

**Lloyd-Holladay TIF Action Plan**

**Working Group Meeting #7**

**Go Lloyd Office, 700 NE Multnomah St 3<sup>rd</sup> Floor Conference Room**

**January 20, 2025, 3:00 – 4:30 pm**

**MEETING PURPOSE**

The purpose of the meeting is to:

- Shared information about updated financial forecast
- Confirmation of near-term economic development investment priorities
- Identified next steps

**MEETING MATERIALS**

- Meeting slides

**INPUT SOUGHT**

- Input regarding near term investment priorities and forthcoming summary report
- Questions about next steps?

**DECISIONS or RECOMMENDATIONS TO BE VOTED ON**

- None

**UPCOMING MILESTONES**

- Next Working Group Meeting: Tuesday, February 10, 3:00 – 4:30, location TBD

**Meeting Summary**

(See also meeting presentation)

**Welcome, Introductions**

- Kiana Ballo (Prosper Portland) welcomed people to the meeting and reviewed the agenda.

**Public Comment**

- None

**Update on TIF Projections & Next Steps**

Lisa Abuaf (Prosper Portland) reviewed the Working Group's process to-date and Investment Priorities as defined via prior discussions.

Lisa provided an overview and update of the District's financial status including:

- Prosper's funding sources that are available in addition to TIF to fund the agency's various initiatives and provide for staffing stability.

- Updated assumptions impacting the TIF model assumptions resulting in no resources being generated in the District for the coming year. This is due to a combination of the Certified Frozen Base being higher than modelled during district creation; as well as the assessed value being lower than the Frozen Base due to property tax appeals.
- Lisa explained that the financial model will continue to be in flux due to evolving Utility values that will be finalized later this summer as well as additional property tax appeals in the pipeline.
- Tony Barnes, Prosper's CFO, explained that once the utility values are established, the updated Frozen Base may come closer to breaking even with the Assessed Value – increasing the likelihood of generating increment in the coming years.

Working Group discussion:

Comment: additional tax value appeals are likely forthcoming so the impact could be felt in future years as well

Response: correct – we are analyzing the data in hopes of understanding the potential future impacts as well

Question: What happens once values are finalized this summer?

Response: The certified frozen base will be established once we have final values; however, assessed value can continue to flux in coming years. This is in part why we are proposing an annual budget process for the near-term vs completing the Action Plans at this time.

Question: What is the scale of appeals and impact on TIF over the long-term?

Response: Evaluating which year we will begin to see TIF within the next 5-year window. The County estimates there are approximately 1,000 properties still under appeal over the next few months. The current estimated Frozen Base is \$1.1 billion vs \$842 million as estimated during the District formation. The current year Assessed Value is \$773 million. Figures will be finalized later this summer. The District exists today and is tied to maximum indebtedness over an estimated 30 year time frame.

Question: Is setting the frozen base an iterative process and/or negotiated?

Response: It is established at the time of creation of the district and values for that point in time are being finalized now.

Lisa reviewed the budget allocations as previously established by the Working Group, including of \$153k for economic development and \$100k for affordable housing over the first two years.

Lisa explained that Prosper Portland is proposing to use income from the recent sale of the Inn at the Convention Center to backfill the \$153k for economic development. Jessi Connor (Portland Housing Bureau) explained that PHB does not have program income or resource available to backfill so affordable housing investment will wait until TIF set-aside resources are available.

Lisa reviewed the proposed next steps including:

- Pausing Action Plan approvals with City Council until TIF resources are available
- Using the Working Group's work to-date to inform Prosper's annual budget process
- Providing a summary report to Prosper Portland's Board in order to memorialize the Working Group's input and investment priorities
- Continuing to provide updates to the Working Group as new financial information is available – and resuming the Action Plan once TIF proceeds are available

Working Group discussion:

- Comment: Declining values also present opportunities for acquisition in the market. May be hitting the bottom and starting to see some improvement. Are there any resources available within PHB and/or opportunities for bridge loans with other entities?
- Response: There are very limited resources that are to be prioritized across the City; also evaluating regional strategies for other funding sources

Lisa sought input and/or confirmation of the proposed near-term investment priorities

Working Group discussion:

- Question: What are parameters for investment?
- Response: Investments are typically made within program guidelines such as the Prosperity Investment Program that have been approved by Prosper's Board. Because these resources are not limited to TIF-eligible uses, would need to explore special authority for expenditure outside of program guidelines if not in line with existing programs.

- Comment: A number of businesses in Lloyd Mall are at below-market rents and desire to co-locate together but spaces are not built out
- Response: Resources would be used to support this work as this is in line with priorities heard from the Working Group. Need to truth test what can actually be accomplished with the limited funds and/or other resources available as match.
- Question: Will the reduction in near-term TIF resources impact the timing of the Lloyd Mall redevelopment?
- Response: No – the project wasn't relying on near-term TIF resources since they were never adequate for the needed investment in initial phases of work.

Lisa closed the meeting with a brief reminder of next steps. The Working Group will receive a copy of the draft district summary for review and feedback in advance of the next Working Group meeting – with a particular focus on the near-term investment priority direction.

### Attendance

#### **Lloyd-Holladay Working Group**

Keith Jones	X
Owen Ronchelli	X
Ziggy Lopuszynski	
Julie Gustafson	
Tom Kilbane	X (Joey Shoemaker attended as alternate)
Willie Levenson	
Khanh Tran	
Emily Mandic	X
Kurt Craeger	X
Alison Wicks	X
Steve Day	X
Matthew Henderson	X
Debbie Kitchen	X
Kristin Leiber	X (Joshua Baker attended as alternate)
Minyana Bishop	
Jona Davis	

#### **Guests & Staff**

Amy Nagy	
----------	--

Sarah Harpole	X
Kiana Ballo	X
Jessica Conner	X
Josh Roper	
Gwen Thompson	
Thuan Duong	
Kate Piper	
Bev Keagbine	
Kara Hamilton	
Tanya Wolfersberger	
Uma Krishnan	
Lisa Abuaf	X
Tony Barnes	X
Sarah King	
Michael Buonocore	X