



PROSPER
PORTLAND

FY 2024-25

Proposed Budget

May 8, 2024 City Council Budget Presentation

Gustavo Cruz, Chair

Kimberly Branam, Executive Director

Shea Flaherty-Betin, Economic Development Director

Lisa Abuaf, Development & Investment Director

Community Budget Committee & Outreach

Bryson Davis

Williams & Russell Project CDC

Jonathan Cohen

Old Town Community Assn

Michael Harrison

Oregon Health & Science University

Corky Collier

Columbia Corridor Association

Michael Harper

N/NE Action Plan Leadership
Committee

Oscar Arana

Native American Youth and Family
Center

Erica Bjerning

Foster Powell Association

James Paulson

Worksystems Inc

Owen Ronchelli

Go Lloyd

Stephen Green

Business for Better Portland

Justice Rajee

Reimagine Oregon

Elaine Hsieh

Technology Association of Oregon

Carolyn Holcomb

Central Eastside Industrial Council

Kari Naone

TiE Oregon

Targeted Outreach: Go Lloyd - Old Town Community Association

Central Eastside Industrial Council – N/NE Action Plan Leadership Committee

South Portland Neighborhood Association – Gateway Action Plan Advisory Committee

FY 24/25 Advance Portland Priorities

Business Retention & Growth



Obj 1 Inclusive Economic Growth

Deploy business, retention, expansion outreach and tools. Launch Economic Impact Statement.

Small Business Support



Obj 2 Equitable Wealth Creation

Seed Office of Small Business with liaisons and Small Biz Hub alongside lending, technical assistance, tenanting support, Repair and Restore Grants

Business District Recovery



Obj 3 Vibrant Central City & Districts

Facilitate events and activations through Office of Events and Film and enhance alignment with ESDs to improve experience of commercial districts citywide.

Inclusive Development



Obj 3 Vibrant Central City & Districts

Complete new TIF district exploration processes with East Portland and Central City partners. Enhance future funding for stabilization, inclusive growth, business retention, housing production and infrastructure.



Proposed Budget Summary

Resources

\$300M Total

(net of interfund transfers and tax increment reserved for Housing Set Aside)

- 67%** Tax Increment Districts
- 15%** Strategic Investment Fund/
Other Program Income
- 10%** PCEF, COEP and other contracts
- 7%** General Fund & Cannabis
- 1%** Federal Grants (CDBG/ARPA)

Expenditures

\$161M Total

(net of Housing Set Aside)

- 66%** Property Redevelopment
- 16%** Economic Development
- 7%** Infrastructure
- 10%** Administration

Staff

105 Total

(88 FTE/17 LTE)

- 32** Development & Investment
- 31** Economic Development
- 14** Equity, Policy & Comms
- 28** Legal & Admin



Tax Increment Districts **Status & 2024-25 Budget**

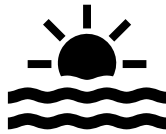
Life Cycle of a TIF District



Active

TIF proceeds remain and district is active

- Collecting TIF
- Investing TIF
- Bonds outstanding



Sunsetting

TIF proceeds remain and district is winding down

- Not Collecting new TIF
- Remaining TIF proceeds available for investment
- All bonds paid
- Note: AV and acreage can be released with City Council action



Concluded

No TIF proceeds remain, district is largely inactive

- All TIF spent
- All bonds paid
- Fund Management: Fund may still hold assets/obligations and program income
- Note: AV and acreage returns to taxing jurisdictions automatically

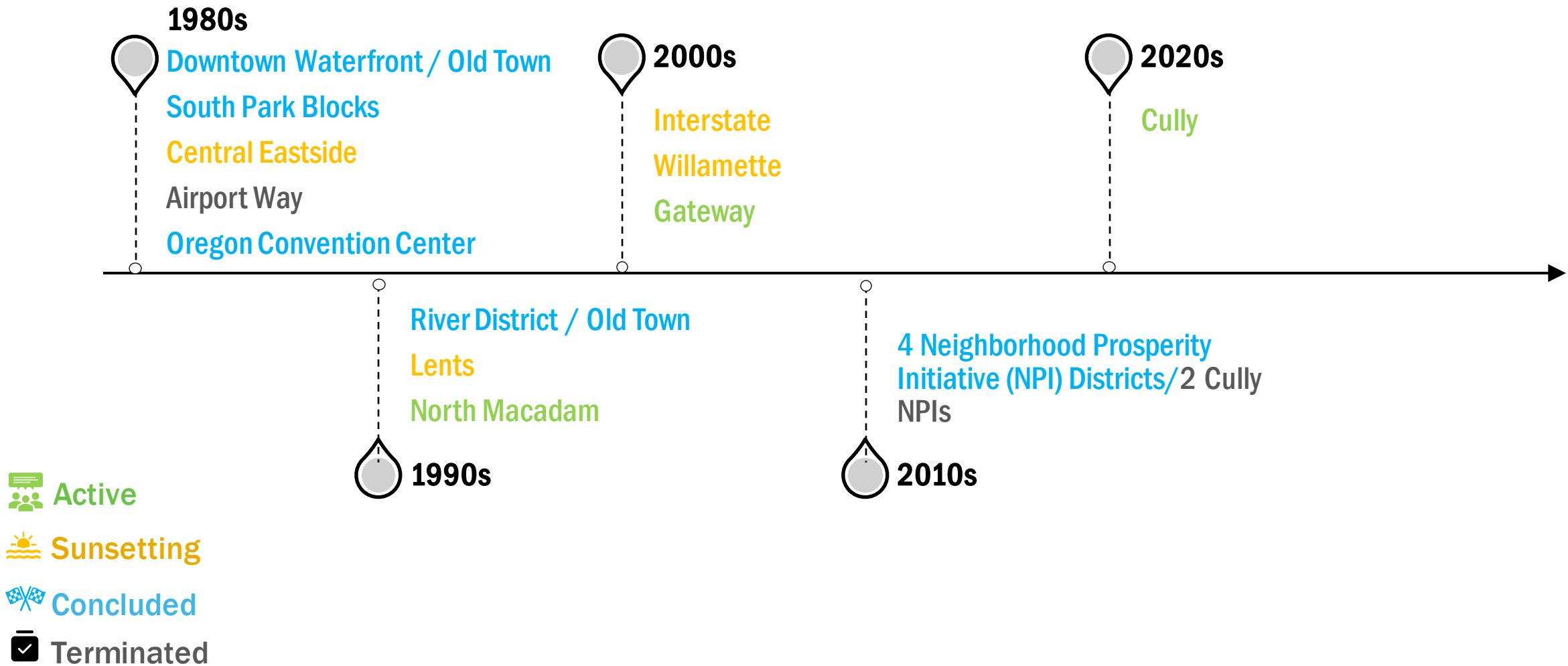


Terminated

District is complete

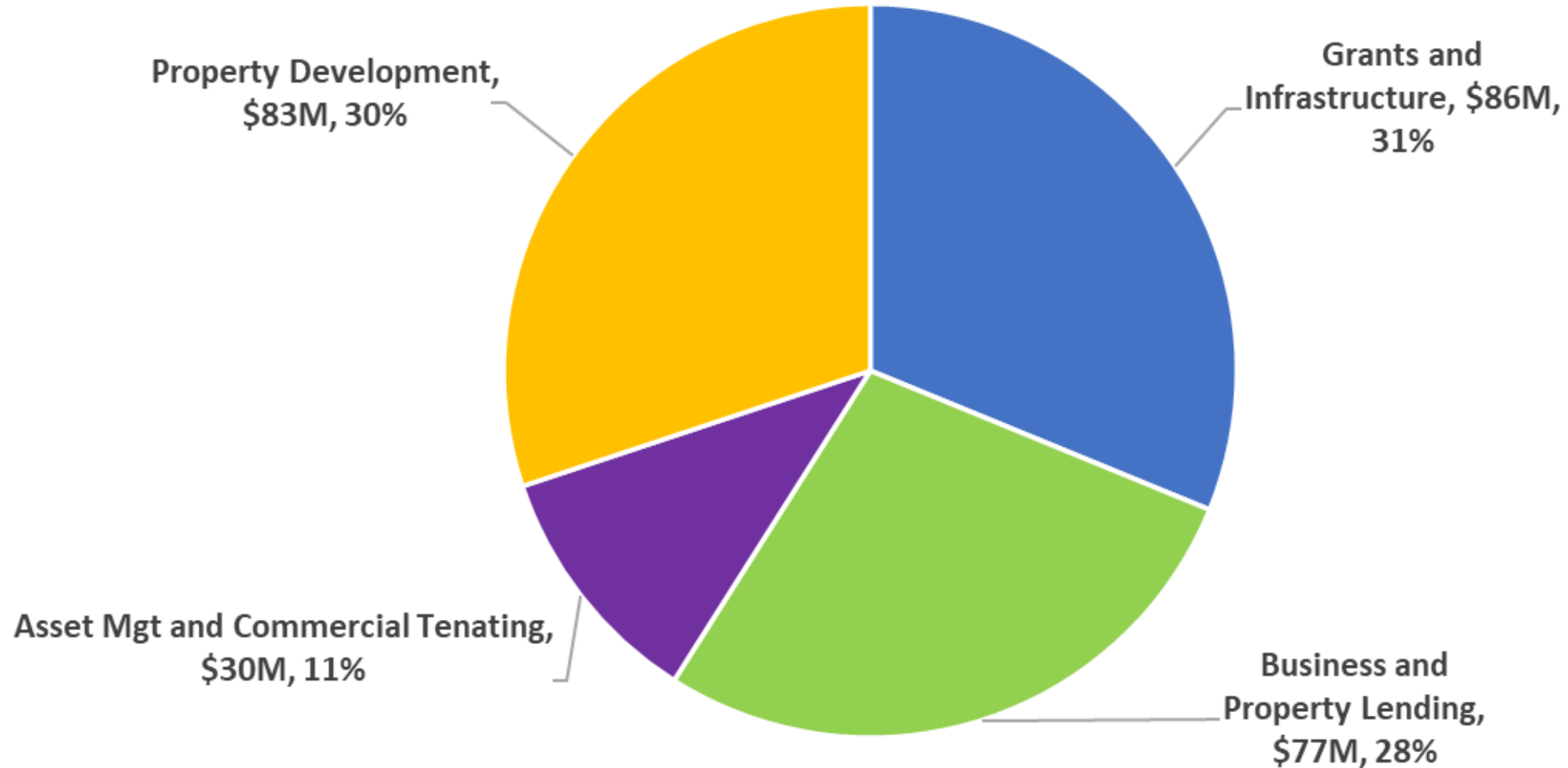
- All bonds paid and TIF proceeds spent
- A notice of plan termination has been recorded with the county, which allows new TIF district(s) to incorporate land released from the terminated district
- Fund Management: Assets within the TIF district remain in the fund until sold or transferred

Timeline of Existing TIF Districts & Anticipated Status of Districts by Mid FY 2024/25



\$276M Community Based TIF District Investments

5 Year Forecast: \$276M for Economic Development Investments; \$361M w/ Housing Set Aside and Staffing & Administration



TIF District Priorities

Advance Portland Alignment



Foster a Vibrant Central City

- Old Town Action Plan
- Broadway Corridor
- Central Eastside Workshop Blocks, OMSI Master Plan
- South Waterfront/North Macadam



Foster Vibrant Commercial Districts

- N/NE Community Development Initiative Action Plan
- Lents Action Plan
- Gateway Action Plan
- Cully Action Plan (drafting)
- Stabilization Grants



Support BIPOC Entrepreneurs to Start, Scale and Innovate

- Inclusive Small Business, Development & Access to Capital Opportunities
- Construction Business Equity Outcomes



Connect Portlanders to High Quality Jobs

- Construction Workforce Equity Outcomes

TIF Community Development Project Tools



Prosperity Investment Program (PIP Grant)

Grants up to \$50K to \$75K with Match Requirements

Renovation of Existing Buildings + New Construction

Small Business Tenant Improvements & Related Soft Costs



Loan Programs

Commercial Property Redevelopment Loans

Tenant Improvements, Renovation, New Construction

Predevelopment, Construction, Permanent Financing

Property & Business Owners



Affordable Commercial Tenanting

Below Market Lease Rates (~10 – 20+% reduction)

Tenant Improvement Allowances & Grants

Technical Assistance Support & Working Capital Loans

Key Project Outcomes

\$24M
extension of
NW Johnson
and NW
Kearney, from
NW 9th Avenue
to Union
Station



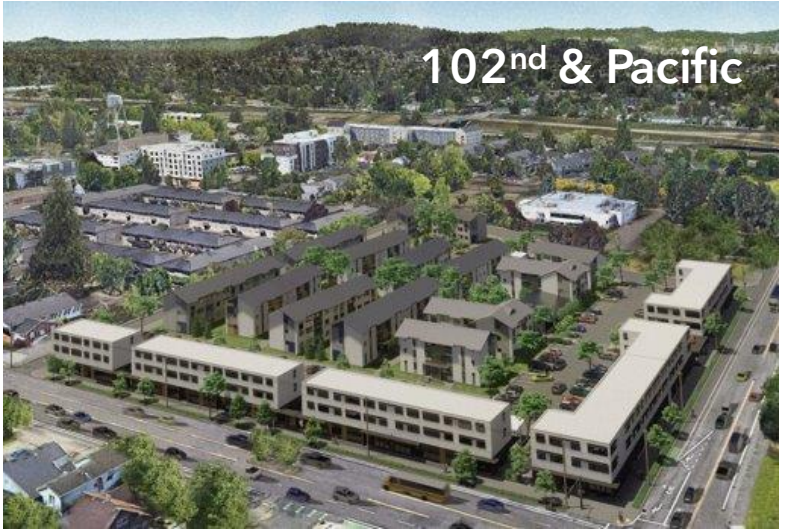
\$115M
development cost across
multiple projects:
homeownership,
affordable rental &
Black Business Hub



159
mixed-income
housing units



10+
acres new
development unlocked
by new & improved
East Portland streets
for future growth by
David Douglas School
District & private
multifamily
development



Old Town Action Plan / River District & Downtown Waterfront TIF Districts



Key Priorities 2024/2025

- Neighborhood Investment: support new middle-income housing
 - Via conversions and new development
- Business Vitality: Support small businesses, tenancing vacancies, and activating district
 - Creative Homies
 - Made in Oldtown
 - James Beard Public Market

\$33.2M

Remaining Resources to Invest

Largely program income resources with \$2M land sales and \$5M TIF

Action Plan guides budget



Concluded TIF Districts

AV and Acreage can return to taxing jurisdictions

New TIF district can include areas in previous TIF district

Broadway Corridor / River District TIF District



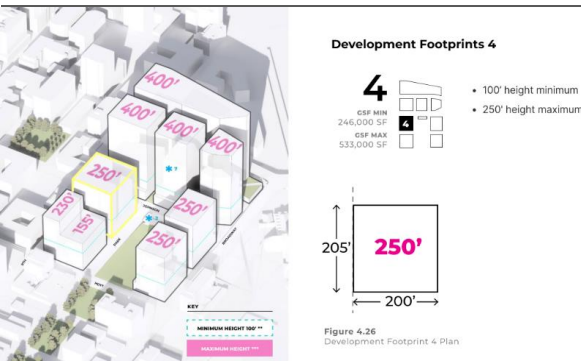
Key 2024/2025 Priorities

Broadway Corridor

- Construction of Johnson & Kearny and design of future park/green loop
- Transfer Block 4 to Portland Housing Bureau for phase 1 affordable housing

Asset Management

- Disposition of Centennial Mills
- Long term funding and property management strategy for Union Station



\$46M

Remaining Resources to Invest
Program income resources



Concluded TIF District

AV and Acreage can return to
taxing jurisdictions

New TIF district can include
areas in previous TIF district
once terminated.

Central Eastside TIF District



Key 2024/2025 Priorities

- Support small businesses and tenaning vacancies within district

Workshop Blocks

- Beam & Colas entertainment venue predevelopment

OMSI Master Plan

- New Water Avenue design & construction
- Negotiated Development Agreement

\$18M

Remaining Resources to Invest
Tax Increment Finance resources



Sunsetting TIF District

AV and Acreage can return to
taxing jurisdictions

TIF plan & district can be
amended to support Central City
TIF exploration

Continue to spend down
remaining TIF in amended
district

Lents Action Plan / Lents Town Center TIF District



Key 2024/2025 Priorities

- Middle income housing at 92nd & Harold in partnership with Palindrome Communities
- Transfer site for affordable housing to Portland Housing Bureau
- Tenanting of Lents Commons ground floor retail
- Support small businesses and tenanting vacancies along corridors

\$17M

Remaining Resources to Invest
Tax Increment Finance resources
Action Plan guides budget



Sunsetting TIF District

AV and Acreage can return to
taxing jurisdictions

TIF plan & district can be
amended to support East
Portland TIF exploration

Continue to spend down
remaining TIF in amended
district

N/NE Community Development Action Plan

Interstate TIF District

NORTH/NORTHEAST COMMUNITY DEVELOPMENT INITIATIVE ACTION PLAN

Fostering Economic Prosperity
Among African Americans and People of Color

January 2017



Key 2024/2025 Priorities

N/NE Action Plan

- Small business and property owner support through grants & new loan programs
- Cultural Business Hub predevelopment
- Commercial tenanting grants via Affordable Commercial Program

Williams & Russell

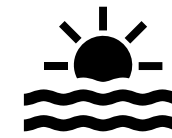
- Partner with Williams & Russell CDC, Adre, and PCRI on design of the Black Business Hub & affordable housing projects
- Land transfer from Legacy Health to Williams & Russell CDC

\$44M

Remaining Resources to Invest

Tax Increment Finance resources

Action Plan guides budget



Sunsetting TIF District

AV and Acreage can return to taxing jurisdictions

Continue to spend down remaining TIF in district

South Waterfront / North Macadam TIF District



Key 2024/2025 Priorities

- Support small businesses and tenaning vacancies within district

Portland State University Development Agreement

- Portland State Business Accelerator (PSBA) relocation & build out
- University Place redevelopment

Infrastructure and Development

- Acquisition & redevelopment opportunities
- Infrastructure priorities: South Greenway, SW Bond, South Portal

\$51M FY 24/25 and Forecast Years Resources to Invest



Active TIF District

Gateway Action Plan / Gateway TIF District



Key 2024/2025 Priorities

- Start to implement updated Action Plan
 - Inclusive Economic Growth & Celebrating Diversity
 - Activating Gateway
 - Housing Production and Opportunity

Gateway Transit Center

- 102nd & Pacific new streets & development in partnership with Modomi and David Douglas School District

Halsey/Weidler

- Tenanting of The Nick Fish ground floor retail, including build out for childcare provider

\$45M

FY 24/25 and Forecast Years Resources to Invest

Updated Action Plan guides budget allocations



Active TIF District

Cully TIF District



Key 2024/2025 Priorities

- Support small businesses within district via grants & loans
- Finalize Action Plan
- Governance with Cully Community Leadership Committee

\$11M

FY 24/25 and Forecast Years Resources to Invest



Active TIF District

NPIs

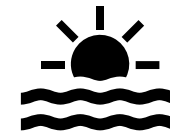


Key 2024/2025 Priorities

- Support small businesses within district via grants & loans

\$1M

Remaining Resources to Invest



Sunsetting Districts

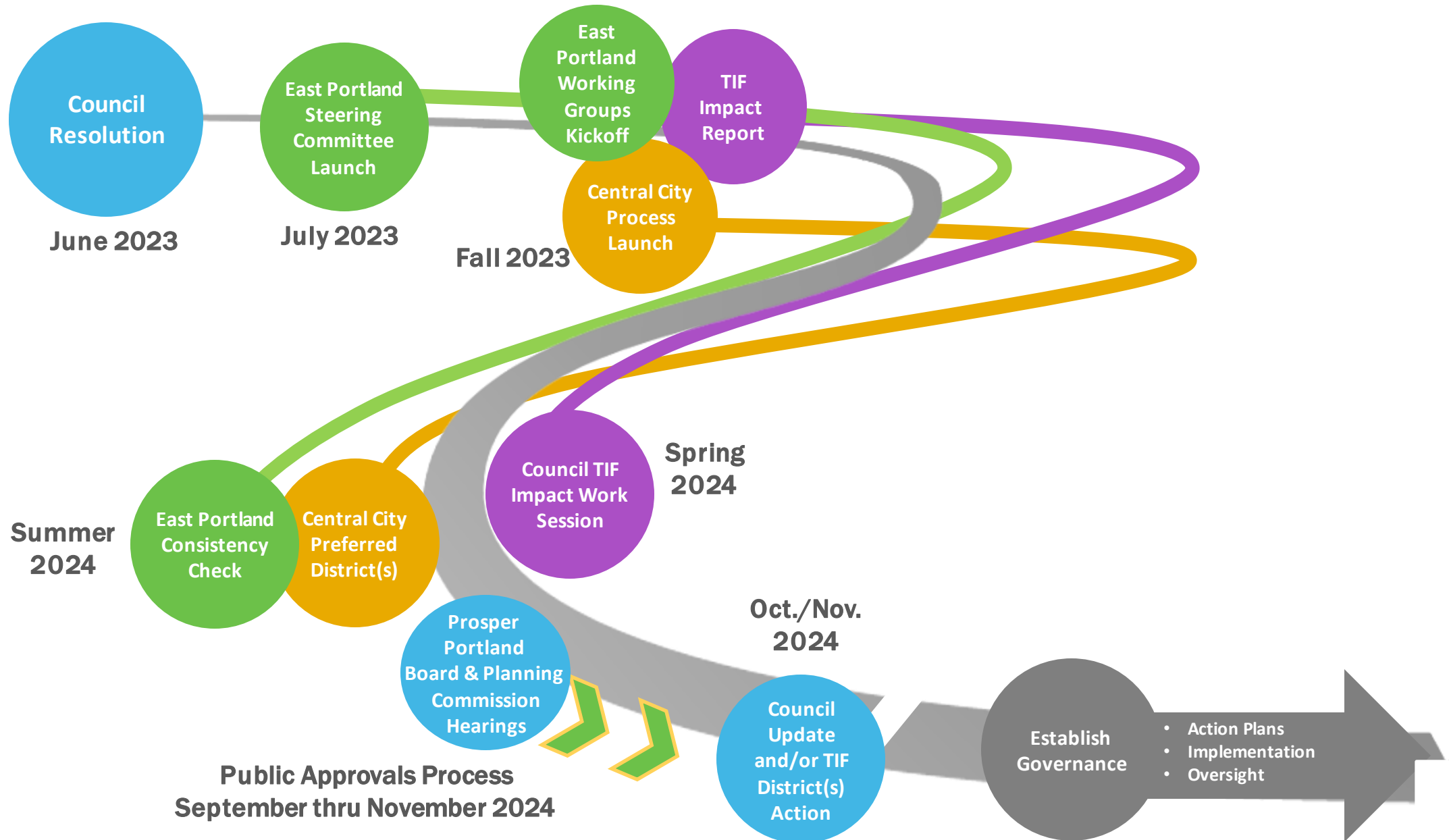
Potential anchors within East Portland TIF district exploration



PROSPER
PORTLAND

Tax Increment Districts **Exploration Process**

TIF Exploration Process & Next Steps



Resolution: Acreage & Assessed Value

3% City acreage to be in TIF districts (max is 15%)

3% City assessed value (AV) to be in TIF districts (max is 15%)

11,186 Available acreage for TIF in FY24/25

\$9.8B Available AV for TIF in FY24/25

7,500 Max East Portland Acreage

\$6B Max East Portland AV

1,500 Max Central City Acreage

\$3.8B Max Central City AV

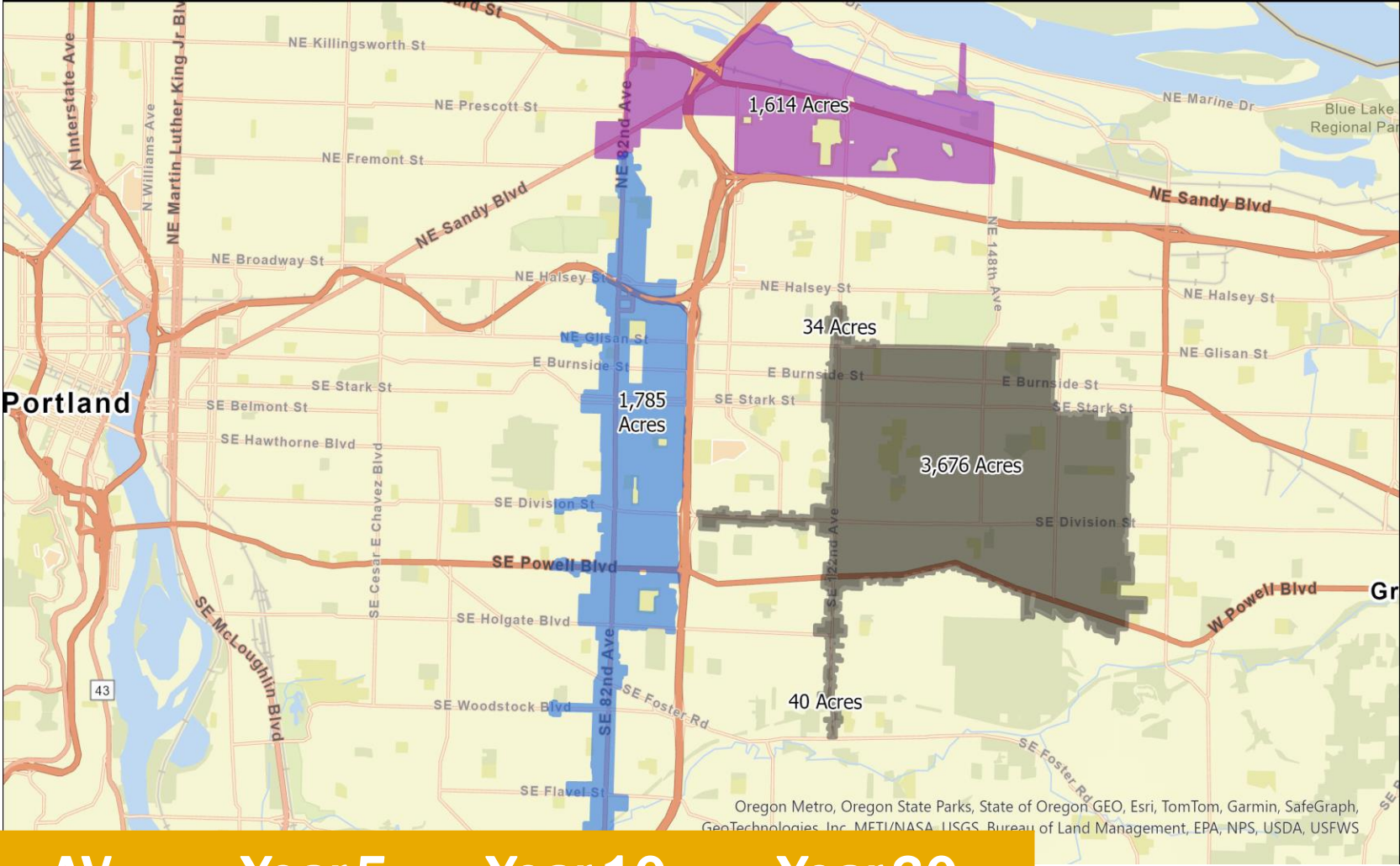
Additional 447 acres released and available by end of FY 2026-27

East Portland TIF Exploration

7,500
\$6B

Max East
Portland Acreage

Max East
Portland AV

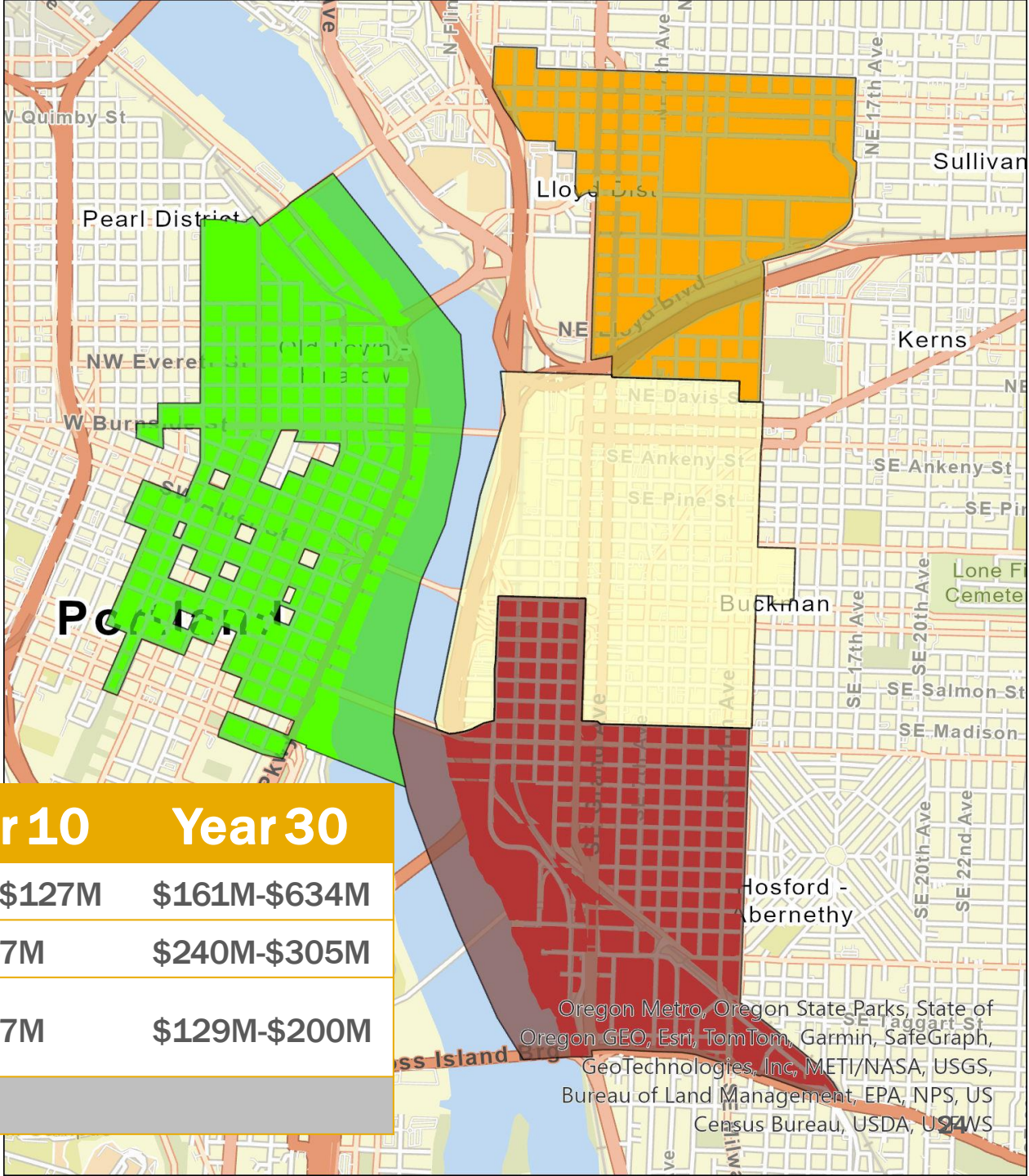


Area	Acreage	AV	Year 5	Year 10	Year 30
82nd Ave	1,785 acres	\$1.7B	\$14M	\$96M	\$450M
East 205	3,676 acres	\$2.8B	\$23M	\$164M	\$770M
Columbia/ Parkrose	1,614 acres	\$1.1B	\$9M	\$66M	\$300M
SUBTOTAL	7,075 acres	\$5.6B			

Central City TIF Exploration

1,500 Max Central City Acreage

\$3.8B Max Central City AV



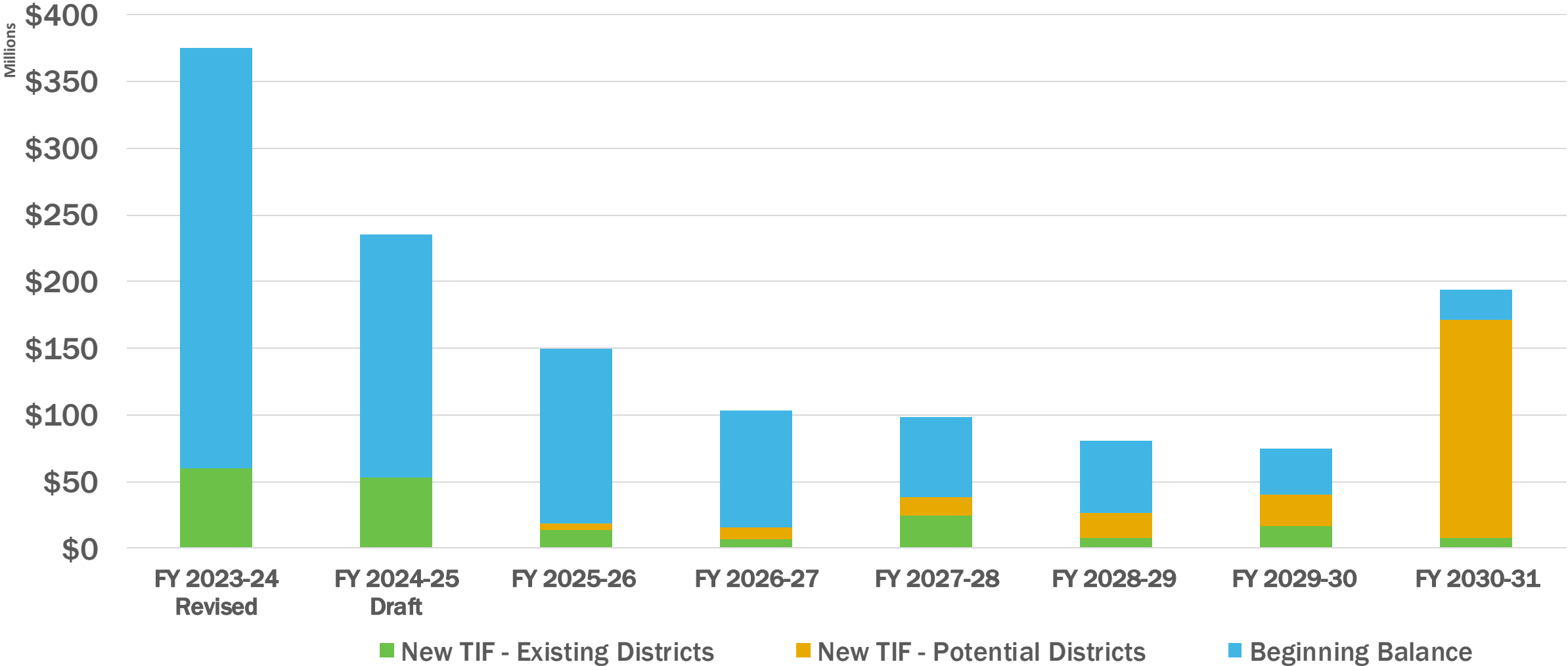
Area	Acreage	AV	Year 5	Year 10	Year 30
Westside	463 acres	\$2.34B	\$6M-\$19M	\$32M-\$127M	\$161M-\$634M
Lloyd	271 acres	\$0.92B	\$7M	\$57M	\$240M-\$305M
Central Eastside/ Tilikum East	453 acres	\$0.41B	\$3M	\$27M	\$129M-\$200M
SUBTOTAL	1,187 acres	\$3.67B			

Oregon Metro, Oregon State Parks, State of Oregon GEO, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, USFWS

Tax Increment Forecast

Current and Potential TIF Districts

Current and Potenital TIF Districts





Economic Development, Returning TIF, PCEF, and Citywide Programs **2024-25 Budget**



Economic Development Programs

Advance Portland Alignment

Propel Inclusive Economic Growth & Innovation

- Cluster Industry Business Retention, Expansion, and Recruitment
- Portland Means Progress
- Enterprise Zones
- International Trade

Foster Vibrant Neighborhood Commercial Districts

- Neighborhood Prosperity Network
- Venture Portland partnership
- **Recruitment, Permitting and Resource Navigation for Events and Film Industry**

Support BIPOC Entrepreneurs to Start, Scale and Innovate

- Small Business Office
 - Inclusive Business Resource Network
 - Mercatus BIPOC Business Registry
- My People's Market
- Reimagine Oregon

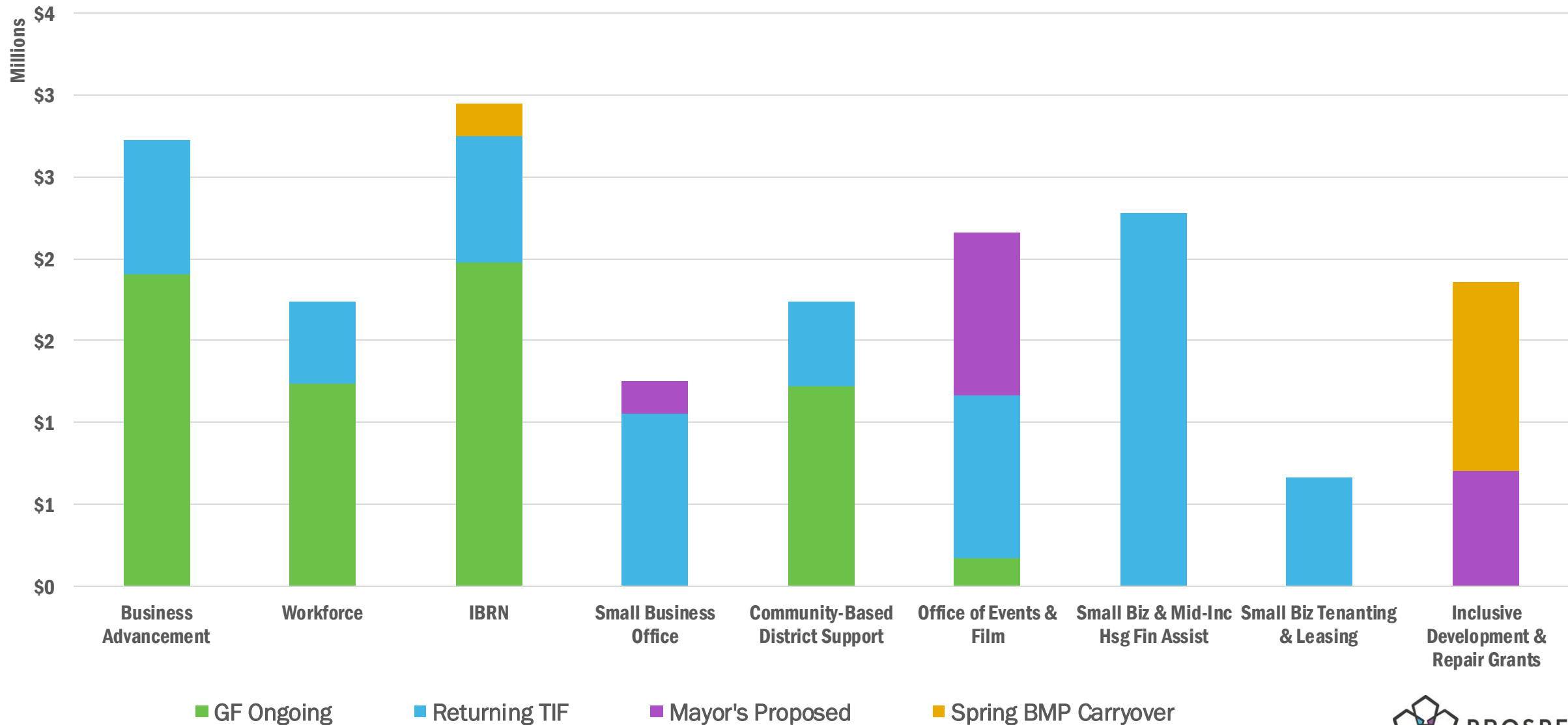


Connect Portlanders to High Quality Jobs

- Youth & Adult Workforce Development partnerships via Worksystems Inc.

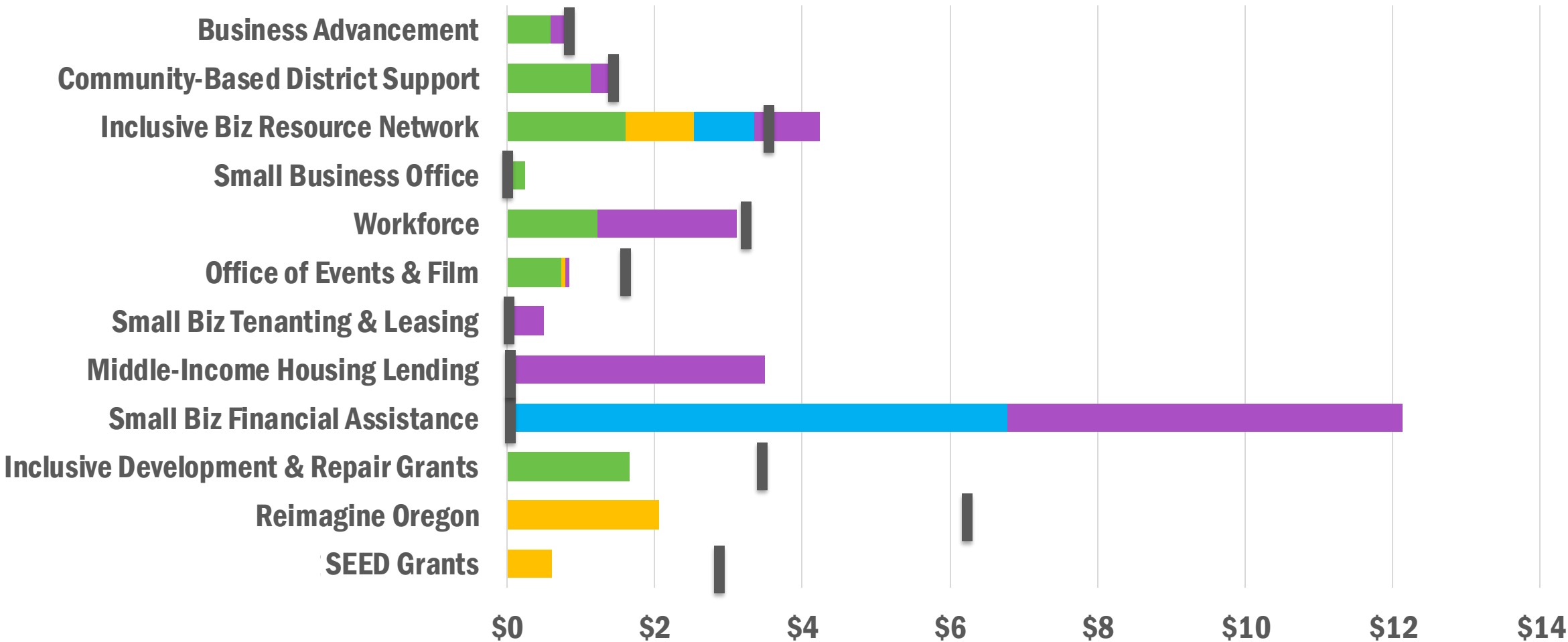
General Fund Proposed Budget: \$17M

\$6.5M Ongoing, \$7.6M Returning TIF, \$1.9M Mayor's Proposed, \$1.3M Spring BMP



Citywide Programs & Investments

\$31M Across all Non-TIF District Resources



Discussion



Affordable Housing Set-Aside (in millions)

Housing Set Aside Expenditures Since 2015 Policy Update

Status of Districts	Districts	Budget and Expenditures Through FY 2023-24		Anticipated Expenditures Through FY 2028-29		2015 or Updated* Policy Target	
		Amount	Percent	Amount	Percent	Amount	Percent
Closed before 2015	Downtown Waterfront	\$2	NA	\$2	NA	\$2	NA
	South Park Blocks	\$9	NA	\$9	NA	\$9*	NA
	Oregon Convention Ctr	\$12	NA	\$12	NA	\$12	NA
No change	Central Eastside	\$6	25%	\$11	32%	\$10	32%
Total forecasted resources changed since 2015	North Macadam	\$58	52%	\$68	46%	\$65	46%
	Lents	\$43	39%	\$48	42%	\$39	42%
	River District	\$41	26%	\$45	29%	\$45*	31%
Increased MI or Created after 2015	Interstate	\$113	52%	\$154	70%	\$154*	70%
	Gateway	\$14	35%	\$25	27%	\$36*	33%
	Cully	\$.1	0%	\$12	45%	\$144*	45%
Total**		\$296	40%	\$363	45%	\$432	45%

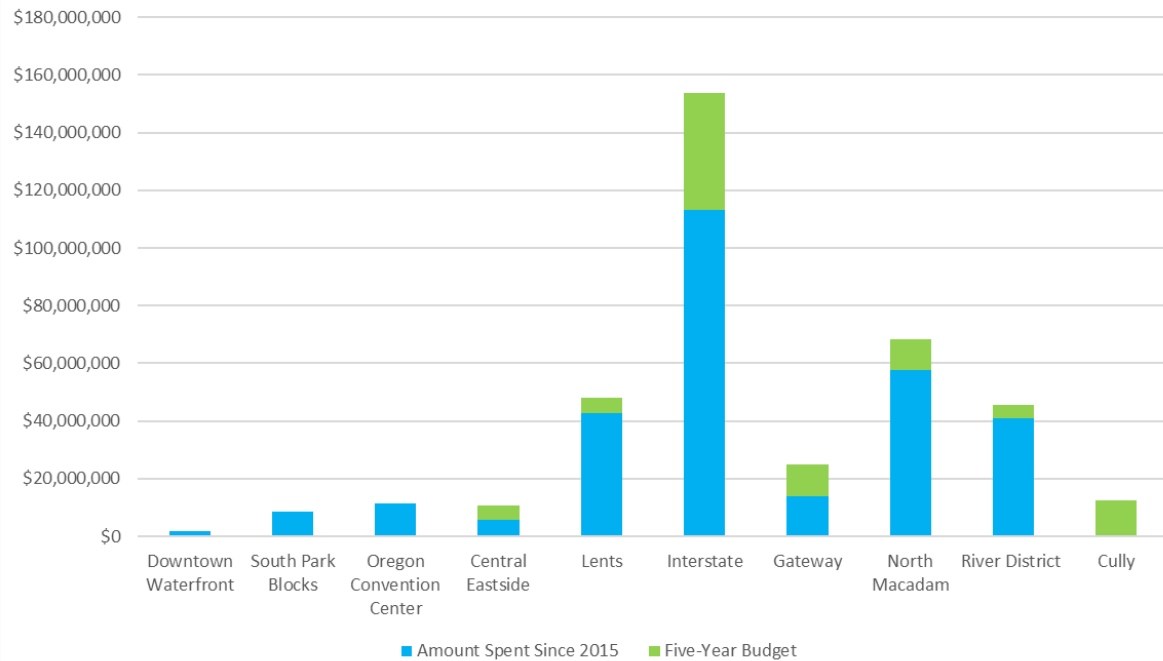
*Updated policy target shown for districts that are new (Cully), increased maximum indebtedness (Interstate, Gateway), or due to agreement to transfer Set Aside funding (from South Park Blocks to River District).

**Total does not include districts closed before 2015 (amount based on pre-2015 allocation)

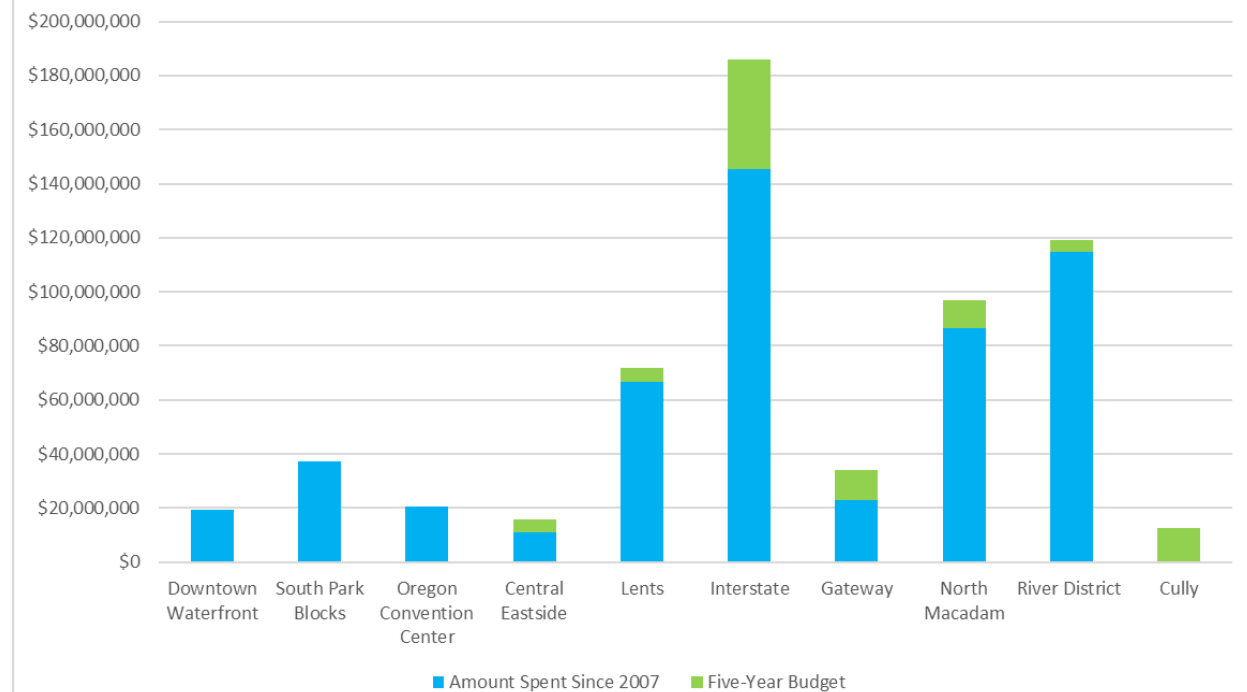
Affordable Housing Set-Aside (in millions)

Housing Set Aside Expenditures Since 2015 Policy Update

Total Set Aside 2015 through 2029 - \$385 Million



Total Set Aside 2007 through 2029 - \$613 Million



Key Outcomes

2,184 Jobs Created/Retained/Placed

Wier/ESCO, Daimler, Revant Optics,
Panic Inc.

1,632 Total Workforce Participants

68% BIPOC Participants

825 Small Businesses Served

67% BIPOC Clients

46% COBID Certified

\$42M MBE-Certified Firms

\$11.5M

Business & Property Loans

480 jobs retained/created, 53 housing units

547

59%

Business & Nonprofit Grants

BIPOC Restore Grants Recipients

789Kft²

**Asset Management & Leased
Commercial Space**

12 small business tenants

975,317

Event Attendees

285 Events supported by the
Office of Events & Film