



**DATE:** January 14, 2026  
**TO:** Board of Commissioners  
**FROM:** Cornell Wesley, Executive Director  
**SUBJECT:** Report Number 26-01

Adopting a Minor Amendment to the Lloyd-Holladay Urban Renewal Plan, Adopting a Revised Property Plan for 910 NE MLK Jr. Blvd., and Approving the Terms of an Intergovernmental Agreement with Metro to Fund Improvements at 910 NE MLK Jr. Blvd.

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

Adopt Resolutions No. 7632, 7633, and 7634

These actions by the Prosper Portland Board of Commissioners (Board) will authorize the major components for the renovation of Prosper Portland-owned property at 910 NE Martin Luther King Jr. Boulevard (910 Building or the Property) located in the Lloyd-Holladay Tax Increment Finance (TIF) District. The project concept proposes to reposition the 910 Building as a food hall, bar, music venue, and meeting space that serves community identified priorities. Board approval of three key actions will allow staff to proceed with activities consistent with the proposed business plan.

Resolution No. 7632 proposes a minor amendment to the Lloyd-Holladay Urban Renewal Plan to include 910 NE MLK Jr. Blvd. as a priority project area, consistent with public engagement and TIF district action planning.

Resolution No. 7633, if approved, would adopt a revised 910 Building Property Plan, last updated in 2019, by adding relevant Advance Portland Outcomes, Action Plan Category, Business Objective, and Net Operating Income Target for the Property consistent with the Board-approved Financial Investment & Real Estate Policy (FINREP).

Lastly, Resolution No. 7634, would approve the terms of an Intergovernmental Agreement with Metro to seek partnership funding for the conversion improvements, contingent on Metro Council approvals.

#### **STRATEGIC ALIGNMENT AND OUTCOMES**

Renovation and repositioning of the 910 Building aligns with agency strategic priorities, including Advance Portland Objective 3, to foster a vibrant Central City through retaining and increasing commercial activity and supporting small businesses within the Central City. Repositioning a long vacant property enables Prosper Portland to support activation of a key underutilized site adjacent to the

Oregon Convention Center (OCC), which directly supports Advance Portland Outcome 3.4, to strategically activate properties in support of regional anchors like the OCC.

Primary public benefits of this proposed plan include: 1) repositioning a long vacant site to increase services and activation in the Lloyd District, 2) supporting OCC visitorship with a convenient and augmented dining alternative, and 3) providing additional opportunities for existing and new small businesses within the Central City.

### **BACKGROUND AND CONTEXT**

The 910 Building is being considered for substantial renovation and repositioning in alignment with community discussions regarding the future of the 910 Building and the adjacent Inn at the Convention Center Hotel (ICC Hotel). The ICC Hotel was previously owned by Prosper Portland and has since been sold consistent with Board Resolution No. 7603, approved in April 2025.

The 910 Building was originally purchased by Prosper Portland in 2005 in anticipation of developing the Oregon Convention Center Hotel (OCC Hotel). Following years of feasibility research, Metro ultimately identified another location for the site of the OCC Hotel, thus requiring a reexamination of potential opportunities for the property. Community input and market analysis has identified a deficit of local food venues in the immediate area surrounding the OCC, and the establishment of a convenient and locally based dining hall would serve to highlight Portland's food entrepreneurs to both regional and out-of-state visitors. The OCC has shared that one of the primary amenities conference providers look for when choosing a venue is the density and diversity of activities in the immediate area. This project would enhance the OCC's needs in that regard while also serving the broader Lloyd district business employees and residents.

The business plan consists of several components, including an overall design concept and construction plan, an operations plan, and a financing plan, which are outlined below:

*Design and Construction Plan* – Preliminary schematic designs have been completed for the building and food cart area. Further development of the designs is required to submit to the City of Portland's Design Review and to complete a full set of construction drawings. Upon completion of the permit set (or in parallel if an alternative contracting method is chosen) a competitive bidding process will be coordinated to identify and secure a construction contractor for the project. The total budget for architectural and engineering work is \$1,100,000. Hard construction costs are budgeted at \$6,000,000. Staff anticipates returning to the Board to consider contract approvals as Prosper Portland's Local Contract Review Board.

*Operations Plan* – Given the complexities of operating an asset of this nature, with multiple revenue and expense streams to manage, the business plan includes a third-party operator of the property. Major revenue and expense components include food cart pods, a bar, and an event space. Dining would be provided by a collection of local food cart owners located adjacent to the food hall within the property. As such, staff issued a Request for Interest and Qualifications (RFIQ) in September 2025 to identify a qualified operator partner who could manage operations and share upfront financial risk. Prosper

Portland received three responses to the RFIQ and ultimately selected ChefStable LLC (ChefStable), based on the responses, team experience with other food pods in the city, and readiness to make an upfront co-investment. ChefStable is a successful consulting and management firm that specializes in providing back-of-house support to the restaurant industry. Led by Kurt Huffman, ChefStable is prepared to become a master tenant of the property and run the day-to-day operations. As operator, the ChefStable will also be responsible for developing the overall branding, marketing, and theme for the venue.

*Financing Plan* – The total expected cost of this redevelopment (including reserves) is \$7,500,000. This amount is anticipated to involve both a significant Prosper Portland and partner investment. Over the past year or more, staff has worked closely with the Oregon Convention Center General Manager (OCC GM) to ensure alignment and support from Metro, the owner and operator of the Oregon Convention Center. Based on those conversations and financial modelling for the asset, staff worked closely with the OCC GM to identify an opportunity to solicit financial support from Metro to ensure project costs and operating success are shared as widely as possible and to apportion risk amongst the project stakeholders. The operator solicitation also requires an upfront contribution from the operator partner to further apportion the risk. The capital stack is currently anticipated as follows:

Anticipated Amount	Source
\$4,000,000	Owner (Prosper Portland)
\$3,000,000	Financial Partner (Metro, contingent on Metro Council approval)
\$ 500,000	Operator Partner (ChefStable)
<b>\$7,500,000</b>	<b>Total Sources</b>

Given the limited funding available from program income within the Lloyd-Holladay TIF District (transferred from the closeout of the Oregon Convention Center TIF District), the project will struggle to move forward without the anticipated capital support from Metro, and/or another stakeholder. The projected financial support from Metro is anticipated to take the form of an Intergovernmental Agreement (IGA) loan that carries an interest rate and a payback period. Agreement of the terms will require approval by both the Metro Council and the Prosper Portland Board of Commissioners. Should the Board approve the actions and elements of the proposed business plan, staff would also pursue opportunities to obtain grant funding from Travel Portland or other tourism-focused groups. Funding considerations are further described in the Budget and Financial Information section below.

Once the project is complete and the property is open for business, ChefStable will begin to manage the bar, food cart pod, and other leasable areas of the building. Most of the revenues are expected to come from drink sales at the bar, followed by the monthly license fees from the food cart owners, and then rent from the event spaces. The initial year of operations is expected to generate a small annual loss (which has been factored into the project budget), with the business reaching stabilized operations in year two, and full revenue potential in year three.

### **EQUITY IMPACT**

This project will adhere to Prosper Portland’s Equity and Green Building Policies and, consistent with ORS 279C.800 et seq., will adhere to Oregon prevailing wage law. As part of the operations plan, ChefStable will license space to small business food cart owners who will represent a diverse combination of local and international cuisines. It is expected that the food cart pod will maintain a diversity of cuisine offerings, and act as a critical stepping-stone for many family-owned restaurateurs as they work toward creating generational wealth. Likewise, the bar area will provide opportunity for live performances by local music artists and employment for bartenders and serving staff.

### **COMMUNITY PARTICIPATION AND FEEDBACK**

The future of the 910 Building has been discussed with Go Lloyd, the Lloyd Enhanced Services District and other adjacent property owners, including Metro, as part of the close out of the Oregon Convention Center TIF District and the Central City TIF district exploration process. The concept of a food cart pod was introduced during multiple meetings with community members and stakeholders who expressed considerable support for the idea. Prosper Portland, in partnership with the Oregon Convention Center, held a kick-off meeting in August 2023 and convened a focus group in August 2024 to share three design concepts that were under consideration. With input from the focus group participants, the team selected the design concept that is the basis of the project.

The renovation and repositioning of the 910 Building was then presented as an investment opportunity to the Lloyd-Holladay TIF District working group as part of their engagement and action planning efforts for the new Lloyd-Holladay TIF District. The project aligned with the group’s desire to add more food options to the neighborhood, to leverage the TIF district’s adjacency to the Convention Center and event district, and to achieve early progress and positive impact in the district. During discussions about budget priorities, the working group voted unanimously to support funding for the 910 Building project in out-years of the Lloyd-Holladay TIF District. This out-year investment requires a minor amendment to the Lloyd-Holladay TIF Plan.

### **BUDGET AND FINANCIAL INFORMATION**

While the property is within the boundaries of the 2024-adopted Lloyd-Holladay TIF District, current funding is only available through program income. Therefore, the initial source of Prosper Portland capital to advance this project will be through property sales and operating income revenues, together with an operating reserve, related to the ICC Hotel. Those funds are transferring to the Lloyd-Holladay TIF District Fund from closing out the OCC TIF District. Budget adjustments related to the district closeout and transfer of resources occurred in the FY 2025-26 Revised 1 Budget approved by the Board on December 10, 2025 (included as Attachment C). Further adjustments to the budget would be needed to incorporate Metro resources and final project cost assumptions. Upon Board approval, budget adjustments would be reflected in the FY 2025-26 Revised 2 Budget that will be brought to the Board later this fiscal year and the FY 2026-27 Proposed Budget based on overall project timing and cash flow.

Provided that Metro approves the proposed financing IGA, these combined sources of funding will be sufficient to fully cover the project costs.

The schedule of project spending is expected to run approximately as follows:

Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27	Q3 FY27	Q4 FY27	Total
\$100,000	\$100,000	\$300,000	\$2,000,000	\$2,500,000	\$1,500,000	\$1,000,000	<b>\$7,500,000</b>

Any shortfalls or overruns would require backfilling by investing Strategic Investment Fund (SIF) dollars, subject to Board approval. Should that occur, the asset could transfer to the SIF and be operated consistent with the Board- approved Financial and Real Estate Investment Policy.

### **RISK ASSESSMENT**

The risk factors for the 910 Building are typical for real estate projects and operations, e.g., permitting and regulatory, construction cost-control, financing and capital availability, asset and operational performance, and general economic cycle risks. These risks are mitigated in a variety of ways, including deal structuring, contract management process and policy, financial budgeting and sensitivity analysis, and community engagement. Regarding the risk of operating shortfalls, the master lease will contain language that obligates the operating partner to absorb up to six months of initial operating losses. Beyond the initial ramp up period, Prosper Portland will retain budget approval authority, and an operating reserve accrual will be established to account for slower periods of business that may be encountered from time-to-time. Furthermore, the master lease will require the operator partner to pay NNN charges regardless of the business performance. This will ensure a cost-neutral position for Prosper Portland.

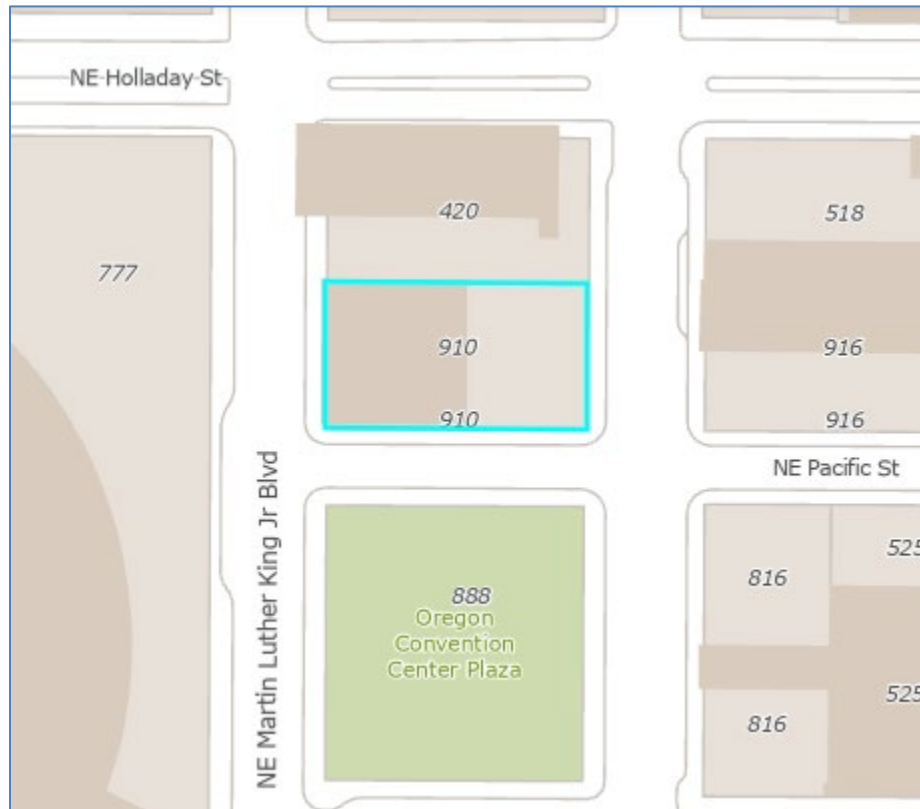
Regarding repayment risk, if the combination of surplus net income from operations plus the \$1.5 million outyear investment discussed as part of the Lloyd-Holladay Action Plan working group is insufficient to repay the outstanding balance of the Metro loan upon maturity, there are several options: the SIF can be used to pay off the remaining balance and Prosper Portland would continue to own the property; the property could be sold to the Operator Partner in an arms-length transaction that could generate the necessary funds; the master lease could be extended and then the property sold to investors; or the property could be sold to another potential operator that is interested in the property for their own business activities.

### **ATTACHMENTS**

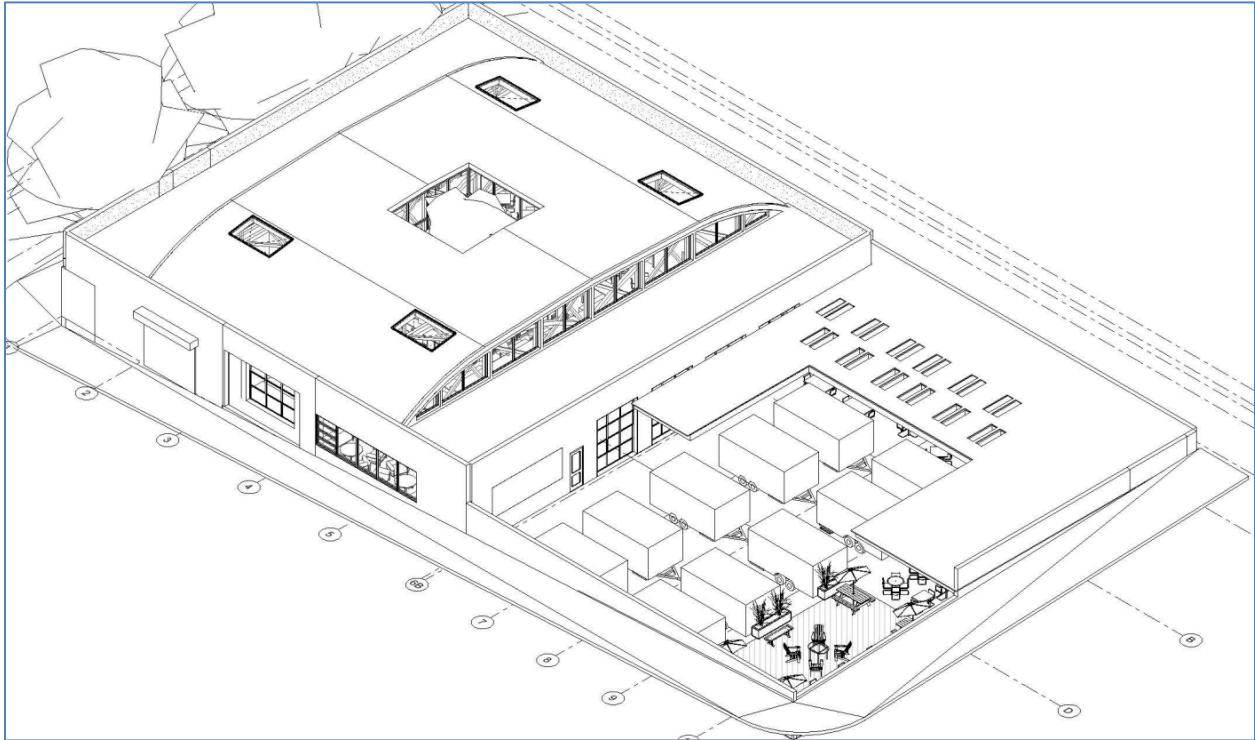
- A. Property Map
- B. Concept Drawing
- C. TIF District Fund Financial Summary

**Property Map**

910 NE MLK Jr. Blvd.



**Concept Drawing for 910 NE MLK Project**



### TIF Fund Financial Summary

#### Financial Summary Forecast

<u>Lloyd-Holladay TIF Fund</u>	<u>Prior Year FY 2024-25</u>	<u>Revision FY 2025-26</u>	<u>Forecast FY 2026-27</u>	<u>Forecast FY 2027-28</u>	<u>Forecast FY 2028-29</u>	<u>Forecast FY 2029-30</u>
<b>Resources</b>						
Beginning Fund Balance	-	-	345,773	299,626	252,094	203,137
Revenue						
Interest on Investments	-	4,829	9,538	8,153	6,728	5,259
TIF - Short Term Debt	-	-	572,929	872,628	1,175,216	1,499,540
Transfers In	-	5,522,616	-	-	-	-
Total Revenue	-	5,527,445	582,467	880,781	1,181,944	1,504,799
Total Resources	-	5,527,445	928,240	1,180,407	1,434,038	1,707,936
<b>Requirements</b>						
Administration						
A00847-Debt Management & Legal-LH	-	-	5,000	5,000	5,000	5,000
Administration Total	-	-	5,000	5,000	5,000	5,000
Economic Development						
Community Economic Development						
A00826-Community Development-LH	-	6,000	3,000	3,000	3,000	3,000
Economic Development Total	-	6,000	3,000	3,000	3,000	3,000
Housing						
A00825-Affordable Housing-LH	-	-	196,522	328,746	462,245	605,334
Housing Total	-	-	196,522	328,746	462,245	605,334
Property Redevelopment						
Real Estate Management						
A00306-910 NE MLK Building-CNV	-	50,685	50,685	50,685	50,685	50,685
Real Estate Predevelopment						
A00306-910 NE MLK Building-CNV	-	4,000,000	-	-	-	-
A00306-910 NE MLK Building-CNV	-	45,907	-	-	-	-
A00824-Project Development-LH	-	-	147,233	266,820	348,143	435,311
Property Redevelopment Total	-	4,096,592	197,918	317,505	398,828	485,996
Total Program Expenditures	-	4,102,592	402,440	654,251	869,073	1,099,330
Personnel Services	-	62,167	113,087	126,549	170,432	217,465
Total Fund Expenditures	-	4,164,759	515,527	780,800	1,039,505	1,316,795
Interfund Transfers - Indirect Charges	-	54,707	113,087	126,549	170,432	217,465
Interfund Transfers - Cash Transfers	-	-	-	20,964	20,964	20,965
Reserved For Future Expenditures	-	1,307,979	299,626	252,094	203,137	152,711
Total Fund Requirements	-	5,527,445	928,240	1,180,407	1,434,038	1,707,936