

Central Eastside Corridor Tax Increment Finance (TIF) District Progress Report

1. District Overview

The Central Eastside Corridor Tax Increment Finance District (District) covers 708 acres in Portland's Central City. The District was approved after a year-long exploration process co-led with community partners and action by the Prosper Portland Board of Commissioners and Portland City Council in October 2024. The exploration process and resulting Central Eastside Corridor TIF Plan (TIF Plan) was developed in response to long-term needs in the district and the impact of COVID-19 on neighborhoods with a high proportion of office space and low proportion of residential units.

The TIF Plan goals include revitalizing the District by attracting large employers, supporting small businesses, improving the public realm, and growing an active, affordable, and inclusive neighborhood. The District is anchored by the OMSI District redevelopment and a robust employment center that blends innovation and industry. It is a hub for makers, creatives, entrepreneurs, and large employers with an opportunity for investment to drive equitable growth and economic opportunity while embracing the riverfront.

The TIF Plan projects an estimated \$200 million to become available for investment over the 30-year life of the District. In accordance with the Affordable Housing Set Aside Policy, 45% of resources are anticipated to be administered by the Portland Housing Bureau (PHB) for investment in affordable housing. The remainder of the District's resources are to be administered by Prosper Portland for investment in economic and urban development. The initial financial model for the district's first years – through



FY2030-31 – anticipated approximately \$7.1 million of TIF funding, including an anticipated first bond issuance in year five consistent with City of Portland policy.



2. Community Engagement

When City Council approved the Central Eastside Corridor TIF District, it directed Prosper Portland and PHB to convene an ad hoc working group, advising Prosper Portland's Executive Director and PHB's Director, to inform development of the district's first Five-Year Action Plan.

Working Group members were identified through a combination of an open call application process and direct appointment to ensure that working group members have a strong connection to the district and represent a broad range of knowledge or experience related to work that will be done in the TIF districts. Direct appointment positions were offered to the neighborhood's Enhanced Services District, Business District, Community Associations, and the OMSI Master Plan Site. Open call applications were distributed through Prosper Portland and Portland Housing Bureau newsletters, Central City TIF interested parties email list, direct emails, and community partner networks. Applications were reviewed and selected by a committee of Prosper Portland and PHB staff, City Council District Office representatives, and the district organization direct appointments. Evaluation criteria included connection to the district, motivation to serve on the working group, TIF related skills/experience, collaboration, and overall committee composition.

Like the East Portland Community Leadership Committees, the Working Group is comprised of a broad cross section of leaders from the District and provided continuity from the prior Central City TIF Exploration Steering Committee. See Attachment A for a list of the Working Group members.

The Working Group met eight times from June 2025 – February 2026 to inform the context and vision for the five-year investment strategy. This included developing investment priorities, aligning budget allocations and anticipated outcomes, and recommending the future approach for governance and reporting on Action Plan progress. Prosper Portland and the Portland Housing Bureau additionally undertook extensive community engagement via an online survey with 116 responses, tabling at two community events, organizational briefings, and four written updates to an interested parties list.

3. Community Vision & Investment Priorities

The long-term vision for the District is to **facilitate a well-connected, balanced, and complete neighborhood with a focus on progressing a vibrant public realm with arts and culture, industrialized employment, and a robust range of housing and economic development opportunities.**

As a first step in achieving this long-term vision, the Working Group developed near-term goals and priorities for the District based on current conditions and existing opportunities. A full table assuming the early modelled budget allocations and apportioned with Working Group guidance is also included as Attachment B.

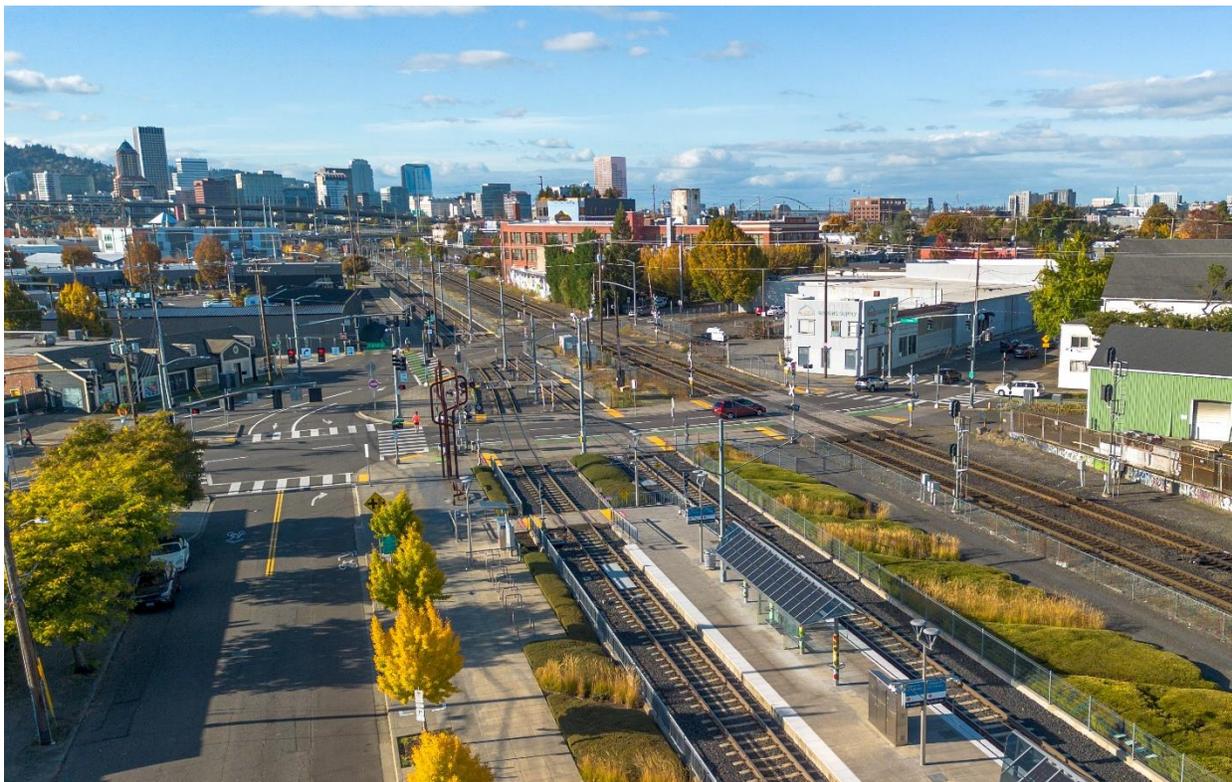
1. Vibrant Arts & Culture District:

- a. Amplify the district as a tourist destination with safe pathways and wayfinding for visiting restaurants, shops, and anchor entertainment destinations
- b. Prioritize public art, activations, and support for artists and art organizations to access affordable spaces
- c. Invest in multi-cultural district with a thriving Indigenous and Native American hub

2. Thriving Business Community:

- a. Support and grow small businesses offering diverse products and services through grants and loans

- b. Incentivize business incubation and access to affordable space via grants
 - c. Invest in employers through recruitment, retention, and expansion strategies
 - d. Maintain industrial sanctuary and preserve industrial businesses
3. Housing Production:
- a. Flexible, opportunistic funding to support affordable housing development
 - b. Minimize resident displacement
 - c. Include preferences in future RFPs/NOFAs for units and amenities designed for artists, makers, and other creative professionals



4. Governance

Ongoing engagement and governance are critical for ensuring accountability and transparency in the expenditure of public funds. Recognizing differences in stakeholder perspectives, capacity, and existing organizational infrastructure – the Working Group was tasked with setting forth a recommendation for governance that best suits the

District's current needs. Considerations included keeping stakeholders informed but not overburdened and balancing the level of engagement with the resources available – which is anticipated to change over time as resources increase.

The Working Group recommended the continued convening of a standing advisory committee to review annual investment outcomes and discuss budget adjustments as needed, with the existing Working Group to serve as the advisory committee. The group agreed that the initial advisory committee may need to be augmented to address gaps in expertise and/or membership replacement as necessary. Initially, the advisory committee was recommended to meet no less than twice per year in alignment with the City's annual budget cycle.

Additional reporting and engagement were recommended to occur via quarterly district investment reports on Prosper Portland's website, agency participation in various standing organizational meetings within the District, and via stakeholder participation in initiative specific committees, focus groups, etc., as applicable.

5. Current TIF Projections and Path Forward

The Working Group advised PHB and Prosper Portland on the investment of \$7 million of modeled TIF resources. However, based on preliminary data from Multnomah County, the current outlook for revenue in the District currently projects no TIF revenue growth through FY 2026-27. As the Central City continues to feel the impacts of the COVID-19 pandemic and remote work policies, the District has not seen the conservative growth typically expected in the early years of a TIF district.

Fiscal Year 2026-27 Economic & Urban Development Investments

The lack of TIF revenue requires near-term reliance on other non-TIF resources such as program income, generated from previously owned assets, and a loan portfolio specific to the Central Eastside TIF District. Program income could provide \$144,000, sufficient to keep the projected economic development investment budgets intact through FY 2026-27, and in alignment with the economic development investment priorities identified by the Working Group.

Prosper Portland's program income funds are modest and not a long-term solution. However, having resources available to meet early district priorities enables the District to sustain early momentum. The Portland Housing Bureau does not have other

available resources and affordable housing investments will hold until the Affordable Housing set-aside resources become available.

During action planning discussions, the Working Group strategically allocated initial funds for small business support programs, employer retention and recruitment, and public realm enhancements. As such, the \$144,000 in non-TIF resources for FY2025-26 – FY2026-27 is proposed to be invested in accordance with the following Goals, Actions, and Outcomes identified by the Working Group:



- **Goal:** Public realm activations that promote cultural inclusion and community livability and enhance district connectivity to shape identity of the District.
Action: Invest in community anchor nonprofits via Community Livability Grants (CLG) for projects located in the geographic priority area between SE Morrison Street, SE Hawthorne Boulevard, SE Martin Luther King Boulevard, and SE Water Avenue.
Outcome: Grants disbursed to one to two community-led public realm enhancement projects to be completed in the prioritized geographic focus area.
- **Goal:** Employers choose the District to locate their business and employee presence.
Action: Support businesses through grants for business tenant improvements and/or manufacturing efficiency improvements, including grants for businesses already located in the District to retain and improve space. Provide business expansion, retention, and relocation resources to employers.
Outcome: Grant provided to one anchor employer for tenant improvements in the District.
- **Goal:** Retain, stabilize, and grow locally owned small businesses offering diverse products and services in the District.
Action: Provide grants to small businesses for TIF-eligible improvements, with an emphasis on retaining and growing existing businesses. Prioritize filling ground floor active uses that drive foot traffic along major corridors in the district.
Outcome: Grants disbursed to one to two small business in the District.

Governance

Prosper Portland is committed to engaging the Working Group throughout the agency's annual budget process to ensure alignment with the Working Group's priorities and the identified non-TIF resources available within the District. The Working Group will convene quarterly through FY2026-27 to inform and monitor investment activity. As TIF resources become available, the Working Group will convene with greater frequency to finalize the Action Plan. Prosper Portland will also attend various standing organizational meetings within the District to share updates on the investment of resources and learn about other District-related initiatives.



After exploring available options, the Portland Housing Bureau determined that funding for affordable housing investment priorities identified by the Working Group will be available once TIF resources begin to accrue in the District. While there will be no reporting for affordable housing resources during FY2025-26 – FY2026-27, PHB will remain available to the Work Group and individual members as needed.

We acknowledge the dedication and insights of the Central Eastside Corridor Action Plan Working Group, the community members who responded to our survey and/or provided feedback at community events, and the preceding Central City TIF Exploration Steering Committee. The work to date summarized here, and recommended next steps, reflects the collective efforts of many contributors, and this collective commitment and thoughtful engagement was essential in shaping the recommendations presented here.

6. Attachments

A. Central Eastside Corridor Working Group Members

B. Draft Action Plan Budget

Attachment A: Central Eastside Corridor Working Group Members

Carolyne Holcomb, Central Eastside Industrial Council
Leah Nanpei, Vice President of Real Estate and Facilities, OMSI
Mark Linehan, Hosford-Abernethy Neighborhood Association
Michael Woods, Buckman Community Association
Mike Larkin, Central Eastside Together
Amanda Lucier, property owner / photojournalist
Chelsea Rooklyn, Killian Pacific / Willamette Light Brigade Board
Dietrich Wieland, Mackenzie Inc.
Eric Hoffman, SUM Design Studio + architecture
Hovering Laplante, Sweet & Salty PDX
Jill Sherman, Edlen & Co. / OMSI
Lluvia Merello, Portland Indigenous Marketplace
Matt Fairris, BAE Urban Economics
Tiffany Conklin, Portland Street Art Alliance
Ty Brown, REACH CDC

* names in bold indicate direct appointed position

Attachment B: Draft Action Plan Budget

NOTE: The following budget reflects the investment priorities of the Working Group based on the resources initially believed to be available within the district. It does not accurately reflect actual resources available based on revised financial modelling.

	Yr 1-2	Yr 3-4	Yr 5-6	Total FY25-26 thru FY30-31	Outcomes
<i>Prosper Portland: Economic & Urban Development (55%)</i>					
Vibrant Arts & Culture District					
Public Realm Grants	70,000*	75,000	1,225,000	\$1,370,000	18-45 Grants
Infrastructure / Open Space	0	0	1,000,000	\$1,000,000	PBOT or Portland Parks & Rec project support
Thriving Business Community					
Small Business Support - Grants	50,000*	218,000	400,000	\$668,000	9-15 grants to small businesses
Small Business Support - Loans	0	50,000	400,000	\$450,000	3-7 loans to small businesses
Employer Retention / Recruitment / Expansion	24,000*	100,000	400,000	\$524,000	Expansion/retention and/or recruitment of 6-10 traded sector companies
<i>PHB: Affordable Housing Set-Aside (45%)</i>					
Housing Production					
Affordable Housing Development	0	0	2,754,000	\$2,754,000	1-3 opportunities
Homeowner Stabilization	100,000	0	0	\$100,000	20-25 grants to homeowner households
Renter Stabilization	0	300,000	0	\$300,000	2-3 Rehab Loans
Total Action Plan Budget				\$7,166,000	

* Prosper Portland has identified non-TIF resources sufficient to retain the Year 1-2 economic development priorities identified by the Working Group.