PROSPER PORTLAND

DATE: November 18, 2026

TO: Board of Commissioners

FROM: Cornell Wesley, Executive Director

SUBJECT: Report Number 26-35

Increasing the Executive Director's Expenditure Authority for the Limited Purpose of Awarding Public Improvement Contracts for the Development of the 910 MLK Building Food Hall on the Property Located at 910 NE Martin Luther King Jr. Blvd. in the Lloyd-Holladay Tax Increment Finance District

Board action requested and brief description

Adopt Resolution No. 7664

If approved, this action by the Prosper Portland Board of Commissioners (the "Board") will increase the Executive Director's expenditure authority to $6,350,000 for the limited purpose of awarding one or more Public Improvement Contracts for the development and construction of the 910 MLK Building Food Hall (the "Project") on the Property Located at 910 NE Martin Luther King Jr. Blvd. in the Lloyd-Holladay Tax Increment Finance ("TIF") District, including demolition, abatement, construction and related activities.

Delegated authority under a capped amount is being requested due to the importance of the transaction timing, a market need to meet the expectations in all respects of our transaction partners and to deliver the public benefit in a timely manner. The risks associated with moving the timeline out until January 2027 are discussed below.

Strategic alignment and outcomes

The renovation and repositioning of the 910 NE MLK Building is structured as a public-private partnership that includes Prosper Portland's (the "Agency") contribution of the property and the provision of a TIF capital investment. The partnership is expected to demonstrate the TIF district's ability to activate underused public property and encourage further private investment in the area. In its current condition, the site is not viable for private redevelopment without public participation. Public investment in the base improvements lowers the Project risks so that an experienced private operator can deliver programming and generate revenue. This allocation of roles will successfully result in converting a long-held, underused asset into a revenue generating, publicly beneficial use. It does so without taking on operating risk that the Agency is not designed to manage.

The Project 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. Part of the business plan for the venue will be to issue operating licenses to local foot cart owners who are seeking to grow and scale their businesses. Likewise, the venue will offer private event space that can be utilized by the local business

community and associations for a variety of purposes.

Repositioning a long vacant property enables the Agency 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. The site is located directly across the street from the main entrances of the OCC and receives high traffic visibility up and down both NE MLK Blvd. and NE Grand Ave. The block is a major connection point between the entertainment-oriented part of the Lloyd district and its business and residential neighborhoods.

Background and context

As outlined in Board Report 26-01, dated January 14, 2026, the Project consists of renovating and repositioning the Agency’s asset located at 910 NE MLK Blvd. into a food hall, bar, music and meeting space. This Project concept was developed by Parti Architecture in close consultation with the local community and received unanimous support from the Lloyd-Holladay TIF District working group in 2025. On January 14, 2026, through Resolutions 7632 and 7633, the Board authorized the inclusion of the Project in the Lloyd-Holladay Urban Renewal Plan and approved the revised Property Plan for 910 NE MLK while reviewing the Design and Construction Plan, Operations Plan, and Financing Plan for the Project.

After passage of the initial resolutions, preliminary schematic designs were completed for the building and outdoor area under a contract with Parti Architecture. From there, further development of the design was required to facilitate cost estimating, budget development, and eventual construction bidding. With the delegated authorized granted through Board Resolution 7641, adopted April 15, 2026, and following a competitive selection process, the Executive Director awarded a personal services contract to WORKS Partnership Architecture, LLP to serve as the architect of record (the “Architect”) for the remainder of the project.

The Board, acting as the Agency’s Local Contract Review Board, authorized the solicitation of a Construction Manager/General Contractor (CM/GC) to participate in the Project, through Resolution 7636 on February 11, 2026. After completing a competitive RFP evaluation process, Owen Gabbert, LLC (Contractor) was selected to provide pre-construction services throughout the summer and fall of 2026. The pre-construction phase included coordination with the design team to complete the Construction Document set required for permitting. This phase also included value engineering and constructability reviews.

To maintain the Project schedule, the Executive Director awarded a limited scope Public Improvement Contract for interior demolition and abatement work to the Contractor in the amount of $351,932, which falls within the Executive Director’s existing delegated spending authority pursuant to Board Resolution 7576, adopted September 18, 2024. The demolition and abatement work is currently underway and scheduled to be completed by December 4, 2026.

Staff are currently in the final stages of negotiating a Guaranteed Maximum Price (“GMP”) Public Improvement Contract with the Contractor. The proposed scope of work includes re-grading the exterior portion of the site for a 10-cart food pod and patio, new building entries and storefronts, building envelope improvements, new mechanical-electrical-plumbing throughout, a bar, private event room, new restroom facilities, and a commercial kitchen. Construction is expected to begin in late January 2027 and be completed in Fall 2027.

Staff is requesting an increase in the Executive Director's delegated expenditure authority to $6,350,000 for the limited purpose of awarding one or more Public Improvement Contracts to Contractor for the development and construction of the 910 MLK Building Food Hall, inclusive of the existing contract for demolition and abatement work mentioned above, and the pending GMP Public Improvement Contract.

Equity impact

This Project, as previously approved by the Board, will adhere to the Agency's equity policies and, consistent with ORS 279C.800, will adhere to Oregon prevailing wage law. The Project itself will provide a platform for small business food cart owners to showcase their cuisine and scale their businesses at a signature venue, overseen by a capable and experienced master operator, ChefStable (the "Operator").

Community participation and feedback

This action and the related Board Action on January 14, 2026, follow several years of public engagement and market analysis through the Lloyd-Holladay TIF District working group. This action also follows substantial public engagement and discussions with members of Go Lloyd, the Lloyd Enhanced Services District, and Metro as part of the Central City TIF district exploration process. It was identified that the lack of diverse food, drink, and entertainment venues in the immediate vicinity of the Oregon Convention Center was a significant gap in creating an inviting complete neighborhood in that part of the district. .

Budget and financial information

The Board passed Resolution No. 7633 on January 14, 2026, approving an updated property plan for the asset. Staff estimated the preliminary project to be $7,500,000 but noted that further design development would be required to fully budget the costs. To finance a portion of construction costs, staff had approached Metro in late 2025 as a potential financial partner in the Project. In August of 2026 a loan of $3,000,000 was approved by Metro to assist with financing the construction of the new venue. In addition, the Operator also committed to contributing $500,000 to Project costs related to venue setup (furniture, audio/visual, inventory, marketing/branding, bar and kitchen equipment, etc.). Subsequently, as the design was refined, the cost estimate for venue setup was increased to $1,060,000. This increase was partially offset by cost savings achieved through value engineering the construction scopes of work. These adjustments were a collaborative effort by the Project Architect, Contractor, Operator, and Agency staff.

In November 2026, the Contractor provided an updated GMP estimate of approximately $5,700,000. Combined with updated design, permitting, and venue setup expenses, this has resulted in an overall Project budget totaling $8,700,000. Staff are working diligently with the project team to find additional cost savings and additional sources of funding such as State and local grants. In order to stay within the Board's current adopted Lloyd-Holladay budget, the Project team will need to identify approximately $200,000 in additional cost savings and/or financial partner contributions to fully fund the Project. To solve for this gap, the Project team is continuing to actively identify savings and expects to confirm another $100,000 or more before executing the GMP contract. Additionally, staff are pursuing several state and local grant opportunities related to remediation and energy efficiency programs that could yield another $100,000. The gap would

also be addressed if the majority of the $300,000 contingency funds are not spent.

Once the venue is open and stabilized, business operations are expected to generate approximately $2,000,000 per year in gross receipts from patrons, sublicences, and special events.

Risk Assessment

The risks related to this action include potential construction delays and cost overruns. The risk of cost overruns is mitigated through the GMP contract structure which caps financial exposure. Staff is requesting a not-to-exceed combined contract threshold of $6,350,000, to include an owner's contingency of $300,000 that can be used to address unbudgeted expenses, such as addressing unanticipated City of Portland permitting requirements.

Should the Board choose not to approve this action, the Project will be delayed, and staff would need to reassess next steps. Likely alternatives could include extending the Project schedule to explore further value engineering, exploring additional funding sources, pivoting to a low-bid solicitation (this would require additional design expenditures), or termination of the Project and potential disposition of the property. In the case of a wholesale termination of the Project, further communication with the community, TIF committees, and other relevant stakeholders and partners would be necessary to explain this course of action.

Attachments

A. Project Summary

B. Project Sources and Uses

C. Lloyd-Holladay TIF District Budget

Project Summary: 910 MLK Food Hall





Project Name:	910 MLK Food Hall
Location:	910 NE MLK Jr. Blvd.
TIF District:	Lloyd-Holladay Tax Increment Finance District
Current Phase:	Permitting/GMP Negotiations
Next Milestone:	Construction-Notice to Proceed
Construction Timeline:	Construction Start January 2027
Completion Target:	Fall 2027

Sources and Uses

SOURCES	Preliminary Estimate	Nov 2026 Budget
Prosper Portland	$4,000,000	$5,100,000
Metro	$3,000,000	$3,000,000
Venue Operator	$500,000	$500,000
State & Local Grants	-	$100,000
TOTAL BUDGET	**$7,500,000**	**$8,700,000**

USES	Preliminary Estimate	Nov 2026 Budget
Design	$700,000	$770,000
Permitting	$500,000	$500,000
Demo & Abatement	$150,000	$370,000
Construction	$5,350,000	$5,700,000
Venue Set Up	$500,000	$1,060,000
Contingency	$300,000	$300,000
TOTAL BUDGET	**$7,500,000**	**$8,700,000**

TIF Fund Financial Summary

Lloyd-Holladay TIF Fund	Revised 3 FY 2025-26	Revised 1 FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30	Forecast FY 2030-31
Resources						
Beginning Fund Balance	-	3,119,248	502,334	-	31,953	110,799
Revenue						
Interest on Investments	-	83,090	17,667	4,594	5,907	7,878
Other Debt	-	3,000,000	-	-	-	-
Rent and Property Income	-	-	25,000	50,000	75,000	100,000
Reimbursements	-	-	535,000	35,000	35,000	35,000
Transfers In	5,444,846	153,000	-	-	-	-
Total Revenue	**5,444,846**	**3,236,090**	**577,667**	**89,594**	**115,907**	**142,878**
Total Resources	**5,444,846**	**6,355,338**	**1,080,001**	**89,594**	**147,860**	**253,677**
Requirements						
Administration						
A00847-Debt Management & Legal-LH	120	-	-	-	-	-
Administration Total	**120**	**-**	**-**	**-**	**-**	**-**
Economic Development						
Community Economic Development						
A00826-Community Development-LH	6,000	-	-	-	-	-
Economic Development Total	**6,000**	**-**	**-**	**-**	**-**	**-**
Property Redevelopment						
Real Estate Management						
A00306-910 NE MLK Building-CNV	89,267	30,581	50,581	37,061	37,061	35,000
A00307-84 NE Weidler-CNV	11,700	-	-	-	-	-
A00309-Inn at Convention Center-CNV	305,730	-	-	-	-	-
Real Estate Predevelopment						
A00306-910 NE MLK Building-CNV	1,750,000	5,200,000	1,029,420	20,580	-	-
A00306-910 NE MLK Building-CNV	45,907	-	-	-	-	50,685
Redevelopment Grants						
A00903-PIP Grant-LH	-	153,000	-	-	-	-
Property Redevelopment Total	**2,202,604**	**5,383,581**	**1,080,001**	**57,641**	**37,061**	**85,685**
Total Program Expenditures	**2,208,724**	**5,383,581**	**1,080,001**	**57,641**	**37,061**	**85,685**

Personnel Services	62,167	249,693	-	-	-	50,989
Total Fund Expenditures	**2,270,891**	**5,633,274**	**1,080,001**	**57,641**	**37,061**	**136,674**
Interfund Transfers - Indirect Charges	54,707	219,730	-	-	-	50,988
Reserved For Future Expenditures	3,119,248	502,334	-	31,953	110,799	66,015
Total Fund Requirements	**5,444,846**	**6,355,338**	**1,080,001**	**89,594**	**147,860**	**253,677**