

AFTER RECORDING RETURN TO:

Prosper Portland
Attn. Karen Harris
220 NW 2nd Avenue, Suite 200
Portland, OR 97209

Multnomah County Official Records
E. Murray, Deputy Clerk

2024-071219



\$1,441.00

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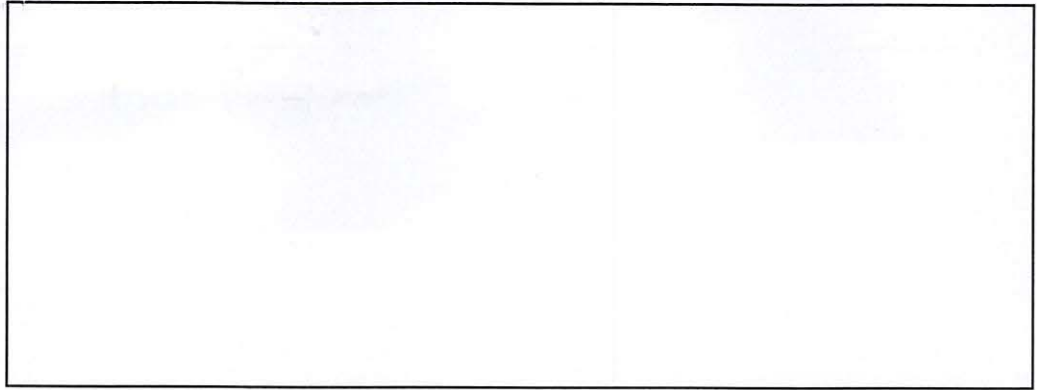
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\$1.370.00 \$11.00 \$60.00

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Westside Tax Increment Finance District Plan

(document follows this coversheet)



CITY OF PORTLAND
Office of the City Auditor
1221 SW Fourth Avenue, Room 130
Portland, OR 97204

I hereby certify Ordinance 191941 to be a complete and exact copy of the original as the same appears on file and of record in my office and in my care and custody on November 20, 2024.

Simone Rede
Auditor of the City of Portland
By 
Deputy



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191941

Ordinance

Adopt the Westside Urban Renewal Plan

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On April 26, 2023, City Council through Resolution 37617 adopted Advance Portland: A Call to Action for Inclusive Economic Growth, which directs action to pursue Tax Increment Financing (TIF) as a tool for inclusive growth and stabilization within the Central City and in alignment with community led TIF exploration in East Portland.
2. On June 28, 2023, City Council through Resolution 37623 directed Prosper Portland, as the duly organized urban renewal agency of the City of Portland, together with the Portland Housing Bureau and the Bureau of Revenue and Financial Services/Office of Management & Finance, to collectively pursue analysis and creation of new urban renewal districts ("TIF districts").
3. Prosper Portland convened a community-led steering committee to oversee the Central City exploration processes as well as subcommittees to specifically advise Prosper Portland regarding a broad range of interests and expertise including housing production across various levels of affordability, economic development, and the development of large scale development opportunity that could ultimately be codified in one or more new urban renewal plans ("TIF plan") for that area.
4. As a product of the steering committee's extensive work and additional stakeholder engagement, a TIF Plan (the "Westside TIF Plan" or "Plan") was developed for a proposed new TIF district containing 492 acres of area including portions of Old Town and Downtown, with a proposed maximum indebtedness of \$800,000,000 to finance projects under the Plan (the "Westside TIF District" or "District").
5. On August 28, 2024, after considering the proposed Plan, an accompanying Report prepared in accordance with ORS 457.087 (the "TIF Report"), and public testimony, the Prosper Portland Board of

Introduced by

[Mayor Ted Wheeler;](#)
[Commissioner Carmen Rubio](#)

City department

[Prosper Portland](#)

Contact

Justin Douglas

Governance, Learning and
Outcomes Manager

✉ douglasj@prosperportland.us

Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

October 30, 2024

Requested Start Time

9:45 am

Time Requested

30 minutes (8 of 9)

Commissioners adopted Resolution 7571, approving the Westside TIF Plan and TIF Report, directing that the Plan and TIF Report be forwarded to the City Council for adoption, and directing the Plan and TIF Report be forwarded to the City's Planning Commission for its review and recommendations to the City Council. The Plan and TIF Report are attached hereto as Exhibits A and B respectively and are incorporated herein by this reference.

6. On September 10, the Portland Planning Commission held a public hearing and on October 8 voted to recommend that the Portland City Council adopt the Plan and found that it conforms to Portland's Comprehensive Plan. The Planning Commission's letter of support is attached as Exhibit C to this Ordinance.
7. The Plan was prepared in conformance with ORS Chapter 457 and with public involvement in all stages of its development. Notice of the October 23, 2024, Council hearing was sent on September 19, 2024, to postal patrons in the city of Portland, as required by ORS 457.120.
8. On October 23, the City Council held a public hearing to review and consider the Plan, TIF Report, Planning Commission Recommendations, and to receive public testimony.
9. The District, as a whole, is blighted (as defined in ORS 457.010(1)) based on the information set forth in Section 1 of the Report, and the rehabilitation and redevelopment activities set forth in the Plan are necessary to protect the public health, safety and welfare of both the District and the City as a whole.
10. The Plan conforms to the City's Comprehensive Plan and economic development plan as a whole, as set forth in Exhibit D, attached to this Ordinance and incorporated herein by this reference. The Plan provides an outline for accomplishing the urban renewal projects that the Plan proposes.
11. Acquisition of real property as described in the Plan is necessary to carry out the purposes of the Plan. No housing displacement is anticipated in the Plan; however, if displacement occurs, the Plan requires that such displacement will be made in accordance with ORS 35.500 to 35.530.
12. Adoption of and carrying out the Plan is economically sound and feasible, based on the Financial Analysis of the Plan as set forth in Section 3 of the TIF Report.
13. The City will assume and complete any activities prescribed to the City by the Plan.

NOW, THEREFORE, the Council directs:

- A. The Westside TIF Plan, attached hereto as Exhibit A, is hereby approved and will be effective thirty (30) days after passage of this

ordinance.

- B. Prosper Portland will administer implementation of the Plan, and the Portland Housing Bureau will assume and complete activities agreed upon by the City and prescribed to it by the Plan.
- C. The Plan is authorized to be financed, in part, by division of taxes as provided in ORS 457.420 to 457.450.
- D. The City Auditor will forward to Prosper Portland and the Planning Commission certified copies of this Ordinance upon approval by the Council.
- E. Prosper Portland must record in the Deed Records of Multnomah County, Oregon, a copy of this Ordinance and the Plan, upon adoption by the Council.
- F. Prosper Portland must send a copy of this Ordinance and the Plan to the Multnomah County Assessor.
- G. Prosper Portland, in accordance with ORS 457.115, must publish notice of adoption of this Ordinance approving the Plan, including the provisions of ORS 457.135, in the newspaper having the greatest circulation in the City within four days following adoption of this Ordinance.

Exhibits and Attachments

 [Exhibit A](#) 5.26 MB

 [Exhibit B](#) 1.77 MB

 [Exhibit C](#) 335.35 KB

 [Exhibit D](#) 1.16 MB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
October 30, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

Three new TIF Districts are proposed to be created within the Central City, resulting in up to \$1.3 billion in TIF resources to be invested over the next 30 years.

The proposed Westside district is 492 acres and includes portions of Downtown and Old Town. It is estimated to generate up to \$800 million in TIF resources.

The three Central City TIF Districts also present investment opportunities and priorities unique to each district. The Westside TIF District is proposed to help reinvigorate the Downtown core and Old Town, both of which were significantly impacted by the pandemic and a shift to hybrid work. Investment priorities include reimagining downtown as a regional destination and creating an improved balance between commercial and residential uses.

Financial and Budgetary Impacts

The combined estimated fiscal impact to the City of Portland for the proposed Westside TIF District over the life of the district totals approximately \$242 million.

Of the estimated \$800 million in TIF resources that could be generated within the district over time, \$333 million would go to affordable housing, \$259 million to economic and urban development, and \$148 million to infrastructure investments in the district.

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

Westside

Affordable Housing

- Affordable Rental Housing (0-60% AMI) **\$333M**
- Preserve Existing Affordable Housing Buildings **(45%)**
- Develop New Affordable Multi-family Residential Uses

Economic & Urban Development

**\$259M
(35%)**

- Recruitment, Retention of Anchor Employers/Retailers and Traded Sector Businesses
- Tenant Neighborhood Commercial Spaces
- Rehabilitation, Development of Commercial Space
- Neighborhood Services and Amenities
- Regional Assets & Destinations

- Middle-Income Rental Housing (60-120% AMI)

Infrastructure & Public Realm

- Signage, Connectivity & Accessibility **\$148M**
- Public Realm Enhancements **(20%)**
- Street and Utilities to Support Vertical Development

SUBTOTAL* **\$741M**

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

The Westside TIF District would provide critical resources for the Housing Production Strategy, and over time can increase revenues via increases in tax value and generation of system development charges (SDCs) via development. TIF funds can also be used as a funding match when pursuing federal funds that could benefit the region.

To the extent the district creates new taxable assessed value due to new development in the district, the City of Portland and overlapping taxing jurisdictions will realize the additional tax revenue when value is returned either by the end of the district or sooner as revenue sharing thresholds are reached in accordance with ORS 457.

This action will require Prosper Portland and PHB staff to engage with community stakeholders in the action planning and policy review. Prosper Portland has adequate resources in its fiscal year 2024-25 adopted budget to hire four new staff should City Council approve any new districts.

Economic and Real Estate Development Impacts

Consistent with Oregon Revised Statutes chapter 457.089, Prosper Portland sent the draft plans and reports to 15 taxing districts offering an opportunity to meet and discuss the proposals and estimated fiscal impacts. In addition, Prosper Portland and PHB staff met with the Multnomah County Commission at a hearing on September 17, 2024, to discuss the draft plans and reports and the estimated fiscal impacts to the county.

Consistent with Oregon Revised Statutes chapter 457.120, Prosper Portland sent a mailer with notice of the October 23, 2024, City Council public hearing to approximately 356,000 households in the city of Portland.

Approving the plans and reports will provide access to a tool and financial incentive that has proven to advance equitable economic growth.

According to an April 2024 third-party analysis conducted by consultant ECONorthwest titled 'Understanding Portland Tax Increment Finance District Investment Impacts, 2000-2022,' relative to non-TIF comparison areas, TIF districts saw:

- 6x the amount of total square footage of development
- 25x the amount of high-density development
- 4x the 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

Community Impacts and Community Involvement

Prosper Portland and Portland Housing Bureau staff conducted significant and thorough public participation related to these actions. Engagement summaries are attached to each TIF District Plan and provide further detail on the following engagement processes:

Prosper Portland and City-led Engagement. Prosper Portland and City staff facilitated a range of activities related to TIF exploration, including events, twice-monthly virtual office hours, regular email updates to interested parties, one-on-one conversations with community members, and briefings to community organizations. In addition, staff contracted with a dozen community/culturally specific organizations to partner on outreach and engagement.

Central City TIF Exploration Steering Committee / Subcommittees: The Central City TIF Exploration Steering Committee kicked off work in October 2023 and met as a full committee as well as within interest-specific subcommittees through August 2024. Members of the Central City TIF Exploration Steering Committee represent a broad range of interests and expertise including housing production across varied levels of affordability, economic development, and development of key large scale development opportunities. Steering Committee members also met within subcommittees pertaining to these three areas of expertise during the exploration process.

The Central City TIF Exploration Steering Committee was tasked with considering up to 1,500 acres and \$3.8 billion in assessed value for new TIF districts in Central City; and directed that any new districts created should:

- 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
- Balancing these priorities with the financial impact to the city budget and other taxing jurisdictions

Over the course of Steering Committee and Subcommittee meetings, members informed the vision, values, and goals for utilization of TIF resources in the Central City; identified investment needs and opportunities to inform district boundaries and priority project lists; and discussed implementation principles and governance considerations. At the conclusion of the exploration process, the Steering Committee voted to

recommend the creation of three new TIF districts within the Central City for the Prosper Portland Board and City Council's consideration.

Steering Committee members included the following:

Andrew Fitzpatrick, Office of Mayor Wheeler
Angel Medina, Republica
Angela Rico, Office of Commissioner Rubio
Brad Cloepfil, Allied Works
Brian Ferriso, Portland Art Museum/Travel Portland Board
Carolyn Holcomb, Central Eastside Industrial Council
Catherine Ciarlo, Metro
Christina Ghan, Office of Commissioner Rubio
Damien Hall, Home Forward
Dana White, Portland Public Schools
Dr. Carlos Richard, Historic Albina Advisory Board
Eric Paine, Community Development Partners
Erin Graham, OMSI
Gus Baum, Security Properties
Ian Roll, Gensler
James Parker, Oregon Native American Chamber
Jason Chupp, Swinerton
Jason Franklin, Portland State University
Jeff Renfro, Multnomah County
Jessica Curtis, Brookfield Properties/Pioneer Place
Jessie Burke, Old Town Community Association
Jill Sherman, Edlen & Co
JT Flowers, Albina Vision Trust
Kimberly Branam, Prosper Portland
Lauren Peng, CBRE
Marc Brune, PAE Engineers
Mary-Rain O'Meara, Central City Concern
Matt Goodman, Downtown Development Group
Michael Buonocore, Portland Housing Bureau
Millicent Williams, Portland Bureau of Transportation
Monique Claiborne, Greater Portland Inc.
Natalie King, Trail Blazers
Nicole Davison Leon, Hispanic Chamber
Peter Andrews, Melvin Mark
Sam Rodriguez, Mill Creek Residential
Sarah Stevenson, Innovative Housing
Stef Kondor, Related Northwest
Sydney Mead, Portland Metro Chamber
Tom Kilbane, Urban Renaissance Group/Lloyd Mall

Additional Stakeholder Engagement: Staff additionally conducted broader community including holding an in-person open house, conducting an online survey, and providing briefings with key community stakeholders/organizations to gather feedback that would help inform district map revisions and investment priorities. Between the open house

and the survey, 335 points of feedback were collected. Several neighborhood associations, business districts, and other relevant organizations/coalitions were provided briefings and opportunities for discussion.

100% Renewable Goal

This action does not have an impact on the city's 100% renewable goal.

Financial and Budget Analysis

\$800 million in TIF resources is estimated to be generated within the new district over 30 years, with \$333 million going to affordable housing, \$259 million to economic and urban development, \$148 million to infrastructure investments in the district, and \$59 million to administration and financing costs.

The combined estimated fiscal impact to the City of Portland for the proposed TIF District over the life of the district totals approximately \$242 million.

The new TIF District would provide resources for the Housing Production Strategy, and over time can increase revenues via increases in tax value and generation of system development charges (SDCs) via development. TIF funds can also be used as a funding match when pursuing federal funds that could benefit the region. To the extent the district creates new taxable assessed value due to new development in the district, the City of Portland and overlapping taxing jurisdictions will realize the additional tax revenue when value is returned either by the end of the district or sooner as revenue sharing thresholds are reached in accordance with ORS 457.

Document History

Item 916 Time Certain in [October 23, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/23)
(<https://www.portland.gov/council/agenda/2024/10/23>)

City Council

Passed to second reading

Passed to second reading October 30, 2024 at 9:45 a.m. time certain

Item 930 Time Certain in [October 30-31, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/30)
(<https://www.portland.gov/council/agenda/2024/10/30>)

City Council

Passed

Aye (5):

Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler