

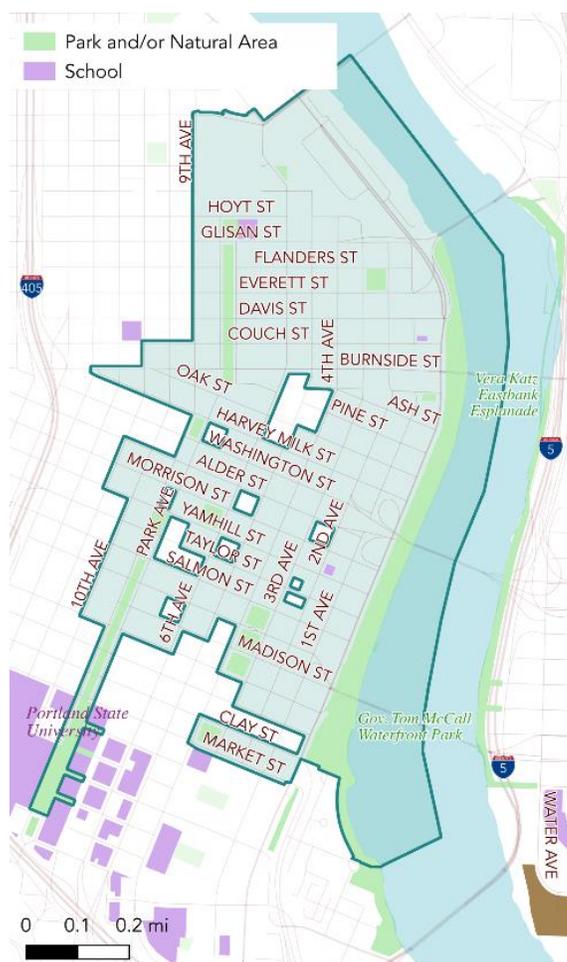
Westside Tax Increment Finance (TIF) District Progress Report

1. District Overview

The Westside Tax Increment Finance District (District) covers 396 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 Westside 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 Broadway Corridor 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 \$800 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 \$20.8 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 Westside 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 Broadway Corridor 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 242 responses, tabling at two community events, organizational briefings including the Old Town Chinatown Community Association, 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 inclusive growth, transformation, and revitalization in a post-pandemic setting and to establish widely shared economic prosperity and continuous positive activity in the heart of the city.**

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 modeled budget allocations and apportioned with Working Group guidance is also included as Attachment B.

1. Commercial Vitality:

- a. Support and grow small businesses offering a diversity of products and services through loans, grants, and synergistic co-location
- b. Attract/retain people to the district – both tourists and locals
- c. Grow quality jobs and employee presence within the district
- d. Develop a retail investment strategy to retain and recruit retailers

2. Public Realm, Arts & Culture:

- a. Invest in public art, murals, and street amenities
- b. Use grant and loan funding to support our Cultural Institutions
- c. Support district activations with Community Livability Grants
- d. Work to improve district connectivity to and from Tom McCall Waterfront Park

3. Housing & Livability:

- a. Prioritize economic development in the initial years to strengthen the development market
- b. Invest in a spectrum of housing affordability, including preserving existing affordable housing
- c. Pursue partnership models to deliver mixed income, live/work, and active ground floor uses in affordable housing

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 identified by the Working Group included continuity in combination with staggered membership terms, speed, accountability, efficiency in keeping stakeholders informed but not overburdened, 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 initially filling this role in the early years while resources are limited. The Working Group recommended the advisory committee should meet no less than twice per year in alignment with the City's annual budget cycle and further recommended staggered term-limits to be set for committee members to ensure continuity as well as diverse and evolving representation.

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 \$20.8 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

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 prior River District TIF District, the bulk of the District's program income resources are allocated to existing commitments in the Broadway Corridor and the Old Town Action Plan. However, a modest amount of non-allocated program income funds may be available and sufficient to meet the projected economic development investment portion of the budget through FY2026-27 in alignment with the investment priorities identified by the Working Group.

While not a long-term solution, these funds provide a resource to meet early District economic development priorities and sustain momentum. The Portland Housing Bureau does not have other available resources and affordable housing investments will remain on hold until the Affordable Housing set-aside resources become available.

During action planning discussions, the Working Group initially identified funds for small business support programs, the development of a retail strategy, and public realm enhancements to stabilize existing businesses and increase ground floor activation within the District. However, in light of the revised financial forecast, the Working Group elected to instead pool and prioritize funds for a competitive district activation grant program to stimulate economic activity. As such, the \$525,000 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:** Support small businesses and increase foot traffic and retail activity within the Westside TIF District via projects or initiatives that leverage maximum partnered investment.

Action: Create a Public Realm Activation Grant program that will be implemented as a competitive, application-based program. The grants will be open to the entire District and include community representation in the review and selection of grant applications. Evaluation criteria will prioritize projects with the greatest potential for generating foot traffic, demonstrated leveraging of

additional funding, and supporting adjacent retailers. Funds are intended for new and/or enhanced activations rather than backfilling budget shortfalls.

Outcome: \$525,000 in grants awarded to three to eight businesses and/or organizations with the intent of supporting public realm activations, generating foot traffic, and stimulating economic activity.

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 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 Westside 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. Westside Working Group Members
- B. Draft Action Plan Budget

Attachment A: Westside Working Group Members

Diana Stuart, Downtown Portland Neighborhood Association
Matthew Claudel, Old Town Community Association
Peter Andrews, Melvin Mark
Sydney Mead, Downtown Portland Clean & Safe
Vanessa Sturgeon, TMT Development / Portland Metro Chamber
Alan Jones, Jones Architecture
Alisha Sullivan, Portland Winter Light Festival
Angel Medina, Republica
Beth Burns, p:ear
Cody McNeal, Urban Development Partners
Elizabeth Nye, Lan Su Chinese Garden
Giovanni Bautista, Resident / Metro housing policy analyst
Jennifer Cole, Pacific Northwest College of Art
Jennifer Polver, Pioneer Courthouse Square
Jessica Elkan, James Beard Public Market
Randall Friesen, Columbia Pacific Building & Construction Trades Council

* 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	0	200,000	400,000	\$600,000	10-15 businesses served
Anchor Retail - Loans	0	700,000	2,000,000	\$2,700,000	5-30 loans plus Retail strategy
Employer Retention / Recruitment / Expansion	0	170,000	200,000	\$370,000	Expansion/retention/and/or recruitment of 1-10 companies
Vibrant Public Realm & Infrastructure					
Cultural Capital Improvements - Loans	0	0	1,033,000	\$1,033,000	1-3 loans
Public Realm - Grants	525,000*	200,000	500,000	\$1,225,000	5-10 Grants
Infrastructure / Open Space	0	500,000	6,000,000	\$6,500,000	Enhance Waterfront Park and improve district connectivity
<i>PHB: Affordable Housing Set-Aside (45%)</i>					
Housing Production					
District Preservation Study	200,000	0	0	\$200,000	1 District-wide analysis
Mixed-Income Housing Fund	0	0	4,000,000	\$4,000,000	1 mixed-income housing project
Affordable Housing Fund	0	0	4,182,000	\$4,182,000	1 opportunity for preservation, rehabilitation, or acquisition
Total Action Plan Budget				\$20,810,000	

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