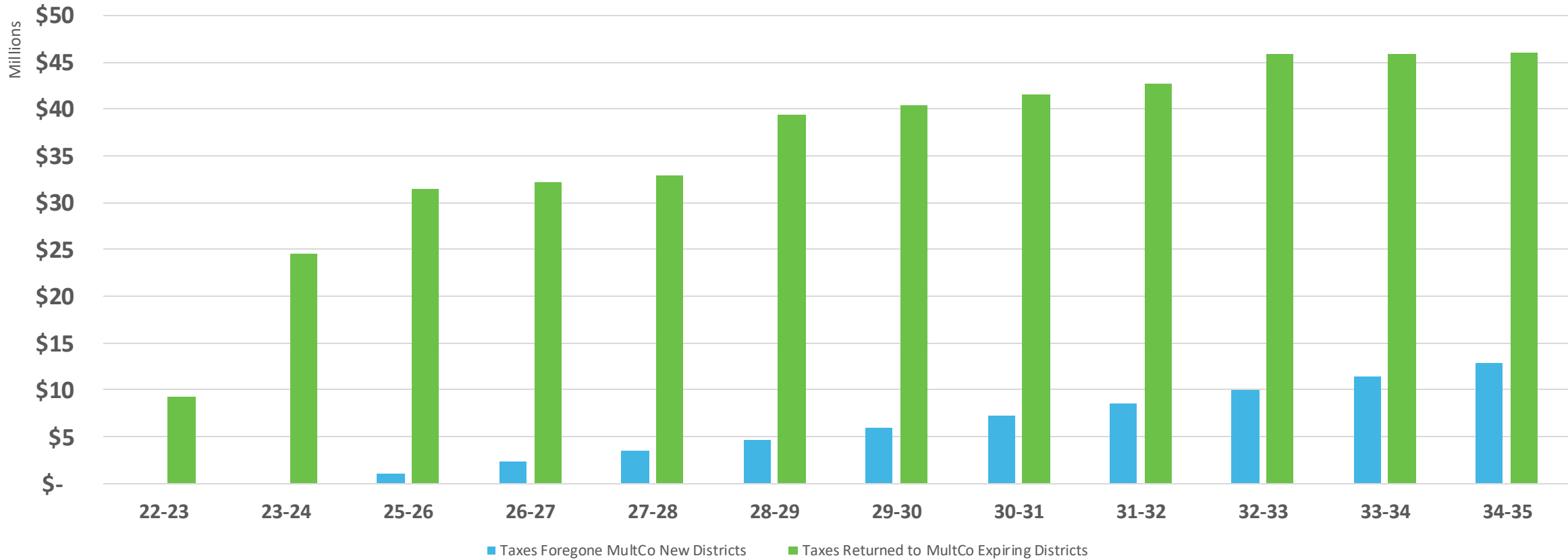
Example: Cully TIF District – First Three Years Budget

Expenditures FY 23-24 through FY 25-26				
Expense	Actual at 60%		What If Capped at 10%?	
	First Three Years	Avg Annual	First Three Years	Avg Annual
Admin	1,034,317	344,772	174,023	58,008
Total	1,740,229	580,076	1,740,229	580,076

Impact: Higher admin percent in early years due to initial implementation ~ 1 direct FTE assigned. 10% cap allows for fraction of admin support ~.2 FTE to support district

# Multnomah County General Fund

Estimated Taxes Foregone vs. Returned



**Impact in First 10 Years:**

Taxes returned from expiring districts	\$426M
<u>Taxes foregone – new districts</u>	<u>\$68M</u>
Net taxes returned:	\$358M

Through 2059, there is a positive net impact of \$1.2B for the County and \$353M for the Library with 3% growth on most of the returning TIF