

Lloyd Holladay Tax Increment Finance (TIF) District Progress Report

1. District Overview

The Lloyd-Holladay Tax Increment Finance District (District) covers 261 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 Lloyd-Holladay 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, and growing an active, affordable, and inclusive neighborhood. The District includes the 29-acre Lloyd Center Mall Master Plan site which is a significant opportunity for new market rate and affordable housing production, employment growth, and public space enhancements that are currently needed for a more 24/7 active and vibrant neighborhood.

The TIF Plan projects an estimated \$290 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 \$10.5 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 Lloyd-Holladay 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 Association, and the Lloyd Mall 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 108 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 as described in the TIF Plan is to **facilitate a well-connected, balanced, and complete neighborhood with a focus on stitching together a cohesive community fabric anchored around the Lloyd Center Master Plan site.**

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

1. Commercial Vitality:

- a. Fill ground floor and office vacancies
- b. Stabilize and grow small businesses most vulnerable to displacement and lack of access to capital through loans, grants, and synergistic co-location
- c. Expand local food culture and attract/retain people to the District, with particular focus on improving provision for residents, employees, and visitors to the Convention Center and the Rose Quarter
- d. Grow quality jobs and employee presence within the District

2. Vibrant Public Realm:

- a. Implement public infrastructure to reconnect community and unlock development, which may include improvements as part of the Lloyd Mall Central City Master Plan, subject to the pending Master Plan
 - b. Provide Community Livability Grants to anchor nonprofits that support cultural inclusion and district vitality via public art, murals, and street amenities
 - c. Invest in the reimagination of existing and creation of new open space
3. Affordable Housing Production and Stabilization:
- a. Invest in public/private partnerships to catalyze under-utilized sites and unlock development across the housing continuum to support the vision of a 24-hour neighborhood
 - b. Invest in a continuum of affordable, mixed-income, and limited profit housing, including rental and homeownership opportunities
 - c. Stabilize current residents to mitigate displacement

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 encumbered with redundant or unnecessary meetings and balancing the level of engagement with the resources available – which can 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 initial advisory committee in the early years while resources are limited. The advisory committee will meet quarterly for FY2026-27 to coincide with the City's annual budget process and develop an implementation strategy to deploy the fiscal year resources. As TIF resources increase, the advisory committee will consider remaining as the existing committee to develop a second 5-Year Action Plan, or recommend forming a new advisory committee to be empaneled by City Council.

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.

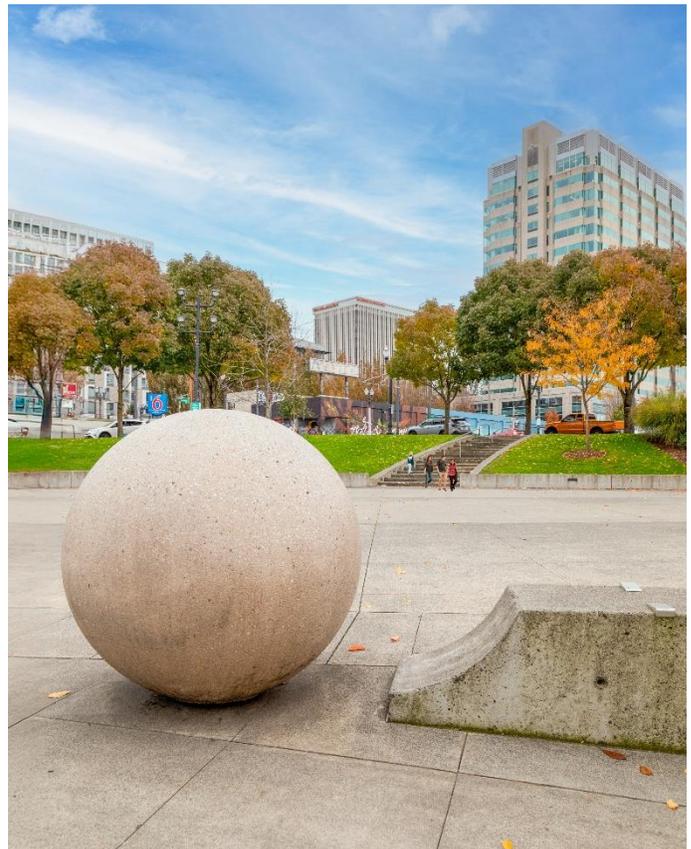
5. Current TIF Projections and Path Forward

The Working Group advised PHB and Prosper Portland on the investment of \$10.5 million of modeled TIF resources. However, based on preliminary data from Multnomah County, the current outlook for revenue in the District 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

Prosper Portland initially owned two assets within the District, the Inn at the Convention Center and the 910 Building, both of which were carried over from the prior Oregon Convention Center TIF District. The recent sale of the Inn at the Convention Center could provide \$153,000 in program income sufficient to keep the projected economic development investment budgets intact for FY2026-27 – and in alignment with the economic development investment priorities identified by the Working Group. Sale proceeds are additionally identified for reinvestment in the 910 Building.

Located at 910 NE Martin Luther King Jr. Boulevard, the 910 Building will be repositioned as a food hall, bar, music venue, and meeting space that serves District residents, employees, and visitors while providing opportunities for small businesses. This investment is additionally in alignment with priorities identified by the Working Group.



Prosper Portland’s program income funds within the District, typically generated by property sales, loan payments, and earned interest, are modest and not a long-term solution, but having resources available to meet early district priorities enables the District to sustain early momentum. PHB 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 to stabilize existing businesses and increase ground floor activation within the District. As such, the \$153,000 in non-TIF resources for FY2025-26 – FY2026-27 is proposed to be invested in accordance with the following Goal, Action, and Outcome identified by the Working Group:

- **Goal:** Retain, stabilize, and grow small businesses.

Action: Stabilize and grow small businesses most vulnerable to displacement and lack of access to capital.

Provide grants to small businesses with an emphasis on retaining and growing existing businesses within the District, such as the tenants of the Lloyd Center Mall.



While many current tenants of the mall have expressed preference to remain in the mall, advocacy for the future of the Lloyd Center goes beyond the purview of the Working Group. Since the Working Group’s scope of influence is over Prosper Portland and Portland Housing Bureau’s investments in the district, members agreed to maximize support for small businesses to be responsive to the needs of mall tenants. Additionally, the Working Group directed Prosper Portland to explore opportunities to support demising of larger-format spaces to better support small businesses and create opportunities for co-location.

Prosper Portland’s Lloyd-Holladay TIF District Relationship Manager and staff with the Office of Small Business will work with existing organizations in the area

including the Lloyd Enhanced Services District, Lloyd Community Association, and Northeast Broadway Business Association to identify strategic and feasible opportunities. For new businesses, prioritize ground floor active uses that drive foot traffic in the district. Additionally, explore opportunities to support demising of larger-format spaces to better support small businesses and create opportunities for co-location.

Outcome: Grants disbursed to two to three small businesses.

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 are 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 the status of the 910 Building; 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 Lloyd-Holladay 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. Lloyd-Holladay Working Group Members
- B. Draft Action Plan Budget

Attachment A: Lloyd Holladay Working Group Members

Julie Gustafson, Northeast Broadway Business Association
Keith Jones, Lloyd Enhanced Services District
Owen Ronchelli, Go Lloyd
Tom Kilbane, Urban Renaissance Group/Lloyd Center Central City Master Plan Site
Ziggy Lopuszynski, Lloyd Community Association
Alison Wicks, Metro (Affordable Housing)
Debbie Kitchen, Central Eastside Together
Emily Mandic, American Assets Trust
Jona Davis, Northeast Coalition of Neighborhoods (NECN)
Khanh Tran, National Association of Minority Contractors - Oregon
Kristin Leiber, Lloyd EcoDistrict
Kurt Creager, Holy Rosary Church
Matthew Henderson, Virtua Gallery/Lloyd Center tenant
Minyana Bishop, Immigrant and Refugee Community Organization (IRCO)/Resident
Steve Day, PacifiCorp
Willie Levenson, Human Access Project

* 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>					
Commercial Vitality					
Small Business Support - Grants	153,000*	400,000	700,000	\$1,253,000	15-30 grants to small businesses
Small Business Support - Loans			444,000	\$444,000	1-3 loans to small businesses
910 Building			1,500,000	\$1,500,000	Redevelopment of 910 Building to serve as bar and food cart pod
Employer Retention / Recruitment / Expansion		90,000	90,000	\$180,000	Expansion/retention/and/or recruitment of 1-3 traded sector companies
Vibrant Public Realm & Infrastructure					
Public Realm - Grants		130,000	400,000	\$530,000	6-8 grants to community non-profit partners
Infrastructure / Open Space			2,000,000	\$2,000,000	Street and/or open space to unlock residential development and increase connectivity
<i>PHB: Affordable Housing Set-Aside (45%)</i>					
Affordable Housing Production & Stabilization					
Affordable Housing - Acquisition			3,247,000	\$3,247,000	1 acquisition opportunity
Affordable Housing – Predevelopment			800,000	\$800,000	1 Predevelopment Loans
Affordable Housing – Homeowner Stabilization	100,000			\$100,000	8-10 grants to homeowner households
Affordable Housing – Renter Stabilization		500,000		\$500,000	1 Rehab Loan
Total Action Plan Budget				\$10,554,000	

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