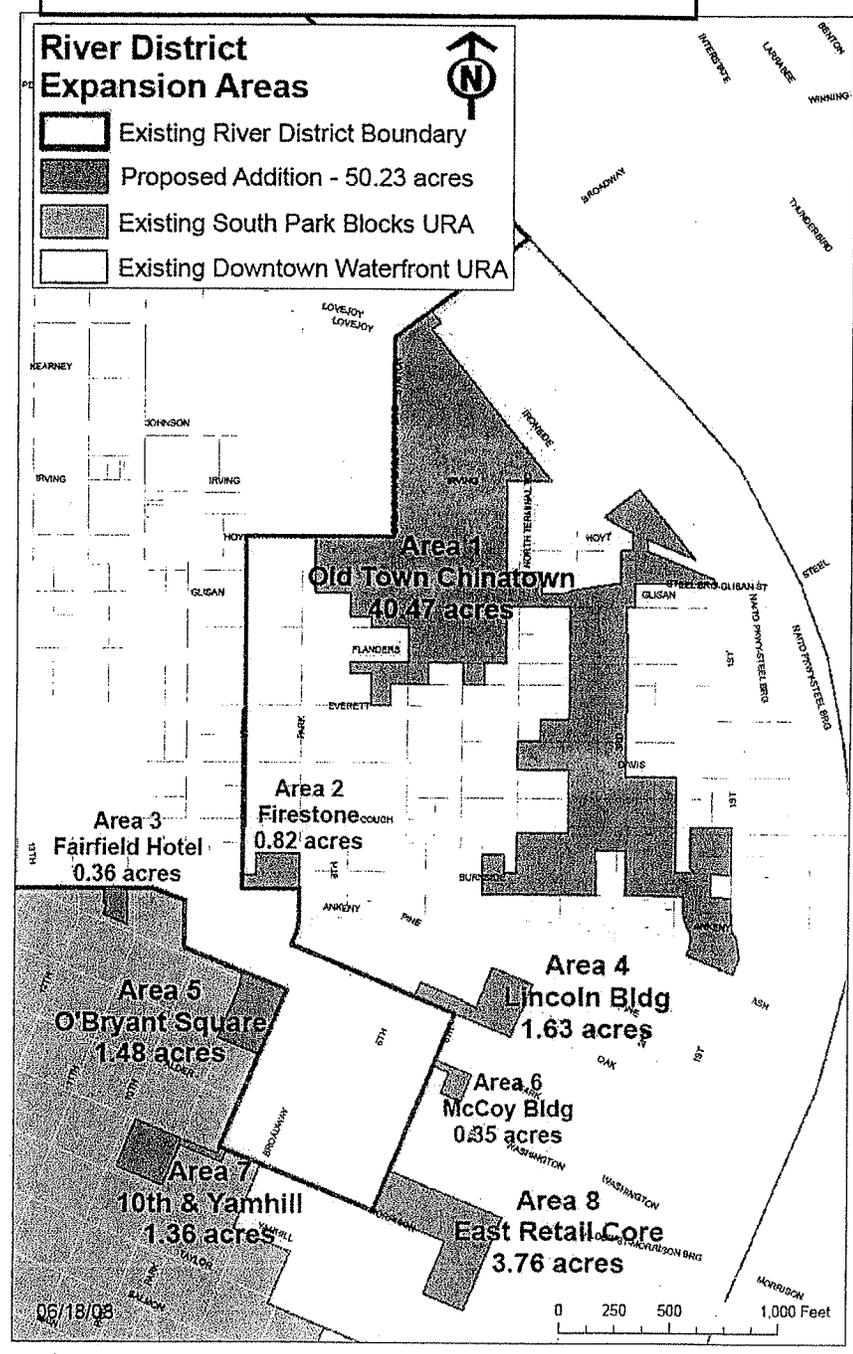


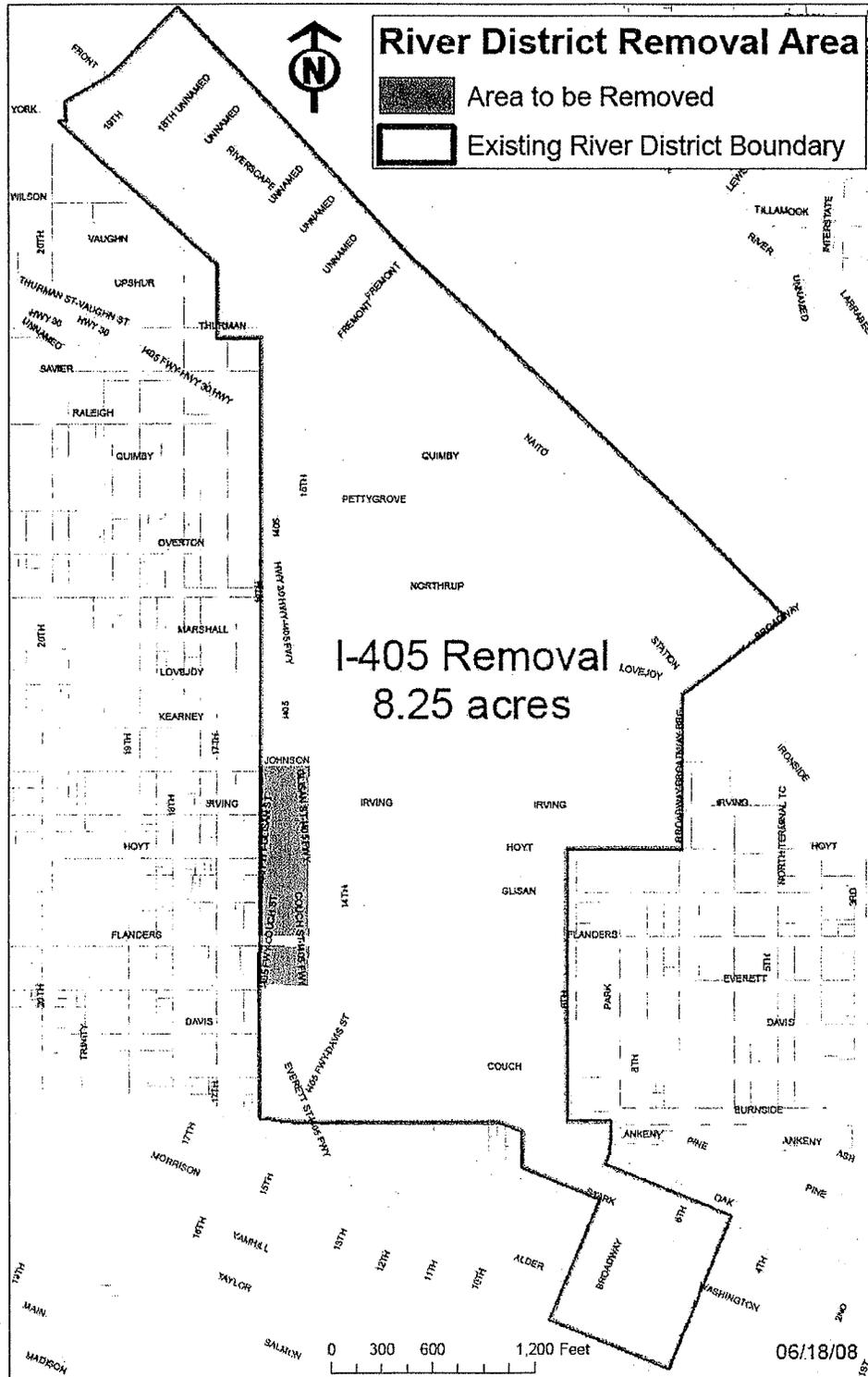
4. **Expand Boundaries by approximately 50.23 contiguous acres. All contiguous acres are currently located in existing urban renewal areas. The amendment also removes approximately 8.25 acres of right-of-way from the I-405 freeway.**

The following specific projects or general development areas are included:

- **Old Town/Chinatown (40.47 acres):** Additional urban renewal investment is needed to continue ongoing development projects and redevelopment in this steadily progressing neighborhood. This neighborhood is currently located in the Downtown Waterfront URA.
- **East Retail Core (3.76 acres):** Maintains the vitality of the retail core by providing opportunities to expand and upgrade Pioneer Place Mall and to improve the parking garage and provide opportunities for seismic upgrades to existing buildings. This area is currently located in the Downtown Waterfront URA.
- **Lincoln Building (1.63 acres):** This building requires seismic upgrading. It also provides an opportunity to work with Multnomah County on some of its capital needs. It is currently located in the Downtown Waterfront URA.
- **10th & Yamhill Garage (1.36 acres):** Permits redevelopment of a city-owned garage with ground floor retail space. The garage is currently located in the South Park Blocks URA.
- **O'Bryant Square (1.48 acres):** Underutilized city-owned park needing massive redevelopment near Portland's retail core. The square is currently located in the South Park Blocks URA.
- **Firestone (0.82 acres):** Allows for the redevelopment of an underdeveloped site along the Burnside Couch Couplet.
- **The Fairfield Hotel (0.36 acres):** PDC-owned Section 8 multi-family housing project requires an extensive rehab to preserve this critical affordable housing resource. The housing project is currently located in the South Park Blocks URA.

Figure 1: River District Expansion Options 3/4/08





Report to the Planning Commission

1. Recommendation

The Bureau of Planning and the Portland Development Commission (PDC) recommend that the Portland Planning Commission provide the City Council with a letter supporting the recommended *Amended and Restated River District Urban Renewal Plan*.

The proposed amendment would allow PDC to access additional debt resources for programs and projects for the expanded urban renewal area, which have been identified by the community and are critical to the goals of the *River District Urban Renewal Plan*. These actions would help with the continued revitalization of critical redevelopment projects in Central City west of the Willamette River, including in the Old Town/Chinatown district as well as other specifically-located, public and private projects.

Bureau of Planning staff has reviewed the proposed amendment and prepared draft findings of how the amendment would be consistent with State and local policies (Appendix A).

2. Background

In October 1998, the *River District Urban Renewal Plan* was created. It was originally adopted by City Council Ordinance No. 172808. The renewal plan has not been amended since its adoption.

In 2004, a Central City Urban Renewal Area Study Review Committee recommended moving parts of Old Town/Chinatown area into River District in order to complete needed projects. The recommendations made at that time suggested a review of River District urban renewal plans, acreage and assessed value, timing and cost of projects and the timing of the transfer. In addition, the Central Portland Plan is currently in need of updating and the Bureau of Planning and PDC staffs have worked on initial steps of that update as it impacts the Westside urban renewal areas. The central city urban renewal areas have been and will continue to be a major tool of implementation for the plan.

The Westside Study officially started in May 2007 when the PDC Commission directed staff in PDC Resolution #6474 to look at the downtown urban renewal areas. An Urban Renewal Advisory Group (Advisory Group) was formed which included members of the Board as well as Portland City Council, Multnomah County Commission, Portland Planning Commission and a citizen at large. The Advisory Group meetings focused on the status of downtown urban renewal area key accomplishments and what remained to be completed, technical issues relating to urban renewal operation, a series of panel discussions including the perspectives of neighborhood associations, affordable housing, jobs and the economy, infrastructure, arts and education.

Two of the URAs, Downtown Waterfront (DTWF) and South Park Blocks (SPB), are due to expire in 2008 but still have important projects to complete and River District will reach its maximum indebtedness by 2011-12. This expiration refers to the last date a URA can issue bonded indebtedness, which was set during the creation of the URA. The River District URA has performed beyond expectations and a boundary change could allow

uncompleted projects in the DTWF and SPB URAs to be completed as part of the RD Urban Renewal Plan.

The Advisory Group met nine times through March, 2008 and recommended the following actions and potential amendments:

- 1) close down DTWF and SPB this year but maximize the amount of debt allowed and contemplated by the current year budget,
- 2) remove approximately 50 acres from DTWF and SPB districts and add to River District to allow important areas to be redeveloped and key projects completed,
- 3) increase the maximum indebtedness in River District by \$338 million to \$563 million and extend the last date to issue bonded indebtedness from 2020 to 2021, (The Advisory Group recommended extending the district one additional year to maximize capacity, which resulted in a total capacity of \$568.5 million),
- 4) remove 30.7 acres of I-405 right of way from River District, (Based upon community input, the Commission directed reduction to 8.25 acres),
- 5) consider formation of a non-contiguous "island" district to River District if directed by the Portland City Council (addressed in separate *First Amendment to the Amended and Restated River District Urban Renewal Plan*).

In addition, the Advisory Group recommended identifying potential new districts in conjunction with the Central Portland Plan effort, developing interim development strategies pending completion of the Portland Plan effort and giving Multnomah County a more meaningful voice on decisions regarding expansion, extension or creation of urban renewal districts.

The proposed recommendations were approved by the Portland Development Commission under Resolutions Nos. 6584, 6585, 6586, and 6587, on May 14, 2008. Resolution No. 6587 covers the David Douglas amendment which is being considered separately. Following review by the Portland Planning Commission, the amendment will be forwarded to the Portland City Council for final action.

3. Description of the Proposed Amendment

The proposed *Amended and Restated River District Urban Renewal Plan* makes changes to the maximum indebtedness, expiration date, boundaries, intergovernmental shared priorities, and revisions to the project list for the River District Urban Renewal Plan (the "Plan"). Specifically, this Plan amendment will:

1. Extend the last date to issue maximum indebtedness to June 30, 2021.
2. Adjust boundaries for a net increase of 41.98 acres:
 - a) Add 40.47 acres of the Old Town Chinatown District which was formerly incorporated into the Downtown Waterfront Plan.
 - b) Add 9.76 acres of the Retail/Commercial Core District which was formerly in the South Park Blocks and the Downtown Waterfront Plans.

- c) Delete approximately 8.25 acres of right of way under the I-405 freeway.
3. Extend the life of the Plan by approximately one year, from 2020 to 2021.
 4. Increase the maximum indebtedness of the Plan by \$324,719,650 to \$549,500,000.
 5. Update the Introduction of the Plan to include the areas being added and to redefine the areas in the Plan.
 6. Update the Housing, Transportation, Utility, Job Creation, and Parks, Open Spaces and Other Public Amenities Goal sections of the Plan (Section II) to reflect additional area being added and to update original Plan information.
 7. Minor verbiage changes in Section III. Public Involvement of the Plan.
 8. Update Section IV. Urban Renewal Area Outline of the Plan to reflect the additional area being added and to update the original Plan information.
 9. Update Section V. Urban Renewal Area Map and Legal Description of the Plan to reflect the additional area being added. New map and legal description added.
 10. Update Section VI. Urban Renewal Projects of the Plan to reflect the additional area being added and to delete one project which has been eliminated (Tanner Creek Daylighting).
 11. Update Section VII. Property Acquisition Policies and Procedures of the Plan to reflect new state law. Add potential new properties to be acquired.
 12. Update Section X. Relationship to Local Plans and Objectives of the Plan to reflect the additional area being added and changes to plans since original Plan was adopted.
 13. Update Section XI. Land Use Plan of the Plan to reflect the additional area being added and changes to designations since original Plan adoption.
 14. Update Section XII. to Provide a Financial Analysis of the Plan of the Plan to enumerate other potential revenue sources, reflect the areas being added, show the increase in maximum indebtedness and the extension of the Plan by one year.
 15. Replace Section XIII. Amendments to the Plan.
 16. Add new Section XIV. Projects Involving Public Buildings.

4. Urban Renewal Plan Authority

Authority for the use of urban renewal was established by the Oregon Legislature and codified as Chapter 457 of the *Oregon Revised Statutes* (ORS). The statutes include criteria for the establishment of an urban renewal district, the development of eligible

urban renewal areas, and the content of an urban renewal plan and urban renewal plan report.

Chapter 15, Article 1, of the Portland City Charter assigns all general powers and duties to the Portland Development Commission (PDC). The Commission is designated as the body that will serve as the City's urban renewal and redevelopment agency. PDC is responsible for carrying out all urban renewal functions. Proposed urban renewal plans and urban renewal plan amendments are prepared by the PDC staff and approved by the Commission prior to their submission to the Portland Planning Commission and Portland City Council.

ORS 457 also requires that the City's Planning Commission review urban renewal plans and substantial amendments to urban renewal plans. The Planning Commission's recommendations on urban renewal plans or renewal plan amendments are submitted to the Portland City Council for consideration in their decision on the plan or on a substantial plan amendment.

On March 4, 2008, the Westside Study Urban Renewal Advisory Group (URAG) held a public meeting on the proposed first amendment to the *River District Urban Renewal Plan* and approved the proposed amendment. The *Report on the First Amendment to the River District Urban Renewal Plan*, prepared by the Portland Development Commission in accordance with ORS 457 is attached to this report in Appendix C.

Portland's City Council has final review and approval authority over urban renewal plans and certain urban renewal plan amendments. In the case of a major amendment in the River District URA, which is the case here, the amendment requires a recommendation from the Planning Commission and approval by the City Council.

5. Consistency with the River District Urban Renewal Plan

The Portland Development Commission has forwarded a Report as an attachment to the *Amended and Restated River District Urban Renewal Plan* which establishes blight in the areas to be added to the River District. The projects to be completed in the areas to be added to the River District are consistent with the established goals in the River District Urban Renewal Plan. The existing goals are:

- A. Housing: The River District Urban Renewal Area Plan will incorporate the goals and strategies of the River District Housing Implementation Strategy for the River District Planning Area.

The projects identified in the expansion areas such as the redevelopment of the Fairfield low income housing, creation of a resource access center, development of work force housing and other housing projects are consistent with these goals.

- B. Transportation: To improve transportation linkages with other parts of the Central City and the region and to modify and improve transportation within the Area to enhance livability.

The Transportation projects in the expansion areas such as the Burnside Couch Couplet, parking garage reconstruction, streetscape enhancements and other transportation projects are consistent with these goals.

- C. Utilities: Improve utilities to allow efficient development of the Area and, where possible, use a public utility as a visible asset.

The projects in the expansion areas will be consistent with this goal.

- D. Job Creation: Maximize the potential for economic development and job creation in the Area.

The projects in the expansion areas such as economic development programs for target industry development and redevelopment and development of commercial spaces and of the area in the East Retail Core are consistent with these goals.

- E. Parks, Open Spaces and Other Public Amenities: Using a combination of parks, open spaces and public attractors, create amenities which make the Area a comfortable and pleasant place for people to live and a resource for all the citizens of Portland.

The Projects in the expansion areas are consistent with these goals.

Finding: Through this amendment, blight characteristics in the expanded areas were identified. The URA area and the expansion areas could continue to benefit from further development and public improvement projects to address these conditions. The resources generated by the extension and by the increase in maximum indebtedness will be invested in projects and programs which advance the objectives of the plan goals.

6. Conclusion

The proposed Amended and Restated *River District Urban Renewal Plan* provides for four actions:

- **Adjust** the URA boundaries, which will expand the size of the district from 305 acres to 351.19 acres.
- **Increase** maximum indebtedness for the district from \$224,780,350 to \$549,500,000.
- **Extend** the last date to issue bonded indebtedness in the River District one year from October 1, 2020, to October 1, 2021.
- **Close down DTWF and SPB this year but maximize the amount of debt allowed and contemplated by the current year budget.**

The ability to make such an amendment is authorized by ORS 457 and by Section XIII of the *River District Urban Renewal Plan*. The extension provides PDC with the ability to

continue to access debt resources for investment within the current and expanded Plan area boundaries in the pursuit of programs and projects which directly and indirectly generate taxes as well as meet community needs in accordance with the Plan goals.

The proposed amendment is consistent with and supports several specific goals of the *River District Urban Renewal Plan*. Findings describing the proposed amendment's consistency with Portland's *Comprehensive Plan* and other state and regional policies are included in Appendix A.

The proposed amendment was approved by the Portland Development Commission under Resolution No. 6586 on May 14, 2008. Following review by the Portland Planning Commission, the amendment will be forwarded to the Portland City Council for final action.

Appendix A Findings of Fact for Consistency with Applicable State, Regional and Portland Planning Goals and Policies

This information is now set forth in Section X Relationships to Local Plans and Objectives of the Amended and Restated River District Urban Renewal Plan, Exhibit C.

182961

181971

Exhibit C: Urban Renewal Plan

Amended and Restated River District Urban Renewal Plan

AMENDED AND RESTATED RIVER DISTRICT URBAN RENEWAL PLAN



City of Portland
Portland Development Commission

June 18, 2008

AMENDED AND RESTATED RIVER DISTRICT URBAN RENEWAL PLAN

I.	INTRODUCTION.....	1
A.	The River District	1
B.	The River District Vision and Goals.....	4
C.	River District Urban Renewal Plan.....	5
II.	GOALS AND OBJECTIVES	6
A.	Housing.....	6
B.	Transportation.....	8
C.	Utilities.....	10
D.	Job Creation	10
E.	Parks, Open Spaces and Other Public Amenities	11
III.	PUBLIC INVOLVEMENT.....	12
IV.	URBAN RENEWAL AREA OUTLINE.....	12
A.	Pearl District	12
B.	Tanner Basin/Waterfront.....	13
C.	Terminal One	13
D.	South of Burnside	13
E.	Broadway Corridor/Union Station	14
F.	Old Town/Chinatown	14
V.	URBAN RENEWAL AREA MAP AND LEGAL DESCRIPTION	14
VI.	URBAN RENEWAL PROJECTS.....	26
A.	Public Improvements	26
B.	Rehabilitation, Development and Redevelopment Assistance	30
C.	Economic Development.....	32
D.	Land Acquisition, Improvement and Disposition for Redevelopment Projects	33
E.	Planning.....	22
F.	Administration	33
VII.	Property Acquisition Policies and Procedures.....	33
A.	Property Acquisition From Willing Sellers	34
B.	Property Acquisition by Eminent Domain for Public Improvements	34
VIII.	Property Disposition policies and procedures	34
A.	Property Disposition	34
B.	Redeveloper's Obligations.....	35
IX.	RELOCATION POLICIES AND PROCEDURES.....	36
X.	RELATIONSHIP TO LOCAL PLANS AND OBJECTIVES	36
A.	Statewide Planning Goals	36
B.	Metro Urban Growth Management Function Plan Findings.....	43
C.	City of Portland Comprehensive Plan.....	46
D.	Central City Transportation Management Plan (CCTMP)	65
E.	The Central City Plan's Housing Policy.....	67
F.	The Central City Plan's Parks and Open Spaces Policy.....	68
G.	The Central City Plan's Urban Design Policy.....	68
XI.	LAND USE PLAN	67
A.	Comprehensive Plan and Zoning Designations	68
B.	Additional Land Use Provisions	711

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

XII. PLAN FINANCING..... 711
 A. General Description of the Proposed Financing Methods 71
 B. Tax Increment Financing 72
 C. Maximum Indebtedness 72
 D. Prior Indebtedness..... 72
XIII. AMENDMENTS TO THE PLAN..... 72
 A. Substantial Amendments..... 72
 B. Major Amendments.....73
 C. Council-Approved Amendments.....73
 D. Minor Amendments.....74
XIV. PROJECTS INCLUDING PUBLIC BUILDINGS74

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

This Amended and Restated River District Urban Renewal Plan amends and restates, in its entirety, the River District Urban Renewal Plan adopted by the City Council on October 21, 1998 by Ordinance No. 172808 (the "Original Plan"). To the extent this Amended and Restated River District Urban Renewal Plan is the same as the Original Plan, it is to be considered a continuation thereof. To the extent this Amended and Restated River District Urban Renewal Plan differs from the Original Plan, it is to be considered an amendment thereof.

I. INTRODUCTION

A. The River District

The "River District" is the area of Portland's Central City generally north of the central business district and east of the Stadium Freeway (I-405), an area defined by its strong orientation to the Willamette River. The River District Urban Renewal Area (the "Area") includes a portion of the River District as well as a 31.82 acre area south of Burnside Street. The River District is bounded generally by Burnside Street on the south, Interstate 405 and the main freight rail lines on the west, the northern end of the Port of Portland's Terminal One on the north and the Willamette River on the east. The Area incorporates sections of Old Town/Chinatown which was formerly in the Downtown Waterfront Urban Renewal Area. Figure 1 shows the boundaries of the River District Urban Renewal Area.

The River District Urban Renewal Area unites six distinct subdistricts:

The *Pearl District* extends from Burnside to the Willamette River and from Broadway to I-405. It includes an historic industrial area, in which industrial uses continue on many blocks while redevelopment of historic warehouses into housing and commercial space is occurring rapidly. This subdistrict contains the Hoyt Street Railyards, formerly a rail yard of Burlington Northern Railroad. The redevelopment of this area for a mix of housing and commercial uses has recently begun.

Tanner Basin/Waterfront extends from Lovejoy to Terminal One and from the Northwest Industrial Sanctuary on the west to the River. Currently a transitional industrial area, this neighborhood will be created by a series of open spaces and public attractors, e.g. redeveloped Centennial Mill.

Terminal One of the Port of Portland extends from the Fremont Bridge along the River to the northwest. The terminal is no longer in active port usage and redevelopment of the 17 acre site for a mix of new uses has been in planning for years.

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

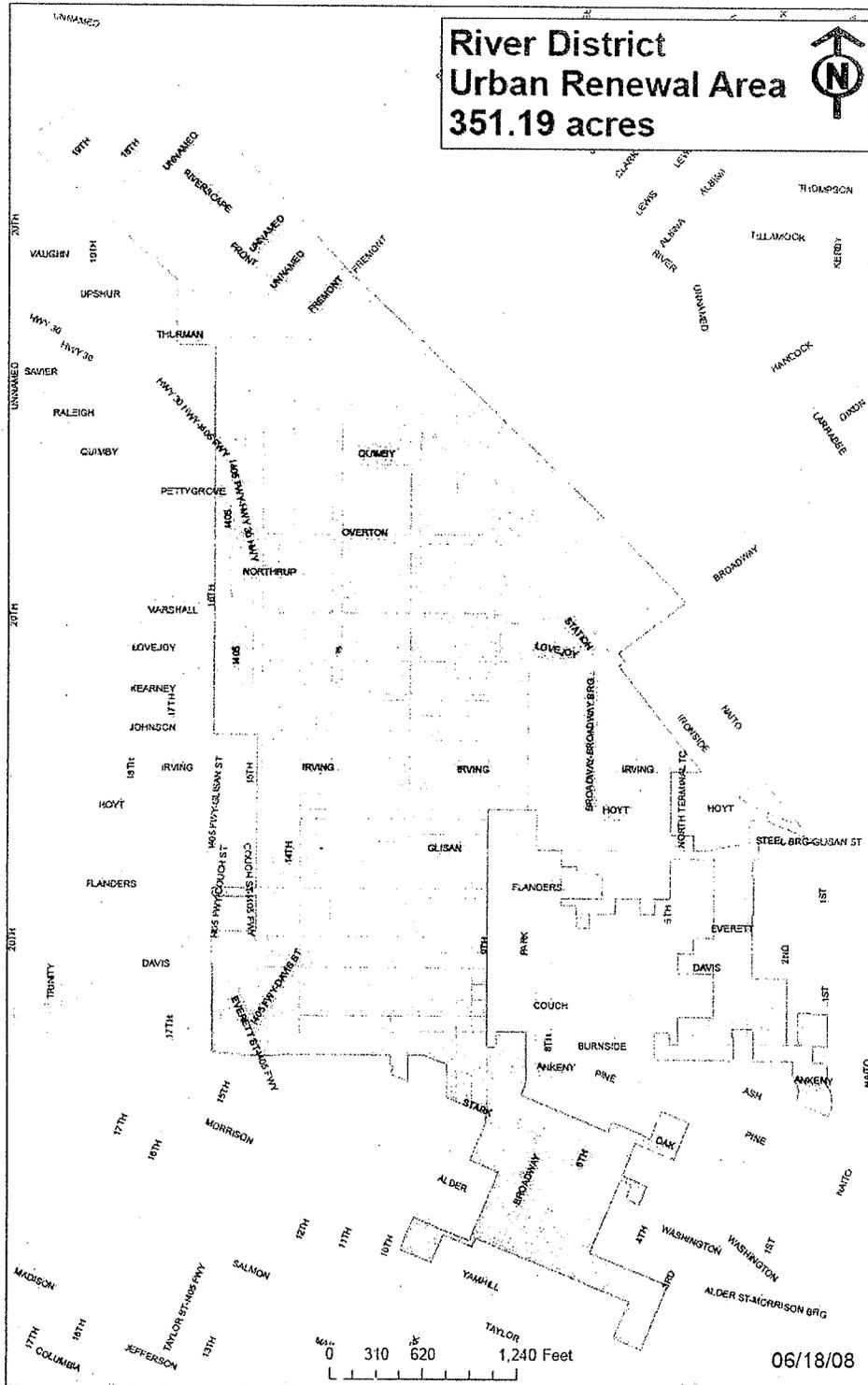
South of Burnside This is an area which lies between the boundaries of the Downtown Waterfront Urban Renewal Plan and the South Park Blocks Urban Renewal Plan plus additional properties which were removed from both the Downtown Waterfront Urban Renewal Area and the South Park Blocks Urban Renewal Area.

Broadway Corridor/Union Station extends from Glisan Street to the Broadway Bridge and from the River to NW Park.

Old Town/Chinatown extends from Burnside Street to Glisan and between NW 3rd and NW 5th and South of Burnside in the Ankeny Burnside Area. It includes major portions of the Old Town/Chinatown Neighborhood. .

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

Figure 1. River District URA Boundary



B. The River District Vision and Goals

In 1994, the River District Steering Committee, representing citizens, business owners, property owners and others with an interest in the revitalization of the River District, completed a Development Plan for Portland's North Downtown. The River District Development Plan started with the River District Vision, a document that was prepared in 1992 and submitted to the Portland City Council for consideration. Much of the River District Vision and Development Plan will be carried out under the River District Urban Renewal Plan. It is important to keep sight of the goals of the Development Plan, as they are the basis for the redevelopment of this area:

Goal 1	<p>To Develop a Functional And Symbolic Relationship with the River.</p> <p>The River District enjoys one regional asset shared by no others. The biased orientation of the Willamette River to the street grid within the District provides a strong association between the river and the land that cannot be replicated in other Portland neighborhoods. The development of a significant physical and symbolic relationship between the river and the River District can provide an image and focus for development.</p>
Goal 2	<p>To Promote the Development of a Diverse Inventory of Housing</p> <p>For the past three decades, Portland has pursued a strategy to develop its downtown as the heart of a livable, sustainable city. Future growth in the region prescribes an even larger effort to attract and accommodate new residents to live and work in the Central City. The River District encourages and supports economic, social, and cultural diversity and will provide a range of multi-family housing in terms of style and economics. The opportunity for these new residents to work and play near where they live is fundamental.</p>
Goal 3	<p>To Become a Community of Distinct Neighborhoods</p> <p>The River District is an area of two established and several emerging neighborhoods, subdistricts of distinct physical character and varied cultural traditions. Few share social or economic links but all occupy a singular land area bordered by barriers of physical prominence. It is the goal of the River District to secure a future which binds all of these existing and potential neighborhoods while providing them with the support they require to become self-sufficient.</p>

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

Goal 4	<p>To Enhance the Best of What Exists</p> <p>While much of the River District is undeveloped, some areas are healthy and secure and others are demonstrating an unusual ability to renew themselves. As the River District develops, it should balance its enthusiasm for a new future with a commitment to respect and improve existing structures, activities and characteristics which are strong and indigenous. A creative and constructive use of the area's resources will accelerate its development and provide a framework which will enhance its success.</p>
Goal 5	<p>To Strengthen Connections Between the River District and its Neighbors</p> <p>The River District's distinct physical boundaries are an asset to development. However, those boundaries must be bridged by strong connections to neighboring communities to attract their support and secure complimentary relationships.</p> <p>Many of the improvements which would link the District to the downtown, northwest neighborhoods, and the Lloyd District have been identified. A few have recently been completed or are underway.</p>
Goal 6	<p>To Enhance the Economy and Functional Efficiency of the City</p> <p>It is an objective of the City to provide adequate access between home, work, services and recreational destinations. It is also an objective of the City to provide that access with economy, efficiency, and sensitivity to natural and man-made environments. More than any other transportation or land use measure, the attraction and accommodation of a large resident population, proximate to the region's greatest concentration of employment, service and recreational opportunities, will effectively improve access while limiting car trips.</p>

C. River District Urban Renewal Plan

The River District Urban Renewal Plan continues the work of the River District Steering Committee and builds on the River District Development Plan, the Strategic Investment Plan, the Old Town/Chinatown Visions Plan, the Old Town/Chinatown Development Plan and many other planning efforts. The Plan authorizes the Portland Development Commission, the Urban Renewal Agency of the City of Portland (the "Commission"), to use urban renewal powers to carry out the goals and objectives of this Plan. The Plan has been prepared pursuant to Oregon Revised Statutes (ORS) Chapter 457, and all applicable laws and ordinances of the State of Oregon and the City of Portland.

II. GOALS AND OBJECTIVES

The Plan will help implement the goals and objectives of Portland's Comprehensive Plan and the Central City Plan which relate to the development of the River District. The Plan will increase housing and jobs, improve transportation and utilities in the area and create public amenities which make the area an exciting one in which to live, work and visit.

The Plan is also designed to help carry out the vision of the River District as stated by the Steering Committee: create a community which is philosophically complete, composed of self-sufficient but complementary parts and capable of making a collective contribution to the well being of this region.

The goals of the Plan relate to housing, transportation, utilities, job creation and public amenities.

A. Housing

The Commission and City Council adopted a River District Housing Implementation Strategy (RDHIS) in 1994 and updated it in 1999. The RDHIS is a strategy for the River District Planning Area which is inclusive of the River District Urban Renewal Area. The River District Planning Area is North of Burnside, East of I-405, West of the Willamette River, and the South portion of Terminal 1, located North of the Fremont Bridge.

Currently, an updated 2008 River District Housing Implementation Strategy (RDHIS) for the River District Planning Area is underway. The 2008 RDHIS will inform the development and implementation of an effective mixed income strategy with a focus on affordable rental, and homeownership and workforce housing and incorporate City-wide housing policy.

The 1994/1999 RDHIS states that the number of existing housing units affordable to low income households in the River District Planning Area will be maintained. The targets established in the RDHIS are for new housing developments and are intended to supplement the existing housing inventory to produce a mix of housing for households reflective of the income distribution of households City-wide. In 2001 City Council adopted a No Net Loss (NNL) policy for affordable housing in the Central City which states that either through preservation or replacement the Central City will retain at least the current number of housing units affordable to households at or below 60% Area Median Income. In 2006, the City established a minimum 30% Tax Increment Financing (TIF) Set Aside for Affordable Housing policy along with income guidelines that identified low income housing as a high priority for resource allocation. For the River District URA, the guidelines call for 50-70% of the 30% TIF set aside to be allocated to the 0-30% median family income (MFI) category and 20%-40% in the 31-60% MFI category.

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

The City Council may adjust development priorities to meet the timing and phasing of the targets and may direct that other modifications be made to the development program to ensure progress in meeting the targets.

The following goals outline the objectives and strategies that will be included in the New River District Urban Renewal Area Housing Implementation Strategy.

Goals

The River District Urban Renewal Area Plan will incorporate the goals and strategies of the River District Housing Implementation Strategy for the River District Planning Area.

1) Develop New and Preserve Existing Housing

Stimulate the development of a substantial stock of housing accessible to households with a range of incomes which reflect the income distribution of the City of Portland as a whole.

2) Provide Financial Resources

Provide financial resources to support the development of new housing and the preservation or replacement of existing housing for extremely low, low and moderate income households. Resources include but are not exclusively those derived from Tax Increment Finance.

3) Achieve a Mix of Units by Household Income Categories

A. Establish targets for new housing using the following five categories: 0-30% MFI, 31-60% MFI, 61-80% MFI, 81-120, and 120%+ MFI.

B. Make reasonable assumptions about the total number of unit build out by 2020.

C. Assume no affordable units are removed from service as part of the No-Net-Loss Policy. If units are taken out of service, they will need to be replaced at the income level which they are currently serving.

D. Apply the housing targets to new housing units in the River District Planning Area as a whole, rather than by project or year. Individual projects may contain a mix of housing income levels as long as the overall distribution in the River District Planning Area is consistent with the RDHIS housing targets.

4) Promote Development of Services and Amenities to Support Housing

Include specific amenities to housing developments that recognize that certain populations such as families, elderly, and the homeless may need these amenities. To the extent possible, encourage families with children, elderly and households at all income levels to reside in the River District Planning Area by providing specific development plans that include services and amenities to support this effort.

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

5) Promote Ownership Housing

Recognize the value of neighborhood stability associated with pride of ownership for all household income levels by encouraging ownership housing whenever feasible.

6) Implement the Ten Year Plan to End Homelessness

Make progress toward transitioning people from transitional housing, shelters and homelessness to permanent housing by incorporating permanent supportive housing units into planned housing development whenever feasible.

7) Preserve Access to Affordable Housing for Low Income Residents of the River District Planning Area.

Provide access to the supply of housing available to low income residents in the River District Planning Area by keeping the stated unit production goals by income a percentage of the total build out.

8) Target the market-rate housing

Target the market-rate housing in the River District Planning Area to as wide a market as possible. Include units of various sizes and affordable to households of all income levels including downtown workers, empty-nesters, and retirees. Although current data indicate that few families are choosing to live in the River District Planning Area today, to the extent possible, families with children should be encouraged to locate in the River District Planning Area.

B. Transportation

To improve transportation linkages with other parts of the Central City and the region and to modify and improve transportation within the Area to enhance livability.

Objectives:

1. Promote Alternative Modes of Transportation

Transit systems, including the Central City Streetcar and, possibly, South/North Light Rail, should be improved into and through the area in order to relieve congestion and pollution from private automobiles. Pedestrian and bicycle routes should be provided to be attractive alternatives to automobiles in the area.

2. Create and Enhance Connections Between the District and the Willamette River

Use the extension of existing streets, modification of rail crossings, the creation of new above, below or at-grade rail crossings, the Central City Streetcar and creation of the Tanner Creek Park and Water Feature as methods to connect the interior of the Area to the River.

3. Remove the Lovejoy Ramp

The elevated Lovejoy Ramp to the Broadway Bridge, which serves as a barrier and blighting influence within the area, will be removed to allow redevelopment of Lovejoy Street and 10th Avenue at grade. A new ramp will be constructed east of NW 9th Avenue.

4. Improve Streets and Streetscapes

Streets within the Area will be improved. This will provide more attractive streetscapes for pedestrians, bicyclists and transit. It will also provide more efficient traffic flow and better connections to adjacent districts of the City. Strong consideration has been given to converting Burnside and Couch into a couplet and to constructing a Streetcar line to improve connections from either side of Burnside as well as from Burnside to neighborhoods on both sides.

5. Parking

Create convenient, accessible surface and structured parking facilities at locations which support full utilization of private parcels and public amenities.

6. Improve Transportation Connections

The Area contains the City's Union Station and Greyhound Bus Terminal, which provides inter-city rail service. Recent additions to the Transit Mall have created intermodal connections between light rail and inter-city rail and bus service. Continued improvements in intermodal connections, including planned additions to Streetcar service and bicycle connections, will complement expected increases in the use of Union Station and the potential for high-speed rail service.

C. Utilities

Improve utilities to allow efficient development of the Area and, where possible, use a public utility as a visible asset.

Objectives:

1. Enhance Street Lighting For Public Safety And Aesthetics

Enhance street lighting where appropriate to create visual connections to the remainder of the Central City and improve streetscapes to support local businesses. Coordinate the installation of street lighting into streetscape projects.

2. Reconstruct Utilities As Necessary To Permit Development Of Private Parcels And Public Amenities

Reconstruct utilities including water, sewer, storm sewer, and other public utilities as necessary to encourage development of both public and private parcels.

D. Job Creation

Maximize the potential for economic development and job creation in the Area.

Objectives:

1. Promote the Development of Commercial Uses That Create Jobs

Help create a range of jobs within the area in order to maximize the potential of a dense population and transit improvements within the area. This can include assistance to property owners for improvements to retain or create jobs, recruitment of companies to specific developments and creation of real estate ownership opportunities for companies.

2. Keep Job Producing Activities in the Industrial Sanctuary

Maintain and enhance a range of job producing activities in the area of the district designated as industrial sanctuary by the City.

3. Strengthen Downtown as the Heart of the Region

Foster the growth and attractiveness of the Downtown, enhancing its competitive position in retailing, employment and tourism.

4. Target Industry

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

Focus on retaining and attracting companies and jobs in key target industries that offer the greatest potential for job growth in the Portland region. And working with industry, identify strategic initiatives that both support target industry clusters, such as design, creative services and sustainable industry clusters and contribute to Portland's leadership in the global economy.

E. Parks, Open Spaces and Other Public Amenities

Using a combination of parks, open spaces and public attractors, create amenities which make the Area a comfortable and pleasant place for people to live and a resource for all the citizens of Portland.

Objectives:

1. Reclaim And Enhance The Willamette Riverfront Between The Steel Bridge And Terminal One

Construct amenities which benefit residents and employees of the Area as well as the City as a whole. Provide a continuous riverfront pedestrian pathway and pedestrian connections into the District.

2. Extend the North Park Blocks into the Area

Extend the North Park Blocks into the River District. This will bring the City closer to a long-standing goal to create a linear parkway on the Park Blocks which connects downtown and the River District.

3. Create Open Spaces and Parks

Create an attractive setting for area residents. Specific areas for open space and park development will be determined as public and private development plans in the area are finalized.

4. Create Public Attractors

Create public attractors such as redeveloping Centennial Mill along the Willamette River near the Tanner Creek outfall.

5. Historic Preservation

Support the preservation of buildings that contribute to the character of the National Historic Districts within the Urban Renewal Area, such as the Skidmore Old Town National Landmark Historic District.

6. Renovate O'Bryant Square

Assist in the funding for the renovation of O'Bryant Square.

III. PUBLIC INVOLVEMENT

The goals, policies and projects in this Plan have been developed under the guidance of the River District Steering Committee, affected neighborhood groups, the City of Portland Planning Commission and other interested parties.

Public input is solicited for all significant issues facing the Commission, in particular the implementation of major projects, short and long term financial planning and the monitoring of plan progress. In addition, substantial, major and council approved Plan amendments (see Section XIII) are approved by the Commission, and adopted by the City Council at public meetings for which public notice is provided in conformance with state law.

IV. URBAN RENEWAL AREA OUTLINE

There are six distinct subdistricts within four neighborhoods in the River District Urban Renewal Area: Pearl District Neighborhood, South of Burnside, Tanner Creek Park and Waterfront, Terminal One, Union Station, and Old Town/Chinatown. Each subdistrict has specific, yet interrelated, improvements and projects proposed to further the objectives of the Plan. This section of the Plan outlines what activities will be undertaken in each subdistrict.

A. Pearl District

The Pearl District has become a vital and eclectic neighborhood of lofts, galleries, restaurants and shops mixed with industrial and commercial uses. It is a neighborhood in transition from industrial and warehousing uses to a mixed use area with commercial and residential uses alongside industrial activities. The Pearl District also includes the approximate eight block area of NW 13th Avenue which has been designated as a National Register Historic District.

Housing will be extended into the Hoyt Street Railyards south of Lovejoy within the Pearl District. The area will accommodate approximately 1,200 new housing units as well as 84,000 square feet of neighborhood retail and commercial space, and parking facilities to support the uses.

In spite of the exciting activity which has occurred recently in this District, a number of serious obstacles exist to creating the housing density, affordable housing and connections with the remainder of downtown which are necessary to fully realize the potential of this close-in gem.

Projects in this sub-area will include reconstructing the Lovejoy viaduct with an at-grade street to remove a substantial barrier to housing development in the area, and to create a "Main Street" of shops and retail activity. The Central City Streetcar will pass through the Pearl District on 10th and 11th Avenues allowing the area to develop with a lesser reliance on the need to build expensive new parking spaces. The abandoned Hoyt Street

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

Railyards will become a major focus for new housing and retail activity in the Pearl District, with park and pedestrian areas included as appropriate.

B. Tanner Creek Park and Waterfront

The Tanner Creek Park and Waterfront will help connect the District to the Willamette River and will help create a focus for a compact urban community while acknowledging the natural history of the area and enhancing water quality. This area has the potential to be open and gregarious in character, and serve as an urban heart to the River District.

This area will contain the highest density residential development in the River District, as well as supportive commercial services. There will be approximately 1,800 new housing units, and 92,000 square feet of neighborhood retail and commercial space. In order to realize this vision, many critical infrastructure improvements called for in this Plan are essential. The area will be connected with improvements which will occur on the Waterfront of the Willamette River, to tie the area even closer to the river. The Central City Streetcar will provide critical transit connections from this new housing to downtown, PSU and northwest Portland.

C. Terminal One

The portion of Terminal One just downriver from the Fremont Bridge was formerly an active marine terminal, but has been declared surplus by the Port of Portland. While its use as an efficient marine facility is not viable, the property location presents an excellent opportunity to anchor the north end of the west bank of Waterfront Park, much as RiverPlace anchors the south end.

Redevelopment of this site will create a community of homes, offices and shops directly on the Willamette River. The area will be developed into approximately 700 housing units, 45,000 square feet of neighborhood retail space and 90,000 square feet of offices. In order to integrate new private uses with the greenway and waterfront, development must be open and accessible. Pedestrian and visual connections should be provided which reinforce the connection to the river and to the remainder of the River District.

Several improvements are necessary in order to allow the full utilization of this important riverfront parcel for residential, commercial and office use. These include site improvements at Terminal One, improvements to Front Avenue, the greenway and railroad crossings to better connect this area to its neighbors.

D. South of Burnside

An area south of Burnside is included within this Plan Area. This is an area which lies between the boundaries of the Downtown Waterfront Urban Renewal Area and the South Park Blocks Urban Renewal Area and includes properties which were transferred from both the Downtown Waterfront Urban Renewal Area and the South Park Blocks Urban

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

Renewal Area. This area is attracting hotel development but public needs exist to maintain the area's retail and mixed use vitality.

The primary projects which are necessary in this area include improvements to the existing transit mall, including light rail; participation in renovation, parking improvements and related site work and utilities for destination retail facilities; storefront and seismic rehabilitation programs to support and retain downtown businesses; housing rehabilitation; and redevelopment of key underutilized parcels of land including but not limited to replacement of aging office space in partnership with Multnomah County.

Additionally, increased office space is contemplated to accommodate key economic development strategies

E. Broadway Corridor/Union Station

The area extends from Glisan Street to the Broadway Bridge and from the River to NW Park, and includes Union Station, the US Post Office, the Greyhound Station and 511 Federal Building. Many of these properties were previously in the Downtown Waterfront Urban Renewal Area. The primary projects in this area are the revitalization of Union Station, construction of the Resource Access Center, redevelopment of Block R and the Greyhound Station, as well as the area's relationship to the Post Office Site, including the possibility of lowering the Broadway Bridge ramp.

F. Old Town/Chinatown

The area extends generally between NW 2nd and 5th Avenues, Burnside and NW Glisan and areas south of Burnside near the Skidmore Fountain known as Ankeny Burnside. These properties were previously in the Downtown Waterfront Urban Renewal Area and still contain elements of blight including underutilized buildings and surface parking lots. Old Town/Chinatown contains many of Portland's oldest buildings and is the location of two National Historic Districts. The primary projects in this area include rehabilitation of underutilized historic buildings that contribute to the National Historic Districts including seismic upgrades, preservation of low income housing, preservation of transitional housing and services, construction of new workforce housing units, commercial and retail development.

V. URBAN RENEWAL AREA MAP AND LEGAL DESCRIPTION

Exhibit I contains the narrative legal description of the boundary of the Area. Exhibit I.A is the Legal Description Map.

Exhibit I. Legal Description

Commencing in the S.E. 1/4 of Section 28, Township 1 North, Range 1 East, Willamette Meridian, City of Portland, County of Multnomah, State of Oregon, along the westerly Harbor Line of the west bank of the Willamette River at its intersection with the northwesterly projection of a line that is 1.85 feet north of the southerly line of Lot 13 of Block 37 of Sherlock's Addition,

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

Assessor Map 1N1E 28DB for the TRUE POINT OF BEGINNING of the River District Urban Renewal Area Boundary Line;

1. Thence southeasterly 5076 feet more or less on said westerly Harbor Line to its intersection point with the northerly easement line of the N.W. Broadway Avenue Bridge, recorded in Book 537, Page 412, dated 1911, Assessor Map 1N1E 34BA, said point being common to the Downtown-Waterfront Urban Renewal Area Boundary Line, Tax Code Area 889;

SAID RIVER DISTRICT URBAN RENEWAL BOUNDARY LINE IS COMMON TO THE DOWNTOWN-WATERFRONT URBAN RENEWAL AREA BOUNDARY LINE, TAX CODE AREA NO. 889 AS FOLLOWS:

2. Thence southwesterly 559 feet more or less on said N.W. Broadway Avenue Bridge easement line to its intersection with the easterly line of the Portland Terminal Railroad Company, Assessor Map 1N1E 34BB;
3. Thence southeasterly 70 feet more or less along the easterly line of the Portland Terminal Railroad Company to its intersection with the southerly line of said N.W. Broadway Avenue Bridge easement, Assessor Map 1N1E 34BD;
4. Thence southeasterly 50 feet more or less along the southerly easement line of said N.W. Broadway Avenue Bridge easement to its intersection with the westerly line of the Portland Terminal Railroad Company, Assessors Map 1N1E 34BD;
5. Thence southeasterly leaving the southerly line of said N.W. Broadway Avenue Bridge easement 900 feet more or less along the westerly line of the Portland Terminal Railroad Company to its intersection with a east prolongation of the north right-of-way line of N.W. Irving street as shown in the Plat of Couch's Addition, a portion of which is now vacated in Ordinance no. 23258, Assessor Map 1N1E 34BD;
6. Thence west 210 feet more or less along said prolongation and continuing on the north right-or-way line of N.W. Irving Street a portion of which was vacated in Ordinance no. 25258, to its intersection with the west line of N.W. 5th Avenue, Assessor Map 1N1E 34BD;
7. Thence south 420 feet more or less along the west right-of-way line of N.W. 5th Avenue to its intersection with the south line of Lot 5 Block Q of Couch's Addition, Assessor Map 1N1E 34BD;
8. Thence east 160 feet more or less leaving the west right-of-way line of said N.W. 5th Avenue along the west prolongation of the north line of Lot 3 Block P, Couch's Addition to the northeast corner of said Lot 3, Assessor Map 1N 1E 34BD;
9. Thence south 100 feet more or less along the east lines of Lot 3 and Lot 2 Block P Couch's Addition to its intersection with the north right-of-way line of N.W. Glisan Street, Assessor Map 1N1E 34BD;
10. Thence east and northeasterly 357 feet more or less along the northerly right-of-way line of N.W. Glisan Street to its intersection with the west right-of-way line of N.W. 3rd Avenue, Assessor Map 1N1E 34BD;
11. Thence north 150 feet more or less along the west right-of-way line of N.W. 3rd Avenue as shown in the plat of Couch's Addition to its intersection with the south right-of-way line of N.W. Hoyt Street as shown in the plat of Couch's Additon, Assessor Map 1N1E 34BD;

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

12. Thence east 58 feet more or less along the south right-of-way line of N.W. Hoyt Street to the northwest corner of Book 1486 Page 294 Multnomah County Records, Assessor Map 1N1E 34BD;
13. Thence north 35 feet more or less along the east right-of-way line at the termination of N.W. Hoyt Street to its intersection with the southerly line of the Portland Terminal Railroad Company, Assessor Map 1N1E 34BD;
14. Thence northeasterly 44 feet more or less to the southeast end of a curve on the southwesterly line of Lot 5 Union Station recorded Oct 15, 1996 as Book 1233 Page 1 Multnomah County Records, Assessor Map 1N1E 34BD;
15. Thence northwesterly 183.47 feet along the southerly line of said Lot 5 Union Station to the most westerly corner of said Lot 5 Union Station, Assessor Map 1N1E 34BD;
16. Thence northeasterly 200 feet more or less along the northerly line of said Lot 5 Union Station to the most northerly corner of said Lot 5 Union Station, Assessor Map 1N1E 34BD;
17. Thence southeasterly 410 feet more or less along the easterly line of said Lot 5 Union Station to the most southerly corner of Lot 5 Union Station, Assessor Map 1N 1E 34BD;
18. Thence northwesterly 238.70 feet along the westerly line of said Lot 5 Union Station to a point, Assessor Map 1N1E 34BD;
19. Thence southwesterly 50 feet more or less perpendicular to when measured at right angles to said westerly line of Lot 5 Union Station to its intersection with the southerly line of the Portland Terminal Railroad Company, Assessor Map 1N1E 34BD;
20. Thence southeasterly 331.37 feet along the southerly line of said Portland Terminal Railroad Company to its intersection with the westerly right-of-way line of N.W. Naito Parkway, Assessor Map 1N1E 34BD;
21. Thence southeasterly 100 feet more or less along the westerly right-of-way line of N.W. Naito Parkway to its intersection with the north right-of-way line of N.W. Glisan Street, Assessor Map 1N1E 34BD;
22. Thence west 398 feet more or less along the north right-of-way line of N.W. Glisan Street to its intersection with the east right-of-way line of N.W. 3rd. Avenue, Assessor Map 1N1E 34BD;
23. Thence south 60 feet more or less along the east right-of-way line of N.W. 3rd. Avenue to its intersection with the south right-of-way line of N.W. Glisan Street, Assessor Map 1N1E 34CA;
24. Thence west 35 feet more or less along the south right-of-way line of N.W. Glisan Street to its intersection with the centerline of the right-of-way of N.W. 3rd Avenue, Assessor Map 1N1E 34CA;
25. Thence south 780 feet more or less along the centerline of the right-of-way of N.W. 3rd. Avenue to its intersection with the south right-of-way line of N.W. Davis Street, Assessor Map 1N1E 34CA;
26. Thence east 230 feet more or less along the south right-of-way line of N.W. Davis Street to its intersection with the west right-of-way line of N.W. 2nd Avenue, Assessor Map 1N1E 34CA;
27. Thence south 435 feet more or less along the west right-of-way line of N.W. 2nd Avenue to its intersection with the north right-of-way line of W. Burnside Street, Assessor map 1N1E 34CA;
28. Thence east 90 feet more or less along the north right-of-way line of N.W. Burnside Street to its intersection with the east right-of-way line of N.W. 2nd Avenue, Assessor Map 1N1E 34CA;

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

29. Thence northwesterly and north 184 feet more or less along the east right-of-way line of N.W. 2nd Avenue to its intersection with the south right-of-way line of N.W. Couch Street, Assessor Map 1N1E 34CA;
30. Thence east 190 feet more or less along the south right-of-way line of N.W. Couch Street to its intersection with the west right-of-way line of N.W. 1st Avenue, Assessor Map 1N1E 34DB;
31. Thence south 185 feet more or less along the west right-of-way line of N.W. 1st Avenue to its intersection with the north right-of-way line of W. Burnside Street, Assessor Map 1N1E 34DC;
32. Thence westerly 95 feet more or less along the northerly right-of-way line of W. Burnside Street to its intersection with the west line of Lot 1 Block 12 Couch's Addition, Assessor Map 1N1E 34DB;
33. Thence south 100 feet more or less to the intersection of the south right-of-way line of W. Burnside Street with the west line of Lot 8 Block 11 Couch's Addition, Assessor Map 1N1E 34DC;
34. Thence east 95 feet more or less along the south right-of-way line of W. Burnside Street to its intersection with the west right-of-way line of N.W. 1st Avenue, Assessor Map 1N1E 34DC;
35. Thence south 262 feet more or less along the west right-of-way line of S.W. 1st Avenue to its intersection with the southeast corner of Lot 1 Block 33 City of Portland, Assessor Map 1N1E 34DC;
36. Thence northwesterly 230 feet more or less along the southerly lines of Lot 1 and Lot 8 Block 33 City of Portland and its westerly prolongation to the centerline of the right-of-way of S.W. 2nd Avenue, Assessor Map 1N1E 34DC;
37. Thence northeasterly 30 feet more or less along the centerline of the right-of-way of S.W. 2nd Avenue parallel with the west line of Block 33 City of Portland to its intersection with the south right-of-way line of S.W. Ankeny Street, Assessor Map 1N1E 34CD;
38. Thence northwesterly 60 feet more or less to the intersection of the westerly prolongation of the south line of Lot 3 Block 11 Couch's Addition, with the centerline of S.W. 2nd Avenue as shown on the plat of Couch's Addition, Assessor Map 1N1E 34CD;
39. Thence north 110 feet more or less along the centerline of the right-of-way of S.W. 2nd Avenue to its intersection with the south right-of-way line of W. Burnside Street, Assessor Map 1N1E 34CD;
40. Thence west 260 feet more or less along the south right-of-way line of W. Burnside street to its intersection with the centerline of the right-of-way of N.W. 3rd Avenue, Assessor Map 1N1E 34CD;
41. Thence north 208 feet more or less along the centerline of the right-of-way of N.W. 3rd Avenue to its intersection with the easterly prolongation of a line that is 23 feet north of the south line of Lot 5 Block 29 Couch's Addition, Assessor Map 1N1E 34CA;
42. Thence west 135 feet more or less along a line that is 23 feet north of the south line of Lot 5 Block 29 Couch's Addition and its easterly and westerly prolongation to its intersection with a line that is 5 feet west of the west line of Lot 5 Block 29 Couch's Addition, Assessor Map 1N1E 34CA;
43. Thence south 45 feet more or less parallel with and 5 feet west of the west line of Lot 4 and Lot 5 Block 29 Couch's Addition to its intersection with the westerly prolongation of a line that is 28 feet north of the south line of Lot 4 Block 29 Couch's Addition, Assessor Map 1N1E 34CA;

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

44. Thence east 5 feet along the westerly prolongation of a line that is 28 feet north of the south line of Lot 4 Block 29 Couch's Addition to its intersection with the west line of Lot 4 Block 29 Couch's Addition, Assessor Map 1N1E 34CA;
45. Thence south 158 feet more or less along the west line of Lot 4 and Lot 1 Block 29 Couch's Addition and its south prolongation to the south right-of-way line of W. Burnside Street, Assessor Map 1N1E 34CA;
46. Thence west 520 feet more or less along the south right-of-way line of W. Burnside Street to its intersection with the southerly prolongation of the west line of Lot 1 Block 41 Couch's Addition, Assessor Map 1N1E 34CA;
47. Thence north 180 feet more or less along the west line and the southerly prolongation of the west line of Lot 4 and Lot 1 Block 41 Couch's Addition to the northwest corner of Lot 4 Block 41 Couch's Addition, Assessor Map 1N1E 34CA;
48. Thence west 100 feet more or less along the north line of the Lot 4 Block 41 Couch's Addition to its intersection with the west right-of-way line of N.W. 5th Avenue, Assessor Map 1N1E 34CA;
49. Thence south 80 feet more or less along the west right-of-way line of N.W. 5th Avenue to its intersection with the north right-of-way line of W. Burnside Street, Assessor Map 1N1E 34CA;
50. Thence east 60 feet more or less along the north right-of-way line of W. Burnside Street to its intersection with the east right-of-way line of N.W. 5th Avenue, Assessor Map 1N1E 34CA;
51. Thence north 180 feet more or less along the east right-of-way line of N.W. 5th Avenue to its intersection with the south right-of-way line of N.W. Couch Street, Assessor Map 1N1E 34CA;
52. Thence east 230 feet more or less along the south right-of-way line of N.W. Couch Street to its intersection with the centerline of the right-of-way line of N.W. 4th Avenue, Assessor Map 1N1E 34CA;
53. Thence north 290 feet more or less along the centerline of the right-of-way of N.W. 4th to its intersection with the centerline of the right-of-way of N.W. Davis Street, Assessor Map 1N1E 34CA;
54. Thence west 230 feet more or less along the centerline of the right-of-way of N.W. Davis Street to its intersection with the east right-of-way line of N.W. 5th Avenue, Assessor Map 1N1E 34CA;
55. Thence north 130 feet more or less along the east right-of-way line of N.W. 5th Avenue to its intersection with the north line of Lot 3 Block 34 Couch's Addition, Assessor Map 1N1E 34CA;
56. Thence east 100 feet more or less along the north line of Lot 3 Block 34 Couch's Addition to the southwest corner of Lot 5 Block 34 Couch's Addition, Assessor Map 1N1E 34CA;
57. Thence north 100 feet more or less along the west line of Lot 5 and Lot 8 Block 34 Couch's Addition to its intersection with the south right-of-way line of N.W. Everett Street, Assessor Map 1N1E 34CA;
58. Thence east 130 feet more or less along the south right-of-way line of N.W. Everett Street to its intersection with the centerline of the right-of-way of N.W. 4th Avenue, Assessor Map 1N1E 34CA;
59. Thence north 520 feet more or less along the centerline of the right-of-way of N.W. 4th Avenue to its intersection with the south right-of-way line of N.W. Glisan Street, Assessor Map 1N1E 34CA;

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

60. Thence west 290 feet more or less along the south right-of-way line of N.W. Glisan Street to its intersection with the west right-of-way line of N.W. 5th Avenue, Assessor Map 1N1E 34CA;
61. Thence south 260 feet more or less along the west right-of-way line of N.W. 5th Avenue to its intersection with the south right-of-way line of N.W. Flanders Street, Assessor Map 1N1E 34CA;
62. Thence west 100 feet more or less along the south right-of-way line of N.W. Flanders Street to its intersection with the west line of Lot 8 Block 38 Couch's Addition, Assessor Map 1N1E 34CA;
63. Thence south 100 feet more or less along the west line of Lot 8 and Lot 5 Block 38 Couch's Addition to its intersection with the southeast corner of Lot 6 Block 38 Couch's Addition, Assessor Map 1N1E 34CA;
64. Thence west 100 feet more or less along the south line of Lot 6 Block 38 Couch's Addition to its intersection with the east right-of-way line of N.W. 6th Avenue, Assessor Map 1N1E34CA;
65. Thence north 100 feet more or less along the east right-of-way line of N.W. 6th Avenue to its intersection with the south right-of-way line of N.W. Flanders Street, Assessor Map 1N1E 34CA;
66. Thence west 160 feet more or less along the south right-of-way line of N.W. Flanders Street to its intersection with the northwest corner of Lot 8 Block 47 Couch's Addition, Assessor Map 1N1E 34CA;
67. Thence south 100 feet more or less along the west line of Lot 8 and Lot 5 Block 47 Couch's Addition to its intersection with the southeast corner of Lot 6 Block 47 Couch's Addition, Assessor Map 1N1E 34CA;
68. Thence west 170 feet more or less along the south line and its west prolongation of Lot 6 Block 47 Couch's Addition to its intersection with the west right-of-way line of N.W. Broadway Avenue, Assessor Map 1N1E 34CB;
69. Thence south 100 feet more or less along the west right-of-way line of N.W. Broadway Avenue to its intersection with the north right-of-way line of N.W. Everett Street, Assessor Map 1N1E 34CB;
70. Thence west 90 feet more or less along the north right-of-way line of N.W. Everett Street to its intersection with the southwest corner of Lot 1 Block 50 Couch's Addition, Assessor Map 1N1E 34CB;
71. Thence north 150 feet more or less along the west line of Lot 1, Lot 4, and Lot 5 Block 50 Couch's Addition to the southeast corner of Lot 7 Block 50 Couch's Addition, Assessor Map 1N1E 34CB;
72. Thence west 100 feet more or less along the south line of Lot 7 Block 50 Couch's Addition to its intersection with the east right-of-way line of N.W. 8th Avenue, Assessor Map 1N1E 34CB;
73. Thence north 50 feet more or less along the east right-of-way line of N.W. 8th Avenue to its intersection with the south right-of-way line of N.W. Flanders Street, Assessor Map 1N1E 34CB;
74. Thence east 280 feet more or less along the south right-of-way line of N.W. Flanders Street to its intersection with the east right-of-way line of N.W. Broadway Avenue, Assessor Map 1N1E 34CB;
75. Thence north 160 feet more or less along the east right-of-way line of N.W. Broadway Avenue to its intersection with the northwest corner of Lot 3 Block 48 Couch's Addition, Assessor Map 1N1E 34CB;

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

76. Thence west 180 feet more or less along the west prolongation of the north line of Lot 3 Block 48 Couch's Addition and the south line of Lot 5 Block 49 Couch's Addition to the southwest corner of Lot 5 Block 49 Couch's Addition, Assessor Map 1N1E 34CB;
77. Thence north 50 feet more or less along the west line of Lot 5 Block 49 Couch's Addition to the southeast corner of Lot 7 Block 49 Couch's Additions, Assessor Map 1N1E 34CB;
78. Thence west 100 feet more or less along the south line of Lot 7 Block 49 Couch's Addition to its intersection with the east right-of-way line of N.W. 8th Avenue, Assessor Map 1N1E 34CB;
79. Thence north 110 feet more or less along the east right-of-way line of N.W. 8th Avenue to its intersection with the north right-of-way line of N.W. Glisan Street. Assessor Map 1N1E 34CB;
80. Thence west 160 feet more or less along the north right-of-way line of N.W. Glisan Street to its intersection with the east right-of-way line of N.W. Park Avenue, Assessor Map 1N1E 34BC;
81. Thence north 260 feet more or less along the east right-of-way line of N.W. Park Avenue to its intersection with the north right-of-way line of N.W. Hoyt Street, Assessor Map 1N1E 34BC;
82. Thence west 320 feet more or less along the north right-of-way line of N.W. Hoyt Street to its intersection with the west right-of-way line of N.W. 9th Avenue, Assessor map 1N1E 34BC;
83. Thence south 1560 feet more or less along the west right-of-way line of N.W. 9th Avenue to its intersection with the north right-of-way line of W. Burnside Street, Assessor Map 1N1E 34CB;
84. Thence east 60 feet more or less along the north right-of-way line of W. Burnside Street to its intersection with the east right-of-way line of N.W. 9th Avenue, Assessor Map 1N1E 34CB;
85. Thence north 100 feet more or less along the east right-of-way line of N.W. 9th Avenue to the northwest corner of Lot 3 Block 56 Couch's Addition, Assessor Map 1N1E 34CB;
86. Thence east 200 feet more or less along the north line of Lot 3 and Lot 4 Block 56 Couch's Addition to its intersection with the west right-of-way line of N.W. Park Avenue, Assessor Map 1N1E 34CB;
87. Thence south 435 feet more or less along the west right-of-way line of S.W. Park Avenue to its intersection with the southerly right-of-way line of S.W. Oak Street, Assessor Map 1N1E 34CC;
88. Thence easterly 620 feet more or less along the southerly right-of-way line of S.W. Oak Street to its intersection with the easterly right-of-way line of S.W. 6th Avenue, Assessor Map 1N1E 34CC;
89. Thence north 60 feet more or less along the easterly right-of-way line of S.W. 6th Avenue to its intersection with the northerly right-of-way line of S.W. Oak Street, Assessor Map 1N1E 34CD;
90. Thence easterly 280 feet more or less along the northerly right-of-way line of S.W. Oak Street to the southwest corner of Lot 5 Block 66 City of Portland, said point being on the easterly right-of-way line of S.W. 5th Avenue, Assessor Map 1N1E 34CD;
91. Thence northerly 200 feet more or less along the easterly right-of-way line of S.W. 5th Avenue to its intersection with the southerly right-of-way line of S.W. Pine Street, Assessor Map 1N1E 34CD;

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

92. Thence easterly 200 feet more or less along the southerly line of S.W. Pine Street to its intersection with the westerly right-of-way line of S.W. 4th Avenue, Assessor Map 1N1E 34CD;
93. Thence southerly 260 feet more or less along the westerly right-of-way line of S.W. 4th Avenue to its intersection with the southerly right-of-way line of S.W. Oak Street, Assessor Map 1N1E 34CD;
94. Thence westerly 280 feet more or less along the southerly right-of-way of S.W. Oak Street to its intersection with the westerly right-of-way line of S.W. 5th Avenue, Assessor Map 1N1E 34CD;
95. Thence southerly 230 feet more or less along the westerly right-of-way line of S.W. 5th Avenue to its intersection with the centerline of the right-of-way of S.W. Stark Street, Assessor Map 1N1E 34CD;
96. Thence easterly 180 feet more or less along the centerline of the right-of-way of S.W. Stark Street to its intersection with the northerly prolongation of the east line of Lot 8 Block 64 City of Portland, Assessor Map 1N1E 34CD;
97. Thence southerly 130 feet more or less along the east line and its northerly prolongation of Lot 8 and Lot 7 Block 64 City of Portland to the southeast corner of Lot 7 Block 64 City of Portland, Assessor Map 1N1E 34CD;
98. Thence westerly 100 feet more or less along the southerly line of Lot 7 Block 64 City of Portland to its intersection with the easterly right-of-way line of S.W. 5th Avenue, Assessor Map 1N1E 34CD;
99. Thence northerly 100 feet more or less along the easterly right-of-way line of S.W. 5th Avenue to its intersection with the southerly right-of-way line of S.W. Stark Street, Assessor Map 1N1E 34CD;
100. Thence westerly 80 feet more or less along the southerly right-of-way line of S.W. Stark Street to its intersection with the westerly right-of-way line of S.W. 5th Avenue, Assessor Map 1N1E 34CD;
101. Thence southerly 550 feet more or less along the westerly right-of-way line of S.W. 5th Avenue to its intersection with the southerly right-of-way line of S.W. Alder Street, Assessor Map 1N1E 34CD;
102. Thence easterly 560 feet more or less along the southerly right-of-way line of S.W. Alder Street to its intersection with the westerly right-of-way line of S.W. 3rd Avenue, Assessor Map 1S1E 3BA;
103. Thence southerly 460 feet more or less along the westerly right-of-way line of S.W. 3rd Avenue to its intersection with the northerly right-of-way line of S.W. Yamhill Street, Assessor Map 1S1E 3BA;
104. Thence westerly 200 feet more or less along the north right-of-way line of S.W. Yamhill Street to its intersection with the east right-of-way line of S.W. 4th Avenue, Assessor Map 1S1E 3BA;
105. Thence northerly 260 feet more or less along the east right-of-way line of S.W. 4th Avenue to its intersection with the north right-of-way line of S.W. Morrison Street, Assessor Map 1S1E 3BA;
106. Thence westerly 920 feet more or less along said northerly right-of-way line of S.W. Morrison Street to its intersection with the westerly right-of-way line of S.W. Broadway Avenue, said point being common to the South Park Blocks Urban Renewal Area Boundary Line, Assessor Map 1S1E 3BB;

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

SAID RIVER DISTRICT URBAN RENEWAL AREA BOUNDARY LINE IS COMMON TO THE SOUTH PARK BLOCKS URBAN RENEWAL AREA BOUNDARY LINE, TAX CODE AREA NO. 885 AS FOLLOWS:

107. Thence continuing westerly 200 feet more or less along said northerly right-of-way line of S.W. Morrison Street to its intersection with the easterly right-of-way line of S.W. Park Avenue, Assessor Map 1N1E 34CC;
108. Thence southerly 60 feet more or less along the easterly right-of-way line of S.W. Park Street to its intersection with the southerly right-of-way line of S.W. Morrison Street, Assessor Map 1N1E 34CC;
109. Thence westerly 175 feet more or less along the southerly right-of-way line of S.W. Morrison Street to its intersection with the centerline of the right-of-way of S.W. 9th Avenue, Assessor Map 1N1E 34CC;
110. Thence southerly 200 feet more or less along the centerline of the right-of-way of S.W. 9th Avenue to its intersection with the northerly right-of-way line of S.W. Yamhill Street, Assessor Map 1N1E 34CC;
111. Thence westerly 225 feet more or less along the northerly right-of-way line of S.W. Yamhill Street to its intersection with the east right-of-way line of S.W. 10th Avenue, Assessor Map 1N1E 34CC;
112. Thence northerly 230 feet more or less along the easterly right-of-way line of S.W. 10th Avenue to its intersection with the centerline of the right-of-way of S.W. Morrison Street, Assessor Map 1N1E 34CC;
113. Thence easterly 375 feet more or less along the centerline of the right-of-way of S.W. Morrison Street to its intersection with the centerline of the right-of-way of S.W. Park Avenue, Assessor Map 1N1E 34CC;
114. Thence northeasterly 80 feet more or less along the centerline of the right-of-way of S.W. Park Avenue to its intersection with the westerly prolongation of the north line of Lot 5 Block 212 City of Portland, Assessor Map 1N1E 34CC;
115. Thence easterly 25 feet more or less along the westerly prolongation of the north line of Lot 5 Block 212 City of Portland to its intersection with the easterly right-of-way line of S.W. Park Avenue, Assessor Map 1N1E 34CC;
116. Thence northerly 410 feet more or less on the easterly right-of-way line of S.W. Park Avenue to its intersection with the southerly right-of-way line of S.W. Washington Street, Assessor Map 1N1E 34CC;
117. Thence westerly 200 feet more or less along the southerly right-of-way line of S.W. Washington Street to its intersection with the westerly right-of-way line of S.W. 9th Avenue, Assessor Map 1N1E 34CC;
118. Thence northerly 320 feet more or less along the westerly right-of-way line of S.W. 9th Avenue to the southeasterly corner of Block 86 ½ Raleigh's Addition Replat, Assessor Map 1N1E 34CC;
119. Thence westerly 280 feet more or less along the northerly right-of-way line of S.W. Stark Street to its intersection with the west right-of-way line of S.W. 10th Avenue, Assessor Map 1N1E 34CC;
120. Thence north 222 feet more or less along the west right-of-way line of S.W. 10th Avenue to its intersection with the Southerly right-of-way line of S.W. Oak Street, Assessor Map 1N1E 34CC;

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

121. Thence westerly 150 feet more or less along the southerly right-of-way line of S.W. Oak Street to its intersection with the south right-of-way line of W. Burnside Street, Assessor Map 1N1E 34CC;
122. Thence westerly 118 feet more or less along the south right-of-way line of W. Burnside Street to its intersection with the west right-of-way line of S.W. 11th Avenue, Assessor Map 1N1E 34CC;
123. Thence south 168 feet more or less along the west right-of-way line of S.W. 11th Avenue to its intersection with the north right-of-way line of S.W. Stark Street, Assessor Map 1N1E 33DD;
124. Thence northwesterly 120 feet more or less along the north right-of-way line of S.W. Stark Street to its intersection with the southwest corner of a Special Warranty Deed recorded January 25, 2001 as fee number 2001-011584 Multnomah County records, Assessor Map 1N1E 33DD;
125. Thence northerly 52 feet more or less along the westerly line of said fee number 2001-011584 to its intersection with the south line of Carson Building Condominiums recorded Jan. 24, 2007 as Book 1281 Page 88 Multnomah County records, said point being 12.02 feet more or less east of the southwest corner of said Book 1281 Page 88, Assessor Map 1N1E 33DD;
126. Thence west 12.02 feet more or less along the south line of said Book 1281 Page 88 to the southwest corner of said Book 1281 Page 88, Assessor Map 1N1E 33DD;
127. Thence north 71 feet more or less along the west line of said Book 1281 Page 88 to its intersection with the south right-of-way line of W. Burnside Street, Assessor Map 1N1E 33DD;
128. Thence west 1150 feet more or less along the south right-of-way line of W. Burnside Street to its intersection with the east right-of-way line of N.W. 16th Avenue, Assessor Map 1N1E 33DA;
129. Thence north 810 feet more or less along the west right-of-way line N.W. 16th Avenue to the intersection with the centerline of the right-of-way of N.W. Everett Street, Assessor Map 1N1E 33DA;
130. Thence leaving said original River District Urban Renewal Area Boundary Line east 290 feet more or less along the centerline of the right-of-way of N.W. Everett Street to its intersection with the centerline of the right-of-way of N.W. 15th Avenue, Assessor Map 1N1E 33DA;
131. Thence north 230 feet more or less along the centerline of the right-of-way of N.W. 15th Avenue to its intersection with the south right-of-way line of N.W. Flanders Street, Assessor Map 1N1E 33DA;
132. Thence west 290 feet more or less along the south right-of-way line of N.W. Flanders Street to its intersection with the west right-of-way line of N.W. 16th Avenue, said point being common to the original River District Urban Renewal Area Boundary Line, Assessor Map 1N1E 33DA;
133. Thence north 60 feet more or less along the west right-of-way line of N.W. 16th Avenue to its intersection with the north right-of-way line of N.W. Flanders Street, Assessor Map 1N1E 33DA;
134. Thence leaving said original River District Urban Renewal Area Boundary Line east 290 feet more or less along the north right-of-way line of N.W. Flanders Street to its intersection with the centerline of the right-of-way of N.W. 15th Avenue, Assessor Map 1N1E 33DA;

182961

181971

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

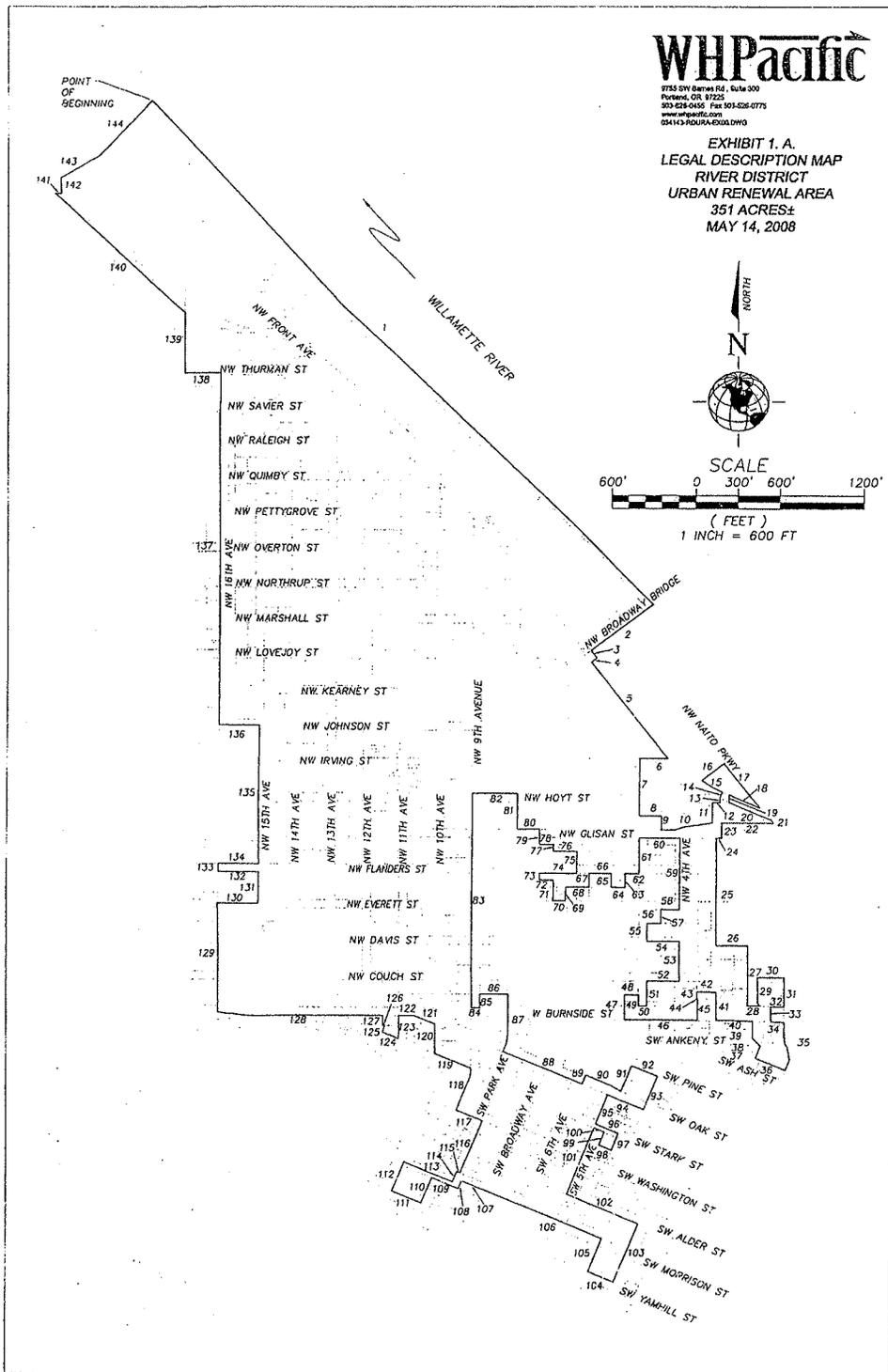
135. Thence north 1,112 feet more or less along the centerline of the right-of-way of N.W. 15th Avenue to its intersection with the centerline right-of-way of N.W. Johnson Street, as shown in the plat of Watson's Addition, Assessor Map 1N1E 33DD;
136. Thence west 290 feet more or less along the centerline of the right-of-way of N.W. Johnson Street to its intersection with the west right-of-way line of N.W. 16th Avenue, said point being common with the original River District Urban Renewal Area Boundary line, Assessor Map 1N1E 33AD;
137. Thence north 2,569 feet more or less along the west right-of-way line of N.W. 16th Avenue to its intersection with the south right-of-way line of N.W. Thurman Street, Assessor Map 1N1E 28DD;
138. Thence west 260 feet more or less along the south right-of-way line of N.W. Thurman Street to its intersection with the west right-of-way line of N.W. 17th Avenue, Assessor Map 1N1E 28DC;
139. Thence north 440 feet more or less along the west right-of-way line of N.W. 17th Avenue to its intersection with a point being 120.38 feet, north of the north right-of-way line of N.W. Upshur Street, said point being located on the east line of Block 28 of Watson's Addition, Assessor Map 1N1E 28DC;
140. Thence northwesterly 1250 feet more or less along the easterly line of Book 2517 Page 780 Multnomah County records and its northwesterly prolongation to the northeast corner of Partition Plat 1991-35 Multnomah County Survey Records, then continuing along said east line of said Partition Plat to its intersection with the easterly prolongation of the south right-of-way line of N.W. New York Street, Assessor Map 1N1E 28DB;
141. Thence east 40 feet more or less along the easterly prolongation of the south right-of-way line of said N.W. New York Street to its intersection with the westerly line of a vacation ordinance number 41380, Assessor Map 1N1E 28DB;
142. Thence north 115 feet more or less to an angle point in the south line of Partition Plat No. 1994-116, said point being northeasterly 25 feet from the easterly right-of-way line of N.W. Sherlock Avenue, Assessor Map 1N1E 28DB;
143. Thence northeasterly along said south line of Partition Plat No. 1994-116 and its easterly prolongation to an angle point that is northerly 1.85 feet and easterly 40 feet more or less from the southwest corner of Lot 13 Block 37 Sherlock's Addition, Assessor Map 1N1E 28DB;
144. Thence northeasterly along said line that is 1.85 north of the southerly line of Lot 13 Block 37 Sherlock's Addition to its intersection with the Westerly Harbor Line of the Willamette River, Assessor Map 1N1E 28DB, which point is the TRUE POINT OF BEGINNING.

Said River District Urban Renewal Area Boundary Line delineates an Area containing 351 acres, more or less, and lying entirely within the City of Portland, County of Multnomah, State of Oregon.

182961
181971

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

Exhibit 1.A. Legal Description Map



VI. URBAN RENEWAL PROJECTS

In order to achieve the objectives of this Plan, the following projects will be undertaken by the Commission, in accordance with applicable Federal, State, County and City laws, policies and procedures. General authority for categories of projects is included herein, as well as specific information on projects which are anticipated at the time of Plan adoption. Such projects may be modified, expanded or eliminated as needed to meet the objectives of the Plan, subject to Section XIII, Amendments to the Plan.

A. Public Improvements

Public improvements include the construction, reconstruction, repair or replacement of sidewalks, streets, transit systems, parking, parks, pedestrian amenities, water, sanitary sewer and storm sewer facilities, and other public infrastructure deemed appropriate for the achievement of the goals and objectives of this Plan.

1. Hoyt Street Railyards Mixed Use/Income Housing

The abandoned Hoyt Street rail yards in the Plan Area are a significant opportunity site for high density residential use close to the Central City and in single ownership. However, the improvements reasonably necessary to develop the site, including removing the Lovejoy Ramp, building the Central City Streetcar and resolving environmental contamination issues, are so extensive, that they will not occur without public intervention.

Public assistance will also ensure that housing to serve a range of income groups will be developed on the site. The market rate housing now developing in other portions of the Pearl District is not affordable to a large number of households. Creation of a diverse neighborhood with mixed income groups means the area is more accessible to City residents as a whole.

Neighborhood commercial services, such as a grocery store, a daycare center, community facilities, etc. are important factors to creating a stable neighborhood where people can take care of daily needs with reduced need for a car.

2. Tanner Creek Housing-Related Site Improvements

The highest densities within the River District will occur within the Tanner Creek area. This undeveloped site can accommodate approximately 1,800 new housing units and 92,000 square feet of neighborhood retail and commercial space. These will combine to create a new neighborhood focused around the open spaces which will be constructed at its heart.

To accomplish this density of housing at rates affordable to a range of individuals, financial assistance for the housing, as well as public facility site improvements

are required. The primary improvements required are street construction, with attendant water, sewer, storm drain and private utilities, the development of transit services (e.g. streetcar or light rail), the development of open spaces and environmental remediation, where needed to accommodate development.

3. Reconstruct Lovejoy at Grade

The existing Lovejoy viaduct approach to the Broadway Bridge was constructed to carry traffic over the railyards to the bridge. With the relocation of the rail switching yards, it is no longer necessary to carry traffic over the area. The viaduct, which once served a critical purpose, is an ugly remnant which serves as a major barrier in the District. Besides being an eyesore, this noisy street separates people in their cars from the street below, leaving an unappealing swath beneath.

Bringing the cars to street level by removing the viaduct will create two important results: removing the barrier and creating a "Main Street" of shops.

First, the visual and noise constraints from the elevated roadway will disappear, making the area much more attractive to residents and visitors. The non-human scale of an elevated roadway made sense over an active railroad yard. But, it is not a feature which is attractive to live near and seriously detracts from a neighborhood feel. The road's noise bears down on those below and it's grimy concrete blocks the sky. It serves as an effective barrier to the properties north and south of it. Removing the elevated roadway will remove this blight and result in connections between the properties north and south of Lovejoy.

Second, bringing the street to grade level gives an opportunity for a "Main Street" of shops, which would be similar to Broadway east of the Willamette. Although Lovejoy would be a busy street, commercial services for the growing neighborhood would be located here, as well as shops which would be attractive for all Portland residents. This strong east-west connection to the Broadway Bridge would also serve to better tie together the neighborhoods east and west of the River.

The project includes demolishing the existing viaduct, building a new ramp to the Broadway Bridge east of NW 9th Avenue, rebuilding Lovejoy from 9th to 14th Avenues, and rebuilding NW 10th Avenue from Hoyt to Northrup.

4. New Street Construction

The construction of numerous neighborhood streets north of NW Lovejoy to NW Naito Parkway will complete a section of street grid in the area which is now missing. Maintaining the block grid system in this area continues the Portland tradition of a pedestrian friendly scale.

5. Central City Streetcar

Placing high density residential development in close proximity to the highest density of employment in the region has the potential to create significant benefits to the Area and the region. One of the primary benefits is reduction of trips to work in private vehicles, reducing regional congestion and air pollution. Though some people in the Area will walk or bike to work, to truly take advantage of the potential to reduce automobile trips, an effective transit system is essential. The Central City Streetcar will provide benefits to the Area by increasing access to and from the Area, providing an important transportation amenity for Area housing and providing an expanded patron base for Area businesses.

The first leg of the Central City Streetcar will connect from Portland State University on the south, through downtown and the River District, turning west to extend to NW 23rd Avenue. Jobs, education and housing throughout the Central City will be tied together in a system which will complement other transit in the City. This focus on transit is a key to linking jobs and housing in the Central City.

The northbound streetcar will come up NW 10th Avenue and turn west at Northrup. The southbound streetcar will come from Northwest Portland on Lovejoy and turn south on NW 11th Avenue. The project includes laying track, providing necessary electrification and purchasing streetcar vehicles.

Additional streetcar lines may be developed in the Area, including the Eastside Streetcar line and the Burnside/Couch Streetcar line.

6. NW Naito Parkway Avenue Improvements

NW Naito Parkway is a key transportation corridor serving the River District. The street will be enhanced and embellished to serve as the "front door" to the District. Improvements will include widened sidewalks, street trees and other landscaping, street lighting, crossings and other pedestrian amenities which will link the River District to the Willamette River.

7. Railroad Crossings/ Connectivity

With a high density of residents and workers, it is essential to have efficient street connections to the rest of the District. The existing railroad crossing at 17th Street will be eliminated and replaced with crossings at 14th and 19th Streets, which form better connections into the Pearl District and Northwest neighborhoods. Safe and attractive pedestrian access across railroad corridors is essential to connecting the River District to the Willamette River. Other above, below or at-grade crossings are also encouraged as part of the Plan.

8. Terminal One Site Improvements

Site improvements will include extension of trails along the riverfront to complete the connection of Waterfront Park from RiverPlace north to Terminal One. Other infrastructure improvements to this abandoned industrial site, such as grading, fill, streets, utilities and parking, are also needed to make this site useable for residential, commercial and office uses.

9. Parks and Greenway Improvements

Tanner Creek represents an opportunity to restore a historic natural feature, create a valuable amenity for the area and help solve a stubborn and expensive storm water problem for the City. As part of the Combined Sewer Overflow Program, the City intends to separate the clean storm water from the Upper Basin near the Oregon Zoo and carry it in a pipeline to the Willamette River with an outfall into the Willamette.

The project will be pursued in conjunction with park design, land acquisition, utility construction, and park development.

The Willamette River waterfront will be improved north and south of Tanner Creek outfall by acquiring property, extending the Greenway trail along the waterfront and developing connections to Tanner Creek. This creates an opportunity to locate a public attractor along this portion of riverfront, to additionally enhance the area as a magnet for visitors and residents.

A park project in the area is O'Bryant Square which is the location of a SmartPark at 800 SW Stark Street and an associated park. The Plan anticipates spending funds to redevelop the park which may include one or more public buildings and continued public parking. The public buildings will serve the Area by providing park-related facilities for Area residents and the public parking, if included, will support retail and commercial uses in the Area.

Other park improvements throughout the Area may be considered as future projects (e.g. neighborhood and formal parks and greenways).

10. Transit Mall Rehabilitation or Light Rail Construction

The deteriorated Sixth Avenue Transit Mall, between Morrison and Oak Streets, will be completely renovated with sidewalks, paving, bus shelters, street furniture and related site work and utilities. Alternatively, the construction of the proposed South/North Light Rail project on The Transit Mall would be financed in lieu of the rehabilitation project in this four-block area.

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

11. Parking Facilities

Sufficient and accessible parking is essential to maintaining healthy retail, residential and visitor levels downtown. Parking facilities will be developed to

- a) retain and enhance major and neighborhood retail activities
- b) support housing development
- c) to replace parking lost to redevelopment of surface parking lots
- d) support new commercial development

Parking projects in the Area are:

- 10th and Yamhill Parking Garage (SmartPark) at 730 SW 10th Avenue is a public parking structure which supports the retail and commercial uses in the Area. The Plan anticipates spending funds to incorporate this public parking into a more desirable mixed-use development, all or a portion of which may be publicly owned.
- 3rd and Alder Parking Garage (SmartPark) at 607 SW 3rd Avenue is a public parking structure which supports the retail and commercial uses in the Area. The Plan anticipates spending funds to incorporate this public parking into a more desirable mixed-use development, all or a portion of which may be publicly owned.

Other parking improvements throughout the Area may be considered as future projects.

12. Burnside Couch Couplet

Reconstruction of Burnside and Couch Streets to enhance the Area's pedestrian atmosphere and resolve safety issues.

B. Rehabilitation, Development and Redevelopment Assistance

The Commission will undertake loans and grant programs to assist property owners in rehabilitating or redeveloping property within the Area to achieve the objectives of the Plan. This may include residential or commercial loans or grants, financial assistance to improve older buildings to current code standards (including seismic standards), assistance to remediate environmental conditions or other programs to eliminate blight in the area.

The Commission, with funds available to it, is authorized to establish financial assistance programs and provide below-market rate interest and market rate interest loans and provide such other forms of financial assistance to property owners, owners of buildings which are in need of rehabilitation or persons desiring to acquire or lease property from

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

the Commission, as it may deem appropriate in order to achieve the objectives of the Plan.

To meet the housing objectives in the Plan, the Commission will provide financial resources to support the development of new housing and the preservation or replacement of existing housing for extremely low, low and moderate-income households. Due to implementation of the TIF Set-Aside Policy adopted by the City of Portland in 2006, at least 30% of all TIF resources expended after adoption of the policy will be allocated for this purpose. Based on the RDHIS, the identified unit production goals by income category will be based on percentages of the total build out projections in proportion to the income distribution for the City of Portland as a whole. In 2006 the TIF Set Aide Policy also established guidelines for allocation of the affordable housing TIF resources by income categories. Resources for homeownership and workforce housing targeted to households making over 80% MFI will come from TIF and other resources not allocated to affordable housing.

Specific areas for improvements and projects include but are not limited to:

1. Resource Access Center Permanent Supportive Housing

The City's 10 Year Plan to End Homelessness calls for the addition of permanent supportive housing and the creation of a new access center for people who are homeless.

2. The Fairfield Hotel

The Fairfield, located at 1103-21 SW Stark Street, is owned by the Portland Development Commission. It presently is comprised of approximately 82 units with 81 units Project Based Section 8 designations and one market rate unit. The Plan anticipates spending funds to rehabilitate the Fairfield. When rehabilitated, this building will assist in Portland's efforts to maintain the existing number of low income housing units (No Net Loss Policy). It serves the area by providing much needed housing to low income individuals.

3. Post Office Area

Implement the 2001 Pearl District Development Plan specifically, Objective 6: *Reduce the dominance of the Post Office and integrate it into the fabric of the community.* The city should reestablish a partnership with the U.S. Postal Service to redevelop and re-use portions of the site, especially the parking areas along NW Ninth Avenue. Over the long term, encourage the relocation of the regional distribution facility, while retaining a postal facility to serve the River District.

4. Broadway Corridor/Union Station Area

Rehabilitation of Union Station in coordination with redevelopment and development projects in the Broadway Corridor including Blocks U and R and the 511 Building.

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

5. North Old Town/Chinatown Area

Creation of a northern gateway to Chinatown at 3rd and Glisan that potentially includes the conversion of eastbound Glisan between 3rd and 4th into a public plaza. Projects in this area include Rehabilitation, Development and Redevelopment Assistance to property owners.

6. Major Retail Redevelopment

In the South of Burnside area, a project will include participation in renovation, parking improvements and related site work and utilities for destination retail. This work is necessary to retain a major retail department store downtown, which serves as an anchor store helping to maintain a healthy retail environment downtown. Portland has been a national leader in the health of its retail downtown in the midst of a period when much of the retail market share was captured by suburban shopping malls. Maintenance of healthy retailing is key to a dynamic downtown. Additional projects in support of the downtown retail core may be implemented.

7. Redevelop Block 86

This block is underutilized in terms of its capacity to fulfill Metro 2040 growth goals as well as Central City Plan objectives. This site has been identified as a pivotal redevelopment opportunity for this area of town.

8. Mc Coy Building

The Mc Coy Building at 426 SW Stark Street is owned by Multnomah County. It is entirely occupied by the Multnomah County Health Department. The plan anticipates spending funds to rehabilitate this building. The building provides a health clinic and administration. The health clinic provides services to residents of the Area.

C. Economic Development

The Commission will undertake an economic development strategy for the River District URA as an expansion of the Central Business District. This strategy will inform the development and implementation of an effective job retention/creation plan with a focus on target industry development, namely creative design and sustainability. This strategy will include the identification and prioritization of projects and programs to support the formation, growth and expansion of businesses within the URA in key industries. While the Commission is authorized to establish financial assistance programs and to provide below-market interest rate and market rate interest loans and other forms of financial assistance to business owners, this strategy will serve to determine the efficacy of existing

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

programs in meeting Commission objectives and whether other tools/resources are needed.

The River District is a competitive location for office development for companies seeking a headquarters location, for green building services and industrial/material design activated by projects such as Mercy Corps headquarters and the University of Oregon expansion. This, in addition to increased coordination of economic development, job creation goals and planning among the Central City Plan, the new Economic Development Strategy, the Regional Partners and the advent of Greenlight Greater Portland, offers a significant opportunity. This area can serve to anchor the creative services cluster given its central location, access to public transportation, bike paths, and demonstrated by a number of companies already located within this area.

Several development projects that will move from the DTWF to the RD meet multiple objectives including quality job retention/creation; elimination of blight and housing. An economic development strategy will promote several opportunity sites within the URA.

D. Land Acquisition, Improvement and Disposition for Redevelopment Projects

The Commission may acquire, improve and dispose of property for redevelopment in conformance with the Comprehensive Plan, Zoning Ordinance and specific Plan objectives. The detailed provisions pertaining to these activities are described in Sections VII and VIII below.

E. Planning

The Commission may undertake planning activities which relate to projects designed to further the objectives of the Plan, whether or not such planning ultimately results in a project being constructed or funded.

F. Administration

The Commission is authorized to expend funds, subject to other provisions of law, to carry out the objectives of the Plan. This includes staff and office expenses, consultant services, and necessary overhead expenses.

VII. PROPERTY ACQUISITION POLICIES AND PROCEDURES

It is the intent of this Plan to acquire property within the Area, if necessary, by any legal means to achieve the objectives of this Plan. Specifically, property acquisition is authorized when the acquisition is from willing sellers or when the acquisition is accomplished by eminent domain for public improvements.

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

Property acquisition, including limited interest acquisition, is hereby made a part of this Plan and may be used to achieve the objectives of this Plan. Accordingly the Commission may use any of its statutory authority to acquire property within the Area to achieve the objectives of the Plan, including but not limited to the following:

A. Property Acquisition From Willing Sellers

For projects authorized by the Plan, the Commission may acquire property from owners that wish to convey title. Prior to acquiring such property, the Commission shall adopt a Resolution identifying the property and finding that the acquisition thereof is necessary to achieve the objectives of the Plan.

Properties which may be acquired by the Commission from willing sellers include:

United States Postal Service Processing and Distribution Center
Block 25
Grove Hotel

Other properties may also be acquired to implement the Plan.

B. Property Acquisition by Eminent Domain for Public Improvements.

The Commission may use all legal means including eminent domain to acquire property for public improvement projects specifically described in the Plan. These improvements shall be located within public rights of way or on land that will remain in public ownership. Property acquired for public improvements need not be specifically identified in the Plan provided that the public improvement project for which the acquisition is made is authorized by the Plan.

Properties which may be acquired by the Commission for public improvements include:

Albers Mill Parking Lot
River Queen
Liberty Ship Park
Centennial Mill
Weststar Electric
Freemont Place I & II

VIII. PROPERTY DISPOSITION POLICIES AND PROCEDURES

A. Property Disposition

The Commission is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real

Exhibit C: Urban Renewal Plan Amended and Restated River District Urban Renewal Plan

property which has been acquired, in accordance with the provisions of this Urban Renewal Plan.

All real property acquired by the Commission in the Area shall be disposed of for development for the uses permitted in the Plan at its fair re-use value for the specific use to be permitted on the real property. All persons and entities obtaining property from the Commission shall use the property for the purposes designated in this Plan, and shall commence and complete development of the property within a period of time which the Commission fixes as reasonable, and shall comply with other conditions which the Commission deems necessary to carry out the purposes of this Plan.

To provide adequate safeguards to insure that the provisions of this Plan will be carried out to prevent the recurrence of blight, all real property disposed of by the Commission, as well as all real property owned or leased by participants which is assisted financially by the Commission, shall be made subject to this Plan. Leases, deeds, contracts, agreements, and declarations of restrictions by the Commission may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan.

B. Redeveloper's Obligations

Any Redeveloper, and the Redeveloper's successors and assigns, within the Area, in addition to the other controls and obligations stipulated and required of the Redeveloper by the provisions of this Urban Renewal Plan, shall also be obligated by such requirements as may be determined by the Commission, including, but not limited to:

1. The Redeveloper shall obtain necessary approvals of proposed developments from all federal, state and/or local agencies which may have jurisdiction on properties and facilities to be developed within the Area.
2. The Redeveloper and the Redeveloper's successors or assigns shall develop such property in accordance with the land use provisions and building requirements specified in this Plan.
3. The Redeveloper shall submit all plans and specifications for construction of improvements on the land to the Commission for plan and design review and distribution to appropriate reviewing bodies as stipulated in this Plan and existing City codes and ordinances. Such plans and specifications shall comply with this Plan and the requirements of existing City codes and ordinances.
4. The Redeveloper shall accept all conditions and agreements as may be required by the Commission in return for receiving financial assistance from the Commission.
5. The Redeveloper shall commence and complete the development of such property for the uses provided in this Plan within a reasonable period of time as determined by the Commission.



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **25TH DAY OF JUNE, 2008** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard, Saltzman and Sten, 5.

Mayor Potter was excused to leave at 11:37 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Ron Willis, Sergeant at Arms.

At 2:00 Pat Kelly replaced Ron Willis at Sergeant at Arms.

Item No. 875 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
832 Request of Glen Owen to address Council regarding Impeachment Resolution (Communication)	PLACED ON FILE
833 Request of Wyatt Rowe to address Council regarding homeless shelters (Communication)	PLACED ON FILE
834 Request of Katie Nilson to address Council regarding sit/lie and anti-camping laws (Communication)	PLACED ON FILE
835 Request of Larry D. Reynolds to address Council regarding homeless protest against sit/lie and no camping ordinances (Communication)	PLACED ON FILE
836 Request of Robert Achambault to address Council regarding homeless, sit/lie ordinances and research of people and statistics (Communication)	PLACED ON FILE
TIME CERTAINS	
837 TIME CERTAIN: 9:30 AM – Adopt Portland Fire & Rescue revised and updated Standard of Emergency Response Coverage (Resolution introduced by Commissioner Fish) (Y-5)	36612

June 25, 2008

<p>838 TIME CERTAIN: 10:00 AM – Accept report on Airport Futures Aviation Forecasting (Report introduced by Mayor Potter) (Y-5)</p>	<p>ACCEPTED</p>
<p>*839 TIME CERTAIN: 10:30 AM – Approve 21-year tax exemption extension requested by the Hazelwood Group LLC for the portion of Hazelwood Retirement Community required to be reserved for households at or below 75 percent area median family income (Ordinance introduced by Mayor Potter)</p> <p>Motion to add new finding paragraph 13, amend Directive paragraphs a and c: Moved by Commissioner Fish and seconded by Commissioner Leonard (Y-4; Potter absent):</p> <p>13. The Council believes a one year extension of the tax exemption would be appropriate to allow the Council to examine and develop a more detailed policy regarding extensions of tax exemptions for affordable housing.</p>	<p>181961 AS AMENDED</p>
<p>a. The request for an extension of 10-year tax exemption provided by Chapter 3.103 of the Municipal Code of the City of Portland, Oregon, and ORS 307.600-637 is hereby approved for a one year period until June 30, 2009 for the following property:</p> <p>The Hazelwood Retirement Community at 11933 NE Davis Street in Portland Oregon. Property tax account number R170779</p> <p>c. The commentary in <i>Exhibit A: Planning Commission's Report and Recommendation on the Requested Extension of the Tax Exemption Granted to the Hazelwood Retirement Community</i>, relating to the background on tax exemptions for affordable housing is adopted as legislative intent and findings.</p> <p>(Y-4; Potter absent)</p>	
<p>CONSENT AGENDA – NO DISCUSSION</p> <p>Mayor Tom Potter</p>	
<p>840 Appoint the Sweat Free Procurement Policy Committee (Report) (Y-5)</p>	<p>CONFIRMED</p>
<p>841 Reappoint Tracy Marks to the Portland Utility Review Board, term to expire May 31, 2010 (Report) (Y-5)</p>	<p>CONFIRMED</p>
<p>842 Appoint Sharon Kelly and Lila Wickham to the Portland Utility Review Board, terms to expire June 30, 2010 (Report) (Y-5)</p>	<p>CONFIRMED</p>
<p>Bureau of Fire and Police Disability and Retirement</p>	

June 25, 2008

<p>*843 Amend Intergovernmental Agreement with the Office of Administrative Hearings to increase compensation for hearings officer services (Ordinance; amend Contract No. 52795)</p> <p>(Y-5)</p>	<p>181936</p>
Office of Emergency Management	
<p>*844 Amend contract with Public Consulting Group for not more than \$80,000 to continue the development of the Portland Continuity of Operations Plan (Ordinance; amend Contract No. 37753)</p> <p>(Y-5)</p>	<p>181937</p>
<p>845 Authorize an Intergovernmental Agreement with Oregon Department of Transportation for equipment and services (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>846 Authorize Oregon Public Works Emergency Response Cooperative Assistance Agreement with the Oregon Department of Transportation and others for cooperative assistance during emergency conditions (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>847 Authorize the City to participate with metropolitan regional transportation and public works agencies in the Portland Metropolitan Area Transportation Intergovernmental Agreement (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
Office of Management and Finance – Business Operations	
<p>*848 Pay claim of John Goldspink (Ordinance)</p> <p>(Y-5)</p>	<p>181938</p>
<p>*849 Authorize contract with AMEC Earth & Environmental, Inc., Environmental and Occupational Risk Management, Professional Service Industries, Inc. and Wise Steps, Inc. for on-call citywide industrial hygiene consulting and loss prevention training services (Ordinance)</p> <p>(Y-5)</p>	<p>181939</p>
Office of Management and Finance – Financial Services	
<p>*850 Authorize the Mayor or his designee to execute modifications to a Private Lender Participation Agreement with Bank of America (Ordinance)</p> <p>(Y-5)</p>	<p>181940</p>
<p>*851 Authorize a borrowing of not more than \$30,000,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for FY 2008-2009 (Ordinance)</p> <p>(Y-5)</p>	<p>181941</p>
Office of Management and Finance – Human Resources	
<p>852 Create a new City of Portland Professional Employees Association represented classification, Mapping Data Technician II, and establish an interim compensation rate for this classification (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
Office of Management and Finance – Revenue	

June 25, 2008

<p>*853 Authorize Intergovernmental Agreement with Multnomah County for the Revenue Bureau to administer the Multnomah County Business Income Tax (Ordinance)</p> <p>(Y-5)</p>	<p>181942</p>
<p>Office of Neighborhood Involvement</p>	
<p>*854 Authorize the Director of the Office of Neighborhood Involvement to approve, amend and sign grant agreements on behalf of the Office of Youth Violence Prevention Small Grant Program to better serve at-risk youth populations through private non-profit organization grantees (Ordinance)</p> <p>(Y-5)</p>	<p>181943</p>
<p>Police Bureau</p>	
<p>*855 Apply for a \$76,153 grant from the United States Department of Justice, Office of Justice Programs, National Institute of Justice to improve the quality and timeliness of forensic science services (Ordinance)</p> <p>(Y-5)</p>	<p>181944</p>
<p>Commissioner Sam Adams</p>	
<p>Bureau of Environmental Services</p>	
<p>*856 Authorize the Bureau of Environmental Services to acquire a certain temporary construction easement for construction of the SW Mitchell Street & I-5 Sewer Rehabilitation Project No. 6920 through exercise of the City Eminent Domain Authority (Ordinance)</p> <p>(Y-5)</p>	<p>181945</p>
<p>857 Authorize grant agreements and Intergovernmental Agreements with seventeen non-profit and public entities related to the Community Watershed Stewardship Program (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>858 Authorize a contract with Carollo Engineers, P.C. for professional engineering services for the Swan Island Combined Sewer Overflow Pump Station Phase 2 Project No. 6901 and provide for payment (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>*859 Extend contract terms and increase not-to-exceed limits with three consulting engineering firms for modeling support services for the Combined Sewer Overflow Program and System Planning and provide for payment (Ordinance; amend Contract Nos. 35282, 35283 and 35284)</p> <p>(Y-5)</p>	<p>181946</p>
<p>Office of Transportation</p>	
<p>*860 Authorize grant application to the Oregon Department of Transportation to increase use of transportation options in the I-205/TriMet Green Line corridors (Ordinance)</p> <p>(Y-5)</p>	<p>181947</p>

June 25, 2008

<p>*861 Extend contract with the Lloyd District Transportation Management Association by one year and increase by \$82,500 to provide transportation related services to employees in the Lloyd District (Ordinance; amend Contract No. 36766)</p> <p>(Y-5)</p>	<p>181948</p>
<p>*862 Authorize application to the Oregon Department of Transportation for a grant to fund a mobile traffic alert system for the Portland metropolitan region (Ordinance)</p> <p>(Y-5)</p>	<p>181949</p>
<p>*863 Designate and assign a portion of City owned property located at 1017 NE 117th Ave as public street right of way (Ordinance)</p> <p>(Y-5)</p>	<p>181950</p>
<p>*864 Grant revocable permit to CC Slaughters to close NW Davis St between 2nd Ave and 3rd Ave on July 5-6, 2008 and August 16-17, 2008 (Ordinance)</p> <p>(Y-5)</p>	<p>181951</p>
<p>*865 Authorize an Intergovernmental Agreement with Portland Development Commission to provide Urban Renewal Funds for start of the construction of the Russell Street Improvements Project (Ordinance)</p> <p>(Y-5)</p>	<p>181952</p>
<p>*866 Authorize an Intergovernmental Agreement with Metro for the City to utilize federal funds for the Streetcar System Plan (Ordinance)</p> <p>(Y-5)</p>	<p>181953</p>
<p>*867 Amend Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon for design and construction management services for the Portland Mall Revitalization Project (Ordinance; amend Contract No. 52972)</p> <p>(Y-5)</p>	<p>181954</p>
<p>*868 Authorize Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon for design and construction management services for the I-205 Light Rail Project (Ordinance)</p> <p>(Y-5)</p>	<p>181955</p>
<p>Commissioner Nick Fish</p>	
<p>Fire and Rescue</p>	
<p>*869 Correct and clarify Fire Regulations and adopt 2007 edition of the International Fire Code known as the Oregon Fire Code (Ordinance; amend Code Title 31)</p> <p>(Y-5)</p>	<p>181956</p>
<p>*870 Adopt fees associated with Fire regulations (Ordinance; amend Portland Policy Document FIR-12.01)</p> <p>(Y-5)</p>	<p>181957</p>

June 25, 2008

Commissioner Randy Leonard**Bureau of Development Services**

- *871 Authorize an Intergovernmental Agreement with Multnomah County to provide for one half of the costs for facilitation services provided by Sue Dicile, contractor with Multnomah County to the Joint City-County Task Force on animal services (Ordinance)

181958

(Y-5)

Water Bureau

- *872 Authorize an Intergovernmental Agreement with Multnomah County to administer eligibility verification and coordinate plumbing repairs for the Water/Sewer Enhanced Fixture Repair Program (Ordinance)

181959

(Y-5)

- 873 Authorize the Portland Water Bureau to execute grants with community partners to fund lead poisoning prevention programs (Ordinance)

**PASSED TO
SECOND READING
JULY 2, 2008
AT 9:30 AM**

- 874 Amend contract with Sargent Designworks, LLC to extend term and increase compensation for Design Services for the comfort station renovation at Dodge Park (Ordinance; amend Contract No. 37627)

**PASSED TO
SECOND READING
JULY 2, 2008
AT 9:30 AM**

Commissioner Dan Saltzman**Office of Cable Communications and Franchise Management**

- 875 Extend term of a franchise granted to Time Warner Telecom of Oregon LLC to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 171566)

**PASSED TO
SECOND READING
JULY 2, 2008
AT 9:30 AM**

Office of Sustainable Development

- 876 Authorize a three-year Intergovernmental Agreement with Portland State University in the amount of \$109,906 to execute the Multifamily Recycling Project (Ordinance)

**PASSED TO
SECOND READING
JULY 2, 2008
AT 9:30 AM**

REGULAR AGENDA

June 25, 2008

<p>877 Adopt the Sgt. Jerome Sears United States Army Reserve Center Reuse Master Plan and recommend redevelopment of the site for a mixed-income, rental and ownership housing development that includes permanent supportive housing for homeless single adults and homeless families with special needs and designate Community Partners for Affordable Housing as the preferred developer of the Sears site (Resolution introduced by Mayor Potter and Commissioner Fish)</p>	<p align="center">CONTINUED TO JULY 9, 2008 AT 10:00 AM TIME CERTAIN</p>
<p align="center">Mayor Tom Potter</p>	
<p>878 Reappoint Jim Neill, Tad Savinar, Carol Morse and appoint Alan Alexander to the Regional Arts & Culture Council (Report) (Y-3; Potter and Leonard absent)</p>	<p align="center">CONFIRMED</p>
<p align="center">Office of Management and Finance – Business Operations</p>	
<p>*879 Pay claim of Linda Wickerham (Ordinance) (Y-4; Potter absent)</p>	<p align="center">181960</p>
<p>880 Amend Intergovernmental Agreement with The State of Oregon for placement of the New City Archives on Portland State University campus (Second Reading Agenda 819; amend Contract No. 37444) (Y-3; Potter and Saltzman absent)</p>	<p align="center">181962</p>
<p align="center">Office of Management and Finance – Human Resources</p>	
<p>881 Accept City of Portland Post Retirement Health Benefits Actuarial Valuation (Report) (Y-4; Potter absent)</p>	<p align="center">ACCEPTED</p>
<p>*882 Change the salary ranges of the Nonrepresented classifications of Senior Engineer, Supervising Engineer, Principal Engineer and City Traffic Engineer and provide for movement on the range for current incumbents (Ordinance) (Y-4; Potter absent)</p>	<p align="center">181963</p>
<p>*883 Authorize a letter of agreement with Laborers' Local 483 to amend the July 1, 2007 to June 30, 2010 Labor Agreement (Ordinance) (Y-4; Potter absent)</p>	<p align="center">181965</p>
<p>*884 Authorize a letter of agreement with District Council of Trade Unions for terms and conditions of employment of certain employees in the Bureau of Environmental Services assigned to perform inspection work inside of the East Side Combined Sewer Overflow tunnel during its construction (Ordinance) (Y-4; Potter absent)</p>	<p align="center">181966</p>
<p>*885 Authorize a letter of agreement with City of Portland Professional Employees Association to amend the July 1, 2007 to June 30, 2010 Labor Agreement (Ordinance) (Y-4; Potter absent)</p>	<p align="center">181964</p>
<p align="center">Office of Management and Finance – Purchases</p>	

June 25, 2008

<p>886 Authorize a Price Agreement for LED Modules for Traffic Signals to Advanced Traffic Products, Inc. for the Office of Transportation for an estimated contract amount of \$2,130,000 (Purchasing Report – Bid No. 108812) (Y-4; Potter absent)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
Office of Neighborhood Involvement	
<p>*887 Authorize grant agreement with five neighborhood District Coalitions to support civic participation services for neighborhood associations and individuals within their target areas from July 1, 2008 through June 30, 2010 (Ordinance) (Y-4; Potter absent)</p>	<p>181967</p>
Portland Development Commission	
<p>888 Approve the First Amendment to the Lents Town Center Urban Renewal Plan to expand boundaries by 140.05 acres, increase maximum indebtedness by \$170 million and extend expiration date to June 30, 2020 (Second Reading Agenda 812) Motion to continue Agenda Item 888, 891 and 892 to August 6, 2008 at 9:30 a.m.: Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-1; N-3, Fish, Leonard, Adams, Potter absent) Motion Failed. (Y-4; Potter absent)</p>	<p>181968</p>
<p>889 Approve the Twenty-Eighth Amendment to the Downtown Waterfront Urban Renewal Plan to remove 47.03 acres from the Plan area and standardize Plan amendment process (Second Reading Agenda 813) (Y-4; Potter absent)</p>	<p>181969</p>
<p>890 Approve the Tenth Amendment to the South Park Blocks Urban Renewal Plan to remove 3.20 acres from the Plan area and standardize Plan amendment process (Second Reading Agenda 814) (Y-4; Potter absent)</p>	<p>181970</p>
<p>891 Approve the Amended and Restated River District Urban Renewal Plan to expand boundaries by a net 41.98 acres, increase maximum indebtedness by approximately \$325 million and extend expiration date to June 30, 2021 (Second Reading Agenda 815) (Y-4; Potter absent)</p>	<p>181971</p>
<p>892 Approve the First Amendment to the Amended and Restated River District Urban Renewal Plan to expand boundaries by 8.53 acres and increase maximum indebtedness by \$19 million (Second Reading Agenda 816) (Y-4; Potter absent)</p>	<p>181972</p>
Commissioner Sam Adams	
Office of Transportation	
<p>893 Vacate a portion of NE 44th Ave south of NE Halsey St subject to certain conditions and reservations (Hearing; Ordinance; VAC-10053)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>

June 25, 2008

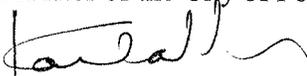
<p>894 Vacate N Heineman St east of N Lombard St subject to certain conditions and reservations (Hearing; Ordinance; VAC-10054)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>Commissioner Dan Saltzman</p> <p>Office of Cable Communications and Franchise Management</p>	
<p>*895 Extend term of a right-of-way agreement granted to Sprint Spectrum, LP to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 178519)</p> <p>(Y-5)</p> <p>Continued to June 26, 2008 at 2:00 pm.</p>	<p>181986 AS AMENDED</p>
<p>*896 Extend term of a right-of-way agreement granted to AT&T Wireless Services of Oregon, Inc., to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 178373)</p> <p>(Y-5)</p> <p>Continued to June 26, 2008 at 2:00 pm.</p>	<p>181987 AS AMENDED</p>
<p>*897 Extend term of a right-of-way agreement granted to VoiceStream PCS I, LLC to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 178374)</p> <p>(Y-5)</p> <p>Continued to June 26, 2008 at 2:00 pm.</p>	<p>181988 AS AMENDED</p>
<p>June 25, 2008 motions on Items 895, 896 and 897:</p> <p>Motion to accept amendment to replace in line 3 of paragraph A December 31, 2009 with July 30, 2008: Moved by Commissioner Fish and seconded by Commissioner Adams (Y-1; N-3, Leonard, Saltzman, Adams) MOTION FAILED</p> <p>Motion to accept amendment to replace in line 3 of paragraph A December 31, 2009 with September 30, 2008: Moved by Commissioner Adams and seconded by Commissioner Fish (Y-3; N-1, Leonard)</p> <p>Motion to continue items 895, 896 and 897 to June 26, 2008 at 2:00 p.m.: Moved by Commissioner Leonard and seconded by Commissioner Fish (Gaveled down by President of the Council Adams after hearing no objections)</p> <p>June 26, 2008 motion on Items 895, 896 and 897:</p> <p>Motion to extend the term of the wireless right-of-way agreement, from June 30, 2008 to December 31, 2008: Moved by Commissioner Saltzman and seconded by Commissioner Adams (Y-5)</p>	
<p>Parks and Recreation</p>	
<p>*898 Authorize an Intergovernmental Agreement with Multnomah Department of Human Services Area Agency on Aging to support senior service centers for the period of July 1, 2007 through June 30, 2008 (Ordinance)</p> <p>(Y-4; Potter absent)</p>	<p>181973</p>

June 25, 2008

<p>*899 Renew Intergovernmental Agreement with Multnomah County to provide funds for Department of School & Community Partnerships for the SUN Community Schools initiative (Ordinance) (Y-4; Potter absent)</p>	<p>181974</p>
<p>*900 Authorize grants to five Portland school districts for out-of-school-hours youth programs (Ordinance) (Y-4; Potter absent)</p>	<p>181975</p>
<p>*901 Authorize a Sponsorship Agreement with Little League Baseball, Inc. to contribute in excess of \$150,000 to Portland Parks and Recreation for the construction of improvements at Lillis Albina Park (Ordinance) (Y-4; Potter absent)</p>	<p>181976</p>
<p>*902 Authorize a contract and provide for payment for the development of South Waterfront Greenway Central District—SW Gibbs St to SW Lane St—Phase One (Ordinance) (Y-4; Potter absent)</p>	<p>181977</p>
<p>903 Approve The Simon and Helen Director Park as the name for South Park Block Five (Second Reading Agenda 828) (Y-4; Potter absent)</p>	<p>181978</p>
<p>City Auditor Gary Blackmer</p>	
<p>904 Assess property for sidewalk repair by the Bureau of Maintenance (Second Reading Agenda 831; Y1066) (Y-4; Potter absent)</p>	<p>181979</p>

At 2:33 p.m., Council recessed.

GARY BLACKMER
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

June 25, 2008

WEDNESDAY, 2:00 PM, JUNE 25, 2008

DUE TO LACK OF AN AGENDA
THERE WAS NO MEETING

June 26, 2008

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS 26TH DAY OF JUNE, 2008 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard,
Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Jim Van
Dyke Senior, Deputy City Attorney; and Ron Willis, Sergeant at Arms.

	Disposition:
*905 TIME CERTAIN: 2:00 PM – Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2007-08 Spring Budget Adjustment Process and make budget adjustments in various funds (Ordinance introduced by Mayor Potter) (Y-5)	181980
*906 Adopt the FY 2007-08 Spring Major Supplemental Budget in the amount of \$112,195,486 and make budget amendments in four funds (Ordinance introduced by Mayor Potter) (Y-5)	181981
907 TIME CERTAIN: 2:15 PM – Conduct a Proposed Use Hearing on State Shared Revenue (Hearing introduced by Mayor Potter) (Y-5)	PLACED ON FILE
908 Certify that certain services are provided by the City to establish eligibility for State Shared Revenues (Resolution introduced by Mayor Potter) (Y-5)	36613
*909 Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for the fiscal year beginning July 1, 2008 and ending June 30, 2009 (Ordinance introduced by Mayor Potter) (Y-5)	181982
*910 Close the Public Safety Fund and rename the Federal Grants Fund (Ordinance introduced by Mayor Potter) (Y-5)	181983
*911 Adopt the annual budget of the City and establish appropriations for the fiscal year beginning July 1, 2008 and ending June 30, 2009 (Ordinance introduced by Mayor Potter) (Y-5)	181984
*912 Levy taxes for the City for the fiscal year beginning July 1, 2008 and ending June 30, 2009 (Ordinance introduced by Mayor Potter) (Y-5)	181985

At 2:55 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland
By 
Karla Moore-Love
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

June 25, 2008
Closed Caption File of Portland City Council Meeting
[URA Excerpt. Items 888-892]

This file was produced through the closed captioning process for the televised City Council broadcast.

Key: ***** means unidentified speaker.

JUNE 25, 2008 **9:30 AM**

Items 888-892.

Adams: That gets us to a series of six. We have six council items, 888 through 893 [892]. They're all second reading, which is a vote only. But there might be some discussion on council, so what I'd like to do is have Karla read the titles for all six and then we'll have whatever council discussion there is to have before we move to action. Unless there's objection.

Saltzman: I would like to make a motion after it's read.

Adams: Ok.

Adams: To put some shape to council discussion, is there any -- before we get to an amendment, are there any overall comments on the package, and then maybe go through them individually? Any overall comments on the entire package?

Saltzman: My motion does relate to --

Adams: Nine relates to 892, is that right?

Saltzman: The river district plan amendment and the lents urban renewal area.

Adams: Any overall comments? I didn't hear any, so commissioner Saltzman.

Leonard: I'm sorry, what does your amendment refer to, 888 --

Saltzman: 891, 892, and 888.

Leonard: Thank you.

Saltzman: Thank you, Mr. President. This past Wednesday we heard quite a bit of testimony on these urban renewal areas, and in particular about the satellite district proposed for the river district to provide funding for a much-needed new elementary school in the David Douglas School District. And I have supported and I continue to support the need for us to find a way to help David Douglas build this new elementary school. But it also became increasingly clear to me that -- and to do it on a time line that had meaning, it also came clear to me that although the satellite district has always been risky from the outset, perhaps it was moving to the point the calculated risk was going to result not in a school for David Douglas on a time line that's appropriate. And what I felt we needed to examine were another way of getting there. And after hearing the testimony, doing some research, what I want to propose for the council's consideration is that we look at a way that would establish the David Douglas district as a contiguous element of the Lents Urban Renewal Area. So therefore removing the whole satellite issue and to do so, and ask P.D.C., Planning Commission and the public, to take a look at a proposal that would fund the David Douglas elementary school, and would also hold harmless all the other elements that the Lents Urban Renewal Advisory Committee has worked very hard to put into that plan. Now, it may be a daunting task, but it may not. It's something we never looked at as the Urban Renewal Action Group, which I served on. It's an option we never examined. And I think that if we give ourselves six weeks to examine this option, and have P.D.C. come back to us in six weeks with two options, in essence, one would be to establish the David Douglas School District site as part of the Lents Urban Renewal Area, and the second option would be the current proposal to make it a satellite district of the river district. And let us make that choice, but let us make an informed choice about this in six weeks. I think the satellite district is approaching a risk level that leads me to believe we're not going to be serving adequately the

June 25, 2008

families and the school children of david douglas, that they'll be in fact held hostage to lawyers, legislators, and lobbyists. And this issue could be tied up in courts for a long, long time. And that doesn't serve anybody's interests.

Adams: If I could just clarify what you're proposing, you're proposing that for council items 888, 891, and 892, that those be held over for six weeks?

Saltzman: August 6th, yes.

Adams: August 6.

Saltzman: And to come back with two options on the david douglas school site.

Leonard: I would, for the purpose of discussion, second the motion, but only so that I can persuade my colleagues to kill it. And I think it deserves a discussion given the energy that's surrounded this topic. So for the purposes of discussion, I will second it.

Adams: Commissioner Leonard?

Leonard: This is -- has been a troubling series of concerns that have been articulated by some of the developers in the river district since I first heard the arguments. I find within the arguments some amazing contradictions. Just to begin ticking those off, this whole argument that the satellite district is some new concept that is risky legally is amazing. The Portland development commission itself created the willamette industrial urban renewal area, which is in fact two nonperishable contiguous u.r.a. districts that do not touch each other. This concept was actually born out of that. And I didn't notice anybody raising an objection to the willamette industrial u.r.a. at the time that was conceived and passed by the council. It's interesting to me that the only time that objections to that kind of an urban renewal area are raised is when we're going to build a school for a non-Portland public school, albeit a Portland school within the city limits of Portland, specifically david douglas. I went to the Portland development commission hearing and sat through nearly four hours of various testimonies, and was disappointed at what some of the opponents to this characterized this project as. One of the lead opponents made some passing reference to the p.d.c. and the city council authorizing building some school in east Multnomah county with downtown urban renewal district dollars. When I got up to testify I offered to give him a ride along with his colleagues to east of i-205, which apparently they've never been to, and actually observe there's actually a city that belongs to Portland beyond i-205 all the way out to as far as 174th. And the david douglas school district, far from being in east Multnomah county. School district, is a school district wholly within the boundaries of the city of Portland. In this argument that the other side has used that apparently commissioner Saltzman is concerned about as well, the david douglas site this school is going to go on is not -- does not meet the definition, the statutory definition of blight is funny if it weren't so serious for the kids out there. The argument is that the david douglas school is not blight, but apparently the pearl district is. And apparently places like the henry in the pearl district are blighted occupancies, which are amongst the most expensive housing in the city. So how you can argue on the one hand that the pearl u.r.a. deserves to be extended because there continues to be blight, but somehow an area of the city that doesn't have sewers, that doesn't have sidewalks, that has some of the lowest income residents not only in the city, but the state, it would be funny if the consequences not so serious. And this issue of why would we do that in the first place. There is a nexus between why we would build a school for the poorest kids in this community, albeit 15 miles from the u.r.a. that the source of the funds are going to come from. Here's the nexus. The neighborhood I grew up in, which at the time I grew up in the '60s, and it was a neighborhood analogous now to those neighborhoods that are in east Portland that are very economically distressed. As we invoked programs such as model cities, which was followed by urban renewal areas, and they succeeded, the families that historically were living in those neighborhoods could no longer afford to live there, and they moved out, guess where? To david douglas. So the success of urban renewal in the inner city has impacted david douglas parkrose and centennial and reynolds school districts in the city because they have had to provide the school for the families who could only find housing in those areas due to the success to

June 25, 2008

182961

places like the pearl and other inner city urban renewal areas. So the nexus in my mind is clear. It is clear that when we achieve succession and otherwise blighted areas of the city, that historically have been the neighborhoods that the most low-income of our residents can afford to live in, and as they become economically decision placed, they move to places they can afford to live, which happens to be david douglas, parkrose, centennial, and reynolds. Those districts are noticing an explosion of students at the same time Portland public schools is noticing a deflation of students. A loss of students. And that's easily understandable when you understand that on the positive side of our urban renewal success, we have a dark underside, and that is families without means have no place to live in the inner city anymore. They just don't. They can't afford so. So david douglas is then stuck with having to provide an adequate education to students who come from very poor families who often times live on streets with no sidewalks, who often times live on streets that aren't even paved. And for those who haven't been out to the east part of Portland and seen what that's like, i'm seriously happy to take you on a tour of streets that you will be shocked actually exist within the city of Portland, where kids can't ride their bikes, where families can't walk down sidewalks, where it becomes really impossible to have safe routes for them to get to the schools which once they arrive are overcrowded and quite the opposite dynamic that we're seeing in Portland public schools. So I guess I would conclude my remarks in urging my colleagues not to support commissioner Saltzman's proposal this way. And there's two points I want to make. If you have any doubt at all whether this is legal or not, I urge you to give the benefit of the doubt to the poorest kids in this community. Not to those who will succeeding in their investments in the waterfront urban renewal area. And second, to get very specific about commissioner Saltzman's proposal in terms of having the lents urban renewal area fund this school. That is patently unfair on its face. Lents, is by all accounts, is a struggling community that is finally beginning to get some traction around the investments that have been made in the town center, that is the location between 92nd and about 85th, between foster and harold. We have just commissioner Adams and I since he's joined the council and I have successfully worked with the p.d.c. to attract a great development onto that site. It's paying dividends. We have a light rail stop that's going in at nexd and foster -- 92nd and foster that fortells wonderful development happening in lents, all of which is going to require money. We have the opportunity possibly of having a discussion with the community of having beaver baseball located out in lents, being relocated from downtown to lents. That require a huge commitment on our part. These are all things that are bright spots in the future that lents has never known before. And I will tell you, I have represented lents in one capacity or another since 1993. I believe I remain to be the only city council member that's ever gone door-to-door in lents. While I grew up in other parts of the city I have been shocked at the poverty that exists in lents. We now see what the success of that lents u.r.a. that's beginning to happen that we're ready to turn the corner. This proposal would drain \$19 million out of the lents u.r.a. that would otherwise go to wonderful projects that the staff of the p.d.c. and the neighborhood is finally making headway on. So I don't just oppose this proposal by commissioner Saltzman, I propose it adamantly. It goes against everything that I believe in not to help out the poorest of the poor and had have that help come from the wealthiest in the community, and it also goes against everything I believe in to drain resources away from a very successful neighborhood and p.d.c. staff who are making tremendous strides against some overwhelming odds in a demographic that often people thought would not be possible to help lead out of where they currently exist. So thank you for your tolerance of my remarks.

Saltzman: Can I respond to some of them?

Adams: Commissioner Saltzman.

Saltzman: I want to respond to a couple points. My interests and my focus is on one thing, and that is getting an elementary school built for the david douglas school district. That is my bottom line interest. There's a lot of -- we talk a lot about the willamette urban renewal area as being the great

June 25, 2008

precedent for the satellite district. The reason as I recall from the discussions, the unsaid reason why we didn't include the riverbed of the willamette river as part of that urban renewal area is because the willamette river bed is a federal superfund site. The last thing you want to be doing is creating a potential local funding tax increment district that could be sucked dry by e.p.a. in the name of cleaning up the willamette river. That's why we have the district on either side of the river as opposed to including the riverbank. More to the point, I agree with everything you said about lents. It's turning a corner. There's going to be four light rail stations built there in the next two years. There's some great things happening. We've learned last week of great things happening. So i'm simply saying, let's look at the question, given there's legal risks associated with the satellite district, legislative uncertainties too, what's the harm of giving p.d.c. the opportunity with the lents public to come back to us in six weeks and say, we can do this, we can get the \$19 million for the school and hold everything else harmless in the plan? Or we can't? What harm is there in giving us six weeks, giving the process six more weeks given we never looked at this option at all. To come back and let us once again make that recommendation, make that decision, satellite or lents u.r.a . I just -- I don't see the harm, and I think it would be the most prudent course for us to do, to give us more information not to act on less information.

Leonard: In answer to your question, the harm is this. You have a community in Portland that has successfully redeveloped to the extent that they have an assessed value of over a half billion dollars of budget over a half billion dollars. That allows them to fund more projects than they ever conceived they could possibly fund. And I think one of the basic principles of our country is to try to bring equity to all citizens. What that means on this local level is to take that huge, and i'll call it surplus of urban renewal dollars, and help fund a school for the poorest area of the city as opposed to using the limited funds that that poor area of the city has to create some basic infrastructure to begin even attracting some of what has caused the pearl to develop the way it has. To me basically unfair on its face, to basically say to the poorest section of the city, you shoulder creating your own schools, we can't be burdened by it because we're down here in northwest Portland wanting to build whatever we want to build that adds to the amenities that we have already, and not share some of that success with other parts of the city, which by the way, under our urban renewal formula, really is a burden that all communities face anyway. And i'm sure you understand that. In the urban renewal area that is the river district, those indebtedness are debts that all Portlanders are liable for, and all Portlanders fund in their property taxes. So to me, it makes complete sense, and it makes complete economic justice to have the poorest area of the city benefit somewhat by the success of a downtown district.

Adams: If I could make a comment, underlying your suggestion commissioner Saltzman is that this will reduce the legal risk, and I guess that would be more persuaded if those that are threatening legal action hadn't always clearly identified legal issues that they have with some of our proposed changes on the west side of the river. While it might reduce it, it doesn't eliminate it, and i'm not persuaded that we wouldn't be mired up in court way. I have to agree i'd rather take a robin hood strategy than take from the poor, quote unquote, poorer part of town to give to a poor part of town. We've work so hard to get the momentum going that there has been established in lents, and my fear is that it is going to flip from sort of struggle, struggle, struggle for light rail stationing, to suddenly gentrification. We've seen that happen in other parts of the city. One of the few ways we have as a council to protect against that sort of flip to gentrification is to have cash to control property that we can then work with other property owners to create affordability, to create parks and natural areas. So it's really important to me because I think we're actually underfunded in lents, and we've seen gentrification occur when we open up new light rail every place else if we don't have adequate control of property or adequate resources to invest in affordability and everything else that makes it complete neighborhood. I also just want to underscore the reason why I believe the satellite district makes sense from a policy perspective, is that we put in criteria. One of the very legitimate

June 25, 2008

concerns you can have about the idea of satellite districting or sub districting is that you could be opening up pandora's box, and I think we have established criteria for the establishment of satellite districts prior to or as part of considering these council items that are much stronger and much more stringent than the satellite district created for the willamette u.r.a . While the explanation is that you wouldn't want to put in the u.r.a. highly toxic ground, it is nonetheless a decision made by the city council to establish a satellite portion to the willamette u.r.a. to avoid that. So it did create and set the precedent of a satellite ura, it did so without any criteria for future satellite districts. This establishes that criteria and therefore i'm comfortable with moving forward. Any other comments?

Saltzman: I would just respond to a couple points. I see where the votes are going on this, but I do think while it's great rhetoric, taking from the rich and giving to the poor is great rhetoric, we all love it, it may not be buttressed by what Oregon revised statutes say with respect to urban renewal agencies. And therein lies sort of the dilemma I find myself in. My focus is on getting a school district -- getting a school built for david douglas in a time and -- in a reasonable time line, i'm afraid our enamorment with taking from the rich and giving to the poor, it's great rhetoric, we all feel good about it, but i'm not going to feel so good about it two years from now if it's still in the court of appeals. And in the meantime, we can't do anything, david douglas can't do anything. The lents path may not work out. But we haven't looked. And I think we owe it at least an honest examination, and I think it would provide us a more legally tenable defensible approach to get the money to david douglas school district sooner.

Adams: There has been suggested a way to facilitate clarification to the legal issues, although this goes through luba, is that correct? Let's talk a little bit about sort of the potential path forward. If it is contested, how is it contested and what's the time line for --

David Elott, Portland Development Commission Legal Office: If the ordinance is adopt can the amendments were to be appealed, they would first go to luba. The general time line for an appeal would be 21 days after adoption of the ordinance. After that, I don't have before me the specific details about the time line, but it would probably be several months during which luba would consider the appeal, it would be briefed, and ultimately luba would make a decision. Typically luba decisions involve remands, they identify errors in the process and it's remanded to the local jurisdiction to address the errors. With respect to the satellite district --

Adams: Before we move from that point, doesn't luba have to consider this an appeal within a certain time line?

Ben Walters, Sr. Deputy City Attorney: I don't know the specific time line -- the outcome could be that luba makes a determination and remands or it could affirm the decision and then it could be subject to further judicial review in a court of appeals.

Adams: But luba has a certain time line they have to get back to us, is my understanding.

Walters: I believe that's the case.

Elott: I don't know the specific time line, but there is.

Adams: All of our other luba appeals they have to respond in like 120 days or something.

Elott: That may be correct.

*****: You said it -- .

Fish: You said it could be remanded, sent back for some further action by council? Would luba's determination that there had been inadequate findings constitute an error that would come back to us, or is that a basis for denying --

Elott: I believe that would be a remand issue. They would identify insufficient findings and would remand.

Adams: Do you have any questions on this portion of the luba portion?

Leonard: Yes. Specifically I was at the p.d.c. hearing when you and linda meng testified, and I told others then, parenthetically I want to say that I really appreciated what appeared to be a really

June 25, 2008

different tone of what I gathered from that discussion from you and linda present and the cooperation between your departments. Given that I've raised that issue in the last year.

Adams: That was amazing.

Elott: We're certainly working. Get the transcript.

Leonard: I certainly observed what I consider to be the kind of relationship I would expect. And I appreciate that. And what I heard was from you and linda both was in your analysis of this proposal, you saw nothing that violated state law, state constitution, which isn't to say you said it was risk-free, you didn't say that, but I was listening very careful for you to identify a legal problem, and I never heard that.

Elott: I think I would characterize our advice as -- in looking at the relevant legal authorities, and there are a number of them, we've identified interpretations that would support council's action in adopting the satellite district. That said there's no legal precedent, and as a result there is substantial legal uncertainty as to how luba or a court might ultimately view it.

Leonard: You would say that on almost any item, given your profession.

Elott: There are certainly things that are clearer --

Adams: Are you leading the witness?

Leonard: Yes, I am.

Adams: Any other questions on the luba piece as we understand an appeal. You're about to move forward with what you think the phase after luba would be.

Elott: It is possible, and if it's an issue of remand, there's often the possibility the petitioner could appeal. And then that would go to the court of appeals, and there isn't any specified time line during which the court of appeals would consider the decision. So that could potentially extend the period of uncertainty indefinitely.

Adams: What are the -- are there any options to speed up the process in other issues? We've used declaratory judgments, do you know anything about that?

Elott: Linda and I have discussed that briefly. I don't think we've identified anything that would be clearly available in the form of a declaratory judgment or other preemptive decision to avoid an appeal to luba.

Adams: And we would not be able to move forward for -- we would not be able to move forward any aspect of these five council items, or we would be able to move forward anything that isn't remanded to us from luba.

Elott: The ordinances adopt separate amendments so. If only one of the ordinances were appealed, the rest of the ordinances would take effect. So it would simply be a question of which if any of the ordinances were appealed.

Adams: It looks like ben has an update.

Walters: The statute appears to provide a time line of a final order from luba within 77 days after the date of a transmittal of the record. So it is an accelerated time line. But as david has identified, the uncertainty comes out of the possibility of judicial review following a luba determination.

Fish: If I could jump in on that point, because dan and I listened to about three to four hours of testimony last week on some of these questions, my head is still spinning, but in the p.d.c. budgeting documents that we received, the first money that would be pulled out of the district to cover the school expense would be in 2011. Absent a change in priorities. And it's been suggested that you could defer some other project to jump-start the money. But the kind of projects you would be deferring would be like the resource access center. And I doubt there's much of an appetite on this body to do that. So the interim way as I understand it is to get the money would be to have the council in essence float the money, secure it against something. I think what we learned is if there is substantial uncertainty about the process, the city could not issue the interim debt and p.d.c. couldn't issue the interim debt. So we were looking at the possibility of up to two years or maybe longer because you don't delay, because in the legal process you don't control how quickly the court of

June 25, 2008

appeals addresses it, and that process could take its own time. Out of that I think came -- i'm not speaking for commissioner Saltzman, but some consideration about a plan b, and on the legal side, i've been look for a plan b for six months, i'm not sure I found it, but on the legal side there might be two plan bs. One is to take some issues off the table to discourage a challenge, and that is the spirit of the amendment, and another way to be to find a way to expedite the decision on the contested legal question. I don't think there is a way to expedite consideration, and we have a system of checks and balances. People are free to appeal our determination, some higher authority gets to weigh in on it. And it may ultimately be decided by the legislature. That's not an infrequent outcome of an issue, the legislative body takes. With respect to shrinking the number of issues that could be subject to appeal, I think this proposal as I understand it would take the satellite district issue off the table and replace it with a cherry stem and do a couple other things. I think it's well intentioned based on the testimony I heard, but I can't support this amendment because I don't think based on what we now know that it is fair to put the financial burden on the lents urban renewal district, which is already having difficulty generating the kind of tiff we're talking about. Nor am I convinced there's a way we could hold them harmless. I think it's well intentioned from the point of view of looking at some way of mitigating risk. There are only two ways on the legal side we could do it. This is one, but I cannot support this.

Adams: Follow-up question, and I appreciate the background since randy and I were not at the meeting, is if we're in the midst at the luba level or the court of appeals or higher, and we seek and are successful at getting a legislative clarification or change, what impact would that have on the pending legal action? Can we get legislative action that makes the legal stuff go away? Or is it grandfathered in, or do we do this all over again?

Elott: That's not a question I have looked at. It seems to me the legislature certainly would have it within its authority to make the legislation effective in such a way to validate the action. Though I think they would probably need to do that quite specifically.

Adams: Any comments on that, ben?

Fish: No. I'm prepared to move the amendment so we can go back to general comment, and then I have more specific comments. But i'll reserve those.

Leonard: Prepared to move the amendment or vote against --

Adams: We're about to call the question -- unless there is additional council discussion or any offer on panelists have something they need to tell us before we vote on commissioner Saltzman's motion to continue this discussion without action until august 2nd. Karla, please call the roll.

Fish: No.

Leonard: No.

Saltzman: Yes.

Adams: Again, I know that as commissioner fish stated, I know your intentions are honorable, but I can't support it. Aye. I mean no. Sorry. You almost got me there, didn't you?

Fish: You had earlier indicate if we had general comments this was the right time, and i'll have a specific comment when we get to the vote on the ordinance. I want to raise one additional general comment, which is, we received a letter dated june 23rd from bruce warner responding to some questions that were posed out of the last hearing. And some of them were questions commissioner Saltzman and I raised. Question number three, dan and I had asked, what's the criteria for evaluating progress within an urban renewal district around job creation? What's the record in job creation in lents, what's the forecast and what's the way of tracking that going forward? My understanding from the response we got is that's a work in progress. That the developing a method in order to evaluate that, but I do think in terms of the credibility of urban renewal districts generally, and our ability to make informed decisions, we need a way to track job creation and linking our decision to some kind of economic benefit. And the answer we got says that's a work in

June 25, 2008

progress and I hope we could really jump-start that process, because I think the relying on metro and bureau of planning forecast is not the same as actually having hard data.

Adams: Any other general comments? Then -- if not, we'll tick through a vote on each of these and as people vote on council they can make specific comments. No other discussion on council, our first vote is on item 888. Second reading.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 889.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 890.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 892. -- sorry, 891.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 892.

Fish: If I could, i'd like to briefly explain my vote. [inaudible] my wife was joking with me this week that I probably had another week in my honey moon phase before the recall petition was filed.

This may accelerate it. First of all, as the newest person up here and someone that did not participate as a member of this body on the question on the underlying deliberations that led to this proposal, I have felt that it was important that I do an extensive amount of homework to catch up and make sure I understood the issues. And I want to say that I found not only last week's hearing incredibly informative, thoughtful, the presentations useful, but in going back through the record of materials we received, the briefings I got from p.d.c., the briefings i've had from people on both sides of this issue, the record, the newspaper commentary, everything, there's a wealth of information and it's helped me come to my conclusion today. I begin though, mindful of the fact a 5-0 vote of the council launched this endeavor. And that there has been a strong support on this body for this particular proposal. And I say that in a sense because I want to recognize that my particular vote and view on this has limited consequence in terms of how this moves forward, given what I understand to be the sense of the council. But I still think that it's important that there be integrity in the way I approach a question of this magnitude, and my thought process. So I will share it with the public. I raised and addressed in my mind three fundamental questions as I evaluated this. The first is whether there's a compelling need to take these resources, invest them in the david douglas school. I think that's the easiest question to address. Because I think there's clear evidence there's a compelling need. One of the benefits of being a candidate, you spend a lot of time out in the community. And i'm reminded when commissioner Leonard invokes the i-205 barrier, i'm also reminded that when I had the great pleasure of being a candidate in 2002, and I think randy might have been in that field, I don't remember, but you might have been an opponent, one of your stock speeches had to deal with something called the forgotten Portland. And it made an impression on me. I've lived in cities and -- that also had forgotten areas. Participants of queens, for example, in new york probably qualified as forgotten new york. So I spent some time east of 205, and I am frequently frustrated that leadership people I meet in east Portland don't have relationships with people in downtown, and even within the same area. It tells us we have a community still too vulcanized, too separated, east and west, but clearly as we look at the david douglas school district there's an overwhelming body of evidence that the need starting with the poverty in the community, the overcrowding in the school district, the fact the tax base just simply can't support what they want to do and the fact the political dynamic is such the voters are unlikely to support the money for this until there's a stronger tax base, and higher per capita income. So the second question for me then, is there some precedent for the council's action here that I can in good conscience embrace, which would allow us to direct monies from an urban renewal district to a school? And when we say school, I think it is fair to talk about this more as a community facility than as a school for reasons I'm going to point out in a minute. As a citizen of this community, i'm

June 25, 2008

aware that while our charter says very little about schools, the fact is, in the 11 or so years i've lived in this community, the city council has on a regular basis allocated money for the schools. Whether that's general fund money, tax surcharges, whether it's the children's investment fund, whether it's shared facilities and arrangement was different bureaus to take care of parks and field and maintain facilities but let's go further. We have a model which is one of the centerpieces of our planning going forward which we all celebrated, and that's the rosa parks elementary school model. Frankly, rosa parks would not be built today had it not been a unique partnership between the school district, the city of Portland, Portland parks and recreation, in particular, and I think the icing on the cake, the girls and boys club that leveraged the money necessary to do this. So of course there is a precedent for the council actually -- acting to benefit schools, but there's also the additional precedent which i'll come back to in a moment through the willamette industrial urban renewal -- of having a noncontiguous district. And notwithstanding probably good and sufficient reasons to exclude the polluted bed of the river in the urban renewal area, it was still -- I remember that debate as a citizen, and I don't remember much opposition to that. A lot of people thought it made a lot of sense. So the second question i've had to pose is, is there some precedent for our action, and I think indeed there is. The third question for me is does this approach represent good public policy and is it otherwise legally defensible? On the policy side, in my own view, and I have been probably in a skeptic camp for a while, it's edgy. This is pushing the envelope. This is taking a concept and redefining it a little bit, moving it to the edges, expanding our understanding. Frankly we do that all the time. Courts are accused of it, legislative bodies do it all the time. It's part of the creative tension of making public policy, and we have a system of checks and balances that puts us back in alignment if we do too far. Is this any edgier or any other plan to address poverty in our community and school equity? No. But it is admittedly an edgy concept. We recognize that. On the legal issue, and I -- as people know i'm a recovering lawyer, I have felt the legal issues were closer, that there's a closer call. And so i've gone back to read the city attorney's memo and the other documents which are -- form the basis of our record on this point. After all, did I take an oath. I took this job. And I took an oath to follow the law and not join the democratic party. I think the city attorney's memo contains some qualified advice on legal questions, but I think in absence of legal precedent generally what the city attorney was doing was making predictions. In the absence of clear precedence for some of the points. And it is not unusual under those circumstances that our attorney would advise a dual track route of in addition of whatever other legal remedies -- seeking legislative clarification, clearly that's always the best, because courts get it wrong other bodies get it wrong, legislatures can clarify their intent. For me, the issue as I have studied it in greater detail is not one of black and white. If it were black or white, I would have a harder time today. It's gray. I believe we're in a gray area where reasonable people on both sides of the issue can make arguments about blight and satellite districts, and findings and funding schools. But I think reasonable people have made compelling arguments on both sides of that issue. So I do not believe that it is a black and white issue. I believe it is gray. And I think there are lots of reasonable people on both sides of the discussion. I want to come back to the question of checks and balances, because ultimately I don't think it is our role to, with some kind of precision, divine how a court or some other party is going to tackle the legal issues. That's not our charge. We have a system of checks and balances. Courts routinely overturn actions of legislatures. It allows sometimes legislative bodies to take risks knowing if a stray too far, there may a court or tribunal to put it back in equilibrium. The system of checks and balances gives us an additional measure of protection if we choose to move forward. The three other factors I considered in my decision today, and relates to something commissioner Adams alluded to earlier, which is we have an underlying resolution of the council which puts some very strict limitations on the use of satellite districts in the future. And that resolution limits the opportunity for creating future satellite districts and puts what I think are reasonable restraints on what we can do. I do not view the resolution that is before us today to be a case of opening the

June 25, 2008

floodgates to satellite districts for every school district in the city going forward. I'm not aware of any commitments made in that regard, and I reserve the right to look at each one on a case-by-case basis. I do think the council, contrary to some who have been quoted in the press, saying the floodgates have been opened here, I think the council has put some teeth into its limitations on future satellite districts. Second point I want to make is that I have for some time been trying to find a plan b that I could test against this proposal that meets the goal of providing educational equity, funding, support, attacking poverty in east Portland. But does not present perhaps the same level of legal risk. And as of today, i've not found it, nor have any of the critics or proponents come forth with a plan b that I think is compelling. So I want to close with a comment about poverty and equity. When I was sworn in, my second or third swearing in ceremony, I said that we are not going to be a truly great city until everybody in our community enjoys the benefits of a livable community.

And the work of the coalition of a livable future and other groups have shown thrust are many underserved areas of our community that simply do not get the right level of services and do not enjoy the same kind of livability that we do closer to the inner core, and that's got to change. And I also said in my swearing in that I wanted to help lead an effort on this council to tackle poverty. Issues of poverty, get to root causes, declare war again on poverty, because no one sitting up here believes it's acceptable that as many people in our communities are today live in poverty, substandard housing, inadequate wages, don't have health care. And on and on and on. And I think we have a chance to seize this moment and do something great to tackle poverty. When I look at the values of the people sitting here, i'm convinced we can work together to make this happen. So i'm an imperfect person. I have reservations. I've weighed the evidence and the factors that are important to me i've thought long and hard about this, and on the basis of what is my best judgment today, notwithstanding my reservations, i'm going to vote aye.

Leonard: Well, I have to first start by saying that I am nearly puts speechless by your excellent remarks. I want to remind you I said "nearly." You really summed up for me in a very articulate and thoughtful way why this project should go forward. So I really commend your reasoning, commissioner fish, and appreciate it a lot. And did you touch on a lot of the issues I wanted to describe before I voted. So i'll just talk about those things, a couple things. First thing I want to make clear is there are those that sometimes watch this council that sees disagreements and misinterprets that as being us either fighting or quarreling or not getting along. I couldn't disagree more. I find our city council to be a very healthy representation of the community and we have honest discussion and debates, and it's healthy for people to know we do it here and not in some background. We have these discussions about the things that we believe in in front of the entire community. Commissioner Saltzman put forward an amendment that I know for a fact is based on his sincere desire to provide the best education for people in this community that are the most needy of education, and I don't need to defend commissioner Saltzman, i'll just point out his constant and tireless work in the children's levy and I other programs he's put forth on behalf of kids in this community that are left out. And I want on acknowledge that and say nobody should interpret him and I disagreeing with me not having the utmost respect for him and his motives in whatever he does. And I want everybody in the community to know that. Having said that, this is in many ways a watershed moment in our city. And it isn't because of the historicness of creating a satellite district, it's because of this acknowledgement council of the community that do exist post annexation east of various places from 42nd out to 122nd and the areas of the city that are acquired in the last 20 years, it is really the first time that this council has acknowledged that we owe the same kind of opportunities, the same kind of advantages that every other kid in the historic sections of Portland have received as well, and i'm deeply appreciative of the action of the council today. I look forward to this being a unanimous vote. I'm hopeful the communities in the areas affected by this vote beyond just david douglas recognize this water shed moment, that it's really a long-time coming, but definitely a testament to the excellent work done by our school districts in the areas east

June 25, 2008

of i-205. Would I close with this. I would ask that if there are those that are focused enough on their opposition to this, that they intend to take some kind of action beyond this. I would ask you to do just one thing. Please call Barbara rommell, go out and meet with her, and if you'd like, i'd be happy to attend as well. If you don't want me to be there I won't. Please sit down and listen to what they do, ask what they deal with, and listen to the kinds of opportunities they're trying to provide kids in this community. I was troubled particularly by one thing I heard at the hearing that I wasn't at last week, that I subsequently listened to, that building a school in east Portland is somehow not economic development that should be associated with the pearl. I couldn't disagree more. It is fundamental to this community and to this nation that we begin understanding that educating argue and providing the resources to compete on worldwide scale is more economic development than it is anything else. It allows our families, it allows our kids to compete and put the u.s. back in a place that has long since lost, and that is being if the forefront in the world on information, on education, and competitiveness in ever more competitive world in terms of attracting industry and jobs to this country. And we're losing them to other countries because we don't understand that education is economic development. So if you would do me that one favor, I would be extremely grateful of meeting with barbara before you took any kind of action, and after that if you're still compelled to do what you have to do, I respect that. Thank you for this excellent discussion. Thank you to my colleagues, and I vote aye.

Saltzman: I think this has been a great discussion, and notwithstanding my concerns about legal risk, I do support us helping david douglas school district and if the river district satellite is the chosen way to go to make that happen, i'm not -- I think i'm still capable of being edgy. So i'll be happy to go down arm in arm on this trail and see how it all plays out. Aye.

Adams: I do think -- I just got back yesterday from helping to lead a delegation of citizens and neighborhood and business leaders. We visited looking at best practices and meeting with businesses, and germany, the netherlands, sweden and finland. And I had an opportunity to talk to about 50 people on the trip, and this issue came up, and I was surprised by how many people had not been to neighborhoods in east Portland. So ironically I think we need to have some missions that take folks from various parts of the city to other parts of the city. North Portland where I come from definitely feels slighted by the city in some important ways as well, and as a candidate for the past half year, it was interesting most every area of the city feels like they're being ignored to a certain degree by the city council and city government except for the pearl. And then we go to the pearl, they complain to you about challenges that they have as well. I do think getting a factual basis to our overall work is absolutely important. Over the next six months i'll be working on that as mayor elect, and would hope to have the council supported by our discussions supported by more baseline information in the future. Not just an economic development, not just in areas of poverty, but in the entire responsibility for city government. I'm going to support this. I believe it's the right thing to do substantively, and in terms of process, I understand that others disagree. And there is a process in place to adjudicate that disagreement. Both through the courts and through the legislature. And I will work with others to clarify this point in the legislature, and we'll move forward. Aye.

Karen J. Shoemaker & Niels Johnson-Laird

HOME/OFFICE: 11507 SE Madison St., Portland OR 97216

EMAIL: karen@zella.com & niels@njl.com

MAILBOX: PO Box 10302, Portland OR 97296-0302

PHONE: 503 262-1986

181972

182961

6/18/08

Portland City Council
Portland Development Commission

Dear Honorable Members:

Personal circumstances and schedule conflicts prevent me from attending this meeting in person. However, I hope that you will consider my written testimony with regards to the construction of a new Elementary (K-8) School in the David Douglas School District.

As I understand it, the district already owns the land for this project, but the funds for construction will possibly come from the "Urban Development Fund." I feel that Portland is fully justified allocating these funds for this project. My family is a so-called "displaced" family of the development in Northwest and Pearl Districts.

I lived in Northwest Portland for eleven years, half of that time as an apartment renter on NW 28th Avenue. When I first took up apartment life in 1997, I recall a house across the street selling for about \$175k. The following year, when my husband and I wed, the same house sold again for about \$350k. By 2002, when our son was born, 2 bedroom duplex units a few blocks from us were selling for \$325k and up; and houses were over \$450k.

In the winter of 2003, rapidly outgrowing our 2 bedroom apartment, we began searching for a home to buy. We already knew that we could not afford to rent anything, let alone purchase, in Northwest Portland. Over a three month period, we looked at over 100 houses, and bid on 7; slowly expanding our search ever eastward, until we were able to lock in for \$157k (15k higher than our budget), for a home east of I-205. We were sad to leave behind Forest Park, Wallace Park, and Chapman Elementary.

In March, 2007, when we registered our son for Kindergarten at our neighborhood school (Mill Park Elementary), the student population was about 525 for K-5. By the time our son entered Kindergarten last September, the student population was about 560 for K-5. Please note that the size of the school (number of classrooms) remained static. My son's kindergarten class began with 25 pupils. By December, there were 30 pupils and held there the remainder of the school year despite attrition and additions.

While I make no complaints about the quality of education my son received; as a classroom volunteer, I looked on in utter amazement, as the staff juggled 30 mostly 5-year-old youngsters adapting to the demands of school and social etiquette. Ideally, Kindergarten classes should

Karen J. Shoemaker & Niels Johnson-Laird 182961

HOME/OFFICE: 11507 SE Madison St., Portland OR 97216

EMAIL: karen@zella.com & niels@njl.com

MAILBOX: PO Box 10302, Portland OR 97296-0302

PHONE: 503 262-1986

181972

have 15 pupils...certainly no more than 20. When I entered first grade in 1968, there were 25 pupils in the classroom, and back then, that was considered too many.

Fortunately, my son's kindergarten class began the year with a full-time assistant and ended with an additional half-time assistant. Without these assistants, I wonder how his teacher would even have had time to teach and maintain records for so many youngsters. But I've heard that First Grade will not have even one full-time assistant. How will my son's teacher juggle 30 first graders without a full-time assistant?

Here's another aspect to the problem of overcrowded classrooms to consider. Not all children in so-called "general ed" classrooms are "neuro-typical." My son happens to be diagnosed with high-functioning autism; but we successfully "mainstreamed" him. The first 6 months of the school year, he complained daily about the noise and crowded conditions of the classroom, hallways, and, especially, the cafeteria. I suspect there was at least one other "special needs" child in my son's class...and there may very well have been more...as well as children learning English as a Second Language.

The population boom in outer Southeast Portland, shows no sign of letting up. Developers are continuing to build condos, apartments, and in-fill homes; and people are continuing to occupy them. We need more classrooms, more teachers, more staff, more schools to service the growing community. From what I understand, the developers are exempt from paying up-front taxes to the city or school district to seed new community services (such as new schools or parks).

I worry that the crowding and pressures of teaching a diverse population is going to cause frustration and burn-out for the district's teachers. I don't want to see an attrition of first-rate, experienced teachers and staff.

I hope this Council and this Committee will also agree that it is appropriate to use "Urban Development" funds to build a new school for David Douglas School District. After all, the population served by David Douglas is in Portland, we pay our share of Portland taxes, and we are absorbing a hefty percentage of the urban migration.

Thank you very much for your time and consideration.

Sincerely,

Karen Shoemaker

SUBMITTED BY
BOB DURSTON
6-18-08

182961⁸¹⁶

181972

RESOLUTION No. 36588

Recommend amendment of River District Urban Renewal Area to add area in east Portland
(Resolution)

WHEREAS, The River District Urban Renewal Area (River District) was created in September 1998 in order to create a vibrant, mixed-use, high density urban neighborhood on abandoned industrial land.

WHEREAS, The River District has successfully converted former rail yards and an under-utilized warehouse area into the new and vibrant Pearl Neighborhoods.

WHEREAS, The results have dramatically exceeded the overall targets for new housing units and more housing continues to be developed.

WHEREAS, Affordable housing was and is a central tenet of the River District work, with roughly 25% of the 7500 housing units in the River District affordable to people earning less than half of the median income.

WHEREAS, A weakness of the River District, is that it has few children. This is a result of a shortage of amenities such as parks, community space and a school, but the biggest obstacle is shortage of affordable housing units big enough to house families.

WHEREAS, The sheer impact of the investment and vitality generated in the River District, moreover, have made Portland as a whole and central city housing in particular more attractive and more highly valued in the market place.

WHEREAS, The increase in housing prices has pushed renters and new families starting out from inner Portland neighborhoods to more affordable areas.

WHEREAS, The biggest impact of this significant displacement of families has been felt east of 82nd Street in the David Douglas School District. In the past decade, enrollment has increased by 2618 children, or 36.1%. There is no reason to expect this increase in enrollment to stop in the near future.

WHEREAS, Under current state funding mechanisms, the costs of building and rehabilitating school facilities generally must be borne by local tax payers through local bond measures approved by voters.

WHEREAS, The David Douglas School District, along with other East Portland school districts, faces a daunting mix of challenges in raising money to build new schools.

WHEREAS, David Douglas lacks the tax base generated by downtown Portland. Its largest employer, a hospital, is a non-profit entity and pays no property taxes.

WHEREAS, In addition to a weak property tax base, incomes in the David Douglas School District are lower than in inner Portland neighborhoods, owing to a large number of seniors and households who moved into the area precisely because they were priced

out of inner Portland. 70% of the students in David Douglas schools qualify for free or reduced school lunch.

WHEREAS, In November 2006, the David Douglas School District went out to its voters with a facilities bond measure for \$45 million, that included a new elementary school for its Deardorff Road property, a wing of ten classrooms at Floyd Light Middle School, a wing of twenty classrooms at David Douglas High School, and construction of a set of Industrial and Engineering Systems (Vocational Education) lab classrooms at David Douglas High School. The proposal also included some playground upgrades at several elementary schools and various remodeling and refurbishing projects in existing buildings.

WHEREAS, The proposal would have cost property owners \$1.12 per thousand of assessed value. The proposal failed by a vote of 44.56% yes, to 55.44% no.

WHEREAS, The Deardorff Road property offers the opportunity to construct a new elementary school on the Rosa Parks model, as a multi-functional community space. It also offers possibilities for community partnerships.

WHEREAS, The Urban Renewal Advisory Group will complete its work on March 4, 2008, and will recommend both a boundary expansion and an increase of the River District's maximum indebtedness.

WHEREAS, The Portland Development Commission will use the Urban Renewal Advisory Group's recommendations to propose amendments to the River District Urban Renewal Area Plan.

WHEREAS, The City Council supports the creation of noncontiguous areas within an urban renewal district when necessary to address negative impacts of urban renewal development on other parts of the community.

WHEREAS, It is time to share the prosperity that has been generated by the central city's successes and to acknowledge that we are all one city with responsibility to work together to resolve the problems of all.

NOW, THEREFORE, BE IT RESOLVED that the City Council directs the Portland Development Commission to develop and present to the Council for approval an amendment to the River District Urban Renewal Plan (Plan) that includes an appropriate portion of property in the David Douglas School District within the City of Portland that includes the Deardorff Road property, and

BE IT FURTHER RESOLVED that the Portland Development Commission should conduct appropriate investigation into the conditions of the property proposed to be included in the amended Plan and comply with the requirements of ORS Chapter 457 regarding plan amendments, and

182961
181972

BE IT FURTHER RESOLVED that the amendment should comply with the criteria for the addition of a noncontiguous area adopted by City Council in Resolution No. 36587, adopted March 12, 2008, and

BE IT FURTHER RESOLVED that this is binding City policy.

Adopted by the Council: March 12, 2008

Commissioner Erik Sten,
Mayor Potter and Commissioners Adams,
Leonard and Saltzman
Prepared by:
Jamaal Folsom:cop
March 6, 2008

Gary Blackmer
Auditor of the City of Portland
By: /S/ Susan Parsons

Deputy

BACKING SHEET INFORMATION

AGENDA NO. 324-2008

ORDINANCE/RESOLUTION/COUNCIL DOCUMENT NO. 36588

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
ADAMS	X	
LEONARD	X	
SALTZMAN	X	
STEN	X	
POTTER	X	

RESOLUTION No. 36587

181972

Recommend criteria for addition of noncontiguous urban renewal areas (Resolution)

WHEREAS, Urban renewal areas can expand by a number of acres equivalent to not more than twenty percent of their original size.

WHEREAS, When an urban renewal area is undergoing geographic expansion, it may be appropriate to consider inclusion of acreage that is noncontiguous.

WHEREAS, The inclusion of noncontiguous areas should be restricted to circumstances meeting certain pre-defined criteria.

WHEREAS, The Council should provide guidance to the Portland Development Commission regarding the criteria the Council believes are appropriate for consideration of noncontiguous areas.

NOW, THEREFORE, BE IT RESOLVED that the noncontiguous areas should occur only during a geographic expansion of an existing urban renewal district and should be limited to fifteen percent of the twenty percent expansion permitted under state law, and

BE IT FURTHER RESOLVED that noncontiguous expansion should occur only in connection with urban renewal districts in which the incremental assessed value exceeds the projections included in the original plan by more than 10 percent, and

BE IT FURTHER RESOLVED that noncontiguous areas may be added only after the tenth anniversary of the adoption of the original plan, and

BE IT FURTHER RESOLVED that the amendment adding noncontiguous land to the Plan must include an increase in the maximum indebtedness allowed under the Plan of which increase not more than fifteen percent of the difference between the original maximum amount of indebtedness and the amended maximum amount of indebtedness must be allocated by the Plan for projects that are located in the noncontiguous area, and

BE IT FURTHER RESOLVED that spending in noncontiguous areas shall be only for projects eligible for tax increment spending under state law, and

BE IT FURTHER RESOLVED that this is binding City policy

Adopted by the Council: March 12, 2008

Commissioner Erik Sten
Mayor Potter and Commissioners Adams,
Leonard and Saltzman

Prepared by:
Jamaal Folsom: cop
March 6, 2008

Gary Blackmer
Auditor of the City of Portland
By: /S/ Susan Parsons

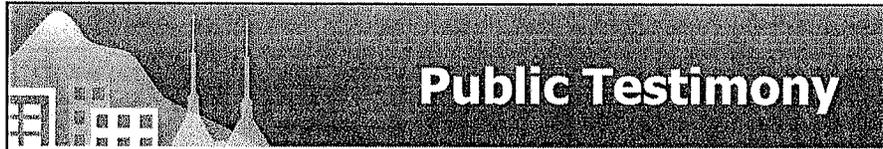
Deputy

BACKING SHEET INFORMATION

AGENDA NO. 323-2008

ORDINANCE/RESOLUTION/COUNCIL DOCUMENT NO. 36587

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
ADAMS	X	
LEONARD	X	
SALTZMAN	X	
STEN	X	
POTTER	X	



Public Testimony

Twenty-Eighth Amendment to DTWF URA Plan:
Reduces Plan size by 47.03 acres

Tenth Amendment to SPB URA Plan:
Reduces Plan size by 3.2 acres

Amended and Restated River District URA Plan:

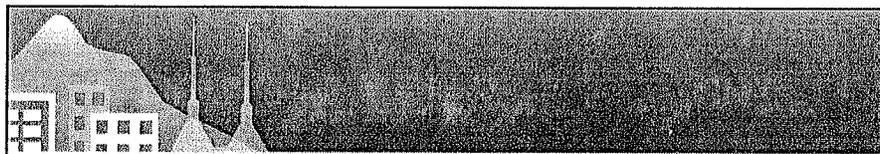
- a. Extends the last date to issue bonded indebtedness to June 30, 2021
- b. Adjusts boundaries to include approx. 50 acres and remove approx. 8 acres of I-405 right-of-way, resulting in a net increase of 41.98 acres bringing the total acres to 351.19 acres
- c. Increases maximum indebtedness for the URA by \$324.7M to \$549.5M

Westside Amendments

Investing in Portland's Future

PDC

PORTLAND DEVELOPMENT CORPORATION



David Douglas Satellite District, First Amendment to River District

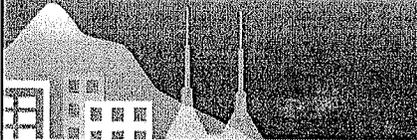
David Douglas Area, First Amendment to River District

Investing in Portland's Future

PDC

PORTLAND DEVELOPMENT CORPORATION

6/18/08
START
181972



Satellite District

- On March 12th the Portland City Council authorized the formation of "satellite districts" under certain specified conditions.
- In a separate action, the Portland City Council directed the Portland Development Commission to create a "satellite district" in the David Douglas School District.
- The "satellite district" amendment will be submitted contemporaneously but as separate amendment to the River District general amendment.

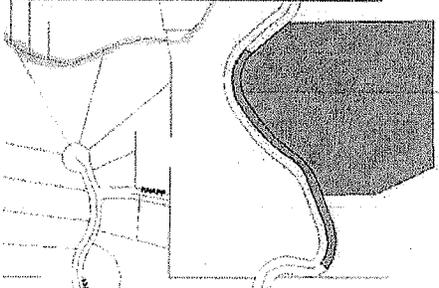
Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT COMMISSION

David Douglas Area, First Amendment to River District

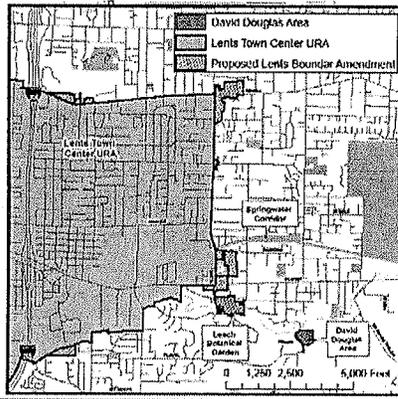
Expansion Boundary

Exhibit A: River District Urban Renewal Area
Map of Amended Boundary, First Amendment
 David Douglas Area
 SE Deardorff Rd
 8.53 acres



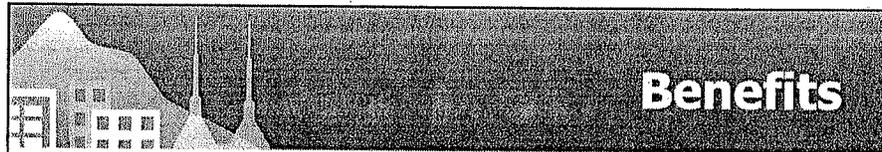


■ \$19 million increase in maximum indebtedness



Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT COMMISSION

David Douglas Area, First Amendment to River District

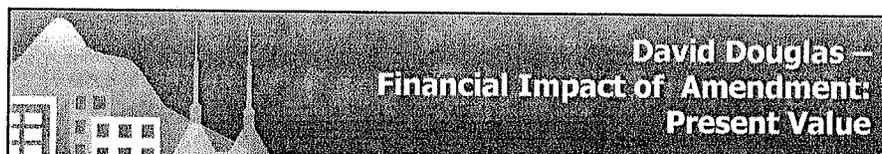


Benefits

- Reduce school overcrowding by constructing a new elementary school
- Construct street improvements and other infrastructure
- Provide a multi-purpose Community Center
- Have classrooms and other public spaces for Head Start, computer center and adult education classes
- Provide access to open spaces

Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT CORPORATION

David Douglas Area, First Amendment to River District



David Douglas — Financial Impact of Amendment: Present Value

Revenues Foregone 2016-2027	PV Total	PV Annual
Port of Portland	\$34,245	\$2,854
City of Portland	2,235,943	186,329
Multnomah County	2,121,825	176,819
Metro	47,191	3,933
Portland Community College	138,153	11,513
Total	\$4,577,356	\$381,446

Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT CORPORATION

David Douglas Area, First Amendment to River District



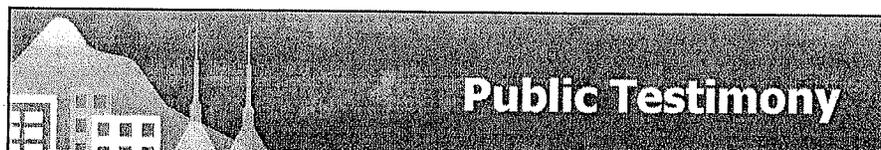
Invited Witnesses

Barbara Rommel – David Douglas Superintendent

Frieda Christopher – David Douglas School Board Chair

David Douglas Area, First Amendment to River District

Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT CORPORATION



Public Testimony

First Amendment to the Amended and Restated River District URA Plan:

- a. Adjusts boundaries for the URA to include approx. 8.53 acres of land and expanding the size of the area from 351.19 acres to 359.72 acres.
- b. Increases the maximum indebtedness by \$19M from \$549.5M to \$568.5M

David Douglas Area, First Amendment to River District

Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT CORPORATION

SEE 815 for This PDF file!

Moore-Love, Karla

181972

From: Hamilton, Jessica (Perkins Coie) [JTHamilton@perkinscoie.com]
Sent: Wednesday, June 18, 2008 9:35 AM
To: kmoore-love@ci.portland.or.us
Subject: Submittal on behalf of Friends of Urban Renewal

<<FOUR SUBMITTAL .PDF>>

Ms. Moore-Love, please see attached submittal to City Council of written testimony for today's hearing regarding items 815 and 816 on today's agenda. I apologize if another member of the Friends of Urban Renewal has submitted this to you already.

Jessica T. Hamilton
Perkins Coie LLP
1120 NW Couch Street, 10th Floor
Portland, OR 97209
Phone: 503-727-2266
Fax: (503) 346-2266
Email: jthamilton@perkinscoie.com

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

FRIENDS OF URBAN RENEWAL

110 SE CARUTHERS STREET
PORTLAND, OREGON 97214

8154816
182961
ORIGINAL
181971

June 17, 2008

Hon. Tom Potter, Mayor
and Portland City Council
Suite 340
1221 SW Fourth Avenue
Portland, OR 97204-1995

Re: Proposed Amendments to River District Urban Renewal Plan

Letter of Opposition

Dear Mayor Potter and Members of the Council:

The undersigned Friends of Urban Renewal and concerned citizens of the City of Portland and leaders in the area of Urban Renewal law and policy in Oregon, as a group and individually, oppose the City's proposed amendments of the River District Urban Renewal Plan. Attached to this letter are copies of our prior letters to the Portland Development Commission, a Memorandum from City Attorney Linda Meng, a letter from the Central Eastside Industrial Council, a letter from Portland Business Alliance, an article from the Portland Tribune, two editorials from the Oregonian and one from the Portland Tribune. Please place this letter with its attachments in the record of materials for this proceeding.

Briefly, there are several legal and factual problems with the two substantive amendments before City Council. With respect to the amendment which expands the River District boundaries by adding an additional 41.98 acres and increases maximum indebtedness by \$325 million ("Expansion Amendment"), the plan and report lack adequate substantiation and documentation in many instances as required under ORS 457.085. With respect to the amendment which creates a noncontiguous "satellite," or "island" district encompassing 8.53 acres of David Douglas School District property and increases the maximum indebtedness by \$19 million to fund the capital construction of an elementary school ("Satellite District Amendment"), the plan and report lack adequate substantiation and documentation as required under ORS 457.085. In addition, the Satellite District Amendment has insurmountable legal issues associated with its creation, including the lack of legal authority to create a non-contiguous urban renewal district under existing Oregon law, the inability to substantiate a finding of blight, lack of authority to build a school under ORS Chapter 457 and City Charter prohibitions against funding core school functions.

1. The Expansion Amendment

The Expansion Amendment suffers from lack of adequate documentation under ORS 457.085 and lack of specificity in order to enable City Council to make its requisite findings under ORS 457.095. Specifically, the following examples are identified:

- There is no description of existing conditions of blight in the existing River District Urban Renewal Area and no basis for finding that the urban renewal area is blighted, necessary for a substantial amendment of an urban renewal plan that has been extraordinarily successful.
- The amendments state as a given Council policy on a TIF Set Aside which has never been legally incorporated into the Plan by amendment.
- The amendment's housing policies are speculative, based on a process for developing a housing implementation strategy that is still underway.
- The amendment states that "additional streetcar lines may be developed in the Area, including the Eastside Streetcar line and Burnside Couch Streetcar line" but no transportation inadequacies in these are described in the report as a condition of blight.
- The amendment calls for redevelopment of 3rd and Alder and 10th and Yamhill Garages but no parking deficiency is cited as a condition of blight within the urban renewal area. The condition of the buildings does not render them unsafe or unfit for occupancy.
- The Access Center is not described in any detail but is estimated to cost \$17 million. The facility serves social service needs but lack of social services is not cited as a condition of blight in the urban renewal area.
- The Fairfield hotel provides low income housing, but lack of low income housing is not cited as a condition of blight in the urban renewal area.
- The Lincoln Building rehab is not cited as a project but is cited as the reason for selection of the area in the report.
- The Post Office project is estimated to cost \$27 million, but the project description provides little indication of the nature of the anticipated redevelopment.
- The amendments state in connection with the Major Retail Project that "additional projects in support of the downtown retail core may be implemented." This is an inadequate description of a potentially high cost project.

- For the \$35 million Multnomah County expenditure which includes public buildings there is no explanation of how the building serves or benefits the urban renewal plan as required under 457.085(2)(j)
- The economic development project is only described in terms of a strategy to be developed in the future yet has an estimated cost of \$54,025,702.

The report on the amendments does not provide an adequate basis to support the necessary findings of ORS 4578.095:

- The analysis of fiscal impacts of the proposed Old Town/China Town expansion area (and other expansion areas as well) summarily concludes that because “All of the property being taken into the RD is property which came from another urban renewal area,” “The impact on municipal services does not increase by moving a property from one area to another” even when the movement provides project funding that would not otherwise be available.
- The report does not cite or provide analysis of lack of low income housing as a condition of blight in Old Town/China Town. Such a lack is not included in the statutory definition of blight.
- The report does not cite lack of access to social services as a condition of blight in Old Town/China Town. Such a lack is not included in the statutory definition of blight.
- The report for Old Town/China Town states that “the combination of housing, transportation, economic development and commercial development assistance in the Old Town/Chinatown Expansion Area will address a *growing* lack of proper utilization that is resulting in stagnant and unproductive condition of land.” There is no evidence to support a “growing lack of proper utilization.”
- The evidence of blight for the Lincoln Building expansion area is inadequate. Its inability to meet recently adopted seismic standards does not render it unsafe or unfit for occupancy. It is cited as having a healthy improvement to land ratio and rated in “A” condition.
- The evidence of blight for the East Retail Core expansion area is inadequate. This area includes a portion of the Pioneer Place project developed in the 1990’s under the Downtown Waterfront Urban Renewal Plan. Seven of eight buildings in the area are rated in “A” condition.
- The expected impact of the McCoy Building expansion area states that the purpose of the project is to provide funding to Multnomah County.

- The reason for selection of the Firestone Expansion area concludes with no evidence that public assistance from the use of tax increment financing is required for redevelopment and that it is a “key component” in the Burnside Couch Couplet. The need for the couplet is not cited.
- The reason for selection of the Lincoln Building is speculative, citing that the building “currently has an active use, however, if the building changes ownership and use, it would be in need of rehabilitation.”
- A reason for selection of the McCoy Building Expansion Area is that it provides social services to the area, but it is publicly known that Multnomah County hopes to sell the building and relocate the uses.
- A reason for selection of the 10th and Yamhill Expansion Area is to “leverage private investment on adjacent properties” but adjacent properties are generally not within the River District Urban Renewal Area as amended.
- There is poor correspondence between the listing of projects in the amendments and the estimated project expenditures. Some projects in the proposed Plan amendments have no cost estimates and some projects given cost estimates are not listed as projects in the Plan amendments.

In addition, the Plan and accompanying report fail to address how the proposed Expansion Amendment is consistent with the comprehensive plan. *See Zimmerman v. Columbia County*, 40 Or LUBA 483 (2001).

2. The Satellite District Amendment.

a. Inadequate Substantiation

The Satellite Amendment suffers from lack of adequate documentation and lack of specificity in order to enable City Council to make its requisite findings under ORS 457.095. Specifically, the following examples are identified:

- There is no evidence of blight provided under the described existing conditions. The report summarily concludes that the property is characterized by inadequate infrastructure but evidence is to the contrary.
- The reason stated for selection of the urban renewal area is that the urban renewal area is in need of a school and community facility, but the proposed urban renewal area has no population. The population is in surrounding property not included in the urban renewal area.

- The report section documenting the relationship of the project to conditions in the Urban Renewal Area cites no conditions within the Urban Renewal Area but rather in surrounding property not included in the Urban Renewal Area.
- The report on the proposed amendment shows no additional tax increment revenues resulting from the proposed urban renewal project investment (Table 4) yet shows \$19 million in additional maximum indebtedness.

In addition, the Plan and accompanying report fail to address how the proposed Expansion Amendment is consistent with the comprehensive plan. *See Zimmerman v. Columbia County*, 40 Or LUBA 483 (2001).

b. Insurmountable Legal Issues

The Satellite District Amendment faces insurmountable legal issues, as outlined below, as well as in the Memorandum prepared by the City's own attorney, Linda Meng, attached hereto as an exhibit. In that memorandum, Ms. Meng suggests that legislative authority may be necessary in order to give the City the requisite authority. The City, in fact, attempted to push a legislative fix through the 2008 special session, but failed. Instead of returning to the legislature in 2009, apparently the City has decided to undertake the risk of a legal challenge, creating uncertainty and added costs, which the taxpayers will fund. City Council's Binding City Policies, BCP-ENB-21.01 and BCP-ENB-21.02, passed on March 12, on the heels of this legislative failure, purport to give legal authority to City Council to do what state law does not permit it to do. These policies are meaningless. It is unfortunate that we must rely on the appellate courts to establish urban renewal policy rather than through direct legislation.

(i) Contiguity

No legal precedent exists for a noncontiguous area with no relationship to the remainder of the urban renewal area to be included in an urban renewal area, without some corridor or link that provides that contiguity (i.e. a cherry stem, or the river). Here David Douglas School District is nearly ten miles from the outer boundary of the existing River District Urban Renewal Area boundary. Conditions of blight in the satellite area which are not established would, if they existed, have no bearing on conditions in the remainder of the River District.

(ii) Blight

An urban renewal area must be a blighted area included in an urban renewal plan. Here the David Douglas school site does not fit within the statutory definition of blight. According to the City Hearings Officer¹ "the site is in a transitional rural area and the

¹City of Portland, Decision of Hearings Officer, HO 4070079 (conditional use for 600 student elementary school), mailed April 25, 2008

school is intended to provide environmental and learning opportunities due to its forested and sloping qualities." [Deardorff] road is fairly winding and becomes pastoral south of the bridge adjacent to the site, where a forested area extends along the west side of the road for about 1/2 mile." The Hearings Officer's findings state: "Public services for water supply, police and fire protection are capable of serving the proposed use and proposed sanitary waste disposal and stormwater disposal systems are acceptable to the Bureau of Environmental Services." It appears that the sole reason for the blight is the financial condition of the school district. Moreover, the rationale that the River District Urban Renewal Plan has been so successful that it has contributed to the "blight" at the David Douglas school site (i.e. a "sufficient nexus") lacks any substantiation. Although this is cited frequently in the Amended Plan and accompanying report, no where do the documents cite to any studies or other primary or secondary evidence for this statement.

This rationale fails for a number of reasons. First, prior to the River District Urban Renewal Plan, there were few families living in the area which consisted primarily of vacant rail yards, outdated warehouses and older office buildings. As a result, it is difficult to argue that families have been directly displaced as a result of the success of the River District urban renewal efforts. Second, there has been a 144% net increase in the amount of low and moderate income housing units available in the River District area and a 1020% increase in middle and upper income units since the Plan was adopted.² Third, the argument that the success of the River District has increased property values within the City as a whole such that families can only afford to live in the David Douglas area, leading to overcrowding of the district is sufficiently attenuated that it will be difficult to meet the substantial evidence standard. In fact a major contributor to an increase in students is the David Douglas area is the Outer Southeast Community Plan adopted by the City of Portland in 1996³. Installation of sewers in the 80's and 90's made development possible. The Plan accommodated the current residents and 20,000 new residents, "5000 more than were likely to be built under the comprehensive plan and zoning designations in effect before the plan was adopted."⁴ The David Douglas site is in the Pleasant Valley Census tract of Portland. The school site is located on an undeveloped portion of the north side of Mt. Scott. The Outer Southeast Plan envisions "A large, new, open space area, similar to Forest Park for this area." Finally, there is no clear statutory authority within Chapter 457 for this argument.

(iii) Lack of Delegated Authority

PDC acts as pursuant to state law, under statutorily delegated authority, in accordance with ORS Chapter 457, when it is acting as an urban renewal agency under state law. Because school construction is not an authorized improvement under ORS Chapter 457,

² Portland Development Commission, River District Housing Implementation Strategy, 2006 Annual Report, dated June 2007

³ City of Portland, Bureau of Planning, Adopted Outer Southeast Community Plan, Ordinance No. 169763, January 31, 1996

⁴ Ibid. Page 3

because urban renewal areas must meet the definition of blight under ORS Chapter 457, and because there is no authority to create non-contiguous boundaries for urban renewal districts under ORS Chapter 457, PDC and City Council lack legal authority to adopt an amendment not in accordance with state law and any such amendment is invalid.

(iv) Lack of Authority Within City Charter

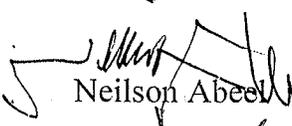
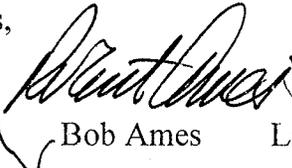
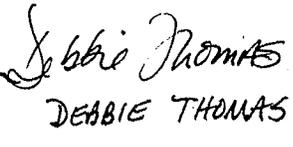
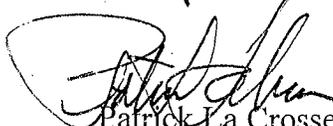
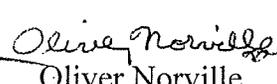
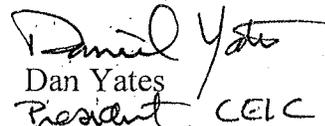
Because the City Charter excepts from its authority those powers expressly conferred by law upon other public corporations within its corporate limits, and because David Douglas School District is another public corporation within the City's corporate limits with the authority to construct schools, adopting an amendment for the express construction of a school would be violative of the City Charter, and contrary to the City's pattern of practice.

These amendments should be rejected because of the negative impact their passage in the current form will have on the future of urban renewal law in this state. Urban renewal has been used to successfully remediate urban areas that require direct intervention in order to encourage development in areas that would otherwise persist in their blighted states. Passage of these amendments will erode the foundation of this tool and could render it meaningless. Oregon's urban renewal law contains specific statutory requirements that must be addressed in a considered and thoughtful way with meaningful public input. They should not be summarily dismissed.

For the above-stated reasons, and based on the evidence and argument included in the attached correspondence, the undersigned request that the Portland City Council refrain from approving the Expansion Amendment and Satellite District Amendment at this time.

FRIENDS OF URBAN RENEWAL, collectively, and in their individual names:

Very truly yours,

 Neilson Abeel	 Bob Ames	 Larry Dully	 Wayne Kingsley	 DEBBIE THOMAS
 Patrick La Crosse	 Oliver Norville	 Jeff Tashman	 Dan Yates President, CEIC	

May 14, 2008

Board of Commissioners
Mark Rosenbaum, Sal Kadri, Bertha Ferrán, John Mohlis, Charles Wilhoite
Portland Development Commission
222 NW Fifth Avenue
Portland OR 97209

River District Urban Renewal Plan Amendments

As past and present redevelopment practitioners, we are very familiar with the Oregon Urban Renewal law, urban renewal plan amendments and the administration of urban renewal plans.

We believe the proposed amendment to add the non contiguous "satellite" area is illegal.

We further believe that the PDC, the City's Urban Renewal Agency, has no authority under the law to fund public schools.

Section 457.170 of the urban renewal law does not grant authority for PDC to construct or reconstruct public buildings which principally provide services to the entire County.

Any such expenditure may be an unauthorized expenditure of public funds and as such, may expose the approving bodies to issues of personal liability under Oregon law.

We recommend that you carefully consider the implications of including these items in the plan amendments prior to forwarding the amendments to the City Council for approval.

Sincerely,


Oliver Norville Patrick La Crosse Larry Dully Jeff Tashman

May 14, 2008

Board of Commissioners
Mark Rosenbaum, Sal Kadri, Bertha Ferrán, John Mohlis, Charles Wilhoite
Portland Development Commission
222 NW Fifth Avenue
Portland OR 97209

River District Urban Renewal Plan Amendments

We are all interested citizens of Portland writing to you to express our concern with specific plan amendments you are considering on Wednesday, May 14.

In particular, we believe the amendment to consider a "satellite" district added to the River District Urban Renewal Area, located 15 miles away from the River District with no relationship to the River District, in order to provide River District Tax Increment funds in the amount of \$19 million to build a new school, is illegal. We believe this to be the case because the area meets neither the required "blight" test nor the "relationship" test.

We implore the PDC board to reject this amendment and not to forward it to the Portland City Council for adoption.

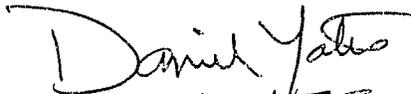
We also have other concerns with PDC and city actions related to Urban Renewal that do not rise at this time to the same level of the Satellite districts but which we are reviewing further. These are noted in the attachment to this letter.

Our interest in communicating our concerns is one of civic interest and reflects the our broad backgrounds. We trust you will consider our concerns and be guided appropriately.


ROBERT AMES

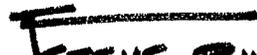

Jeffrey Tashman

Philip A. Kalberer
Philip A. Kalberer


DANIEL YATES


NEILSON ABEE


WAYNE KINGSLEY


STEVE PINGER


FRANK H. BIRD

SECOND SET OF AMENDMENTS, ADDING DAVID DOUGLAS**I. POLICY ISSUES**

- A. The addition of the David Douglas sub district does not relate to or address conditions of blight in the remainder of the River District Urban Renewal Area. The primary purpose of the addition of this area is to allow the expenditure of tax increment revenues generated solely in the remainder of the Urban Renewal Area to fund a project that benefits a school district that is not even located in the remainder of the urban renewal area.
- B. This proposal for an unrelated non contiguous urban renewal area represents a stretching of the urban renewal program beyond the breaking point and threatens the future use of a valuable revitalization tool all across Oregon.

II. SUBSTANTIVE ISSUES

- A. The proposal for a non contiguous area with no relationship to the River District has no clear basis in statute. The statutory provisions regarding non contiguous parts of an urban renewal area are ambiguous.
- B. The proposal for a non contiguous area with no relationship to the River District has no precedent in the implementation of urban renewal by the City of Portland or any other municipality in Oregon in the almost 50 year history of urban renewal with tax increment financing.
- C. The proposed David Douglas area may be blighted because of a lack of access and utilities, but there is no definition of blight in ORS 457.01 (1) that covers the lack of a public school and community center on a single site. The relationship of urban renewal projects to conditions of blight is required under as must be described under 457.085 (3) (c).
- D. There are no conditions of blight cited in the main body of the River District Urban Renewal Area that are addressed by the project proposed in the David Douglas. The relationship of urban renewal projects to conditions of blight is required under as must be described under 457.085 (3) (c).
- E. If the conditions of blight on a property are the lack of access and utilities, then the appropriate project is provision of access and

ISSUES AND CONCERNS: RIVER DISTRICT PLAN AMENDMENTS

utilities, not construction of a public school.

III. PROCESS ISSUES

- A. There has been inadequate public involvement for this proposed amendment because the work of the Urban Renewal Advisory Group did not include evaluation of the implications of a "satellite" part of an urban renewal area.
- B. To our knowledge, the consideration of the "satellite" proposal has not been informed by a legal opinion from either the General Counsel of PDC or the City Attorney.

**RIVER DISTRICT URBAN RENEWAL PLAN: FIRST SET OF AMENDMENTS
ADDING OLD TOWN CITY TOWN, INCREASING MAXIMUM
INDEBTEDNESS AND MAKING MANY OTHER CHANGES**

I. POLICY ISSUES

- A. The first set of amendments to the River District Urban Renewal Plan calls for an expansion of area and more than a doubling of financial commitment for an area that the City Council itself acknowledges has been successfully redeveloped. There is no rationale in the Plan for expanding a Plan that is already more than accomplished its objectives. The River District is no longer blighted enough for to support an expanded Urban Renewal Plan.
- B. The amendments are for the primary purpose of financing social service facilities, government facilities and transportation improvements that have or should have a city wide focus. The amendments represent a shift away from the investment strategies that have led greater future property tax revenues and into a use of tax increment revenues for purposes that have little to do with blight in the Urban Renewal Area.
- C. The proposed amendments do not address the reductions in the anticipated expenditures of the remaining maximum indebtedness of the River District from projects that have been developed through local planning efforts and called for by plans that have been adopted by PDC and the Council.
- D. Amending the Plan to incorporate the City's 30% TIF set aside for affordable housing means PDC is accepting the City's questionably

legal (in light of the City Charter) move to direct specific expenditures of urban renewal funds on a one-size-fits-all basis. It is likely that the original River District Plan did not cite lack of affordable housing as a condition of blight, since the area had little to no housing.

- E. The provision in the Plan for facilities like the Access Center may conflict with the redevelopment goals of OTCT as stated in numerous plans and policies that were the product of a partnership of the city, PDC and the citizens,

II. SUBSTANTIVE ISSUES

- A. There is no effort to document that the River District – including the original Urban Renewal Area - is still blighted as required by ORS 457.095 (1). Unless it is found to be blighted the Plan there is no rationale for amending the Plan to increase its size and maximum indebtedness.

In fact, the Council has is on record as stating the River District plan has been a success. The Council adopted Resolutions 36588 in March of 2008. It states in part, “the River District has successfully converted former rail yards and an under-utilized warehouse area into the new and vibrant Pearl Neighborhoods.... The results have dramatically exceeded the overall targets for new housing units and more housing continues to be developed... The sheer impact of the investment and vitality generated in the River District... have made Portland as a whole ... more attractive and more highly valued in the market place..

- B. **Goals and Objectives, Housing (Section II A):** This section refers to the 2006 30% TIF Set Aside for Affordable Housing and the “guidelines” for the allocation of this 30% to different levels of housing by Median Family Income. Prior to this language the set aside was not incorporated in the Urban Renewal Plan itself. It is questionable whether Council overstepped its authority under the Charter to require specific expenditures under urban renewal plans, prior to the latest Charter amendment.
- C. The amendments focus on public facilities that serve city or county wide social service functions stretches the authority of Urban Renewal Agencies under ORS 457.170.

III. PROCESS ISSUES

- A. Public cannot evaluate the relationship of new projects to conditions of blight in original area without access to original urban renewal report for River District Plan which has not been provided.

ISSUES AND CONCERNS: RIVER DISTRICT PLAN AMENDMENTS

- B. Relationship to Local Goals and Objectives:** The Plan states that it is “especially supportive” of a long list of Comprehensive Plan goals and objectives but does not state how. The Plan lists policies from the Central City Plan that relate to the River District Urban Renewal Area but does not state how the Plan relates to those policies.



CITY OF
PORTLAND, OREGON
OFFICE OF CITY ATTORNEY

Linda Meng, City Attorney
1221 S.W. 4th Avenue, Suite 430
Portland, Oregon 97204
Telephone: (503) 823-4047
Fax No.: (503) 823-3089

February 14, 2008

INTEROFFICE MEMORANDUM

TO: Mayor Tom Potter
FROM: Linda Meng
City Attorney *[Signature]*
SUBJECT: David Douglas "Satellite" District

You have asked me to explain the issues that would be presented by going forward with the proposed addition of a satellite addition to the River District Urban Renewal Area without a statutory change.

It is my understanding that the project is to add to the River District Urban Renewal Area 5 to 8 acres of property owned by David Douglas School District, and only that site. The site was acquired by the School District to build a school, but the District does not have sufficient funds to undertake the construction. The property is not contaminated and could be developed if the District had the necessary funds. It is not desirable to include more than the actual school site in the urban renewal area because of the statutory cap on the total amount of land that may be included in urban renewal areas. Tax increment revenues would be used to fund or assist in funding construction of a school on the School District site. There is believed to be a connection between the overcrowding in the School District and River District development. The expectation is that the school will serve as a multi-functional community space, with additional recreational and community space included in the school facility. If those facts are incorrect, or if the project changes, some of the issues may be evaluated differently.

Let me preface discussion of the legal issues by noting that most of these issues do not have any definitive precedent. The primary tools for evaluating the proposal are the state constitution and ORS Chapter 457, the urban renewal statutes. There is little case law interpreting the statutes. The strength of the amended plan in the face of a challenge would depend to some extent on the strength of the findings made by PDC and the Council to support inclusion of the area in the River District Plan.

Mayor Tom Potter
February 14, 2008
Page 2

Satellite Districts

“Urban renewal area” is defined as “a blighted area included in an urban renewal plan or an area in an urban renewal plan under ORS 457.160 [regarding disaster areas].” ORS 457.010(14). There is nothing in the urban renewal statute that explicitly requires that an urban renewal area be contiguous. It is apparently a common practice to “cherry stem” areas together as part of one district. By that I understand the practice to be inclusion of a narrow strip, along a roadway, for instance, between areas of the urban renewal district.

There is some suggestion in the statutes that the areas included need not be contiguous. ORS 457.085 requires that an urban renewal plan include “[A] map and legal description of the urban renewal *areas* of the plan.” In addition, the report that accompanies an urban renewal plan is required to contain “Reasons for selection of *each urban renewal area* in the plan.” ORS 457.085(3)(b). These statutory provisions support the idea that there could be more than one “area” in an urban renewal plan. Moreover, there is nothing explicit that requires that those areas must be physically connected, by a “cherry stem” or otherwise.

Although we recommended a statutory amendment to take away any doubt on this issue, the fact that the area would be non-contiguous is not likely to be a serious impediment to proceeding.

Blight

More uncertainty exists with respect to whether the school site must be found to be blighted and, if so, whether it comes within the statutory definition. As noted above, “urban renewal area” means a “*blighted area* included in an urban renewal plan.” “Blighted area” is broadly defined. It includes conditions that are generally understood as blight, such as buildings that are unfit or unsafe to occupy, as well as conditions such as susceptibility to flooding, deterioration or disuse of property due to faulty planning, and the existence of inadequate streets, open spaces and utilities. ORS 457.010(1).

We recommended that the definition of blight be amended to encompass the school site under the situation presented here because the school site – the only area to be added – does not fit easily within the statutory definition of blight. While it is probably true as a practical matter that not every square foot of an urban renewal area must individually be blighted, the addition to an existing plan of a single non-contiguous developable parcel of land presents a harder question. Although I do not have a great deal of information regarding the David Douglas School District, I assume that there are conditions within at least some parts of the District that would come

Mayor Tom Potter
February 14, 2008
Page 3

within the definition of blight. If the school site were part of a larger area to be added to the urban renewal plan and that larger area fell within the definition of blight, the inclusion of the school site would be unlikely to disqualify the area. However, if the intention is to add *only* the proposed school site, I have not been able to find anything in the definition of blight that would encompass a piece of bare land that is suitable for development except for the financial condition of its owner.

It has been suggested that if there is a sufficient nexus between the added area and the "parent" urban renewal area, there would be no necessity for a finding of blight for the new non-contiguous area. This might be a stronger argument if the non-contiguous area were included as a part of the original plan and a nexus were established. However, in the situation where a new area is being added to an existing district, I believe the argument is substantially weakened. Moreover, it is an argument that does not have an explicit foundation in the statute.

In addition, there was a suggestion that the school site could be found to be blighted because "inadequate or improper facilities" is one part of the definition of blight. I believe it would be difficult to argue that the school site, by itself, has "inadequate or improper facilities." In addition, that phrase is taken from the beginning of the definition, which states:

: "Blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community."

The statute goes on to require that a blighted area is characterized by certain specified conditions. None of those conditions are applicable to the school site by itself. It may be that the David Douglas School District as a whole suffers from "inadequate or improper facilities," but it would be hard to say that description applies to the single site.

Again, there may be facts that I am unaware of that would support an argument that the site itself is blighted.

Use of Urban Renewal Revenues to Fund Public Facilities

In a memorandum written in conjunction with drafting the City's proposed legislation on this issue, Legislative Counsel suggested that the proposed amendments may be subject to legal challenge because "it is not beyond dispute whether school development projects or other public works projects qualify as urban renewal projects for which tax increment financing can be used." I do not believe there is any substantial basis for this suggestion.

Mayor Tom Potter
February 14, 2008
Page 4

Article IX, Section 1c provides:

The Legislative Assembly may provide that the ad valorem taxes levied by any taxing unit, in which is located all or part of an area included in a redevelopment or urban renewal project, may be divided so that the taxes levied against any increase in the assessed value, as defined by law, of property in such area obtaining after the effective date of the ordinance or resolution approving the redevelopment or urban renewal plan for such area, shall be used to pay any indebtedness incurred for the redevelopment or urban renewal project. The legislature may enact such laws as may be necessary to carry out the purposes of this section.

This constitutional provision gives the Legislature broad authority to define urban renewal. It specifically delegates to the Legislature the authority to provide for dividing the taxes to support urban renewal activities and allows the Legislature to "enact such laws as may be necessary to carry out the purposes of this section." The history of urban renewal shows that the types of projects that have been authorized have changed over time. See Tashman History of Urban Renewal. <http://www.orurbanrenewal.org/Resources/tabid/4074/Default.aspx>. The Legislature has provided in the current statute for development of public facilities. ORS 457.085(2)(j) requires that an urban renewal project "which includes a public building [include] an explanation of how the building serves or benefits the urban renewal area."

Even if urban renewal had been static, it is clear that urban renewal funds have been used for public works projects from the beginning of urban renewal in Oregon. Article IX, Section 1c was adopted by voters in November of 1960. The Keller Fountain as well as parks, streets, sidewalks and pedestrian ways were included in 1960 in the City of Portland's South Auditorium urban renewal area – the first urban renewal area created by the Portland Development Commission and the City of Portland. Throughout its history, urban renewal development has included public facilities.

Public facilities have been included in urban renewal plans all over the state. These include parks, infrastructure, transportation facilities and numerous other public buildings such as the Canby Fire Station, a Lincoln City Community Center and Fitness Center, Wilsonville's City Hall and High School improvements, White City's Family Center, Library and Fire District Training Facility and the Clackamas Fire Station improvements, and the Clackamas Town Center District's funding of Oregon Institute of Technology/Clackamas Community College. Facilities, two fire stations, a Regional Swim Center and a Law Enforcement Training Facility. See Evaluation of Seven Urban Renewal Plans by AORA, April, 2007. <http://www.orurbanrenewal.org/Resources/tabid/4074/Default.aspx>.

Mayor Tom Potter
February 14, 2008
Page 5

Charter Authority to Build Schools

In addition to the issues arising under the urban renewal statute, it is not without question that the City can spend its funds to construct schools. We recommended an addition to the urban renewal statute that specifically authorized spending tax increment funds on schools because the City Charter gives the City authority to exercise any power granted by the Charter *or by statute*. Sections 2-104; 2-105. Although the City has broad powers, it is not clear that those powers include funding core public school functions. Section 1-102 of the Charter gives the City, within its corporate limits, "authority to perform all public and private services, including those of an educational or recreational character as well as others, with all governmental powers *except such as are expressly conferred by law upon other public corporations within such limits . . .*"

Our Office has been asked many times whether the City can fund public schools. Our opinion has been, and remains, that there is some doubt whether our Charter allows funding of core school functions. Our agreements with all of the school districts have required that the districts spend the funds provided by the City on things the City is authorized to do. The early agreements contained a list of activities that could be funded. The later agreements are more general, but continue to require that moneys received from the City pay for activities the City is authorized to fund. Core school functions such as teachers, books and classrooms have been considered to be at most risk.

Although there is no question that the City can fund construction of parks and recreation facilities and community centers, there remains a question whether it can fund construction of school classrooms. Depending on what the actual plan is for the David Douglas School District, this could present a greater or lesser concern. We proposed the statutory amendment to remove any doubt about the City's authority.

Measure 5 Categorization

Article XI, Section 11b of the Oregon Constitution (Measure 5) requires that property taxes be categorized according to the use for which they are imposed. There is a limit of \$5 per thousand of real market value for taxes imposed to fund schools, and a limit of \$10 per thousand of real market value for taxes imposed to fund government functions other than schools. Depending on how it is done, use of urban renewal funds to construct a school may raise an issue of categorization of funds under Measure 5. The issue is complex and would be difficult to analyze until the particulars of the transaction are known.

Urban renewal funds include the incremental taxes from all of the overlapping jurisdictions. Those include taxes that would otherwise go to the city, the county, the Port and the school districts. A challenge brought to the categorization of urban renewal funds in the

Mayor Tom Potter
February 14, 2008
Page 6

Shilo Inn case resulted in a statute that now requires that all urban renewal funds are categorized as general (non-school) government. If urban renewal funds were specifically raised in order to fund school construction, it is possible that the Constitution would require that those funds be categorized as school funds, rather than general government funds, under Measure 5.

The result of that categorization, if it happened, is unclear. Measure 5 categorization is done on a property-by-property basis. That is, the assessor looks at the taxes that are assessed on each property to determine whether the \$5 or \$10 limits are exceeded. If the taxes on a property exceed the cap, taxes are compressed to come within the limit. If the satellite area were added to the River District Urban Renewal Area, the main part of the District would be within the Portland Public School District and the school site to be funded would be within the David Douglas School District. I do not know if either School District is close to its Measure 5 limit and, therefore, whether compression would be an issue. In addition, the statutory school funding formula makes the impact of such a categorization further complicated. It is possible, however, that Portland Public Schools would be concerned that tax revenues raised from properties within its district – and counted against the \$5 cap on those properties – would go to fund school construction in another school district. I cannot tell at this time what the level of risk would be.

These are the issues I am aware of at this time. As noted above, if my understanding of the facts is incorrect or if the particulars of the project were to change, the legal analysis might require revision.

Please let know if you have further questions regarding this matter.

LM:ks

182961
181971

CENTRAL EASTSIDE INDUSTRY COUNCIL

P.O. Box 14251, Portland, OR 97293-0251

Ph: 503-768-4299 – Fax: 503-768-4294

Email: ceic@ceic.cc – Web: www.ceic.cc

2008 OFFICERS

President
Dan Yates
Portland Spirit

Vice President
David Lorati
School Specialty Co.

Treasurer
Peter Norman
U.S. Bank

Immediate Past President
Tim Holmes
DHX Advertising

BOARD OF DIRECTORS 2008

Michael Bolliger
Bolliger & Sons

Peter Finley Fry, AICP
Columbia Pacific Planning

Bert Geiger
BG Marketing Inc

Chris Hammond
Hammond Building Co.

Wayne Kingsley
Portland Spirit

Randy Lauer
American Medical Response

David Lavier
Lavier Enterprises

Juliana Lukasik
@Large Films

Brad Malsin
Beam Construction

Rod McDowell
OMSJ

Randy Miller
Produce Row Mgmt. Co.

Pamela Murray
Portland Community College

Jeff Reaves
Group MacKenzie

Bob Rogers
Robert R. Rogers Co.

Peter Stark
Stark.Design

Mark Teppola
National Builders Hardware

Dee Walsh
Keach Community Development

Bob Wentworth
Wentworth Chevrolet Co.

Legal Advisor
Bob Barocchini
Crydwill

Executive Director
Terry Taylor

Administrator
Karen Single

June 3rd, 2008

The Honorable Tom Potter
Mayor
City of Portland
1221 SW 4th Ave., Room 340
Portland, OR 97204

Dear Mayor Potter:

The Central Eastside Industrial Council (CEIC) board recently addressed the topic of Satellite urban renewal districts. The CEIC has long participated in the CES urban renewal district and many of our members have extensive experience in the purpose, execution, and limitations of urban renewal law.

It appears the Portland City Council is determined to use urban renewal funds to address issues that are beyond the scope, intent, and the construction of the law and are therefore illegal.

The CEIC believes in the general theme that governments should follow the spirit and the letter of the law. The City Council should set the "tone at the top" of city government as one of obeying all laws not just the ones with which it agrees. If it disagrees with laws, it should work to change them, not ignore them.

If the City Council disregards the law, it sends a signal to the other components of government that this is acceptable behavior and soon bureaucrats at lower levels follow suit and pick and choose laws they follow. This results in a breakdown of trust and respect between government and the public.

In the CEIC board's opinion, the PDC — which operates under state law — has a fiduciary responsibility to all the taxing entities whose revenues are diverted for urban renewal activities. This responsibility is to eliminate blight, increase the tax base, and return the properties to the tax rolls.

The City of Portland's share of diverted taxes is about 40%, depending on the district. The balance comes from other districts such as Multnomah County, public schools, Police and Fire disability fund and other tax bases. By taking an active role in the

182961

181971

PDC's budget decisions, the Portland City Council assumes the commission's obligation to use the funds within the limits of its fiduciary responsibility and urban renewal laws.

The CEIC is concerned that Satellite districts are beyond the spirit and intent of the law. We believe Satellite districts will not withstand a legal challenge. Is it the role of government to "shop" for legal opinions and promote questionable legal positions? We think not.

Respect for rules and laws is waning and if government chooses to not follow its own rules then how can we prevent citizens from picking and choosing the laws that are convenient for them to follow?

We urge you to ensure the recent amendments to the River District URA conform to the law.

Sincerely,



Daniel Yates
President
CEIC

182961
181971



PORTLAND BUSINESS ALLIANCE

Leading the way

March 10, 2008

The Honorable Mayor Potter
City of Portland
1221 SW Fourth Avenue
Portland, Oregon 97204

Dear Mayor Potter:

The Portland Business Alliance supports the use of urban renewal as a critical economic and community development tool for the city. Urban renewal, though focused on specific geographic areas within the city, ultimately benefits the entire city. Through the use of tax increment, the city can leverage private investment, which increases property values and revenues that flow to the city, county and schools to support critical services, such as police and fire, education, health and human services and the like. Only through thoughtful and balanced funding between projects that generate increment and those that do not does this equation work. Done right, urban renewal is an investment that grows the property tax base and results in a long-term benefit to the entire city, county and school districts.

We applaud City Council for acknowledging and looking for solutions to the needs throughout the city, including the school districts within its boundaries. However, based on both policy and legal reasons, the Alliance is concerned about the city moving forward with a policy that supports the creation of satellite districts, and we urge you not to support this proposal. Shifting money from one district to fund projects in other areas of the city is ill advised, whether the shift is from a downtown district or from an eastside neighborhood district, and the City Council should refrain from adopting the satellite proposal. Our position is based on the following concerns:

First, transferring resources from one defined urban renewal area to a satellite is a significant departure from the traditional use of urban renewal throughout the city and state and, potentially, at odds with Oregon Revised Statutes. Although the legal basis for a potential satellite district is unclear, we remain concerned that approving a satellite may subject the city to legal challenge.

Greater Portland's Chamber of Commerce
200 SW Market St., Suite 1770 • Portland, OR 97201
Phone 503.224.8684 Fax 503.323.9186
www.portlandalliance.com

0276

Second, the concept of urban renewal is to identify real estate with characteristics that meet the statutory indicia of blight, and to form a cohesive plan that will ameliorate those conditions. This has almost always been treated as property within a single, contiguous boundary or clearly defined geographic area. The policy reasons for taking that approach are that the boundary is more likely to include properties of a similar nature, or that are affected by a similar group of blighting factors. Then, a cohesive plan can be implemented such that actions on one property, or a programmatic undertaking such as a transportation improvement, are likely to have synergistic effects for many of the properties within the district. This improves the efficiency of tax increment expenditures and allows for greater compatibility between neighborhood, economic development and land use plans and the urban renewal financial program.

Third, most urban renewal districts do not generate significant increment like the River District and, instead, must carefully budget projects to ensure the district's debt service can be met. A significant new policy direction, like the satellite, should not be adopted based on an anomaly. Even in the River District, the 2008-2009 budget process has exposed cash flow issues that inhibit the ability to use tax increment to fund long-standing community priorities developed through the Urban Renewal Plan for the River District and other adopted neighborhood plans and development strategies. The River District is not generating "extra" resources; we need to complete the work envisioned for this area.

Fourth, once one satellite district is authorized, there will likely be a substantial stream of requests from other areas of the city, school districts and others. Without a comprehensive plan, like the Urban Renewal Plan required by state statute, there is very little to guide the city in identifying the most critical investment. We recognize that David Douglas School District has significant needs; so do the rest of the school districts within or partially within the city limits. How can the city rationalize focusing on one district at the exclusion of the others?

Finally, with respect to the specific proposal for David Douglas, we are concerned about the shifting of resources from Portland Public Schools to David Douglas. The potential to implicate the Measure 5 cap and trigger additional compression is a significant unresolved issue, according to the City

Attorney. It is critical that we fully understand what this decision may mean for Portland Public Schools and David Douglas with respect to Measure 5 limitations before moving forward.

Urban renewal has been authorized by the State of Oregon for over 50 years. During that time it has helped accomplish numerous economic and community development goals. A proposed use of non-contiguous districts is a radical departure from historic use and intent of urban renewal law. We are concerned about the impacts of such a departure on the integrity of urban renewal in the City of Portland and the entire State of Oregon. We recognize there are needs throughout the city; urban renewal is not the only tool at the city's disposal and is not the appropriate tool in this circumstance.

City Council should not adopt this major shift in urban renewal practice, and we urge you to reject the satellite district proposal.

Sincerely,

Sandra McDonough
President & CEO

cc: Commissioner Adams
Commissioner Leonard
Commissioner Saltzman
Commissioner Sten

Portland Tribune

When will they end?

City debates returning River District to tax rolls or extending URA's reach

BY STEVE LAW

The Portland Tribune, Jun 12, 2008, Updated 10.3 hours ago

For Portland city officials, urban renewal is the gift that keeps on giving.

Especially the River District urban renewal area, where the Portland Development Commission captures property taxes levied on Pearl District condos, shops and eateries, then spends the money on area improvements.

On June 18 and June 25, the Portland City Council is poised to ratify a landmark deal extending the urban renewal area surrounding the Pearl District another decade, and giving the PDC a tidy \$344 million more to spend.

River District boundaries would expand into Old Town and Chinatown, other downtown pockets and a controversial "satellite" parcel several miles to the east, in the David Douglas School District.

The new money — on top of \$101 million still unspent from the River District — could help buy the sprawling post office complex in Northwest Portland, create a service center for the homeless in Old Town, preserve downtown's low-income housing stock, refurbish Multnomah County offices and build a new school for David Douglas, among other projects.

But the expansion means Portland schools and other local governments wouldn't reap the property tax benefits from the River District urban renewal until at least 2027 — when taxes from new developments within the district would go back onto the regular tax rolls.

Supporters say the plan is worth it, because the PDC has an uncommon opportunity to tap available funds and revitalize long-neglected parts of Portland. It will allow the city to share the "successful fruits" of the Pearl District, said PDC Commissioner Charles Wilhoite.

Critics contend the River District is being used as a cookie jar for unrelated projects. Some say it's time to declare the River District a success and return it to the regular tax rolls, but they complain the PDC is too reluctant to close down its lucrative urban renewal districts.

"They just see it as a big ATM cash machine for whatever needs to get done," said Shelley Lorenzen, who monitors urban renewal for the League of Women Voters of Portland.

"This is such easy money," she said. "It's outrageous."

The David Douglas satellite is so controversial that the PDC put it into a separate proposal, so a legal challenge won't hold up the broader package.

But the PDC won support for the overall River District expansion from the Portland Business Alliance and county and school officials.

Ambitious expansion

The proposals emerged from the PDC's downtown Urban Renewal Advisory Group, led by Wilhoite and former city Commissioner Erik Sten. The group met for several months in 2007 and 2008 to plot the future of the PDC's three downtown urban renewal districts.



L.E. BASKOW / TRIBUNE PHOTOS
Shelley Lorenzen, with the League of Women Voters, has been one of the critics of the proposal to extend the life of the River District urban renewal area. Her group and former PDC insiders say the area should be put back on the public tax rolls. Lorenzen is seen standing in Old Town, one of the blighted areas targeted for improvement.

By extending the life of the Downtown Waterfront urban renewal area until 2024, the PDC can spend an additional \$50 million. By extending the life of the South Park Blocks urban renewal area until the same year, it can raise and spend another \$40 million. The City Council took action on those recommendations this spring.

The advisory group also recommended the city extend the life of the River District, which raises PDC's allowed spending there from \$225 million to a potential \$569 million. That's the proposal coming to the City Council this month.

Sten pushed the advisory group to preserve threatened low-income housing stock in the South Park Blocks, to help the overcrowded and money-starved David Douglas schools, and to improve homeless services in Old Town-Chinatown.

The resulting plan meets all those requests by extending the life of the South Park Blocks urban renewal district and moving 42 acres from the Downtown Waterfront and South Parks areas into the well-endowed River District, along with 8.5 acres from David Douglas.

Wilhoite said he was most enthused about the chance to buy the 13-acre post office distribution center on Hoyt Street, which he views as a rare opportunity to lure a major employer to town. That could cost \$31 million or more.

There's also a need to finish redevelopment of the Pearl District, said Patricia Gardner, an architect and a leader of the local neighborhood association.

The PDC eased the county's concerns about lost tax revenue by agreeing to put urban renewal money into the county's downtown offices. Some of the boundary changes were designed to move those offices into the River District.

"It was a matter of trying to satisfy as many needs as possible," Wilhoite said.

More critics emerge

The League of Women Voters had been the main opponent of the proposal. But recently a group of former PDC insiders joined the fray.

Both groups oppose extending the life of the River District URA. The ex-PDC leaders also are alarmed by the David Douglas satellite plan.

Using urban renewal to build a school in a distant parcel "is a bad idea and it's not legal," said Bob Ames, a real estate investor-developer and ex-PDC chairman.

His cohorts are Pat LaCrosse, former PDC executive director; Ollie Norville, the PDC's longtime attorney; Larry Dully, its longtime development director; and Jeff Tashman, a prominent urban renewal consultant who helped draft the original River District urban renewal plan.

That group's members want the PDC to return to its earlier focus — spurring private investment — and question putting so much money into affordable housing, homeless facilities and county offices.

The River District was a stunning success, Tashman said, and now it's time to close down the urban renewal area.

"It would be an enormous revenue boost to the city of Portland general fund, to the county general fund and to other taxing districts," said Tashman, who terminated his consulting contract with the PDC in February because he opposed the satellite proposal.

Tashman was instrumental in efforts to preserve statewide urban renewal funding after voters approved the Measure 47 property tax reduction in 1996, when he helped craft the follow-up Measure 50 in 1997. Tashman fears the PDC's aggressive expansion of urban renewal could provoke a backlash in Salem, causing lawmakers to crimp future projects.

Politics changes situation

To some extent, the River District proposal reflects new political realities since a 2007 city charter amendment granted the Portland City Council more control over the PDC's purse strings. The public

Local-government financing also has changed, making Portland more dependent on urban renewal funding since voter-approved property tax reductions in 1990 and 1996.

Total statewide property tax collections dropped 2 percent in 1997-98 from the prior year, while urban renewal taxes jumped 56 percent, noted Tom Linhares, director of the Tax Supervising and Conservation Commission.

Gardner said it's ironic that the League of Women Voters is protesting now, because it was the league that proposed to address blight in Old Town-Chinatown by folding it into the well-financed River District urban renewal area.

Critics who decry the River District expansion as more city aid to affluent Pearl residents have it backward, Gardner said.

"The money comes from condos and goes to other things," she said. "Without the urban renewal funds, there would be no low-income housing in the Pearl District."

Urban renewal in the Pearl is still unfinished in about 20 acres north of Pettygrove Street, she said.

Wilhoite said some people could argue that the PDC doesn't need to do all that it's proposing. But he said the city now has the financial means to pay for projects long on the drawing board, and devote more attention to neglected areas like Old Town-Chinatown. Given the city's success in redeveloping the abandoned rail yards that became the Pearl, buying the post office and other pivotal parcels will only get costlier with delays, he said.

Wilhoite conceded that PDC leaders weren't excited about the David Douglas proposal. But he credited Sten for bringing important issues to the forefront, and said that reflects the new political terrain.

"For better or worse, the PDC operates as a flexible arm for the city commissioners," he said.

How urban renewal works

Under Oregon's system, cities and counties create an urban renewal district, and "freeze" the property taxes in the district going to schools and other local governments. Any property taxes derived from new development or rising property value go to urban renewal authorities.

The PDC sells bonds to pay for improvements inside an urban renewal district, and uses the property taxes to pay off the bonds. Once the bonds are fully paid off, urban renewal districts are closed down and the benefits of enhanced property values flow to local governments.

Since the River District urban renewal area was created in 1999, its total property value jumped from \$358.7 million to \$1.35 billion. That means the PDC is collecting all the property taxes on \$991 million worth of condos, shops and other new value.

If that property were put back onto the regular tax rolls, Multnomah County would collect an additional \$5.2 million a year.

Portland Public Schools would collect an additional \$1.7 million a year from its local option levy and "bond gap" levy authorized by the Legislature. Another \$4.7 million would go to Portland Public Schools from local property taxes, instead of coming from the State School Fund. The impact would be to free \$4.7 million for other school districts around the state.

Traditionally, county and school officials haven't complained, because of the PDC's successes in creating more property value. The Downtown Waterfront project, for instance, helped revitalize downtown by funding historic improvements such as Pioneer Courthouse Square and Gov. Tom McCall Waterfront Park.

But there are growing questions about the PDC's ability to part with urban renewal districts, especially now that the City Council has more control of its spending.

Hard to pull the plug

A key question for the PDC, Linhares said, is: "How do you answer critics' charges that these plan areas never go away?"

The Downtown Waterfront district finally will revert to the tax rolls 50 years after it was created, Linhares noted. The City Council is about to amend that urban renewal plan for the 28th time, to shift some properties into the River District.

The proposed \$344 million increase in River District spending will delay the time it goes fully back on the tax rolls from 2016 until 2027. But the proposed expansions are only the first and second amendments to that plan. Future amendments could keep the River District improvements off the tax rolls for a longer spell.

The PDC had \$688 million in outstanding urban renewal debt from all 11 remaining urban renewal areas as of June 30, 2007, according to a report prepared by Linhares. In the space of a few months, the agency is authorizing another \$600 million in debt.

The City Council is expected to OK another \$170 million in debt for the Lents Town Center urban renewal area at the same time it considers \$344 million in new debt for the River District.

That's on top of \$90 million in new debt approved for the Downtown Waterfront and South Park Blocks. Paying off those debts will delay the time when schools, the county and other governments reap the tax benefits from urban renewal.

Lorenzen said when the League of Women Voters urged the PDC to pay more attention to Old Town-Chinatown, the idea was to "stop gilding" the Pearl District and redirect money to cure blight.

"We feel now like we've opened Pandora's box," she said.

The League is getting frustrated, Lorenzen said, so it may turn to lobbying in Salem.

The PDC old-timers haven't decided how they'll proceed if they lose their case, though they made it clear some lawsuit may follow. Ames said the group may appeal the council's River District decisions to the state Land Use Board of Appeals.

Nuts and bolts of River District URA

Proposal: Extend life of River District urban renewal area another decade or so. Also transfer 42 acres from Downtown Waterfront and South Park Blocks urban renewal areas into the River District area. Add 8.5-acre "satellite" parcel in David Douglas School District.

Result: Raises \$344 million for Portland Development Commission, on top of \$101 million still available for River District projects.

Impact: Local governments won't reap financial benefits of Pearl District improvements until River District is put back on regular tax rolls, estimated in 2027. Multnomah County forgoes \$5.2 million a year, Portland Public Schools forgoes \$1.7 million, and all other Oregon school districts forfeit \$4.7 million.

Related moves: The PDC also raises \$50 million by keeping Downtown Waterfront off regular tax rolls until 2024, and \$40 million by doing the same with the South Park Blocks. The PDC raises another \$170 million by extending life of Lents Town Center urban renewal area.

Cost: The PDC had \$688 million in outstanding urban renewal debt in June 30, 2007. New moves add \$604 million more debt.

Spreading urban renewal funds

- Some of the projects to be funded through the proposed River District expansion:
 - Buy, redevelop U.S. Postal Service processing center, 715 N.W. Hoyt St.
 - Create Resource Access Center, transitional housing and other assistance for homeless and low-income residents, near the bus station
 - Help build school for David Douglas School District, Southeast Foster and Deardorff roads

181971

- Redevelop O'Bryant Square, next to SmartPark, 800 S.W. Stark St.
- Redevelop SmartPark at Southwest 10th Avenue and Yamhill Street into mixed-use project
- Rehabilitate McCoy Building, county health clinic, 426 S.W. Stark St.
- Rehabilitate Fairfield Hotel, 82-unit low-income housing project, 1103 S.W. Stark St.
- Redevelop Grove Hotel
- Incorporate SmartPark at Southwest Third Avenue and Alder Street into mixed-use development
- Help update Lincoln Building, Southwest Oak Street and Fourth Avenue, for county uses
- Redevelop Centennial Mills building, Willamette riverfront
- Redevelop Firestone site, West Burnside Street
- Blanchet House renovation
- Yards at Union Station, affordable housing
- Preservation of multiple low-income housing projects

Portland urban renewal districts have long lifespan

The Portland Development Commission's history is to keep urban renewal districts alive for decades.

The PDC collects all the property taxes from new development or improvements in the districts. Those taxes then are used to pay off bonds that finance urban renewal projects.

Once the bonds are paid off, the PDC places the districts back on the general tax rolls. That's when school districts, the city, county and other local governments can reap the tax dividends from improvements brought by urban renewal.

Urban renewal district Years in Operation Put back on general tax rolls

- South Auditorium 1958-1988 1988
- Northwest Front Ave. Industrial 1978-1992 1992
- St. Johns Riverfront 1981-1996 1996
- Downtown Waterfront 1974-current Projected for 2024*
- South Park Blocks 1985-current Projected for 2024*
- Central Eastside 1987-current
- Airport Way 1987-current Projected for 2020*
- Convention Center 1989-current *
- Lents Town Center 1999-current
- River District 1999-current
- North Macadam 2000-current
- Interstate Corridor 2001-current
- Gateway 2002-current
- Willamette Industrial 2005-current

*Since passage of Measure 50 in 1997, an increasing share of the property value in these four districts has shifted to the general tax rolls.

Source: Multnomah County Tax Supervising & Conservation Commission

When will they end?

182961
Page 6 of 6

181971

Copyright 2008 Pamplin Media Group, 6605 S.E. Lake Road, Portland, OR 97222 • 503-226-6397

182961

PORTLAND OREGONIAN
MARCH 2, 2008

E4 ■ ■

EDITORIALS

THE SUNDAY OREGONIAN

THE OPINION OF THE OREGONIAN EDITORIAL BOARD

Cracks in the Portland cosmos

Generous as it may sound, a proposal to spin off a satellite urban renewal district disintegrates the idea of urban renewal

No strategic tool has contributed more to Portland's success as a community than urban renewal. Thanks to it, our region revolves around a successful downtown.

But urban renewal also provokes misunderstanding, resentment and envy. Watching downtown rise and shine, some Portland neighborhoods, in effect, echo the famous line from the movie "When Harry Met Sally": "I'll have what she's having."

Only, it just doesn't work that way. Yes, you can draw lines on a map and spray urban renewal dollars around for different purposes. But they won't attract private investment, stimulate development, increase the tax base and boost the city's prosperity as urban renewal dollars are supposed to do.

Yet the city's lower-income neighborhoods need, and deserve, more attention and investment from the city, too. Enter Commissioner Erik Sten. On the verge of departing from City Hall, he's come up with a clever attempt to bridge the divide — political, psychological and geographical — in

Portland over urban renewal. He's asking the city to funnel about \$19 million from the successful Pearl urban renewal area downtown to the David Douglas School District in east Portland.

The district, which runs from Interstate 205 to Southeast 145th and from Halsey to the Clackamas County line, needs a new elementary school. It hasn't been able to pass a bond measure. So, Sten says, why not designate the new school site in David Douglas as a "satellite" of the urban renewal district that created the Pearl?

It's an appealing, Robin Hood-style impulse to share the wealth. True, too, there's always been some gerrymandering involved in drawing urban renewal districts. One of them, the Willamette industrial area, even jumps the river. The problem is that Sten's proposal would stretch the concept of a district beyond recognition, flying off into outer space with it.

What, exactly, would the criteria for creating a satellite be? Although Sten is trying to put some parameters around the idea, it boils down to being a completely arbitrary choice. A satellite could be

anything the City Council wants it to be.

Naturally, other satellites — or should we call them trial balloons? — have begun to emerge. The list thus far includes Commissioner Dan Saltzman's hope for a center for victims of domestic violence and Portland Community College's wish list for its Cascade campus.

If the council approves any of these, many more satellites will swarm into view. They'll all be good causes. Meanwhile, Portland Public Schools has its own long wish list, and the city, too, has a tremendous backlog of infrastructure in disrepair. Sten's proposal would scramble the universe as we know it in Portland, blurring the boundaries between urban renewal and the city's general fund, robbing the city of its best means of focusing its money on the toughest long-range problems.

Far from healing divisions, it would spark new and deeper ones. Far from bolstering political support for the concept, it would work to destroy urban renewal, leaving behind trails of cosmic debris. This is a black hole. Portland should not go there.



ROB FINC

The \$58 million Wapato Jail four years after it was built by Multnomah County officials. It up with the money to operate; commissioners are considering plans to open 150 beds for drug treatment or 300 for treatment.

No cou for you

181971

0285

PORTLAND OREGONIAN

O-5-3-08

Banish satellite idea to outer space

Before city Commissioner Erik Sten left City Hall, as you'll recall, he had one of his brainstorm. And this time, he managed a mindmeld on everybody else in the building — even mesmerizing some potential critics into silence.

It was Sten's partial answer to what is admittedly a huge, vexing riddle: How should the city share wealth from its urban renewal districts with not-so-prosperous parts of town?

He called for creation of a "satellite" urban renewal district. The idea is to siphon \$19 million from the well-off Pearl District downtown, aiming it toward the David Douglas School District, about 15 miles away.

Let's stipulate that Sten and others are right to focus on closing the gap between rich and poor. Also, by the way, many east-siders find it extremely annoying that their geography is designated as "outer." Politically, they say it's way past time for

them to be considered as "inner" as everyone else. Agreed.

It's true, too, that the David Douglas district has a serious problem. The district, which runs from Interstate 205 to Southeast 145th and from Halsey to the Clackamas County border, is packed with pupils. But it's been unable to pass a bond measure to build a school.

Next week, the city will focus on the urban renewal agency's budget, but the satellite district idea may not come up. It's just assumed that the plan will go forward, to be tested later by a legal challenge.

Several other school districts in Portland aren't happy about it — the city has always tried to treat its school districts equally, and each has its own building and money woes. But it's hard to complain without sounding churlish. As the Reynolds superintendent told The Oregonian's Kimberly Melton, stressing that he wasn't complaining, "I'm just not sure what makes David Douglas the cho-

sen one."

What does? No one else has figured that out either. But if money is being handed out, school districts know they had better get in line. Leaders of the city's urban renewal agency, the Portland Development Commission, need to strongly oppose this scheme. The commission will have that chance very soon, and it ought to seize it.

Other community leaders also need to pipe up. Sten is gone now, but his brainstorm is likely to face a lawsuit as early as this summer. Many Portlanders know creating satellites and spraying urban renewal dollars around in this way would be unwise, unfair and illegal. Ultimately, it threatens the very concept of urban renewal.

Those reluctant to speak up need to find their nerve. This satellite idea should be retired to a star chart, or kingdom far, far away. Next week would be a good time for the council to revisit it — and vaporize it.

Don't wait for the lawsuit.

181971
182961

Portland Tribune

EDITORIAL

Stick to urban renewal timeline

The Portland Tribune, Jun 12, 2008

Taxpayers may not be paying much attention to the question of whether the city of Portland should continue to expand and extend its urban renewal districts. But they should.

Urban renewal, as it is being practiced in Portland, is an issue that touches the wallets of just about anyone who pays property taxes in Multnomah County — and arguably within the entire state.

The decision that the Portland City Council is slated to make June 18 and June 25 — to extend the life of the River District Urban Renewal Area until 2027 — raises a number of questions about the appropriate use of such districts.

But our main concern is simply this: Should hundreds of millions in tax dollars continue to be spent on a few selected projects within the urban renewal district, or would that money be better directed toward local school districts, Multnomah County and other citywide or countywide public services?

Our belief is that the city of Portland and the Portland Development Commission are allowing some urban renewal areas to stay in place too long. And in doing so, they risk future political support for the worthy concept of urban renewal.

Districts go on ... and on

When urban renewal districts are formed, they almost always are sold to the public on the basis that there is an area of urban blight that needs a special boost from government before the private sector will be willing to invest in the neighborhood.

For an urban renewal agency to be able to make those public improvements, it freezes property taxes in the district and diverts any increase in valuations away from general-government services and toward urban renewal projects.

The rationale is that other taxing jurisdictions — school districts, county governments and the like — may make small, short-term sacrifices in their tax revenues, but they will recoup that money and more when the urban renewal area is terminated and all the new development comes back on the tax rolls.

This rationale only holds up, however, if the property is returned to the tax rolls. As noted in today's Portland Tribune, of the 14 urban renewal areas that have been formed in Portland since 1958, only three have ever been terminated.

Renewal funds are addictive

These facts are important to taxpayers because the money that is going toward urban renewal projects could be funding other things they would much rather see.

Wonder where the money might come from to open the vacant Wapato jail? Then consider that Multnomah County forgoes an estimated \$18.5 million in tax revenue each year due to Portland's urban renewal districts.

Along the same lines, every school district that overlaps with a city urban renewal district loses some of its local-option or bond-measure money to urban renewal. And millions of dollars are diverted from the state's basic school support fund.

Most of the projects funded by urban renewal -- including low-income housing — are worthy endeavors. But there has to be a point at which the city and the Portland Development Commission declare victory and close up shop in an area.

181971
182961

if the original 2016 termination date for the district were left in place, the PDC would have \$101 million remaining to spend on public projects.

The 10-year extension, along with a proposed expansion of boundaries, increases that amount by \$344 million. It's easy to understand the addictive power of such money when a handful of people get to decide how it will be spent.

But those dollars would mean more services to more people if they were returned to their rightful jurisdictions.

Copyright 2008 Pamplin Media Group, 6605 S.E. Lake Road, Portland, OR 97222 • 503-226-6397



The League of Women Voters of Portland

310 SW 4th Avenue, Suite 520
Portland, OR 97204

182961

181971

(503) 228-1675
lwvpdx@aracnet.com

Amended and Restated River District Urban Renewal Plan City Council Testimony June 18, 2008

I am Barbara Fredericks, First Vice President of the League of Women Voters of Portland. How Portland uses its urban renewal authority has been a top priority concern for the League for years. Our member volunteers have devoted countless hours attending meetings, studying reports and conferring with experts. We have urged the PDC and City Council to use urban renewal financing judiciously because of the impact it has on schools, county and city services. We also have urged PDC and City Council to return districts revitalized with urban renewal moneys to the property tax rolls as soon as possible so that the sacrificing taxing districts can reap the promised benefits of our urban renewal investments.

The Portland Tribune's June 12 editorial made a compelling case for completing the River District urban renewal plan within the original indebtedness of \$225 million. The Tribune's editorial states:

Urban renewal as it is being practiced in Portland, is an issue that touches the wallets of just about anyone who pays property taxes in Multnomah County – and arguably within the entire state. The decision that the Portland City Council is slated to make... -- to extend the life of the River District Urban Renewal Area until 2027 – raises a number of questions about the appropriate use of such districts.

The editorial articulates well the rationale for diverting tax revenues from our schools, county and city funds and investing them in urban renewal projects.

The rationale is that these jurisdictions will make small, short-term sacrifices in their tax revenues so that blighted areas can be revitalized, but they will recoup that money and more when the urban renewal area is terminated and all the new development comes back on the tax rolls. This rationale only holds up though if the property is returned to the tax rolls.

Like the Tribune and other thoughtful voices, the League calls for finishing the River District within the original \$225 million and returning the newly created \$1 billion plus in assessed value to the tax rolls. We appreciate that more projects could be accomplished with the proposed additional spending, including low income housing, which the League supports. Residents in those buildings, however, need county services, good schools, and other support to succeed. Ending the River District on time and as promised will allow the public to reap the rewards of its long-term investment in the area and stay true to the intent of Oregon's urban renewal statute.

"To promote political responsibility through informed and active participation in government"

181971
182961

Moore-Love, Karla

From: Jeffrey Tashman [tash81@comcast.net]
Sent: Wednesday, June 18, 2008 8:20 AM
To: kmoore-love@ci.portland.or.us
Subject: Testimony for Council Hearing June 18 on River District UR Plan Amendments

Ms. Moore-Love

The attached letter is for City Council consideration at the June 18 hearing on the proposed River District Urban Renewal Plan amendments.

Thank you,

Jeff Tashman

Tashman Johnson LLC
6585 SW Parkhill Drive
Portland, Oregon 97239
Phone: 503-245-7828
Cell: 503-407-7443
Fax: 503-245-3171



Tashman Johnson LLC
Consultants in Policy, Planning & Project Management

815 + 816

181971

182961

18-Jun-08

Portland City Council

RE: River District Urban Renewal Plan Amendments

The City Council should take into account the following information in its consideration of ordinances amending the River District Urban Renewal Plan:

The projections of tax increment revenues that are a basis for finding the proposed amendments are financially feasible are based only on a percentage increase factor in total assessed value. The kind of analysis that should underlie projections of this magnitude of new development in an area like the River District, which is largely built out, should include:

1. An analysis of how much vacant and redevelopable land exists in the area.
2. An analysis of the development capacity of that land under existing zoning.
3. A projection of the real market value and assessed value of the development capacity, taking into account the amount of property-tax-exempt development such as public facilities and affordable housing rental projects.
4. An analysis of the market for housing and commercial development and how that relates to development capacity.

Additionally, the estimates of property tax revenues foregone by the overlapping taxing districts erroneously exclude the revenues foregone for future local option levies. Only current levies are assumed to be impacted. However it almost certain that future local option levies will be approved, and these future levies will forego revenues because of the continued tax increment financing of the River District Urban Renewal Plan.

Sincerely,

Jeffrey Tashman

Jeffrey Tashman 503.245.7828 • Nina Johnson 503.245.7416 • Fax 503.245.3171
6585 S.W. Parkhill Drive • Portland, Oregon 97239-2655

STATEMENT OF OLIVER NORVILLE

My name is Oliver Norville. I am a retired attorney. I served as legal counsel to the Portland Development Commission from the time of its organization in 1958 until 1986 and assisted in drafting the Charter amendment which created the Portland Development Commission. I was actively involved in the passage of the Constitutional Amendment which authorized the use of tax increment financing in the State of Oregon. I drafted and presented to the Legislature the legislation implementing tax increment financing. I appeared before the Legislature over a period of more than 20 years defending urban renewal and tax increment financing against claims of abuse in many cities throughout Oregon, and drafted much of the legislation which is presently contained in the statute which responded to these suggested abuses. Over the last 50 years, I have represented many agencies throughout the State of Oregon in carrying out urban renewal programs utilizing tax increment financing.

For some time, I have been concerned about the use of tax increment financing by the Portland Development Commission and the City of Portland. I expressed my concern on a number of occasions to legal counsel for the Portland Development Commission and on at least one occasion to the City Attorney. These concerns involved the use of tax increment finances for programs and activities which went beyond the ordinary urban renewal programs and were a benefit to the community as a whole rather than to the urban renewal area contained in the plan. When I learned that the Portland Development Commission and the City of Portland were proposing to establish a satellite district and expend funds for the construction of a new school, it was my opinion such an action was illegal and the worst abuse of tax increment financing which has come to my attention. If this proposed action is permitted to proceed, I believe it could result in the complete abolishment of tax increment financing in the State of Oregon. The tax increment tool has been very beneficial to many communities throughout Oregon as well as to the City of Portland. I think the loss of tax increment financing as a tool to remove blight in run-down areas throughout Oregon would be extremely harmful to many communities in the State. For the above reasons, I strongly oppose an amendment to the River Plan which would permit financing for school purposes in a non-contiguous area and unrelated to the purpose for which the Plan was prepared.

I also oppose the amendments which would expand the boundaries of the Plan. The proposed amendments are not well defined and do not meet legal requirements of the statute.

I trust that the Council will consider all of the objections made by me and others who are opposing the proposed amendments to the River Plan and will not adopt the amendment providing for school financing in the satellite areas or for the amendments which do not specifically meet legal requirements of the law.

181971

182961

When the purposes of an urban renewal plan have been met, and the conditions of blight have been removed from an area financed with tax increment funds, the project and plan should be terminated and the assessed value returned to the tax roll for the benefit of the various taxing bodies affected. To continuously amend the plan to incorporate new activities which do not meet the primary test of removing blight, are improper and result in the use of funds which properly belong to the various taxing bodies. Tax increment financing was sold to the people of the State of Oregon and to the Legislature on the basis of its being a self-liquidating program which financed itself and which upon completion would result in a benefit to the entire community. To utilize these funds in a manner inconsistent with this purpose is to violate the trust given to urban renewal agencies by the people and by the legislature.

181971

182961

Close-Out Strategy

South Park Blocks

- Final debt issuance of approx. \$35-40M
- Close-Out Projects:
 - Retail Core Improvements
 - Affordable Housing—Section 8 Preservation
- Remove 3.2 acres

Chaucer Court

1200 Building

Westside Amendments

Investing in Portland's Future
PDC
 PORTLAND DEVELOPMENT CORPORATION

6/18/08

Start

181971

River District Amended & Restated Plan

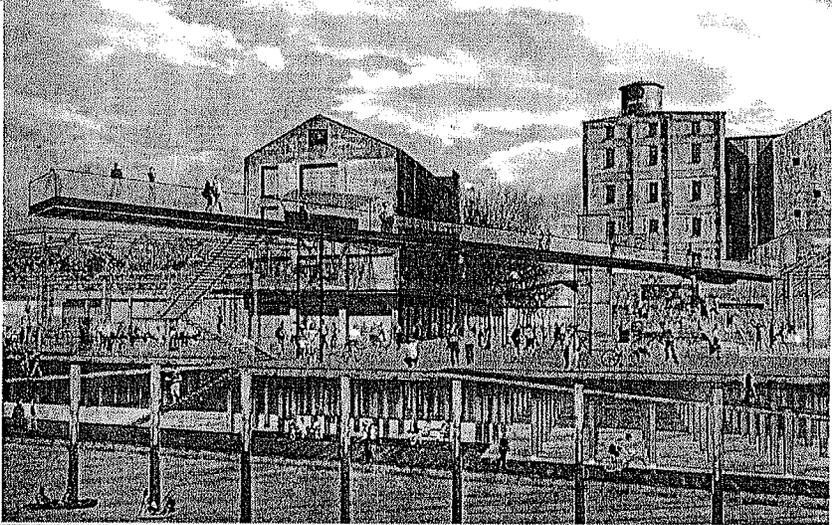
Westside Amendments

Investing in Portland's Future
PDC
 PORTLAND DEVELOPMENT CORPORATION

181971

182961

Projects In Existing River District



CENTENNIAL MILLS

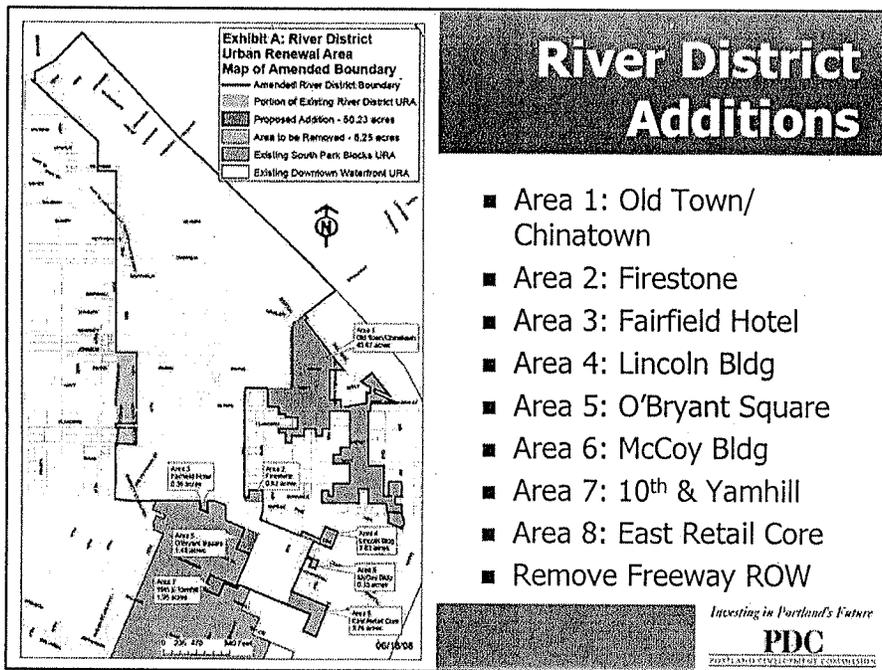
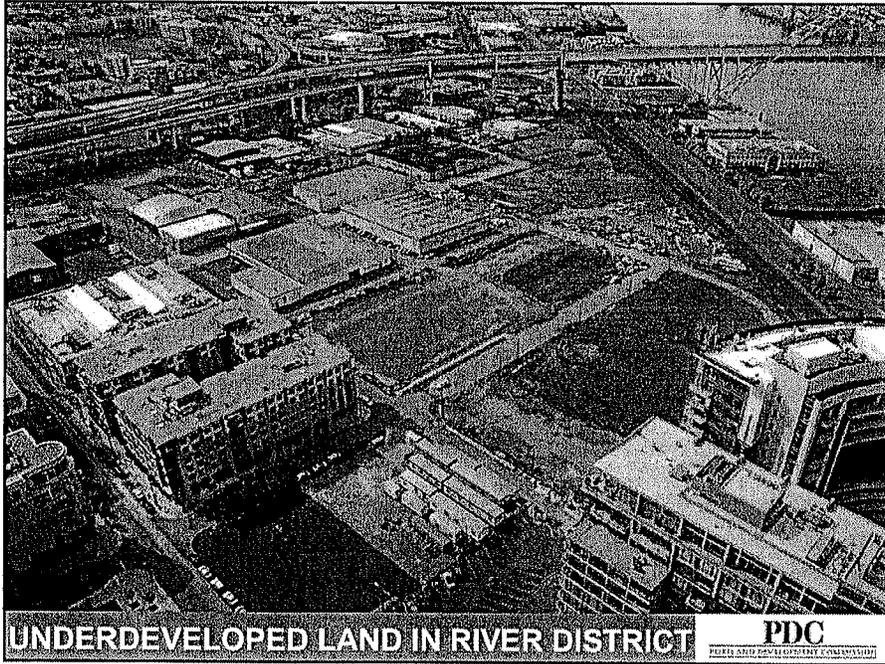
Investing in Portland's Future
PDC

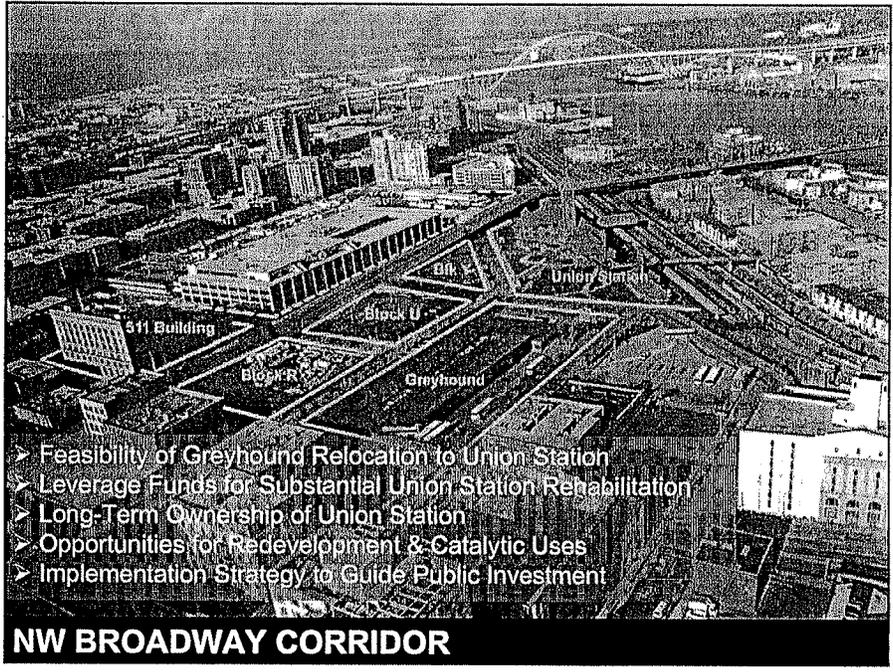
Projects In Existing River District



U.S. POST OFFICE

PDC





Projects Moving to River District

- Union Station
- Fairfield Hotel
- 10th and Yamhill
- O'Bryant Square

Union Station

O'Bryant Square

River District Maximum Indebtedness/ Expiration Date/Size

	Current 2020	Proposed 2021
Last Date for Issuance of Debt	2020	2021
Total Maximum Indebtedness	\$225M	\$549.5M
Year in Which Bonds are Paid Off	2012	2027
Acreage	309	~351

Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT CORPORATION

Benefits

Proposed Use of TIF Resources – \$324M (estimated expenditures)

Redevelopment:

- Centennial Mill
- Union Station
- Post Office

**Infrastructure/
Public Bldgs:**

- Streetcar
- County Bldg
- 10th and Yamhill

Category	Amount	Percentage
Commercial Redevelopment	\$68,040,000	21%
Infrastructure Public Bldgs	\$68,040,000	21%
Business Assistance	\$54,025,702	17%
Project & Program Start-up Admin	\$36,009,292	11%
Issuance Costs & Reserves	\$20,305,655	8%

Business Assistance:

- Financial Assistance Programs
- Target Industry Development

Housing :

- Access Center
- Affordable Rental Housing/Block 247
- Affordable Homeownership

Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT CORPORATION

181971

182961

River District – Financial Impact of Amendment: Present Value		
Revenues Foregone 2016-2027	PV Total	PV Annual
Port of Portland	\$995,671	\$82,973
City of Portland	65,009,788	5,417,482
Multnomah County	61,691,832	5,140,986
Metro	1,372,066	114,339
Portland Community College	4,016,773	334,731
Total	\$133,086,129	\$11,090,511

Westside Amendments *Investing in Portland's Future*
PDC
 PORTLAND DEVELOPMENT COMMISSION

Invited Witnesses

Patricia Gardner – Pearl District Neighborhood Association, Land Use Chair

Patrick Gortmaker – Old Town/Chinatown NA & Visions Committee

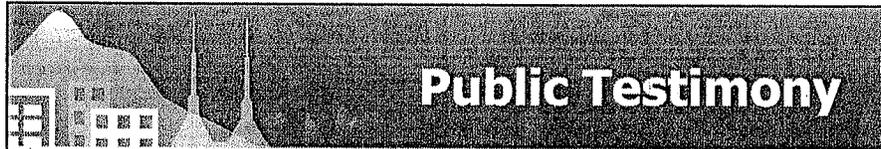
Jan Oliver – University of Oregon

David Wynde – Portland Public School Board Member

Westside Amendments *Investing in Portland's Future*
PDC
 PORTLAND DEVELOPMENT COMMISSION

181971

182961



Public Testimony

Twenty-Eighth Amendment to DTWF URA Plan:
Reduces Plan size by 47.03 acres

Tenth Amendment to SPB URA Plan:
Reduces Plan size by 3.2 acres

Amended and Restated River District URA Plan:

- a. Extends the last date to issue bonded indebtedness to June 30, 2021
- b. Adjusts boundaries to include approx. 50 acres and remove approx. 8 acres of I-405 right-of-way, resulting in a net increase of 41.98 acres bringing the total acres to 351.19 acres
- c. Increases maximum indebtedness for the URA by \$324.7M to \$549.5M

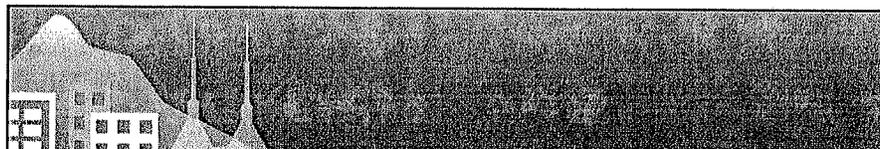
Westside Amendments

Investing in Portland's Future

PDC

PORTLAND GOVERNMENT COMMISSION

End
181971



David Douglas Satellite District, First Amendment to River District

David Douglas Area, First Amendment to River District

Investing in Portland's Future

PDC

PORTLAND GOVERNMENT COMMISSION



CITY OF
 PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **18TH DAY OF JUNE, 2008** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners, Fish and Saltzman, 3.

Council recessed at 1:13 p.m.

Council reconvened at 1:50 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Chief Deputy City Attorney; and Ron Willis, Sergeant at Arms.

At 12:39 p.m., Pat Kelly replaced Ron Willis at Sergeant at Arms until 1:50 p.m. when Ron Willis returned.

DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS NO EMERGENCY ORDINANCES WILL BE CONSIDERED THIS WEEK AND ITEMS WILL NOT BE HEARD UNDER A CONSENT AGENDA	Disposition:
COMMUNICATIONS	
807 Request of Mary Frances Hunter to address Council regarding Sellwood Combined Sewer Overflow project (Communication)	PLACED ON FILE
808 Request of Pedro Ferbel-Azcarate to address Council regarding siting a sewer pump station in Sellwood (Communication)	PLACED ON FILE
809 Request of Lauren Murray to address Council regarding youth transition from shelters to the streets (Communication)	PLACED ON FILE
810 Request of Jeremy Todd to address Council regarding repeal of the sit-lie ordinance (Communication)	PLACED ON FILE
811 Request of Olivia Johnson to address Council regarding people without homes (Communication)	PLACED ON FILE
TIME CERTAINS	

June 18, 2008

<p>812 TIME CERTAIN: 9:30 AM – Approve the First Amendment to the Lents Town Center Urban Renewal Plan to expand boundaries by 140.05 acres, increase maximum indebtedness by \$170 million and extend expiration date to June 30, 2020 (Ordinance introduced by Mayor Potter)</p>	<p>PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>813 TIME CERTAIN: 10:00 AM – Approve the Twenty-Eighth Amendment to the Downtown Waterfront Urban Renewal Plan to remove 47.03 acres from the Plan area and standardize Plan amendment process (Ordinance introduced by Mayor Potter)</p>	<p>PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>814 Approve the Tenth Amendment to the South Park Blocks Urban Renewal Plan to remove 3.20 acres from the Plan area and standardize Plan amendment process (Ordinance introduced by Mayor Potter)</p>	<p>PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>815 Approve the Amended and Restated River District Urban Renewal Plan to expand boundaries by a net 41.98 acres, increase maximum indebtedness by approximately \$325 million and extend expiration date to June 30, 2021 (Ordinance introduced by Mayor Potter)</p>	<p>PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>816 Approve the First Amendment to the Amended and Restated River District Urban Renewal Plan to expand boundaries by 8.53 acres and increase maximum indebtedness by \$19 million (Ordinance introduced by Mayor Potter)</p>	<p>PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>REGULAR AGENDA</p> <p>Mayor Tom Potter</p> <p>817 Reappoint Dianna Shervey, Brian Krieg and John Warner to the Portland Urban Forestry Commission for terms to expire December 31, 2011 (Report) (Y-3)</p>	
<p>Office of Emergency Management</p> <p>818 Extend the Intergovernmental Agreement with Clark County for the distribution of equipment, supplies and services procured as a result of Urban Areas Security Initiative Grant FY 2007 (Second Reading Agenda 771; amend Contract No. 52307) (Y-3)</p>	
<p>Office of Management and Finance – Business Operations</p> <p>819 Amend Intergovernmental Agreement with The State of Oregon for placement of the New City Archives on Portland State University campus (Ordinance; amend Contract No. 37444)</p>	
<p>Office of Management and Finance – Financial Services</p>	

CONFIRMED

181927

**PASSED TO
SECOND READING
JUNE 25, 2008
AT 9:30 AM**

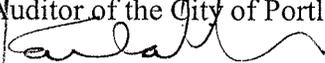
June 18, 2008

<p>820 Statement of cash and investments May 01, 2008 through May 28, 2008 (Report; Treasurer) (Y-3)</p>	<p>PLACED ON FILE</p>
<p>Office of Management and Finance – Revenue</p>	
<p>821 Authorize the Revenue Bureau Director to file actions in Small Claims Court for the collection of delinquent receivables (Second Reading Agenda 775) (Y-3)</p>	<p>181928</p>
<p>Commissioner Sam Adams</p>	
<p>Bureau of Environmental Services</p>	
<p>822 Authorize individual grant agreements for implementation of stormwater management demonstration projects funded by the Environmental Protection Agency Innovative Wet Weather Grant (Second Reading Agenda 778) (Y-3)</p>	<p>181929</p>
<p>823 Amend contract with Brown and Caldwell for professional engineering services for the Columbia Boulevard Wastewater Treatment Plant Facilities Plan Update Project No. 7847 (Second Reading Agenda 779; amend Contract No. 36255) (Y-3)</p>	<p>181930</p>
<p>824 Amend agreement with The Wetlands Conservancy to extend the term of the agreement and provide for additional compensation (Second Reading Agenda 780; amend Contract No. 35339) (Y-3)</p>	<p>181931</p>
<p>Office of Transportation</p>	
<p>825 Call for bids and authorize a materials purchasing contract for the Traffic Signal Light Emitting Diode Replacement project (Second Reading Agenda 783) (Y-3)</p>	<p>181932</p>
<p>826 Grant revocable permit to Rogue Ales to close NW 15th Ave between Everett St and Glisan St on August 1, 2008 through August 3, 2008 (Second Reading Agenda 784) (Y-3)</p>	<p>181933</p>
<p>827 Create a local improvement district to construct street improvements north of Francis St in the SE 31st Avenue Local Improvement District (Second Reading Agenda 800; C-10026) (Y-3)</p>	<p>181934</p>
<p>Commissioner Dan Saltzman</p>	
<p>Parks and Recreation</p>	

June 18, 2008

828 Approve The Simon and Helen Director Park as the name for South Park Block Five (Ordinance)	PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM
829 Authorize and amend a Joint Use Agreement with Housing Authority of Portland, Portland Public Schools and the Boys and Girls Club of the Portland Metropolitan Area for programs and services at New Columbia Community Campus (Second Reading Agenda 797) (Y-3)	181935
City Auditor Gary Blackmer	
830 Certify abstract of votes cast and proclaim candidates elected and nominated at Municipal Non-Partisan Primary Election held in the City of Portland, May 20, 2008 (Report) (Y-3)	ACCEPTED
831 Assess property for sidewalk repair by the Bureau of Maintenance (Hearing; Ordinance; Y1066) Motion to overrule remonstrances and to assess the properties for sidewalk repairs: Moved by Commissioner Saltzman and seconded by Commissioner Fish. (Y-3)	PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM

At 2:33 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

June 18, 2008

WEDNESDAY, 6:00 PM, JUNE 18, 2008

**DUE TO THE LACK OF AN AGENDA
THERE WAS NO MEETING**

June 18, 2008
Closed Caption File of Portland City Council Meeting
[URA Excerpt. Items 812-816]

This file was produced through the closed captioning process for the televised City Council broadcast.

Key: ***** means unidentified speaker.

JUNE 18, 2008 9:30 AM

Item 812.

Potter: This morning, the council will be considering the first reading of five ordinances to amend four of our communities' urban renewal plans. These amendments will serve to close down our two older urban renewal areas, south park blocks and downtown waterfront, and expand two other districts, the lents town center and the river district. There will be no vote today because, by state law, this is a nonemergency ordinance and the vote is scheduled for next wednesday, june 25th. We're going to start with item 812. To do that, i'm asking the Portland development commission chair, mark rosenbaum, county commissioner jeff cogan to come forward.

Mark Rosenbaum: Good morning, mayor Potter, commissioner Saltzman, commissioner fish. Good to see you today.

Potter: Good morning.

Cogan: On this introductory conversation respecting the amendment of the urban renewal areas. I'm joined today by commissioner jeff cogan from Multnomah county who will have some specific comments to make as well as it relates to the impact that these amendments will have on the county and its budget and the cooperative work we've had together. I'd also like to take this opportunity to thank commissioner Saltzman for his substantial work on the urban renewal advisory group which resulted in four of the five amendments you see coming before you today. You'll have amendments you'll be addressing that relate not only to the downtown area I just mentioned but also to the lents area. It's the p.d.c.'s strong desire and direction that our staff take a look not just at the downtown area but the east side as well, and that results in the amendment that you see here and the discussion you'll have in-depth about what we think is possible on the east side of the river to compliment what is going downtown. I want to emphasize that the work you see is not just the work of p.d.c. staff but substantial outreach to the community, including all neighborhood associations impacted by the amendments and business associations represented in the area both large and small. We also stayed informed and, as a result of this process, have new partnership arrangements have have been made with both Portland public schools and Multnomah county. We think that's in the best interest of the community as it relates to our work.

Jeff Cogan: Good morning, mayor Potter, commissioners Saltzman and fish. My name is jeff cogan. I was the Multnomah county representative on the urban renewal advisory group. Last month, Multnomah county board was presented with the plan amendments that are before you today, and thanks to the new spirit of partnership and the cooperative relationship and good leadership at p.d.c., i'm happy to say that that briefing lacked the drama of previous Multnomah county/p.d.c. Interactions, and Multnomah county unanimously voted to support all the amendments before you today. Through my participation as a representative on the urban renewal advisory group, Multnomah already had an opportunity time part its perspective on the front end of this work, which avoided intergovernmental heartburn on the back end. More importantly, it resulted in the proposed plan amendments that reflect the communities but broader communities' priorities while fighting blight in a manner appropriate to the challenges we face today in the 21st century. Our participation in the west side study group went so well that Multnomah county and p.d.c. signed a cooperative agreement referenced by chair rosenbaum so that, from this point

June 18, 2008

forward, when groups are formed to consider the formation or expansion of an urban renewal area Multnomah county and as well Portland public schools and other partners i'm looking forward to in the future will have a seat at the table to participate in those conversations to make sure that the broader impacts on other jurisdictions as well as the community as a whole are considered as these decisions are being formed. Together these agreements, I believe, mark the beginning of a more evolved, positive relationship between Portland development commission, the city of Portland, and your jurisdictional partners. I thank you and applaud you for this partnership and would encourage you to support the amendments before you today. Thank you.

Fish: I just want to compliment commissioner cogan, who is actually my county commissioner, for framing this issue, the impact of decisions we make with respect to our urban renewal districts and other jurisdictions. As a candidate, I had to chance to sit down with you, jeff, and you educated me about the impact, the 26 cents on the dollars, in terms of mature districts. As we know, the city has been having structural surpluses of late, and the county's been experiencing structural deficits.

Cogan: Indeed.

Fish: And that is particularly important to me because, as the new housing commissioner, i'm charged with leading the 10-year plan to end homelessness. We have the money to do our end, which is break some mortar. You're experiencing deficits, which puts at risk your obligation to provide the services. I thank you for making the connection for all of us between the decisions we make at urban renewal districts and impacts on other jurisdictions, and I think the cooperative agreement is a really positive first step in making sure that everybody is affected by our decisions at the table, so I compliment you for your work on that.

Cogan: Thank you, commissioner fish.

Rosenbaum: The slide you see before you outlines the nature of the amendments before you and also discusses prior urban renewal areas that have been in existence in relation to p.d.c. You'll see that over the last number of years, p.d.c. has completed six urban renewal areas which have been retired and two of the 11 districts that p.d.c. oversees right now, we will issue our last indebtedness in -- indebtedness in 2008, based on the amendments in front of you and one the airport u.r.a. is already out maximum indebtedness and no additional debt will be incurred as it relates to those districts. I think it's important to understand that p.d.c. has served was a very important source of capital to make the infrastructure and development opportunities in this city possible and to keep the city strong. In going forward today, you are looking at another opportunity of providing p.d.c. with the tools to invest in our future and make significant improvements in terms of our job readiness, our development opportunities and safety for the city and housing and I believe it's a very important step. Let's begin with the first urban renewal area and a discussion of the lents amendment, and we'll start there. The p.d.c. board's concern that, as we watched more and more of the city's population move further out to the east side in order to find lower cost of living, that part of our community have access to the tools that p.d.c. makes available. And accordingly p.d.c. staff for the last year has been meeting with the neighborhood associations, business associations in doing evaluation of the opportunity which exists to help small business and housing opportunities on the east side of the river. The first amendment you'll be looking at thereabouts suggests the enlargement of the lents urban renewal area from around 70th and foster down to around 50th with some additional activity at 122nd. I think this will make a profound difference in that area. The other thing i'd like to emphasize is that the committee involved in this wanted to make sure that, with the expansion, pdc didn't loose site of their desire the lents center is created. That is the focus of pdc's effort. We're not going to move away from that, but we do think expanding the territory provides resources to a broader range of folks as well. So with that brief introduction, I'll turn it over to Kevin cronin and bob Alexander for a detailed run through.

Bob Alexander: For the record, i'm bob alexander, special projects at p.d.c., and i'm joined today by kevin cronin, who is the project management for the lents amendment. The urban renewal

June 18, 2008

advisory committee that advised the lents group recommended the following items. To extend the last date to issue debt from 2015 to 2020. They would also recommend increasing by 170 million to 245 million the total maximum indebtedness. That would extend the last date in which debt would be paid off to 2026. And also, which you'll see in a moment, increases the acreage by approximately 140 acres, which would go from 2707 to 2847. These particular amendments were again recommended by a subcommittee to the lents advisory commission and passed on to our commission for your consideration today. Kevin Cronin will now detail some of those details of the expansion.

Kevin Cronin: Bob just provided us a financial picture. This is kind of the geographic look. The first one that just popped up is the foster corridor. This is just the commercial corridor with a couple of multichannel properties on either side of the commercial corridor that runs from about 50th all the way down to the existing boundary at 79th. There is just starting to happen some things with foster corridor. Some new businesses are opening up. P.d.c. wants to help continue more businesses to locate there. Out of all the phone calls I've gotten at my desk, this is the one that I get the most in terms of folks that are really interested in seeing what's going on there, folks that want storefront grants, business loans, those sorts of things. It's a really positive thing. The next area I want to bring up is a couple of the key intersections we looked at as far as opportunity sites. There seems to be continued blight not along the foster corridor but these major intersections. The one that just popped up is the intersection of Powell and 122nd. There's lots of opportunity sights out there. The next one generally speaking is the one 122nd and foster, additional opportunity sites and additional blight that's been addressed. We have Alice Ott middle school we would do a project consistent with the schools, families, housing initiative. As well as [inaudible] they've just completed a master plan and have asked for our assistance. We're also asking for deletion of right of way along 205. That 65 acres would go back into the general citywide kitty for city council and p.d.c. to use for other urban renewal areas. I don't want to lose sight of the existing u.r.a. as we move forward. That was something we heard loud and clear from the subcommittee. The existing town center area is right down here. 205, 92nd and foster and then The Fruitland land site is another key area. Going from sort of the macro level down to the micro level looking at town center, I just wanted to kind of brief you real quickly on some of the acquisition activity we've had since 1998. Assured NW right here, we've just completed phase one. Phase two. And then former lents site I'll talk a little bit more about as well. I have some good news to report. We just closed on the 92nd avenue gentlemen's club right here just across from the new copper penny. As you know, the max green line is under construction, and I will talk a little about that as well. We have over the last 10 years acquired these properties. Now we're positioned to actually package them and r.f.p. them and start to redevelop them, so we're right on the cusp of trying to get something under way. You can see from the photo we have existing phase one. There is retail down below. We're just starting to see those spaces fill up. The café is opening up this week. Assured NW moved their headquarters and there are about roughly 35 jobs to that location. Phase two is this graphic with the circle around it. We'd like to get that under construction shortly. This is an example of the type of redevelopment we'd like to see in a town center and continue to move forward with those other properties that I just mentioned. It really demonstrates that the lents town center is open for business. I mentioned the green line, max-1205 green line. In addition to the lents town center, there are three other station areas, southeast Powell, southeast Holgate as well as southeast Flavel. We plan on redevelopment assistance and making sure some of these stationeries get off the ground. With additional funds, we can make that happen. And, in addition, I think really, for the green line to work, I think Tri-Met really supports p.d.c. Tri-Met really needs p.d.c. to be successful in order for the light rail stations to work. Our job is to make the places around the stations, Tri-Met obviously is responsible for getting the ridership to make it work. Freeway, this is all about jobs, jobs, jobs. This is the biggest key site we have not only in lents but also in the city. We would like to work with the current property

June 18, 2008

owners and make something work at this site. We are current property ownership that is willing to listen to the city. We'd like to come back at some point to talk to the council about that. With additional funds, we can provide public infrastructure assistance, debt financing, and economic development systems to make something happen. And then sort of the last project is more sort of a housing type project, but it's also going to be mixed use. As I mentioned, the former little league site, which is located to lents park, we are just requesting a zone change from the bureau of development services, and with that zone change we would like to issue an r.f.q. to get a developer onboard and work with that developer. The problem is we don't have additional resources to offer any additional carrots other than the land to make that site work. With the amendment, we can actually get something off the ground there, and we're very, very excited about that. So I am going to get out of this power point show temporarily so we can go to a video produced by p.d.c., and it has a couple of our local stars from lents town center area. [video follows]

*****: Behind is one of the major projects here in the lents town center, and it represents the type of commercial development that we're really anxious to bring to lents. It's a high-quality building, has lots of space for retail and offices upstairs. It's also been really successful in bringing new jobs to lents.

*****: One of the nice features about the building is the street scape. It really represents the future we want to see in foster. More pedestrian accessible, bringing in more business for neighbors. We hope that will be the future for the rest of the foster corridor. This is what you see on southeast ramona street, which is actually of interest to the light rail station. It's one of four stations in lents and perhaps one of the most important, because this is the lents town center at foster road station.

*****: And what we have here is where it leads from the light rail station to where the sidewalk ends and then has a 20- to 30-foot stretch to connect us to the other side of the sidewalk, and it is not a.d.a. compliant.

*****: There is no plan currently for investment of ramona street, and it's very important that we really consider improvements here as you can see how deficient this street is.

*****: What the plan amendment will do is bring resources to this area that will allow us to redevelopment this street and really focus on transit-oriented development and improving the quality of the actual gateway to lents and the view that most people will see from the light rail platform.

*****: We've been here in this studio, in this building on southeast 57th since 2000. We've become a center in our local community for arts performances, rehearsals, yoga classes. With the coming of the foster urban renewal area in this part, it's going to help us, because right now we're thinking of expanding our space. We're way too small for what we do, and we have the ability to move further to the site block, which would be nicer for the neighborhood as well and more of a storefront feeling and as well as expanding our space so that we could have more audience and the dancers could actually have a dressing room.

*****: So going back to the presentation, I would like to turn it back to bob alexander, please.

Alexander: So those current and future projects which you've just seen are reflected in the t.i.f. Resources required, approximately \$170 million increase. The pie chart before you reflects those priorities divided into transportation, redevelopment, housing, and economic development, industrial emphasis. Within transportation, we just heard about foster road area. Within redevelopment, certainly the lents town center redevelopment itself and revitalization is a key element. Within the industrial economic development category, freeway land is a critical project. Within housing, we will continue to do home buyer programs and other important programs related to affordable housing. This list was one that was developed through a great deal of neighborhood input as well as input from other taxing jurisdictions, and it represents again approximately \$170 million total. This, however, does have impacts to the other taxing jurisdictions. The following represents what is the present value impact of this increase in maximum indebtedness during the 11

June 18, 2008

years from 2014 to 2025. The taxing jurisdictions have been consulted as part of this process. Included in your packets are letters of support from Multnomah county e.s.d., the port of Portland, david douglas school district, and you heard earlier from commission cogan about Multnomah's support, and there's also a cooperative agreement with Portland public schools. I'd like to now turn this over to some invited testimony.

Fish: Before we do that, could I ask a question?

Potter: Yes.

Fish: I want to go back to the chart. I'd just ask the general question. 25% of this pie chart is dedicated to housing. How are we doing overall in terms of meeting the 30% satisfied goal?

Alexander: We are doing well with that. This is actually project expense only. And if you were to include in the staffing, we're about 31% of our total effort in terms of the t.i.f. set aside.

Saltzman: I wanted to ask a question, too, on that pie chart about the 18% for materials, services, bond issuance.

Alexander: That is part of the financing issue. We do have folks here who could respond to that specifically.

Saltzman: Are you telling me 32 million is involved in the staffing of the lents u.r.a.?

Alexander: As I understand it --

Cronin: We'll respond to that.

Tony Barnes, Portland Development Commission: I'm tony barnes, principal budget analyst at p.d.c. The amount labeled as bond proceeds or materials and services includes all staffing and administrative costs and implementing all projects and programs associated with this amendment and any bond issuance costs are included in that.

Saltzman: Does that include service related like planning, design, consulting services or is this all internal p.d.c.?

Barnes: It's all internal cost estimates at this point.

Potter: How do you then prorate the cost of this effort? Is it based on the total amount of the t.i.f. money available or is there some other formula used to be able to include the cost of the Portland development commission?

Barnes: I don't have the specific answer to the proration in this particular model. Normally we take an estimate of total bond proceeds, roughly between 15 to 20% over the life, looking at the future of the district that would go towards overall administration of projects and programs in the district.

Potter: Materials and services aren't normally personnel. Are you computing personnel into this, too?

Barnes: That's correct.

Saltzman: Is this broken down in our notebooks or can we get a breakdown of this before next wednesday?

Alexander: Yes, it is broken down in your notebook.

Saltzman: It is.

Alexander: Yes.

Potter: Further questions? Thank you, folks. We'll call up the invited -- invited speakers.

Nancy Chapin, President, Foster Area Business Association: Good morning, mayor and commissioners. I'm nancy chapin, the president of the foster area business association, and I also of course have a business on foster road. I'm testifying in favor of the lents urban renewal expansion amendment west on foster road as well as the other expansion proposals included. This important project to support its businesses, its community with having the opportunity to do storefront improvements, to take some of those buildings that have been there a long time, some of which have even been empty longer than they should have been, and assist new owners in being able to move forward on the kind of investments that needs to be made in some of them, including earthquake improvements and so forth, has the potential to be very important. I mean, foster road is the road

June 18, 2008

into lents, the road out of lents, the road through lents, and some great things have been happening in lents in this nine years. I personally think the things have happened -- when I look back at the fact that federal dollars have been coming into northeast Portland for 43 years through the model cities program, the first federal dollars that came in, and the fact that they're just now moving into really making some tremendous progress in that area, I think that the urban renewal advisory committee and the folks from p.d.c. and the community has done amazing things this nine years of the lents urban renewal district. So I just want to give my -- the foster board of course has definitely approved my testimony here today and is delighted to have this opportunity to improve our community by having the expansion of the urban renewal district. Thank you.

Jess Lavehtall, Lents Neighborhood Association: Good morning, mayor Potter, commissioner Saltzman, commissioner fish. My name is jess lavontal. I represent the lents neighborhood association. Also serve as the neighborhood association delegate to the lents town center urban renewal area committee. And i'm here to express my support of and the neighborhood's support of this expansion. When we first found out about p.d.c.'s plans to consider this expansion, we had some questions. After all, this is called the lents town center urban renewal area, and the town center roughly defined is 92nd and foster. However, looking at the three questions -- the three key questions that we were asked -- should the current expiration date be extended? Should the u.r.a. Boundary be expanded and where? And should maximum indebtedness be increased to complete existing problems in the u.r.a. plan and to continue funding existing projects and identify new projects identify by the community? The answers from the neighborhood astoundingly was yes, yes, and yes. And here's why. On the urban renewal committee, we were looking at a budget of essentially closing down 10 years of effort for urban renewal, yet the results, many neighbors felt, were marginal. We've seen some new businesses come to the neighborhood, but we've also seen some stalling over the years, and now we think that things are just kicking into gear, especially with the coming of light rail, with new businesses moving to the neighborhood, and again we still have one of the last major centers of job creation in the city, the freeway lands. By this expansion, we are increasing opportunity for the whole neighborhood to improve economically and socially as well. I think we have a lot of opportunities for new homeowners, for new businesses, and better options for transit-oriented development in what's going to become a much more challenging environment in the future. So looking at a visionary perspective, this urban renewal expansion really is a win/win situation for lents. Thank you.

Cora Potter, Lents Town Center Urban Renewal Advisory Committee: I am cora Potter, and i'm the chair of the lents town center urban renewal advisory committee. No relation to the mayor.

Potter: That's probably good.

*****: [laughter]

Cora Potter: I want to first thank the city council and the Portland development commission for the opportunity to participate in this process and for the opportunity to speak today. My friend, mark, asked me the other day at the community forum for the Portland plan how i'm able to remain so positive about the potential for change in outer southeast Portland, and one of the reasons is my experience during the plan amendment process for our urban renewal area. It's been more than a year since we started talking about the potential for expansion of the u.r.a. in a routine budget committee meeting. Since then, i've watched the community move from a position of apprehension to one of excitement. In the last few months, talking with citizens across the city, i've rarely, if ever, heard from someone that thinks bringing significant resources to the area to greatly improve the built environment is a bad idea. Resistance from our tax jurisdictions failed to materialize, and instead I was pleasantly surprised by the positive feedback and encouragement we received. The whole experience has led me to believe that there is great support at all levels for completing, improving, and expanding the original vision for the lents town center and adjacent neighborhoods. And I really feel that what this plan amendment represents is a good move forwards positive parity

June 18, 2008

of investment in the city and outer southeast Portland. This is an area where the populations are increasingly becoming more minority, more low-income populations, a lot of low-english proficiency population, and we really need to focus on making sure that, as the population grows, we're making a good place for them to live. So approving this amendment means that we're greatly improving the odds that one day outer southeast Portland will be a place where elders can stroll arm and arm along a grand boulevard on foster road through a vibrant business district, where a worker can get on the max and two stops later arrive at a bustling center of commerce and distribution, then ride the train back to the park to meet their family at a little league game. It will be a place where a traveler can stay in a small boutique hotel and ride the streetcar to the hawthorne district one day and a bicycle to sellwood the next. Achieving the goals in this u.r.a. plan is an essential part of creating the city of Portland that we all would like to see citywide. Thank you.

Potter: Thank you, folks.

Fish: Mayor, may I just make one comment?

Potter: Yes.

Fish: I just want to say that the video component of our presentation was terrific. The power points have gotten very sophisticated here. The video is a great asset. And I assume you both now have agents and you're looking at the next career move.

*****: [laughter]

Fish: But I really appreciate that. I have to do a council work session in october on our city's housing policy. I'm going to take a page out of what you've done because I think it's hugely effective.

Laventall: Please do. And we invite you to come out to the lents neighborhood.

Fish: Love to take a tour with you. And great to see you, nancy.

Chapin: The 13th is fun on foster, so especially put that on your calendars.

Potter: Thank you, folks. How many folks are signed up to testify on this particular issue?

Moore-Love: We have four more people signed up.

Potter: Please call them forward.

Potter: Could you read them again, please? You'll be next, mr. Butler. Folks, please state your name when you speak. You each have three minutes.

Beverly Palatay: My name is beverly palatay. I live here in Portland, Oregon, and i'm very concerned. I'm roman catholic. I go to st. Michael's. And i'm very concerned about Portland. You know, I see a lot of homeless people on the streets all the time, and it really depresses me, because -- you know -- the young and they can do better than that. A lot of them out there, they can work. And -- you know -- I have compassion for them. I know it's hard times, but --

Potter: Ma'am, is this testimony in regards the lengths urban renewal area expansion?

Palatay: Well, that, too.

Potter: That's what you're to testify to. Thank you.

Palatay: Ok. Well, I think that in the lents that we're having here, I think it's wonderful. I think we're making a lot of good progress, and I think we need a lot more improvement toward that, too. And I think with the support of our community and -- you know -- things like that, I think we can get a good outlook on things. That's my testimony.

Potter: Thank you. Please state your name.

*****: [inaudible]

Potter: You wanted to speak to us about lents?

*****: Yes.

Potter: Please go ahead. You have three minutes.

Hanh Kim*: My neighborhood really making [indiscernible]. I like to clean it up with those things. But is sometimes the beautiful trees and is a nice neighborhood, but some trees are really taking up the neighborhood. And them also my house and nearby three house across the street have

June 18, 2008

stores, and people customers go in there, buy some candies and cans of drink. Just throwing them on the streets. I keep picking them up, but I like those kind of stop.

Potter: Thank you.

Jim Dryden: My name is jim dryden. I live at 122nd near foster for 30-some years, and i've been discouraged with the bad appearance of our foster street, so I was hoping to reach businessmen, because they can do what they want on the town center and new buildings, but businessmen need to sharpen person up the appearance of their businesses. It would be of great benefit to them and to all of us. Not knowing if I would have an opportunity to leave something, I took about a dozen pictures in the last week to leave with somebody showing what I mean about the junkie appearance of existing business. We can't expect them to move, but I hope we can see for their sake and ours, that they spruce up the appearances, because no matter what we do with the approach to the max and to 92nd and foster, the heavy concentration of body shops, iron works and things that have a legitimate reason to be there need some perking up. One example -- and with this i'll finish -- is the power station at about maybe 105th. It's one of the few in the city that have never been asked to put any hedges. It's just ugly electrical. And so it's a lot up to us as individuals, business owners, and residents to straighten up our own places and then have the government help with building and new jobs. That's what I had to offer.

Potter: Thank you, sir.

Mark White: My name is mark white. I'm a representative of powell hurst neighborhood association. I'm here to offer my approval of the expansion further into powell hurst gilbert. I also like to encourage the town to work with the p.d.c. to further expand the urban renewal area to the other side of 122nd. That corridor has seen tremendous growth in the last several years. In fact its reached its in-fill expectation for 2015 in 2007. Population has grown 25% between 1990 and 2000 and the same growth is expected between 2010-2020, perhaps a little bit more. There's still quite a bit of opportunity there. The boulevard is quite large. There's plenty of room for mixed development that would include both commercial and residences. There is effectively no commercial development in that area between holgate and foster. And currently the urban renewal area already includes the western side of 120 second. There's tremendous opportunity. The area is anchored on all sides by natural resources. It has leach botanical garden to the south, powell butte to the east, zinger farms and begger's tick in the west, and it also has spring water corridor going right through the middle of it. So the potential of anchoring all of that together between the natural resources and the extremely viable opportunities for development I think are excellent. I'd also like to note that the neighborhood association in recent months had p.s.u. students come in to do a study of the 122nd corridor and voted about 4-1 in favor of mixed-use development over additional multi-family development. I'd strongly encourage you to vote in favor of this amendment, but i'd also like you to really think about the needs of that area beyond 205, beyond 92nd to where a tremendous amount of growth is going but a lot less attention. So I think it's possible to have not only the lents town center development but also another business district on 122nd.

Robert Butler: I'll give you \$100 for the rest of your time. No? I'm robert butler. Southwest 18th avenue, Portland, Oregon. I'm talking about item 612. I'd like to say this also applies to the other ordinances, most of my comments. Saving you time. The same general comments. First of all, this strikes me as the largest single discretionary decision to borrow money in the history -- discretionary the history of our city. It's the largest in the history of our city. Discretionary. Might be wrong. I think it is. 170 million represents 40% of the total package. 40% of the total package is a big number. I'm looking for the analysis that says year by year these are the cash flows, the expenditures, the returns, the high end, the low-end risks, how we can compare alternatives and do an analysis equal to maybe a \$4 million expenditure instead of a 400 million, because I don't see the analysis here for even a \$4 million expenditure. I don't even see one spreadsheet over the life of the project. Secondly, the effect on education. It's interesting that the Multnomah county

June 18, 2008

superintendent says all four ordinances would not fiscally impact his kids. It's in your attachment. Amazing that he would say that. School district of Portland did something different. They says, we know you're going to take money from the kids. We know that \$400 million additional, \$100 million of that represents education for students in burns. Coos bay clear across the state, we're taking their money. We know we're compromising our own kids' education tomorrow, the next day, for decades to come. We know that, and we support it. I ask you which is worse? Supporting it or not even knowing what you're doing. I am really upset that you're compromising our kids today, my kids, their kids with this kind of a philosophy, this kind of expenditure. I don't think you can steal from our kids' education and you shouldn't. Thirdly, these borrowed funds, they're coming from tax dollars that are used for public safety, streets, improvements. You're creating blight, so you're creating blight in the process of trying to help blight, and I think that's a mistake. I would urge you to look at senate bill 412, 2005 session, of how we separate taxes for kids from losing their education. Thank you for listening. This is a big -- very big -- item. 40% of the city council is gone. I think we deserve more of a quorum to deliberate this. Thank you. And appreciate your good for fortune, your good luck, and your hard work.

Moore-Love: That's all who signed up.

Potter: There are some questions for staff. Could the staff please come back?

Fish: I just want the public to see this is the phonebook size of our briefing on this issue. So commissioner Saltzman and I could use some guidance as to where in this compilation of documents is the breakdown for that pie chart just so we could follow that.

Alexander: That's in exhibit b under the planning commission's summary in one location on page 9. It's also located in the main part of the report.

Saltzman: Are you speaking all within the lents tab?

Alexander: In the lents tab, yes.

Potter: Where in that exhibit for the lents is it?

Fish: Just for the record, we appreciate you pointing that page out. Commissioner Saltzman and I would appreciate between now and next wednesday if we could just get a more detailed break down of those numbers so we can look at them and, if we have any questions, could bring those to your attention.

Potter: Why don't you do that for all the council offices.

Alexander: We will.

Potter: Good.

Fish: I have a couple of other questions, and one is just a general comment. I know that a principle driver of what we're doing here with the lents urban renewal district is to create jobs and the focus is on family-wage jobs. We know today that it takes about \$85,000 of family income to afford the median-priced home in our community, so therein lies one of our biggest challenges in terms of housing affordability. Could someone just briefly address the question of how have we done on job creation up to this point and what the forecast is going forward under these amendments?

Cronin: We had an evaluation done from 1998 through 06/07, and I have a number. Don't have that off the top of my head. I need to thumb through this phonebook. So direct assistance to small business has led to over 183 jobs being traded or retained since 1998. Those would be jobs that were created or retained?

Fish: 183 jobs?

Cronin: That's correct.

Fish: And would those be jobs either created or retained? And would those jobs qualify under the general heading of family wage jobs that we're talking about, 18 to 22, \$25 with benefits?

Cronin: Based on my understanding, yes. They take an average of the various jobs of those businesses they work with, and it's a living wage.

June 18, 2008

Fish: Looking forward, have you done forecasts of what you anticipate these amendments would generate in terms of future activity, building in some assumptions?

Cronin: Historically we have not done projections for job growth. We leave that piece to other city agencies. Bureau of planning has economic and policy information. We sort of leave it to them to project. Now, to a specific -- that's like a citywide number. As far as specifics in the lents, we still don't have a projected number of the number of jobs that we're expected to create.

Fish: I would just say that, from my point of view, since we hear frequently that we should be focused on economic and job creation as a core function of our urban renewal districts, I think it would be helpful to me and probably my colleagues just to be able to quantify that data as much as possible. I think it's also, to the extent there's a good news component, also something we should be sharing with the public.

Alexander: Commissioner fish, if I may, I believe in the lents town center, the johnson creek industrial area, they estimated 500 jobs if that particular project was redeveloped in the freeway land area. That was one estimated number.

Cronin: Yeah. We look at it from a project basis but don't do it for the whole u.r.a. because of variables. When we put together a number, we want to be confident about that number, even if we have to put a lot of assumptions behind it. Historically, you see us stay away from trying to do that. That's why we try to look at the specifics of how many jobs we want to create at x, y, and z. Sites.

Fish: I could take this issue up when I have my regular meetings with the executive director just 'cause again i'm on a learning curve like this, so i'm trying to get a handle on this. The other thing I wanted to ask you, with respect to freeway lands, because obviously with the prospect of having the land where the post office is currently sited, the conway area development, the area around the convention center, the rose quarter, we have these extraordinary possibilities. Is there a possibility, with the contemplated development of freeway land, there would be some combination of industry and park there?

Cronin: Both those concepts are on the table right now. We are internally looking at freeway lands right now amongst all the bureaus and trying to make freeway lands work for the entire community.

One concept is to redevelop it as an eco industrial park. Another concept is to do both, try to have a recreation point as well as having industrial there. All those issues are on the table right now, and we're trying to get through that issue.

Potter: It's my understanding that the freeway lands, actually only about two-thirds of the property could be used for construction, that the rest is in the johnson creek corridor area and that is subject toed flooding so that would only be about two-thirds and the rest would go to the natural habitat restoration.

Alexander: There's setback for flood control there as well as part of that redevelopment.

Saltzman: We heard testimony and there's written testimony from the powell hurst gilbert neighborhood about extending the urban renewal area further east on holgate. Why did we not take that into consideration?

Cronin: It's a good question. It's something we talked about to them when we presented last april. We were by fault very conservative in the number of acres we were looking at. We wanted to not set expectations too much. We set expectations too high back in 1988. We delivered some things. We haven't delivered others. We wanted to maintain the focus on town center but look at some other sites. Foster corridor was one that, in my opinion, was a slam-dunk. These other opportunity areas are going to be more difficult to turn around, so we concentrated on some key intersections. We know we've got lots of vehicle trips, lots of visibility. It'll will be a high-impact area for the community. So concentrate those resources in certain areas. We did not want to extend it too far. Also we have a citywide limit of 15%, and we did not want to sort of take up all the acreage in lents

June 18, 2008

'cause we have 10 other districts that are going to be looking at their futures as well through the future of urban renewal process.

Alexander: The total limit by state law is 15% of cities, so before we started this amendment process, we were about 850 acres. We have roughly 700 acres left.

Saltzman: Before this amendment or after this amendment?

Alexander: After.

Saltzman: 700.

Alexander: Right. The average size of a community-based urban renewal district, by the way, is about 1500 acres. Downtown, it's roughly 300 acres. So I think there was some concern, and that's why we actually took right-of-way out of i-405 in order to help that overall -- and 205 to help that overall number.

Saltzman: I guess I need to ask then -- this may be a question for our legal council at this point, but if this council wants to include that area of holgate, east 120 second, do we have the authority to do that, amend it?

Alexander: I think that's a question for legal council.

Saltzman: Are we way too far down the road? I guess what takes me as a little ironic is we're going to see in subsequent presentations on the river district, and we draw those lines pretty willingly, i'd say, to accommodate projects and where we think things are going to go, and this seems like a pretty small, innocuous request to add a few blocks of holgate east of 122nd, so i'm kind of looking at the parity equity on this one. Maybe i'll get an answer from harry in a few minutes. Part of our role, I guess, is to approve this. Implicit to me is the ability to amend.

Harry Auerbach, Chief Deputy City Attorney : The short answer, commissioner Saltzman, is that in order to do it you'd have to go back through the same process as a plan amendment.

Saltzman: We'd have to do the whole public renotification of every resident in the city?

Auerbach: I believe so. I could look into that and give you the details, but that's by initial reading of the statutes.

David Elott. I think that's correct. We would probably need to take that back through the process initially to the Portland development commission for approval and then to the planning commission and then back to you.

Saltzman: So it wouldn't necessarily require -- it would require the citywide notice, too?

Elott: Probably. You'd have to look at the significance of the change, but probably it would require the super notice as well.

Saltzman: If you could take a look at that, we'll talk more about it.

Potter: Other questions? Item 812 is a nonemergency ordinance and moves to a second reading next wednesday. Karla, please read items 813, 814, and 815 together.

Potter: Just through 15?

Moore: That was 815. Did you want 816?

Potter: No. No. Thank you very much. To introduce items 813, 14, and 15, we have commissioner charles wilhoit and county commissioner jeff cogan.

Items 813, 814 and 815.

Charles Wilhoite, PDC Commissioner: Good morning. I am charles wilhoit, p.d.c. Commissioner, and it the honor of serving as the co-chair with former commissioner erik Sten of the urban renewal advisory group, and i'd like to thank you for this opportunity to come before you today to talk about these significant and important amendments that will have the potential impact of continuing to alter the landscape of Portland and our downtown area for years to come. On that committee was also commissioner Saltzman, commissioner cogan sitting to my right from Multnomah county. We had john cruise, a citizen representative, and we had don hanson from the planning bureau, and we also have chair rosenbaum. As you know, that particular committee's charge arose from the joint budget committee that related to the formation of the june 30 '08 budget

June 18, 2008

of the p.d.c. During that budget committee process, we noted that the downtown waterfront and south park blocks, urban renewal areas, were set to expire, meaning that we would hit the date where no debt could be issued after that date. So looking at that circumstance, we were charged with the responsibility of looking at urban renewal in the downtown area, and that committee sat through, as chair rosenbaum mentioned this morning, roughly 10 months of meetings. We had nine specific meetings. We had individuals coming in, speaking to us, representing jobs and the economy, arts and higher education, infrastructure, including parks, transportation and energy, and urban planning and policy. And our goal was to look specifically at urban renewal in the downtown areas with regard to the south park blocks, the downtown waterfront, and the river district. Of course there are constituents throughout the city who have visions regarding what should happen with or to those urban renewal area and the use of increment financing going forward, and we did consider many of the things you heard talked about today. The mission of p.d.c. is to focus on development of housing. Commissioner fish, you emphasized the 30% setaside. That was one item guiding us during our process, but we also looked at general and economic development. I remember the initial meetings in that process, and our initial reaction was we have done very well with regard to urban renewal, urban development in the city of Portland through the direction of the council and the implementation of p.d.c. Is it time to this shut down certain urban renewal areas? We realized that the success we had achieved led us to realize that we had significant things that yet needed to be accomplished. Some of those items included preserving affordable housing in the south park blocks, certain investments in retail and other economic activities. We also have the opportunity to look at the post office a project that has been considered for some 20 years and we had to factor all those thoughts into our consideration as well as tax jurisdictions into dollars that were being forfeited. And we heard that quite a bit. There's been a discussion that it was not considered enough. I will tell you that commissioner cogan's presence on that committee and other parties who came in and talked to us made it clear that that was something we had to consider for our decision making. At the end of the day, it boiled down to decision making with regard to limited resources and unlimited demands almost. As we concluded our process, we looked at the critical projects that remained to be completed. Old town, chinatown and certain investments in workforce housing and economic development. There was just a long list of items that yet needed to be completed so that we can continue the growth and development and advancement of Portland. And that was, in a nutshell, the key issue we were facing. So when all was said and done, we determined that there were critical projects, critical investments that needed to be completed in order to complete the planning that has been established in the Portland plan and that has been laid out with regard to Portland development commission while considering the taxing jurisdictions. And i'm here today to urge you to support these amendments because all other things considered I don't think anyone in the city can say that the impact of Portland development commission through the city's guidance is not favorable and positive with regard to downtown Portland, and we can't ever come to the conclusion that we can be done with investment. Coming from a business perspective, investment is constant and required in order to maintain what we have and advance our position, and that's really what we're talking about. We're facing economic downturn right now in the country that's slowly coming through Portland, and we're feeling it, and that's not the time to stop making investments in our future, and that's really what we're talking about. Because we completed that process considering housing development, economic development, taxing jurisdictions, we brought to the county to the table. Other parties will come to the table in the future. We can't pause or stop on our development activities, because it will cost us much more down the road. In my two years at p.d.c., I have yet to see a project come before me that started two or three years ago and staff smiling at us as they're recommends it to us saying, oh, by the way, it's cheaper. That's not going to happen. I encourage you to support these amendments. We have work that remains to be done, and that will help advance the city of Portland. Thank you.

June 18, 2008

Jeff Cogan, Multnomah County Commissioner: Good morning again. Jeff cogan from Multnomah county. As p.d.c. Commission wilhoit mentioned, I did serve as the county's representative on the west side advisory group that considered the three agenda items we're now discussing. I'd like to say that mr. Wilhoit did a very terrific job of synthesizing what was a long detailed plan, and I do agree with his characterization of both the level analysis, the balancing, and the very cooperative collaborative approach that that process entailed. Multnomah county does support these plan amendments. We believe that they balance the needs of the community while fighting blight with smart targeted investments. Before we delve into the bigger picture presentation of these ed amendments, I wanted to briefly draw your attention to a letter that I have submitted to you today which is going to be passed out right now on behalf of myself and Multnomah county chair ted wheeler. This letter outlines some of the reasons that the plan amendments before you conform within an established urban renewal law to partner with jurisdictions, flight central city blight, and protect public and private investments on the downtown bus mall. The River District Plan amendments propose to do among other things investment in two buildings of particular interest to Multnomah county, the first is the mccoys building at southwest stark street and fifth avenue and the second is the lincoln building at southwest oak street and fifth avenue. The plan amendments would bring those into the river district. A third Multnomah county building, the meade building at southwest 5th and Washington is already located in the river district urban renewal area. All three buildings are located on three blocks smack-dab in the middle of the downtown bus mall. This is an area in which local government is currently investing hundreds of millions of dollars, being matched by more investment from the private sector to combat blight and promote a vital central city. This particular portion of the bus mall is among the weakest and most blighted. Specifically, these three buildings require significant seismic, interior, and exterior upgrades and therefore meet the legal definition of blight. The meade building is currently within the river district ura which is by definition blighted. The mccoys and lincoln are located directly adjacent to the river district. The mccoys and mead buildings are in need of either major renovation or demolition. Both are at serious risk in a major seismic event, and every major building system in both buildings is substantially beyond their normal life. This endangers the general public as well as Multnomah county employees. They're insightly, decrepit and contribute to the blight of the surrounding neighborhood. The Lincoln building is actually two buildings. One was built in 1895 and the other in 1950. They require a major seismic upgrade for safety and extensive street-level renovations to conform with the city's plan for the bus mall. Although there is no legal requirement that work done in an urban renewal area be done for the exclusive benefit of that area's residents, a significant number of the clients who will be obtaining services at the mccoys health clinic are known by the department to live downtown, including in the river district, and there are likely to be other social services provided to neighborhood residents as well if these plan amendments are adopted. In conclusion, Multnomah county's intentions are to work within urban renewal law and to do our part to combat central city blight, we're pleased to be able to partner with the city of Portland, p.d.c., to clean up the downtown bus mall and, as a consequence, provide safer, upgraded building for the county's employees to work in and for the downtown community to access services to place valuable downtown real estate back on the tax roles and to remove impediments to economic development along the bus mall. I encourage you to support these plan amendments.

Durston: Now i'm going to take over. I wanted to thank commissioner wilhoit and commissioner cogan. It was a very long process, and it was very well done in terms of the collaborative nature of it and the scope that was undertaken. Commissioner wilhoit needs to catch a plane in a few minutes but may be scooting out in a few moments. Bob alexander will be joining me to carry you through the rest of this presentation. Just to reinforce commissioner wilhoit's note about the schedule -- meeting schedule -- in addition to this, in those packets is a one-page summary of the urban renewal advisory group's recommendations. What we brought today to enter into the record, though, is the

June 18, 2008

completed report just because it does give you more context and background on the tough decisions and tradeoffs that the advisory group made and why they did it. Now I'm going to turn it over to bob to give you an idea about how were closing out the two older districts.

Alexander: The first of those two close-out strategies related to the downtown waterfront, we have the 28th amendment before you what that amendment does in addition to the south park blocks amendment would be to close these districts out by their 2008 date which originally was recommended for extension by the budget committee two years ago. After the URAG examined those issues determined those should not be extended beyond 2008, these districts expired in april. South park blocks will expire in july. The second issue with these two downtown waterfronts and park blocks is that they would likely shrink in two phases. The first phase is before you now, which would be certain properties that would be added to the river district to complete important projects that need to be done. The second is an intentional downsizing as part of a search for potential new urban renewal district, and that's something to be done into the future. It is not contemplated as part of this particular ordinance before you today. Related to that issue was a question of can we pay for the existing bonds with the amount of assessed value we have? MBAC is the bond insurance company that the city uses, and they have agreed to shrink up to 40% of each one of these two districts according to their assessed value. They say that can go up to 40% and still pay back the city bonds. That's the reason for this two-part shrinkage if you will. The issue related to the 2008 close-out date of downtown waterfront as the slide shows, you'll get approximately 50 million dollars to finish projects there currently, those include important projects such as Ankeny-burnside redevelopment, the saturday market move, and affordable housing. Uwajimaya is also one of those. I think there will be a letter and testimony related to the creation of this oriental supermarket in the downtown waterfront area. So in conclusion, on the downtown waterfront ordinance, this would remove about 47 acres from this district. Related to the south park blocks strategy as I mentioned, many of those things already it will allow about 35 to 40 million in additional debt to finish core projects which would include the retail core improvements. Those are basically direct loans to retailers to attract new or retain key destination retailers. This is for tenant improvements within the area. Urban renewal funds are restricted to so-call the bricks and mortar improvements. This would assist those retailers in cleaning up and addressing their business needs. Second is the affordable housing that would be done, and that's the primary purpose frankly of the south park blocks additional, the last part of the strategy would include helping approximately five different projects for a total of about 305 housing units within the south park blocks area. And finally this ordinance would remove about 3.2 acres to be included into river district. Those are the 2 ordinances before you.

Durston: On that last point and a good segue into why we looked at adding property to the main body of the urban river district is that the city's no net lost policy for the downtown area requires us to preserve all section 8 projects and in fact all affordable housing downtown. P.d.c. is charged with that responsibility. In order to take advantage of the opportunities and challenges that the expirations of section 8 projects coming up in the next five years bring to us, we needed to make sure that the close-out resources in south park blocks were available to dedicate to these preservation projects, and we will have a plan shortly to show how, in the next five years, we actually have a plan to preserve each of those facilities if the owner does in fact opt out of the project. So this is a safety net for us to get that piece of the no net-loss project done. What it did was require us to look at other priority projects within the south park blocks to determine what needed to go into the river district. Let me first tell you about what in river district still needs to get done. The first slide was centennial mills. This is a parcel that we acquired with the bureau of environmental services some years ago when the original plan was to day light tanner creek and create a water feature on the waterfront. That turned out not to be feasible. We won't be day lighting tanner creek. We still want to make sure there's a connection from river district to the

June 18, 2008

waterfront, it's a very important part of the plan. We also, in acquiring that building, recognized that this really represents some of the historic fabric of Portland's waterfront. Those of you who have seen it and walked through centennial mills will recognize it's an interesting, albeit, challenging preservation project. These are old growth timbers that it was built on. It is kind of the definition of blight. In order to renovate it and preserve some of its historical features, we need to have a public/private partnership engaged in that effort. And what we have done successfully is used a nationwide r.f.p. process to select a lab holding company to do that development with us, and it's going to leverage a lot of private money, provide a mixed use project with a lot of market rate housing, and it's going to do it in such a way that it will really leverage public moneys in a pretty fantastic way. There is quite a bit of work that still needs to be done in the district, and the fields is a park, and it's an important park because it really represents the north end of the river district. We'll talk a little bit more about what's in the west end or the north end of the district and it really is what the potential of the river district is in the original concept of the plan. The fields will provide another park that's much more oriented towards recreational opportunities for people in the pearl and throughout the city. It needs to be connected to the redevelopment of centennial mills. What that should do is, in that north end, we have about 30 acres of underdeveloped parcels that this will spur a lot more private investment. So where you're seeing undone work, this is the primary area of undone work in the river district. The next real challenge in river district that is an existing challenge but is a great opportunity is the u.s. Postal service site, 16 acres prime real estate in the downtown area. Clearly it's not a compatible use any longer for this now residential neighborhood. The u.s. Postal services has signaled to us that they're willing to consider an alternative location for their operations and have entered into a sales negotiation agreement so that we have an opportunity to negotiate a sales price and acquisition price for this parcel. The vision for this property is very big. As I said, 16 acres in the center of the downtown area. Probably doesn't exist in too many urban areas around the country. What this will allow us to do -- and this will take some time because the postal service will be there for another five, six years but, as we look at options, the idea of having an employment-oriented campus there with many, many jobs, possibly combined with some additional housing for that workforce, is really an opportunity that few people would suggest that we miss. This is that north river district area, a lot of underutilized property. Hopefully we will be sparking that with the development of the fields and the centennial mills project. We're looking at moving things and recognizing that what we're doing is really relooking at how the river district works, what can be added to the river district to make it work better, and to finish up some of the undone projects from the two older districts. This is the list. They're all outlined in the projects. We'll cover them in more detail later. As you can see, it's a fairly funky-looking map. This map is very strategic in terms of the development opportunities and challenges that we have in the district. The old town, chinatown, that's the funkiest part of this map, was designed in collaboration with neighborhood stakeholders, both residents and business owners. I think it was one of the most best pieces of public involvement work done in my career where people sat down, got serious about what the highest priorities for the community were in a large sense, not just in an individual stakeholder sense. What you see are the prime acres for which there are key opportunities for development that will actually convert old town china town to a neighborhood on the cusp to a neighborhood in full renaissance. This next slide will show you why it's connected to river district. As you can see, Broadway bridge comes over, and that's north Broadway there that divides, say, the u block from the post office, the r block from the 511 building. 511 building and the post office are both in the existing river district. Everything west of that is currently in downtown waterfront. Our goal here is to look at this in a holistic sense. This fits right into the portland plan and the central Portland plan process specifically. We have a chance to take a look at this acreage and really think about how we're going to make the segue way from the pearl district to old town, chinatown in a way that's going to generate a lot of energy and meet multiple purposes. I'm going to flag for you

June 18, 2008

now the union station. Union station was acquired by the city some time ago. We see it as an optimal site for a multi mogul transportation center. The problem is -- and this is why it's such a wonderful building, but the problem is it's historic, and the building needs extensive rehab. We're just now getting to that stage of doing the costs estimates on it, but we're talking about tens of millions of dollars if you want to preserve this historic site for the long-term and to make it into a useful facility for the community. When we do that and we think that that needs to occur, we need to look at it in the context of the u block. The u block has been identified as the future home of the homeless access center or the resource access center that's going to be located there. At the same time you have the greyhound station what we really want to do is talk to that bus service and see if they can't relocate possibly into union station as part of the multi mogul transportation hub that we'd like to create there. But that's a huge parcel that's very underutilized for a downtown area. If we can look at those holistically and keep an eye to what the potential opportunities that are afforded by the u.s. Post office, we have a real chance to create this segue way between river district and old down chinatown that works for everybody, and it is part of the balancing that we will have to struggle with throughout in terms of most of our homeless services for single adults are located in the old town, chinatown area. That's not going to change. How do you create a business environment where the retail and business can thrive and we can get some mixed income housing in there as well and still not disrupt the ability to serve homeless people in the downtown area. So these are the projects that we will be talking about, well that this will make happen. The union station, the fairfield hotel, another section 8 housing project the city owns. P.d.c. owns it on behalf of the city. It hasn't been rehabbed. It needs to be rehabbed. It's also a fairly expensive rehab, and we know how to do those but, if you do them too skinny, you don't get a very good product and it doesn't stay up very long. We'd like to have a full rehab of that building and preserve it not only for the current residents but hopefully residents in the future. The 10th and yamhill garage is a city-owned facility. It's kind of grown out of its useful age. It is not performing as we'd hoped in retail. This will give us an opportunity to redesign that facility, maintain the parking, rethink the retail on the ground floor usage but also look at mixed use above, housing, possibly office space. We have a real potential there. O'brien square was added to this effort at the request of a letter actually sent by the planning director, gil kelly, who said this is a critical location both in terms of parks and recreation opportunities but also in terms of revitalizing that section of the retail core. It's an underutilized park now. It sits above a city-owned parking structure that is probably in its last years of usefulness. We don't have this in the budget, but it's been added because we know some time in the future we'll be ready to move on that site. Here are the specific changes the move will bring to you.

Alexander: In summary, we're looking at the following issues: Extending the expiration date by one year to 2021, increasing the total maximum indebtedness by 324 million over the next 12 years, adding approximately 50 acres, about 40 of which bob had just detailed which are north of burnside in the old down china town area, and that would also include releasing about eight acres underneath the i-405 right-of-way. The impact -- excuse me. The breakdown of those is included as follows. You'll see the key projects that we have just discussed in terms of redevelopment. The centennial mill and post office project, under infrastructure, talking about assistance to Multnomah county and the 10th and yamhill parking garages and business assistance target industry, development, and financial assistance programs and housing. The access center is a critical one. This is to break out how that 324 million would be allocated over the life of the district. I might mention, in answer to the previous question, it appears that you can see between project program staffing and administration and issuance and reserve costs that these come to about 17% compared to about 16% in the previous chart. So these two are roughly equivalent, again, we'll get you specific information prior to next week's meeting.

June 18, 2008

Durston: And this is the financial impacts. They are substantial. They are substantial to all our taxing jurisdiction partners. We did do a round of conversations with all these folks to let them know it was happening. We got basically the same response back. It hurts. We know we're losing some resources, but we also know that the urban renewal history of urban renewal in our community is that you are building a tax base. We see that on the back end of all the districts but more importantly a lot of our overlapping missions actually get filled with urban renewal activities. When we went and talked to the port, which had been a neighbor in the old town, chinatown, first they recognized old town, chinatown needs more work obviously. They were also very excited and extended and have been very helpful in terms of the conversation of the u.s. Postal service. They would love to see that service move out to the airport area, and they want to see that as a major employment site. Metro has been very supportive. It's not a huge impact to them. They were very frank that money wasn't a significant matter of consideration for them, but the interesting thing they said was, one, the importance of the downtown development is high concentration of people, good transit, everything that metro stands for is being represented in the downtown area, and the more we can keep that a healthy environment, the better for them. This is an interesting side note. They encouraged us to continue to work with the school districts, because as we look at opportunities to partner with schools, the metro c.e.o., michael jordan, said it's time that we also help them have conversations among themselves about joint use of facilities, and I think some of that conversation will go forward as we have conversations with individual districts.

Saltzman: Is there a reason that Portland public school district isn't listed?

Durston: I'm going to get to that.

Saltzman: Ok.

Durston: And there is a memo, and i'm hoping that -- no. Sorry. There is a memo. Staff at p.d.c. sat down with Portland public school staff, and it probably took us two months to work this out. The conventional wisdom has been, well, this really isn't an impact to schools because the state school funding formula basically creates a wash. We went into that discussion with that approach. The school district -- and this is Portland public -- oh, excellent.

Potter: Could you give those to the city council?

Durston: The Portland school district was very clear that that wasn't the end of the story, and they made the case, and persuasively so, that their local option levy is impacted and that they have something called the state gap fund. And it's a state legislative authorized fund that allows a local levy basically to be imposed for schools. That helps equalize the extra challenges Portland public schools has with their caseload or class load. The cumulative impact of that is about \$5 million a year. That's both lents and this river district change. 30 million, I believe, 30 to \$35 million, cumulatively. So it's a significant impact. The impact of these amendments one could argue wouldn't have that impact because the local options expire before these amendments kick in in terms of taking money out of the school district. But, again, in conversation with the school district, we were able to recognize and agree that, if those local option levies aren't renewed, the school has an even bigger problem in which any kind of loss of revenue is even more significant. So this memo is the result of those conversations. I think it was helpful to p.d.c. to understand the full impact its urban renewal areas have on the school districts, and it applies mostly to Portland public, because a vast majority of our work is done in Portland public schools. But we have similar relationships with the other school districts. David douglas in particular, because of the lents, they will also see some offset in revenues. They don't have a local option levy. That's one of the challenges that they have. Nor does the gap fund apply to david douglas school.

Saltzman: So I realize we have representative from Portland public here, so I guess the agreed-upon foregone revenues is a present value of 35 million probably.

*****: Yeah.

Saltzman: We'll have david wine speak to that.

June 18, 2008

Durston: So that concludes the kind of formal presentation. We now have embedded witnesses who have been very close participants of this discussion.

Potter: Patricia gardner, patrick government maker, ken oliver, david chase, and david wine. First three folks, please state your name when you speak.

Patricia Gardner: Patricia gardner, pearl district neighborhood association. Honored commissioners and mayor, to many people, the concept of the expansion of the river district urban renewal district began with janice wilson's committee, a joint committee that basically said, let's look at that. To the pearl district and to old town, chinatown, it actually begins in the early '90s with the original river district plan. In that plan, the river district was to stretch from the river to i-405. It was both the pearl district and it was old town, chinatown. The original vision of the river district was a complete community, a mixed use, mixed income neighborhood on empty land blighted from the rail yards and a land blighted for economic malaise. One of the goals was to help the goals of the original river district plan was to help the city of Portland meet the 20/40 vision of metro to keep sprawl from our region. The expansion of this urban renewal district, the river district urban renewal district into old town, chinatown and the expansion of capacity allows us to complete that vision. Without the money from urban renewal district this vision is not possible. If we had not had an urban renewal district we would not have 5,000 people living in the pearl district. We would not have the number and moreover we would not have the mixed income that we do which a lot of people do not see on the surface because we do a really good job building our buildings. We would not be where we are and we would not be where we could go. Urban renewal districts have allowed the beginnings of a great community but we are not done yet. North of pettygrove there are acres and acres of blighted land and the exact same state when the district was formed. It is still a brownfield it is still empty. In the pearl district alone there are over 30 acres of land that still wait to be turned into jobs and homes for all incomes and all types of families. We have the post office which is waiting to bring not hundreds of jobs but thousands of jobs to portland. Not only are there opportunities on the blighted land of the pearl but there are huge opportunities in old town, Chinatown. By doing the expansion we can finally bring the pearl and old town Chinatown together only with the expansion of their urban renewal area can we fulfill the policies of metro by putting as many people as many different types of people both living and working in the heart of the city. Only with the expansion of the urban renewal area can we fulfill the original river district vision. We urge you to complete that. thank you very much.

Patrick Gortmaker: Patrick gortmaker, co-chair of the joint land use committee of the old town, Chinatown visions committee and the old town, Chinatown neighborhood association. Mr mayor, commissioners thank you for giving us this opportunity to speak with you this morning. As patty indicated our two districts, the pearl district and the old town, Chinatown neighborhood, four years ago began talking about this and as we discussed how to make our district joint together more contiguous we also looked at the opportunities that continue to present themselves in old town, Chinatown and insure that we realize the growth and potential that we had with our properties in old town, Chinatown. We'd like to take credit for this but patty indicated that what really is known as the Janis Wilson report in which she directly, the conclusions were that more resources at that time remaining in downtown waterfront be directed toward old town, china town redevelopment and opportunities and also start the analysis of what could be annexed from old town, Chinatown into the river district. Tools of tax increment financing in old town Chinatown have been instrumental to our successes. The affordable housing that we have developed over the last 10 years in old town china town has been extraordinary. 70% of our current housing inventories at 50% and below. In fact I think richard harris submitted a letter to you all this morning talking about those successes and central city concerns successes in developing over 860 units of affordable housing combined with that enhancing the infrastructure of our community based organizations and social services to insure that they continue to provide the services of individual who seek those services. And the

June 18, 2008

relationship between those services and housing has been extraordinary in old town, Chinatown. And then of course in the last year and a half, our successes with the university of Oregon opening at the white stag blocks the ground breaking for mercy corps headquarters and now with the amendment to extend the downtown waterfront. The additional resources to ensure that we complete the move for portland Saturday market into the waterfront and of course finish the improvements along Ankeny and underneath the burnside bridge. So despite the successes though oldtown, Chinatown is still at risk and still needs resources in the form of tax increment financing. 130 plus acres are in old town, china town. We have a proposal now for annexation for 40 acres those sites that we feel offer the best opportunity for increment development. We have two nationally registered historic districts with many underdeveloped unoccupied resources ensuring continued tax increment resources for seismic loans, storefront grants and economic development tools for quality jobs will help ensure those buildings are redeveloped and occupied. We need to tip the balance of housing. We've done the 50% and below, we aspire for the 50% to 150% in our district. By developing workforce housing and homeownership opportunities, we will reach that housing goal. We also want to ensure that the barriers are continued to be looked at and broken down in and out of the district. That's why the burnside couch couplet remains a high priority for our district. Breaking down those barriers for better access into and out of the district. So with all these remaining goals and opportunities in old town, Chinatown its imperative that these amendments before you today move forward and that old town, Chinatown can realize its potential its renaissance and become a jewel for this city to live, work and play. Thank you.

Jan Oliver: Good morning, I think its still morning. My name is jan oliver I'm the associate vice president for institutional affairs at the university of Oregon. You know the university was and is very excited about our move into old town, Chinatown. But we know now that with everything that's happened much, much more work remains to be done. We selected that site because of its historic roots in what is truly an extraordinary community. And it was also the universities desire to have that kind of connection with our neighborhood, wherever we recited. And this is a prime place to do good neighborhood connections. The u of o wants to be part of this historic neighborhood and we were not deterred by its somewhat spotty history. In fact we embraced the history and the diversity that exists in old town, Chinatown. We want to be a contributing partner in the neighborhoods emerging changes. What bob Durston calls the renaissance of old town, Chinatown. And I don't use that word lightly. It's a renaissance that needs to balance the new economic investments with the needs of the existing social service agencies. Which have traditionally served some of our communities most economically disadvantaged citizens. The proposed closeout of downtown waterfront includes several key projects in the Ankeny plaza burnside bridge area that are important to the u of o but much more work remains to be done. While closing downtown waterfront makes sense additional investments from the river district are critical to capitalize on the existing urban renewal investments and the momentum that has begun with significant commitments from the university of Oregon, mercy corps and a variety of private sector property owners. Done correctly additional investments in the oldtown, china town neighborhood will pay substantial dividends building a stronger neighborhood for current and future residents of all economic status. Thank you all very much for your time.

Potter: Thank you. Is sam chase here?

Durston: He is not.

Potter: Okay.

Davide Wynde: Good morning, mayor potter, commissioner Saltzman, commissioner fish. Sounds nice to say that doesn't it nick? My name is david wynde. I'm a member of the portland school board. I'm here to speak on behalf of the board and the portland public school district. Thank you for the opportunity to speak to you today. My comments really cover the array of the urban renewal issues that you're discussing today. I'm just going to speak to once. Having sat on

June 18, 2008

your side of the podium I know its better to have somebody speak once rather than come back multiple times. Portland public schools supports the concept of urban renewal and tax increment financing. We see these as you do, as tools to revitalize business district, industrial areas and our city neighborhoods. We appreciate that 50 years of such investments has profoundly shaped our city for the better. Urban renewal funding can be a direct boon to schools as well. Investments in family housing, safe routes to schools, parks and recreation not to mention family wage jobs can create healthy neighborhoods supporting and surrounding our schools. Like you, we believe urban renewal dollars can be the catalyst to benefit our neighborhoods, businesses, schools and citizens for decades to come. At the same time urban renewal also involves direct costs to portland public schools. I'm going to talk today specifically about direct costs. Public finance is a morass when you try and explain it. Obviously the foregone property taxes involved in urban renewal really from all point of view there's two components to that. There's the indirect impact on us of the general property tax levy that goes as part of the state school fund and that impact is not as significant for us and I'm not going to talk about that today. But as you heard earlier, there are two streams of funding that provide a direct impact to portland public schools each year on the basis of foregone property taxes.

And those have to do with our local option and get funding revenues that would otherwise be generated in the 10 urban renewal areas that lie entirely or primarily within the school district boundaries. And as that memorandum that you've seen earlier establishes for you that net cost to portland public schools for urban renewal activity is \$5 million dollars a year. The urban renewal expansion before you now will bring an additional fiscal impact which results in about 2.7, 2.8 million dollars a year the net present value between 2014 and 2027 of that aggregate is about \$35 million and almost 2 million of that impact comes from the david Douglas satellite district alone. I also want to communicate to you how much portland public schools appreciates the growing relationship that we have with the city and city agencies and the growing spirit of collaboration between those. In the 5 years I've been on the school board, I've come before the city council at least 3 times to acknowledge specific operating agreements and ways in which our two jurisdictions are working more closely together. And we also have, are in the process of finalizing an intergovernmental agreement with portland development commission to cement and establish a more close working relationship with them which will give us a seat at the table as the city expands and considers these urban renewal areas. Specifically pps will be joining advisory committees on the river district and lents town center expansions as well as joining the preliminary discussions about a potential new urban renewal in the Westside of downtown portland. These conversations of the last few months have forged a stronger relationship between pps and the portland development commission and we hope that this cooperative agreement will not only ensures that we have a seat at the table but also opens the door for all school districts effected by urban renewal to be part of the conversation for areas that impact them. We certainly appreciate the willingness of pdc to engage in those conversations. We also appreciate the support that this city council has continuously shown for public education in this city. Both in the portland school district and the other districts in the city. Commissioner Leonard was credited this morning as saying that true economic development means giving citizens the best education possible and certainly in my experience that has been the approach you all have taken consistently. We plan the, this cooperative relationship that I've just talked about works both ways. In addition to us getting a seat at the table, as pdc is looking at the work that they plan on doing we as a school district have committed in principal a substantial reinvestment in the capital facilities of the school district over the next several decades to build and remodel schools which have been seriously underinvested in over time. We see this as an economic development imperative for the city and as we engage in that work we will be sharing our plans and discussing our plans with pdc with the city agencies and others in order to see that we can coordinate those plans as effectively as possible. We saw the benefits at rosa parks school of having everybody at the table working together and we hope that we can follow the example established

June 18, 2008

there as we look at the other schools were going to be investing in, in the years to come. The school districts across the state face a number of challenges and the City of Portland in particular. There are challenges that we face, their not necessarily all identical challenges. You've heard us talk before about the impact of student enrollment on the operating budget of school districts. In Portland because of the declining enrollment in the district, our operating budget has been particularly squeezed. I'm not for a moment going to imply that any of the other school districts in the city have any kind of luxurious operating budget but to the extent that their enrollment has been increasing that does mitigate some of the operating budget crunch that they faced. On the other hand their faced with serious capital challenges and the ability to raise capital and we recognize that.

We appreciate the support of the city in confronting these real challenges both operating and capital budget challenges. We, the portland school board supports the major expansion of the river district and the lents town center urban renewal areas. Because of the fiscal impact on our schools and the unresolved legal questions, we do not support the movement forward of the satellite district at this time. We've shared our reservations about this proposal with the city council before and confirmed to pdc last month that we do not support that proposal. We recognize that there is a real problem there, our concern is that the solution being proposed is not the appropriate one to that problem. Thank you.

Potter: Thank you.

Durston: We also, doug obletz from sockeye development is doing a major catalytic project with the uwajimaya retail outlet in old town, Chinatown did submit a letter and we'll distribute it. Also there are two groups out of contact with the council in opposition to these amendments. One is the league of women votes and another is an informal group led by jeff tashman. We might suggest you take testimony from them as the next up.

Potter: Have they signed up to testify?

Durston: They had signed up, commissioner fish had suggested - -

Potter: And that's fine I just want to make sure they were signed up. Okay, commissioner fish has indicated that he has a few questions before we move to the testimony.

Fish: [inaudible]

Potter: Did you want the city legal counsel or pdc?

Fish: First is a comment about the piece of this that's obviously very near and dear to my heart as the new housing commissioner is the preservation piece. And just to frame that issue there are 11 so called expiring properties in the City of Portland. Which between now and 2014 are at risk and they tend to generally are places where older adults living on very little incomes are housed. And a key part of our preservation strategy consistent with our no net loss strategy is to preserve the ones in downtown. So to the extent were carving out the 18 or 19 million for that particular use, it's a critical part of our overall housing strategy and I just want to underscore the importance to overall agenda of that point. I took a moment to look at the letter that commissioner cogan and chair wheeler submitted and I'm one of the few lawyers to ever serve on this body and perhaps the general consensus would be thank god for that [laughter] but just so that I understand the issues that they've raised and make sure the records complete, I wanted to ask council to engage in a colloquy on something because I with respect to the two building that they would like included, I've gone back to the statue and it's o.r.s. chapter 4-5-7 that lays out the urban renewal guidelines. And 457.010.1 defines blighted area. And I take it that the two buildings and the projects that we're including would qualify under the blighted area definition.

David Elott, Portland Development Commission Legal Counsel: We believe there is sufficient basis to conclude that those are blighted. Ultimately that's a finding you'll make when you adopt an ordinance but we believe there is sufficient information in the report that's been supplied to you in other portion of the records to support that finding. Yes.

Fish: That would include the condition of the building and need for rehabilitation?

June 18, 2008

Elott: Yes

Fish: And just to help me as we go through this, the definition of blighted area under the statute would be applied the same way to a larger geographic area as it would to a single site. Is that correct?

Elott: Correct, although historically I don't think there has ever been a conclusion that every single property within the area has to be found to be blighted. So if there is a large geographic area we wouldn't think you would need to find every parcel blighted. To the extent that they are is somewhat smaller and in this case some are, I think we look quite specifically at individual properties to make the blight premise.

Fish: Thank you. And the other legal issue has to do with the PDC authority under 457.170. And I was looking there just for guidance on this question subsection 2 talks about the carry out of any rehabilitation or conservation work in urban renewal area and is it your opinion that rehabilitation of these buildings in partnership with the county would qualify under that provision?

Elott: Correct. Assuming that the other requirements relating to public building findings are present and we have added those plans, so that is correct.

Fish: Again, just because we have the benefit of you as general counsel here, to advise us, is this a close question of law or are we operating within the mainstream in your opinion?

Elott: With respect to the county buildings?

Fish: Yes.

Elott: I think the legal basis is solid.

Fish: And then we'll be making some findings with respect to our resolution?

Elott: Yes.

Fish: Okay. Thank you.

Potter: Other questions from the council. How many folks do we have signed up to testify?

Moore: On 813 we have 9 people left.

Potter: Did you wish to call up the opponents at this time out of those nine people signed up to testify?

Fish: It's your call. If their also going to be hear on 816 we might want to do a one stop shopping. It makes more sense I think to defer to the witnesses but my preference would be to have the critics on 816 testify as a group under that and give them perhaps additional time.

Potter: And that's what we have done in the past. I just want to make sure that it wasn't on 813, 14 or 15 that you also wish to have that.

Fish: No.

Potter: so were going to call up the nine people who wish to testify to the issues pertinent to items 813, 14 and 15. The item 816 we will provide opportunity for testimony succeeding this, the discussion on these. So public testimony is restricted to those three items for this particular purpose. We will have public testimony on 816 following. So please call the first 3 people.

Moore: And ten more people. We had separate sign up sheets for 815 and 814. So I'll start with 813. Terry parker, lindi senn, mary wiley.

Terry Parker: I rolled all my testimony into one and hopefully it's one and hopefully it's three minutes.

Potter: On 13, 14 and 15?

Parker: I don't know what the numbers are but as far as the urban renewal extensions. I think its about three minutes if you'll bear with me. I apologize but I didn't know there was a whole bunch of different things. My names terry parker a portland resident and taxpayer. By extending the life of an urban renewal district you are breaking a contract that was made with portland taxpayers when it was created. That contract in basic terms was for a specific number of years taxpayers would subsidize city services for truly blighted area then in return taxpayers would reap the benefits, higher property taxes contributing to the general fund from improving that area as a payback for those

June 18, 2008

subsidizes. By extending the life of a contract, many taxpayers who have paid into this scheme with their tax dollars will be dead by the time it expires and payback occurs. It should not take an entire lifetime for the now paying taxpayers to receive financial benefits as promised. Portland taxpayers are not an infinite bottomless pit of funding that can be continually tapped for personal special agendas and pet projects. Much of the existing infrastructure in portland is crumbling, the streets and roads the sewer, water systems and the schools. The increased tax dollars from retired urban renewal districts need to be going to the city's general fund and to Multnomah county to be used to fix and repair this infrastructure. Not for more special interest projects such as street cars, bicycle bridges and fancy couplets. Furthermore, in these times where the cost of living is raising faster then the working class income and many taxpayers are just getting by, the city does not need to be financing high roller developers and their big high end affluent projects. Given the fast pace in which energy costs are rising, even relocating the main post office should not be a given and should be reconsidered. It is currently centrally located, easy for employees to get there and next to a main rail line. Relocating the facility next to the airport may be a big mistake, given the distance from the central city, the cost of fuel and the future costs associated with air transportation. A real possibility exists that to control expenses intercity mail may again be transported by the railroads. Additional there is a footprint energy use and some negative environmental impacts to constructing any new facility. And finally if an urban renewal district extension is granted and a circle is drawn on a map to fund a new david Douglas school district. Then too must a circle be drawn around every portland public school needing renovation on the east side between I-205 and the Willamette river along with a another circle drawn on the map around the ailing Sellwood bridge. Not only do these additional circles provide some tax equity for central eastside and inner eastside property tax payers but fixing and replacing the Sellwood bridge is far more important to the needs of the region than constructing a new light rail street car bridge across the river. Eastside property tax payers should not twice be manipulated to fund both urban renewal subsidizes and infrastructure upgrades. The bottom line is that no extension renewal district should be granted and the original contract sold to taxpayers should be honored. One other quick note, I remember sitting here approximately 20 years ago relocating the greyhound station down near union station 20 years is not a very long time for a facility to exist. It seems like were not planning ahead very far if we want to take it down now. Thank you.

Lindi Senn: hello my name is lindi senn. Hello mayor potter, actually I'm a resident downtown and portland is beautiful. I think that the architecture is all unique and I've lived here and appreciated it for all of these years now. I think that drastic changes, I think that immediate drastic changes is a detriment and I've lived here so I also like to appreciate my city. Its accessible, its substantial, its stability. I think those things are important in just a lifestyle. You make some decisions on where you want to live according to what is capable or what is capable means in your community. What is going to be a standard that you can live by and keep that up and maintain it individually. You have to make decisions that are going to comply with what you think is a reasonable way to live. Presently we have that downtown and I really appreciate it. I think that the history of our park blocks the buildings are unique but the history of our park blocks is the oldest trees that we have right here in our state they can't be disturbed. I think that that would be terrible thing to happen. I actually like living here I intend to live here for a long time. I appreciate it just like it is. I would be fine if there were no changes. And the buildings are real sound. The buildings are really sound structures here. They have a lot of stability in them. Changing them doesn't improve them. No demolishments, no desecrations, keep our existing buildings here I think that their important.

Mary Wiley: Hi my name is mary wiley and I moved to portland in 1975. I'm a speech pathologist. I drove through downtown portland and said this is where I want to live. And I bought my first home in the southeast hawthorne area in 1991. And I go into downtown quite often and I

June 18, 2008

love the downtown area. I think I need to express my concerns about keeping a balance and making new decisions about urban renewal versus infrastructure versus needs for education versus maintaining a diversity of population and what they need here in the city. I practically yesterday looked at portland and was surprised to look at myself as an educated speech pathologist that I probably could not afford to buy a home in portland now. And that was kind of a stunning feeling I thought. If I can't buy a home in portland who can and what I'm seeing I was very encouraged when I heard about renewal plans for what you are calling affordable housing I heard multiple references to it in this discussion in downtown portland. It sounds good but I wonder what it really means. And what is it when you're talking about blight when you're talking about renewal and mayor potter I want to make a reference to your support of developing the vision. Because if we don't have vision and make practical plans tied to a vision we end up with knee jerk actions in order to have enough jobs for people and places to live and things start getting out of balance. I think that means we need to have a plan where we think in terms of an interconnected system to keep a balance. And what I'm concerned about is are we keeping a balance of our decisions in all these areas including urban renewal or are we mostly upscaling portland to provide jobs for present and projected incoming upper income people. And the majority of people talk to feel like that is what's happening to portland. And when I looked at the reality that I could not afford a home in portland I really am wondering if this is what your saying your going to do in downtown portland sounds good in some ways but I'm really wondering what we are creating. And I am very concerned because I love this city. Thank you.

Potter: Thank you.

Edmundo Cardenas: Mayor potter, commissioners, my name is edmundo cardenas. Ed cardenas I've been here about five years lived in L.A. for 59 years. I was a librarian 20 years some of the tougher areas I always stipulated that when I went to work. Came up here emergency my nice neighborhood was taken over by a gang, an old gang the grand children of the original gang. Came up here 9 day ride on the bus and settled in Gresham pretty soon I'll just make this quick because this is not what I want to talk about. I had to call every single police jurisdiction, everyone, to come down and I told them come down this is going on. We've got kids coming into our property, not my property, but the department of housing, selling drugs 13 year olds three o'clock in the morning. So pretty soon in a couple of weeks we had a beautiful parade of all sorts of marked cars all the different jurisdictions and even more unmarked cars. The next morning some of the guys were out there drinking their coors their morning breakfast and I said if you keep dealing to these kids you're going to end up booted down to Tijuana across the border, you'll never come back. Prologue, anyway I worked on the streets of portland for 3 years pro bono to thank Portland for home, my new adopted city, Oregon my new adopted state. I'm not an urban gypsy. I did a lot of volunteer work in l.a. but I'm not an urban gypsy that was my home this is my home now. For three years I got to work on the streets and I saw, and pardon this expression, the underbelly of portland. A lot of it is caused by people, not just the criminals or not just the occasional quote unquote doppers but people that are on the street and for whatever reason this very morning that I come to talk to you, I didn't know I was going to do this, a friend invited me to come on down to say my piece. I was over at Julia west where I volunteer. Julia west house sponsored by the first Presbyterian church, that church with a tall, tall spire covered in copper. I was there having my coffee too full of people basically for fire rules but you know that's the only place. People have been swept off the street mostly men, few women, you've got to be 21 and over. Anyway that's wrong these people should have a home. I'm gratified that things are happening here I'm not sure exactly what it's hard to follow everything. I do try to keep abreast of - -

Potter: Sir your time is up. Mr butler I thought you already testified to the items were addressing today? Mr butler, you said that in both your written and oral testimony you were going to discuss

June 18, 2008

all items 812 through 618 and I assumed that was the testimony you gave earlier because it did relate to all these issues as well.

Robert Butler: There are new issues based on the former testimony sir that I would like three minutes and since this is a different agenda item I'm requesting it.

Potter: Let me give you two minutes because you did say that you were speaking to all of the items on the agenda so please take your two minutes.

Butler: Portland is blessed by the national historic trust convention here a few years ago and when they were here they brought back the head of the urban development staff for Harvard. He was in charge of urban development for Harvard. He came out and spoke he said one thing that happens all over the country is that cities typically take the best property in the city turn it into their own projects, take a private sector project buy it turn it into a public project and because it's in the most promising development part of the city they do it and they look like heroes because look what I did, look at the skyline. I did all this by myself. I think I'll give you an example of that. first of all at the same time I hear people complain, these are developers saying it's a shame that we would like to do these projects and the portland development commission comes along and overbids us. They pay more than market value, that increases the appraised value over time, inflates land values, makes private side development more difficult. Lets give an example of private sector side that works. Here's what the cities going to do. The U.S. post office what are we going to do there, we're going to give the federal government 50% more than it's worth. And that's determined by, first we value it by independent evaluation and then were going to give them 50% more. That's a windfall. Who gets that windfall? Who gets it federal government. Who should get it? Citizens of portland that windfall should be put into the project instead of giving it to the federal government. That inflates the value that takes the opportunities for development away from the private side. I just got back from national convention, 50,000 people. I told them about the post office developers, 50,000 people, ICSC, we would love to know about that project. Why ruin it by paying 50% more than its worth when we have private side people who'd love to have it. Thank you.

Potter: Do we have another list now?

Moore: We have one person on 814 who already spoke on 813. So 815 we have about 8 people signed up.

Becky Steward: Thank you members of the council, mayor potter my names becky steward. I am president of afsome local 88 and proud and honored to represent nearly 2,700 employees from Multnomah county, central city concerns, transitions projects and American friends service committee. Along with city workers we work in the community providing services to citizens, mental health, juvenile services, community health clinics, probation and parole, aging services, libraries and much, much more. I'm speaking today in support of the river district plan amendments. Specifically as it applies to the mccooy building, the mead building and the Lincoln building. Local 88 staff work in all three, however the conditions in the mead and the mccooy are very poor. Both buildings are old and have numerous problems both external and internal. In one specific situation staff ended up by being relocated because the air quality and other problems in their work space. They couldn't be improved despite the efforts of county facilities unit which worked to resolve the problems. Over half of the program staff were having health issues which did get resolved once they moved to another space. We've received numerous complaints and in some situations filed grievances due to the building conditions. Both buildings need to be gutted and rebuilt from the inside out. I'd ask your support for this amendment which will support the staff and the member of local 88 help us get out of these old buildings so that we can continue to focus on providing quality services to the citizens of portland. Thank you very much.

Bob Ames: I'm bob ames. Despite what you may have read, I'm not here simply as a pearl district property owner but as someone that's been long involved in the public process for urban renewal has been used as a tool. Subsequent to my 10 years as pdc commissioner and chair, I served as

June 18, 2008

president of the port of Portland for nine years. During which time it declared terminal 1 redundant and funded a study which gave rise to the idea of combining terminal one with the Burlington northern properties and pdc owned union depot as well as other properties in the area for what became, I think we'd all agree, a classic urban renewal project and one that's been successful. I was later appointed by the then mayor to chair the river district steering committee. Most recently I've been referred to as a geographic elitist by a member of the council. I don't know what that means so hopefully commissioner Leonard will explain it sometime. But I'm here today before you because there's an issue I happen to feel very strongly I think you're all aware of that. And this is what I and many feel is a pending misuse of urban renewal funds. Apart from what some of us recognize as a serious legal question surrounding your pending action, my objection is also based on it being way outside what I've always believed were the spirit and intent of urban renewal as a tool. Its safe to say that those of us in and around an involved during the genesis of this mechanism leave the successful renewal sunsetted in an appropriate time that was used for needed project in a defined area and then the increased tax collections were averted to the support of basic services all of which I think today need that kind of support. And last to the extend that anyone cares and I testified in front of the portland development commission in this regard, this is not an action that would have been taken during my time and certainly not one that our council would have advised us to take. Let me just finally read the first paragraph of a letter that we'll submit today my assistant has multi copies with a great many attachments. That paragraph is as follows. **The undersigned friends of urban renewal and concerned citizens of the City of Portland and leaders in the area of urban renewal law and policy in Oregon as a group and individually oppose the cities proposed amendments of the river district urban renewal plan.** Attached to this letter are copies of our prior letters, portland development commission, a memorandum from city attorney Linda meng, a letter from the central eastside industrial council, a letter from portland business alliance, an article from the portland tribune, two editorials from the Oregonian and one from the portland tribune. Please place this letter with this attachments in the record of materials for this proceeding. Thank you.

Neilson Abeel: My name is neilson abeel. I reside at 1325 nw flanders street in the pearl district. And I want to introduce myself as a geographic elitist who moved to Portland from park avenue, new york and bought a blatted warehouse on a dirt street that is now become part of a federal historic district. My wife and I renovated that building with our own personal funds as it was unfinanceable and just to admit my takings from urban renewal funds we actually later on in the preservation of our building went to the urban renewal funds and we reinstalled a historic steel canopy, which the city, which the urban renewal funds helped us pay for. I am a founder of the pearl district neighborhood association I was the chair of it for six years. I have been very active in watching this river district urban renewal area develop. And I am appalled and astounded that city council is considering the idea that within the laws of the state of Oregon urban renewal areas and districts that you are going to treat urban renewal areas as a bucket of money that can be picked up and taken and placed anywhere. I think you are on a slippery slope legally. City attorney has registered those slippery pieces of this proposed idea of creating unrelated and uneconomically developable sites seven or eight mile away from an urban renewal district which is defined by law. And I just want to point out to you that you've heard testimony today about the additional projects within the river district that I wanted to be sure that you understood that their even a couple more that are going to take the attention of possible urban renewal money that should stay in our district. One is the customs house on the north park blocks and the other is the extension of the north park blocks in the parking lot of the 5-11 northwest broadway building which has been committed to by portland to be an extension of the north park blocks. The river district has been a success both because of private development and because it is an urban renewal district. It has created residential density both in market and in housing authority of portland it is more importantly created office and employment and cultural institutions and that's what urban renewal areas are about. When you try

June 18, 2008

to steal from them you are trying not to complete what has been a success. I have great sympathy with the rest of Portland but in the river district we have created an economic model.

Fish: Is it your intent mr ames and your estimable assistant mr ames to come back when we take up the next item? Because you've alluded to the satellite district and some legal issues. Were technically now addressing the prior resolutions. Do you intend to come back and flush out your concerns with respect to the satellite district issue?

Ames: In difference to time I think commissioner the material that were submitting will cover both.

Fish: Are you going to remain for that discussion? I haven't had a chance to see what your submitting. If we have additional questions we may call you back up.

Potter: Please call the next three.

Oliver Norville: I've distributed a statement which you've all received now I'll read from the statement in the interest of time. My name is oliver norville. I'm a retired attorney. I served as legal counsel to the portland development commission from the time of its organization in 1958 until 1986 and assisted in drafting the charter amendment which created the portland development commission. I was actively involved in the passing of the constitutional amendment which authorized the use of tax increment financing in the state of Oregon. I drafted and presented to the legislature legislation implementing tax increment financing. I appeared before the legislature over a period of more than 20 years defending urban renewal and tax increment financing against claims of abuse many cities throughout Oregon and drafted much of the legislation which is presently contained in the statute which responds to the suggested abuses. Over the last 50 years I've represented many agencies throughout the state of Oregon carrying out urban renewal programs utilizing tax increment financing. For some time I've been concerned about the use of tax increment financing by the Portland development commission and the City of Portland. I expressed by concern on a number of occasions to legal counsel for the portland development commission and on at least one occasion to the city attorney. These concerns involved the use of tax increment finances for programs and activities which went beyond the urban renewal programs and were a benefit to communities as a whole rather than to the urban renewal area contained in the plan. When I learned that the Portland development commission and the City of Portland were proposing to establish a satellite district and extend funds for the construction of a new school it was my opinion that such an action was illegal and the worst abuse of tax increment financing which has come to my attention. If this proposed action is permitted to proceed I believe it could result in the complete abolishment of tax increment financing in Oregon. Tax increment tool has been very beneficial to many communities throughout Oregon as well as to the City of Portland. I think the laws of tax increment financing is a tool to remove blight and rundown areas throughout Oregon would be extremely harmful to many communities in the state. For the above reasons I strongly oppose an amendment to the river plan which would permit financing for school purposes in a noncontiguous area and unrelated for the purpose for which the plan was prepared. I also oppose amendments which would expand the boundaries of the plan. The proposed amendments are not well defined and do not meet the legal requirements of the discussed statute. I trust that the council will consider all of the objections made by me and others who are opposing the proposed amendments to the river plan and will not adopt the amendments providing for school financing and satellite areas do not specifically meet the requirements of the law. When the purpose of the urban renewal plan have been met and the conditions of blighted removed from the area financed with tax increment funds a project and plan should be terminated and the assessed value returned to the tax roll for the benefits of various taxing bodies affected. To continuously amend the plan to incorporate new activities which do not meet the primary test of removing blight are improper and result in the use of funds which property belong to the various taxing bodies. Taxing solely for the people of the state of Oregon to the legislature on the basis of it being a self liquidating program which financed itself and which upon completion would result in a benefit to the entire community.

June 18, 2008

To utilize these funds in a manner inconsistent with this purpose is to violate the trust given to the urban renewal agency by the people in the legislature.

Potter: Thank you.

Jeff Tashman: My name is Jeff Tashman. I am a consultant in urban renewal and a citizen of Portland. I know that the issues that you're dealing with today you've devoted a lot of energy over a long period of time. And there is momentum to keep these things moving forward. I would like to ask that you consider the seriousness, the weight of the issues that are being raised to you and consider the possibility of revisiting these plans, the proposed amendments to the river district in order to resolve some of the issues being brought up. My background has been in the field of urban renewal for 29 years. The last 17 as a consultant up until very recently the Portland Development Commission was a regular client of mine. I helped the Portland Development Commission write the river district urban renewal plan in 1998. I've helped them on many projects before and since. From a policy standpoint as well as a legal standpoint when a city council considers a substantial amendment to an urban renewal plan considering too the river district. From policy perspective, you suppose to take stock of the urban renewal district and see how things have gone compared to the original expectations. And the usual rationale for extending or expanding the financial scope of an urban renewal area is that it still blighted at the program or projects that were in the original plan haven't produced the desired effects and that more investment and more time is needed to accomplish the original objectives. That is not the case with the urban district. In your proposed amendments, that issue is completely glossed over and the report that is suppose to document conditions of blight there's one sentence that says the conditions of blight in the existing area were reported 10 years ago, well there has been some changes in that district. So the key here is river district is no longer blighted to the extent that the remaining 106 million dollars that you have to spend there couldn't address that. Now I've done a lot of work on the state level and the argument that has worked for urban renewal against attacks from a wide variety of opponents has been that urban renewal identifies problems in an area, it fixes those problems and then it goes away. I don't see us being able to make that argument if you take the actions approving these amendments. Thank you.

Barbara Fredericks: Good afternoon Mayor Potter, Commissioner Saltzman, Commissioner Fish. I'm Barbara Fredericks the first vice president of the League of Women Voters of Portland. How Portland uses its urban renewal authority has been a top priority concern for the League for years. Our member volunteers have devoted countless hours attending meetings studying reports and conferring with experts. We have urged the P.D.C. and the City Council to use urban renewal financing judiciously because of the impact it has on the schools and on county and city services. We have also urged the P.D.C. and City Council to return districts revitalized with urban renewal monies to the property tax rolls as soon as possible. So that the sacrificing taxing districts can reap the promised benefits of our urban renewal investments. The Portland Tribune June 12th editorial made a compelling case for completing the river district urban renewal plan within the original indebtedness of the \$225 million. The Tribune's editorial states and I'm going to quote "urban renewal as it is being practiced in Portland, is an issue that touches the wallets of just about everyone who pays property taxes in Multnomah County and arguably within the entire state. The decision that the Portland City Council is slated to make to extend the life of the river district urban renewal area until 2027 raises a number of questions about the appropriate use of such districts" end quote. The editorial articulates well, the rationale for diverting tax revenues from our schools, from our county and city funds and investing them in urban renewal projects. I'm going to read the quote again. "The rationale is that these jurisdictions will make small, short term sacrifices in their tax revenues so that blighted areas can be revitalized but they will recoup that money and more when the urban renewal area is terminated and all new development comes back on the tax rolls. This rationale only holds up though if property is returned to the tax rolls" end of that quotation. Like the

June 18, 2008

tribune and other thoughtful voices many of which we've heard today the league calls for finishing the river district within its \$225 million dollars and returning the newly created 1 billion dollars plus in assessed value to the tax rolls. We appreciate that more projects could be accomplished with the proposed additional spending including low income housing which the league supports but residents in those buildings need county services. They need good schools and other support to succeed.

Ending the river district on time and as promised will allow the public to reap the rewards of its long term investment in the area and stay true to the intent of Oregon's urban renewal statute. Thank you.

Fish: Mayor may I?

Potter: Yes, just a second.

Fish: I'm sorry, in the off chance that your not back for the next item that were taking up I want to if I could ask you a couple of questions. Because I thought your testimony was very thoughtful. Starting with you Mr. Tashman. As I listened to you talk about the challenge of determining when blight has been cured it reminded me of a larger societal debate we have about when has affirmative action achieved its goals and we have the same public discussion about what's the trigger what's the moment we say that some task has been completed and in this case there could be a statutory consequence of that. So my question is what in your judgment is the proper measurement of when blight has been sufficiently cured that it would be inappropriate to either extend or amend a district or proceed further?

Tashman: Well I wish there was a clear cut answer to that its very dependent on the facts. I think that the judgment that the river district is not blighted is based - - you know I don't see it like a fine distinction where there's some clear criteria and this situation just manages to meet those criteria for when its finished. This is a district that is the most visibly successful of urban renewal district in the history of the state, certainly in the last 25 years. And it's an issue that the City of Portland, city council has gone on record in resolutions adopted by this commission stating that the river district has been an unparalleled success. So when I'm saying that I don't believe the river district is blighted, first of all I'm saying there aren't conditions of blight that couldn't be addressed within the remaining resources. There are substantial remaining resources. I'm not arguing it should be stopped. But if I think by any standard that anybody would likely come up with in terms of assessed value, jobs, economic vitality, adequacy of public facilities, the river district does not meet - - you could not go to the river district today and find it blighted for the purposes of urban renewal plan and what's in front of you has gotten around that problem by just saying we found it blighted 10 years ago and its still blighted.

Fish: Thank you and Mr. Norville your not related to Darcy Norville are you?

Norville: Who? Yeah I am I'm related to all the Norville's.

Fish: Oh you are. I'm a big fan of your niece, cousin, daughter whatever. Question I had for you is, you've been identified in the media as being a kind of a purist on these questions and I'm curious if the proposal before council was to use tax increment financing money to construct an elementary school within the river district would your position change?

Norville: I think it would be a much closer question into the extent that it was determined that it was a very needed facility it could support a possibility of at least a portion of that cost. In the federal program which initially defined all things you could or couldn't do, schools were not really considered a proper beneficiary of urban renewal. However I think were not operating strictly under federal rules now and that's a possibility you could. What they did was where there is a benefit which is of general concern to the community as a whole or generally benefits the community as a whole; the federal government permitted something like 20 or 25% of that to be paid for with urban renewal funds and I think that's true of a lot of things. For instance you mentioned the county buildings here. Generally I don't think when your benefiting the county it's a general benefit to the community as a whole and I think you can kind of go on a percentage basis. Its not in the statute we talked about it before the legislature from time to time people have raised the question, can you

June 18, 2008

build a city hall? I don't think it's appropriate. Can you build a ball park? I don't think it's really appropriate. Its that kind of issue you have here and I think it's a closer question I think in this case its clearly not permitted.

Fish: Thank you. We also recognize that our charter doesn't speak about education. So were not addressing whether it would be permissible under the charter but were looking at the state and federal law question.

Norville: No, no you have to understand that an urban renewal agency when acting as an urban renewal agency acts solely pursuant to state law, not the charter. Charter simply created the development commission and designated it as the urban renewal agency under chapter 457. There aft it has separate powers, the development commission has separate powers. But those are not urban renewal powers they are derived strictly from o.r.s. 457 you have to find it there.

Fish: One other question sir. There's been some commentary in the press and here about a slippery slope and about a precedent being set and the absence of any coherent boundaries in terms of where we go from here. In reviewing the materials though I went back and looked at the underlined ordinance or resolution which does set forth some specific limitations on the ability of future councils to consider a satellite district and it has to do with specifically the timing has to be a mature district after 10 years then there has some limitations on the amount of money and other things. Is it your view that those limitations have no effect and are meaningless or would you acknowledge that they do in fact limit what the council can do with respect with satellite districts going forward?

Norville: I don't think they can permit satellite districts at all period. I think it has to be contiguous. I don't know of any - - there's two projects that exist in the state of Oregon that I know were noncontiguous. One was divided up later on, that was in Oregon city. One here was separated by a river I think that was highly questionable. I don't know one in the united states which has been noncontiguous.

Fish: Finally mayor if I may. I haven't had a chance to review the materials you've just submitted to us but since you're here I think it's worth asking. I think the original vote on this matter was 5 - zero by the council. Were now coming back to review the next step. Assuming this council by a majority vote moves forward on this, is it your intention as petitioners here today to take further legal action on this point? Is it your intention to go to l.u.b.a. or exercise other rights?

Norville: Well that's not my decision there's a group that's organized and I think that the intention is in that direction if they intend to proceed but that's not my decision.

Tashman: The group, and I'm not the leader of this group I got promoted there but, the decision is we have consensus on the material and the testimony that we submitted today, specifically on the letter the written material and the decision about whether or whether not to legally challenge the plan is one that we had not made yet.

Fish: Thank you mayor.

Potter: Thank you folks.

Shelley Lorenzen: Good afternoon mayor potter, commissioners my name is shelley lorenzen. I'm with the league of women voters. We, I just would like to say as a matter of process it's amazing to me that we are talking about more than, were talking about doubling the amount of urban renewal debt in or city from 600 million to 1200 million, I mean to 12 million. 600 million to 12 million.

Saltzman: 1.2 billion.

Lorenzen: Sorry. And we have we have our mayor elect is missing and another council member and I just think its unfortunate that we have scheduled this hearing on a day when we don't have full council present the numbers that we are talking about indebtng the city to are so enormous I think it should be heard by all five commissioners. Four years ago when the urban renewal district for downtown waterfront was set to expire the league proposed we thought the district should end but recognized that oldtown Chinatown needed more urban renewal investment. We proposed that that time the downtown would expire and oldtown Chinatown would be folded into the river district as

June 18, 2008

much as many acres as would be permitted by law which would have been 61 and that the significant amount of the remaining revenues to be spent in the river district be redirected to oldtown Chinatown. Well the council at that time was very enthusiastic unanimously endorsed that idea, sent it to the p.d.c. and said can we do this? Is the league right? The p.d.c. commission appointed a committee they studied the issue and conclude that yes indeed that could happen. The matter then languished for four years and here we are today. We sometimes say we feel like we've opened Pandora's Box. You know the idea was to not more than double the amount of indebtedness of the river district. More than triple the negative effect of taxing jurisdictions. We're going from 70 million dollars lost revenues to the city to the county to the schools under the original 225 million dollars indebtedness. Now with more than doubling the debt we are adding we are coming to a 200 million dollar hit to each of those jurisdictions and I find that absolutely extraordinary. You've heard a lot of talk about blight today, this is not about blight. This is about the whole basis for this proposal has been that the river district is a success and lets do that money to do more. That is not how urban renewal is supposed to work. You're supposed to work yourself out of the job. We've gone from 300 million dollars in assessed value to almost a billion and a half. If we end the district on time four years from now they say the debt could be paid off over a billion dollars in new assessed value could go back on the rolls and the taxes flow to the appropriate taxing jurisdictions. Instead were talking about extending it out 20 years and - -

Potter: You're time is up. [gavel pounding] Mame - mame - -

Lorenzen: forgoing an amazing amount of revenues. Mayor potter may I just say I just as a matter of process. You know you have invited guest who have unlimited time to speak and those who have a different perspective on the issue are limited to 3 minutes on a very complex question. It's really very frustrating.

Potter: I'm sure it is. It's probably frustrating to everybody. We do have to have things done in an orderly and timely manner so thank you.

Veronica Bernier: - - this has been an overlong meeting and I'm going to make mine short but sweet. Its 12:30 and I understand the issues. I just have to say this. From a historical point of view portland has roots that go way back and throughout the lifespan and have important relevance for the future. Historical preservation of these buildings in our district has merit and when they are remolded is what we would like to advocate is the entire opposite point of view that this board has been going - - -we want to encourage vintage restoration and Victorian consultation and architectural planning. And mainly restoring the older architects views of those districts. The reference is to hoffman and schiller and also bill windburgen. An older friend of mine from the haight ashbury. Who has worked an amazing extents in restoring Victorians in 1920's, 30's and 40's era buildings. He has an expert hand with it and I think people like that can really support our built environment. New isn't always better. I always say retro to the old to pick up new solutions for the present. And I think this is true. We all love the older buildings according to portland state university urban planning professor, doctor seymour adler and also mrs ruth skinner, psychology department and tim hardy, one of our best counsel general deFrance instructors. Older buldings are fine just the way they are with just a little bit of touching up. And also my former professor Antonio yoyano, who is Italian, you can tell norther Italian, but anyway, Antonio yoyano always said that buildings breath. And the older buildings seem to breath better when the people are around. And of course the health of the building is important when you first walk into these old Victorians you can tell the timeless, ageless quality of them. So were for restoring the old and keeping it that way and I just want to support that idea. Thanks a lot opposing point of view equal time.

Paul Verhoeven: Good morning mayor and commissioner Saltzman. Paul verhoeven, executive director of Portland Saturday market and I serve as the cochair of the oldtown Chinatown land use committee. I want to touch on a couple of things and I to just kind of leave out the satellite district out of this. I think a lot of the testimony we've heard I haven't heard anybody argue against the

June 18, 2008

legality or the wisdom of adding acreage in oldtown to the river district. It's contiguous to the river district existing boundaries and I think it's well within the laws to do that. It's important I think as the league of women voters has brought up to finish the work in oldtown and I think this is the way to do it. I would argue with anybody who doesn't think that there's blight to be dealt with in oldtown to come down and spend a day with me and I'd be glad to take them around and show them the properties we're talking about. There's some key catalytic opportunities that are before us still in oldtown to finish. We have the fish blocks across from the Chinese garden, we have block 25 where the blanchet house is, it's a full block that blanchet is on an eighth of the block and the rest of it's p.d.c. property now that's been sitting underused as a parking lot for years that now has a chance. We have block r across from the greyhound station that's been sitting vacant every since they tore the hotel down there, probably 20 years or more. We've got block 8 and 13 the import plaza, old import plaza building and the lot across the street from it that are surface parking lots and an old underused building. Then we've got the goldsmith blocks a full block parking lot that has a chance of getting an oriental grocery store on it. This work wouldn't be possible without tax increment funding. Oldtown neighborhood is unique and it's important because it has two historic districts in it and also it has a lot of the social services that serve the downtown and the city as a whole. If the city treasures these things and historic districts in providing social services, the city as a whole has an obligation to help us in the neighborhood to make this work. And the proposals before you today to annex this into the river district I think will help meet these goals. The oldtown neighborhood supports these goals the land use committee supports these amendments and I urge you to approve them thank you.

Potter: Thank you.

Marion Haynes: Good afternoon mayor and commissioners. My name is Marion Haynes and I represent the Portland Business Alliance. My testimony will speak to the next agenda item as well. The alliance supports the use of urban renewal as a critical economic and community development tool for the city. Urban renewal though focused on specific geographic areas within the city ultimately benefits the entire community. Through the use of tax increment the city can leverage private investment which increases property values and revenues that flow to the city, county and schools to support critical services. We participated in this process from the beginning and while we originally had called for early deficient of downtown and south waterfront. What became quickly evident was that the needs far outstripped the resources that were available. We do support the expansionary amendment as it is critical to moving forward to with significant redevelopment opportunities in oldtown Chinatown along Burnside Court in the retail core along with other projects that are within the current boundary. Urban renewal resources will help insure the financial feasibility of these critical projects and allow them to move forward in a timely manner. We encourage you to ensure that the plan findings are adequately described for urban renewal statutes to be in full compliance. With the respect to the satellite amendment, the alliance has previously expressed and continues to have concerns. We applaud the city for acknowledging and looking for solutions for David Douglas. The business community in partnership with the city has financially supported all of Portland schools numerous times over the past several years. We fully support a strong educational system as critical to the community's quality of life and economic vitality. However, we remain concerned that the satellite district may be beyond what is authorized in urban renewal statutes. This is a significant departure from traditional use of urban renewal throughout the city and the state and raises issues regarding its legality. We believe the legal question of whether a satellite district is authorized by statute should be settled before moving forward. To not do so could jeopardize David Douglas' plan which would not benefit anyone in the long run. Urban renewal has been authorized by the state of Oregon for over 15 years. During that time it has helped accomplish numerous economic and community development goals. The expansion will allow this to continue. But a proposed use of noncontiguous districts is a radical departure from historic use and intent of

June 18, 2008

urban renewal law. We are concerned about the impacts of such a departure on the integrity of urban renewal and the City of Portland and the entire state of Oregon. We recognize there are needs throughout the city. Urban renewal is not the only tool at the cities disposal and is not the appropriate tool in this circumstance. Thank you.

Fish: Mayor, may I ask one question?

Potter: Yes.

Fish: I apologize, I don't intent to extend this hearing forever but there are some things I'm trying to get up to speed on. And I was struck by what you just said about the legal issues should be settled first. And I just wanted to invite more thought on that. There are several ways that I can imagine we could settle the legal issues. We have opinions from noted attorneys and those opinions don't carry the weight of law. They are advisory. The legislature could take some action, to either clarify certain terms that are in the existing statute, or frankly either explicitly authorize or explicitly close the door on this mechanism.

Haynes: Correct.

Fish: And the other would be that another body would review whatever the council does and issue an opinion. And so what is the preferred mechanism that you would like to see to settle the issue?

Haynes: Well I think there are ways in which the city could see clarity on whether this would be allowed under statutes by the courts prior to making a decision on that and that would be one option. As you said you have outlined the others. Those would take a little bit longer, but there are avenues through which you could ask that question.

Fish: Just so we're clear if the Council does proceed on this there is the opportunity for someone to take it to another body to get a legal review and in this case luba. And luba would have the right to either affirm or reject what the council has done and set forth a legal basis for that.

Haynes: Correct and I guess our concern is what that does to the timing and to david douglas' plans who rightly have some problems that they need to address. Is there a way that we can get to a decision earlier rather than a protracted process.

Fish: I appreciate that comment particularly since some pdc materials we've been provided with have this budgeted at 2011-2014 in terms of the money for this project. So I think that point is very germane and I hope to get some clarification on that with the next panel.

Potter: Thank you. That's it?

Moore-Love: That's all for 815.

Potter: OK, items 813, 814 and 815 are non-emergency ordinances and as such they will move to a second reading next Wednesday. Please read item 816.

Item 816.

Bob Durston, Portland Development Commission: I'm Bob Durston from the Portland development commission and with me today is Barbara Rommel from the david Douglas school district. She's the superintendent and volunteer frieda Christopher, david Douglas board chair. I want to thank them for spending time with us today. We had a power point. I seem to have figured out how to turn it off. I'll give you a little overview. We've already touched on this topic. The urban renewal advisory group did look at the question of capacity in river district and recognized that it was a very healthy district with significant financial capacity. And it did look at options of releasing that capacity in different ways. None of which were simple. They looked at releasing some of the property actually, taking some of the assessed value out of the district. That would involve an entirely new and fairly complex mapping scheme. The other idea was—and this is one that is still there—is that in the older districts, the option 3 districts, downtown, waterfront and south park blocks, are older option 3 districts. It's a statutory option that we were granted for those older districts when we went through a number of property tax reform process at the constitutional level. And in order to preserve those existing urban renewal areas that actually fixed the increment growth within the district and any growth above that would be released back to the taxing

June 18, 2008

jurisdictions. For a decade now downtown waterfront and south park blocks, the growth in those districts is actually been returned to the taxing jurisdictions. Unfortunately when the legislature created the ongoing urban renewal system, new districts don't have that option. And once you create a district, the increment is captured forever as long as the district exists. So having looked at those various options, then commissioner erik sten, member of the advisory group, made this proposal as a way to release some of that financial capacity so the benefits of the river district could be shared in other areas of town—other less fortunate areas of town. At the same time he'd been talking to schools throughout the community with the schools, family, housing initiative, I believe and entered in conversation with david Douglas school district which identified very serious problems of being able to meet the growing number of school children who are coming to their district. To the point where they needed new facilities. In commissioner sten's perspective a lot of the growth that was generated by the success of downtown, now just river district, but downtown, was actually promoting some of the real estate inflation of the local housing market. And as families looked farther east to find housing, it was typically families with children. We saw more and more of our lower income families moving east and impacting the schools there. So the advisory group considered that and were a little concerned about this mechanism. It hadn't been done before, it certainly hadn't been done here in Portland. So they were a little concerned with it but they said, if the city council gave us criteria for which a satellite district could be formed, and if they designated david Douglas as the first target for a satellite district, we will make sure that our advisory group recommendations would allow that to happen. So the advisory group set aside some acreage, recognized some resources would be necessary for this to move forward and on March 12th the city council passed two resolutions. The first resolution did in fact outline the criteria under which a satellite district could be implemented. It has to do with a district more than 10 years old that has been very successful. And it was designed around river district, to be honest. The second resolution was specific to david Douglas and I think it did a very good job of outlining why david Douglas should be a satellite district to river district. Consequently the resolution directed pdc to take actions to create an amendment to create this satellite. What's being proposed in this agenda item reflects the first amendment to the new river district urban renewal area. And with that let me show you the specific geographic area we're dealing with and then I'm going to turn it over to Barbara to walk you through what she has envisioned for the site. This is a site, just outside lents urban renewal area. It's about 8 ½ acres. It is undeveloped in the sense that the water, sewer, transportation infrastructure isn't there. There is—I believe it's contiguous to the Johnson creek water shed, so there's some environmental issues there. But it also creates a very good opportunity because it is surrounded by a fairly dense and growing residential area. And with that, I will pass it over to Barbara to explain what she has in mind for the site.

Barbara Rommel, Superintendent, David Douglas School District: First of all I want to thank the urban renewal advisory committee, the pdc, Portland planning commission and especially city council for your vision and leadership in developing this amendment and moving it toward actuality. I've been a Portlander all my life and I've lived in every quadrant of the city. You're consideration of this amendment is the most tangible action to demonstrate that we are one city, than any effort I can remember. The school and community center that is proposed as part of this project, after it's constructed, it will employ about 60 people on a full time basis. Those are new family wage jobs. And another 25 people on a part time basis. These are new jobs that meet one of the core functions of urban renewal areas. The school community center will serve an area of the city that is lacking in—certainly in school facilities—because the number of students we have moving in to david Douglas is increased substantially over the last 10 years. But it's also an area of the city that needs more community centers. Places for people to gather. And this facility will have areas in the facility that will be open to the broader community to take classes, to stretch their job skills, to learn about the diversity in the community; and it will also serve preschool children and help them get a

June 18, 2008

good start to their own educational and successful life. I urge you to approve agenda item 816. It represents a vision that resources from a more affluent area of the city can be directed to serve a less affluent area. It emphasizes a vision that we are one city. Thank you for your consideration.

Frieda Christopher, Chair-elect of David Douglas School Board: I also am a member of the gateway ura and have been since prior to its inception and I recently joined the east Portland action group as well. So I'm very familiar with not just the educational needs in the district, but just the whole area in outer east Portland. I'd like to say that gateway is very envious of the success of the urban renewals downtown. They have done a wonderful job. They have taken areas of blight and made them vital areas. Because of that the values have raised of property in their area. What I call a halo effect, the values have raised also in areas far exceeding those urban renewal, to the point where it does have an adverse impact in some ways. The unintended effect is the movement and shift of population to the outer east side and especially to david Douglas. I've gotten really interested in tax exempt property and affordable housing etcetera working through gateway. And so I took some time myself and did some studies to look at what has happened to that tax exempt property. What we were noticing was an increase. So with the numbers in 4 years it had increased 23% in the david douglas area and of that 23%, 63% was in affordable housing. We saw section 8 housing increasing east of the city over 960 units. And that doesn't sound like very much, but when you took the breakdown—and this was right out of a hap map—is 1,083 were in five in the 6 zip codes that encompass david Douglas. And there was a decline of 121 west of 82nd. So you can see how that has moved. What we saw in our school district—and I've been doing volunteer work in david Douglas for 32 years—is we've seen increase in our free and reduced lunch. When my kids were in school, their local school, Lincoln Park, had one of the highest free and reduced lunch rates. We were up there, close to the 70%. Now that's a district average. We have schools with over 80% free and reduced lunch. We have increase in our ELL population that has just grown astronomically. And we deal with over 40 languages in our district. But we have a marvelous staff that has embraced this change and diversity. In fact, many of our community members like the diversity. But it does create needs. Our population is over 10,000. We tried to pass a bond in '06. It failed. I don't think it failed because our residents do not support education, in fact just the opposite is shown throughout our district. Just they couldn't afford a third bond to add more classrooms. Our school board has taken upon themselves to find general fund money. We've added 21 classrooms to our high school, we currently are adding 6 classrooms to one of our middle schools. Another middle school, Ron Russell, that just opened a couple of years ago—we're adding another 8 class rooms to deal with some of this population growth. But we do not have the funds to add a whole new elementary school up on our deardorf property that we own. We are pleased the city council, pdc has brought this resolution. I know that we would like you really to consider. I'm pleased they are thinking outside the box. Because I know in gateway we're always talking about that with that urban renewal. How can we make that happen? We have to think outside the box sometimes to get things to happen. And we really appreciate that you are considering this and looking at the shifting population and trying to help david Douglas. This will be an advantage to the community. It will help the children and community and we are all one city of Portland. Thank you.

Potter: Thank you very much.

Durston: The last point, is this a \$19 million...

Potter: Hang on a second.

Fish: I have a question for the superintendent. Cause pdc has put out a document that shows a seven year forecast for spending in the river district. The \$19 million starts kicking in the fiscal year 2011-2012 under their projections. And I just want to clarify, what is your expectation of when you would break ground and when you would need the money to proceed.

June 18, 2008

Rommel: We needed that school to open last September. And so any delay in the construction of that school is going to have a serious impact on our class sizes which are already the highest in Multnomah county. So my- you can't do it until you have the money. But the sooner we could do it the better it would be. And we've tried to do all the things we need to do in preparation for breaking ground. Getting conditional use permit and that kind of thing.

Fish: Well bob, can I address the question to you then? If the pdc forecast doesn't have this budgeted until fy 2011-12, and it was the desire of the council to act on this immediately, is there an alternative financing mechanism that has been proposed?

Durston: Once this amendment is passed, that would give us an opportunity to sit down with the school district with our own finance people and the city's finance people and look at interim financing options. Right now the-we would have to look at the budget. We would have to look at alternative financing mechanisms or shift funding priorities.

Fish: And is there a precedent in the city, because once again I'm new to the job—is there some precedent for interim bonding of some kind to cover these costs with the collateral being whatever you get in the out years?

Durston: You know I can't answer that. I think there are creative ways to do interim financing, but it would have to depend on whether we work with the school district to have them find the interim financing or if we do something with the office of finance and management here.

Fish: There's nothing though in the matters before council today which addresses that question, correct?

Durston: No, it does not. Once the amendment passes then we would go full speed in that discussion.

Fish: I just want to be clear with Barbara, here, that some of my questions are designed just to anticipate plan b, c and d here. And I don't think there's anybody that is part of these conversations that doesn't believe passionately in educational equity. But there are interesting issues about the means to the end that part of my interest is understanding what those issues are.

Durston: To conclude, there is a financial impact on the taxing jurisdictions due to the increase in maximum indebtedness to \$19 million. I also will take this opportunity to enter into the record the resolutions passed by the Council that directed us to create this item before you. And that concludes our presentation.

Potter: How many people do we have signed up to speak?

Moore: We have 8 people, Kyle Riggs, Deborah Baker and Dan Yates.

Deborah Baker: Good afternoon. My name is Deborah Baker and I am a homeowner, I am a parent of three children who attend David Douglas School District as well and this past year I have been employed with the David Douglas School District as an overflow instructional assistant. When I went to get my information together to present to the commission and to the community as large I had statistics but my colleges and friends have covered that. What were really here today to talk about is not to convince the commission it to convince the opposition. And what were really talking about here is not legalese it's not about who's money belongs to who and boundaries. It's about educating our children. And we've been given a perfect opportunity to teach them the most important thing and that is how to be a citizen in a community. Because that's what were doing, were a community gathered together to do what's best for one another. In this case it's educating our children. David Douglas is a district that has oft been ignored. Sometimes invisible to the city, its citizens and its constituents but it's a district that has done a lot of good for our students. We have programs intact that are nonexistent in schools district across the nation. But we do this at the cost of class size. Our average class size is 28 to 30 students per classroom. With many teachers without aides but we do this to keep those programs intact. If we were to build a building on Deardorff property with these funds, it's going to alleviate some of that crowding. Crowding that exists because of the influx of people like myself raising three children that need to buy a home. I

June 18, 2008

moved from north portland before it became a renewal area into southeast where I could afford it. Many families are doing the same thing. The rising house costs are forcing people out into our area which is putting a strain on our facilities. We are in desperate need of schools. It's a small sacrifice which is going to be repaid in myriad ways down the road. It's going to be paid back by students that are getting a quality education. Their going to take that positive affirmation that they get from school and put it back into our community. Their going to grow up to be positive adults with a good education that get good jobs that bring business into southeast portland and that's going to bring life into our community and those tax dollars that were all so concerned about are going to go right back on the books for the next good works that were going to do for our city. This is a time to teach these children how to be members of a community in a time of such economic and political division what better chance do we have to teach them the most important lesson. This isn't about Portland this isn't about the nation its about how to be a citizen globally. So let's take this opportunity and put all the legalese and boundaries aside and work together as a community as a whole and for those of you that want to take legal action here's my suggestion to you. Why don't you pull that money that your going to spend on those legal expenses and donate them to david Douglas? There's another solution to your problem. Thank you for your time.

Kyle Riggs: Mayor, commissioners, my name is kyle riggs. I'm a member of the citizens advisory committee for the david Douglas school district. My kids go to public school in portland but I get a little frustrated when I hear about the problems in portland schools and all the issues that their having. They usually don't resonate with me very well because while my kids go to schools in portland their in the david Douglas school district. With respect to people that have spoken here today, we aren't making our high schools into smaller individual academies and were not closing or consolidating our schools. To try to find ways to better educate our kids. We already know what we want to do and we know how to do it and we do it very well. My issue is that our schools are really starting to have a problem doing what they do. The problem were having is maybe an unplanned side effect of some actually some very effective city planning. The city successfully raised the value of property close in and rezoned the property where we live to support a higher density. In doing this we have caused a very measurable and visible trend. Our neighborhood through zoning just in the last year is at an enormous amount of residences. Some our single family homes, some are row houses through the city planning we added apartments like leander court. Some of the members of the council are familiar with that it's a rose city, excuse me it's a rose community development corporation with a nice write up on the p.d.c. website. All this growth in our neighborhood and all this growth in our school district was a result of city planning. All this city planning has had a side effect and its brought an element into our neighborhoods and into our schools schools. Its not a bad element it's a great element. It's brought families with kids and what neighborhood wouldn't want that. Its just that its brought a lot of kids. So as I said earlier my issue is that our schools are really starting to have a problem doing what they do so well. There are just too many kids for these schools. If you look at the enrollments in portland and look at the trends you can truly see that these kids do come from somewhere. Are elementary schools, especially those on the south end of the district, where I happen to live are well past capacity. There so full now we actually no longer have room to keep all the kindergartens at them anymore. But the families keep coming. There's just too many kids like I said but they are are kids and as was mentioned their portland's kids. I did mention earlier that I'm on a citizen's advisory committee for david Douglas. This year we studied the need and potential uses for this new school and we had tremendous community feedback. We had response to a survey we sent out from over 1400 families. People in our community are excited about this school and even planning for it. And their even looking forward to the community aspect of it as well. I've heard today a lot of people and their views on the money from the p.d.c. and I'm no different than they are. I have an angle, I want the money. I want it for these schools, I want it for these kids and I don't know how you do what

June 18, 2008

you do I'm not in government but you guys are the ones who take care of this stuff so I would just ask that you do what you need to do to get us this money for this school because we would really appreciate it. Thank you.

Dan Yates: Good afternoon commissioners, mayor, congratulations commissioner fish on your first meeting. My name is dan Yates, I'm the president of the central eastside industrial council. I'm going to read a letter from our board. Central eastside industrial council board recently addressed a topic of satellite urban renewal districts. The CIC has long participated in CES urban renewal district and many of our members have extensive experience in the purpose, execution and limitation of urban renewal law. It appears the Portland city council is determined to use urban renewal funds to address issues that are beyond the scope, intent and the construction of the law and are therefore illegal. The central eastside believes the general theme that government should follow the spirit and the letter of the law. The city council should set the tone at the top of the city government as one of abiding all laws not just once which it agrees with. If it disagrees with laws, it should work to change them not ignore them. If the city council disregards the law it sends a signal to other components of government that it is acceptable behavior and soon bureaucrats at lower levels follow suit and pick and choose laws they follow. This results in a breakdown in trust and respect between government and the public. In the central eastside board's opinion, the p.d.c., which operates under state law has a fiduciary to all taxing entities who's revenue are diverted for urban renewal activities. This responsibility is to eliminate blight, increase a tax base and return their properties to the tax rolls. The City of Portland share of diverted taxes is about 40% depending on the district. The balance comes from other districts such as Multnomah county, public schools, police and fire disability and other tax basis. By taking an active roll in the p.d.c.'s budget decisions the portland city council assumes the commissioners obligation to use the funds within the limits of its fiduciary responsibility and urban renewal laws. The central eastside is concerned that satellite districts are beyond the spirit and intent of the law. We believe satellite districts will not withstand a legal challenge. Is it the role of government to shop for legal opinions and promote questionable legal positions? We think not. Respect for law, and rules as waning and if government chooses to not follow its own rules, how can we prevent citizens from picking and choosing the laws convenient for them to follow? We urge you to ensure the recent amendments to the river district, u.r.a. conformed to the law. Thank you.

Parsons: Next oliver norville, jeff tashman, mary ann schwab -- they will be followed by shelley lorenzen and nielson abeel.

Potter: Are there additional names?

Parsons: That's it.

Potter: State your name when you speak. You're limited to three minutes.

Shelley Lorenzen: Speaking in the order we are called or any order?

Shelley Lorenzen: Shelley Lorenzen again from the League of Women Voters of Portland. You know, we hear the concerns of david douglas and we think -- this process has brought those to the floor, which is a good thing. I guess a question I have for the council is why don't we draw david douglas into the Lents urban renewal area -- it can be done and not have this issue of the satellite question and not be subject to challenge. There is \$170 million on the table in lents. It seems if one could carve out a \$19 million piece for david douglas. So, I would like to make that proposal. Another proposal would be to end the urban district in the river district, take back your \$100 million that you would have flowing back to you to the general fund and spend the money in david douglas if you are legally permitted to do so. They have a need. Urban renewal money is just not - is just not the way to do it under the proposal before you today. Commissioner fish, you had asked about the way the -- a resolution was drafted that council adopted earlier, and did the constraints on the satellite somehow make it okay. I think the constraints on the satellite proposal of exactly what makes it not okay. And as mr. durston said, the resolution designed to only allow

June 18, 2008

districts that are successful to have satellites at the ten year point. When districts are successful, they are to end and the money to go back to the -- foregoing taxing jurisdictions. That is a big problem with the limitations and the resolution. The characterization here has been take from the rich and give to the poor. And I just want everybody in this room and in this community and including david douglas, to understand that we're not taking from the rich and giving to the poor. We're taking from schools, county services and city services. The david douglas stands to get \$19 million, under this proposal of adding or over \$300 million in debt will mean a \$200 million loss to schools statewide. It will mean loss to schools from the option. It is -- \$19 million is the tail wagging the dog here. I have more time. Thank you -- I will end. Thank you very much.

Mary Ann Schwab: Mary ann schwab. For the record, I have been 30 years trying to get a Washington monroe -- recreation center within the inner city. We have been working with the central industrial east side, Portland public schools, southeast uplift public transportation and land use. My concern is the process. Taking a -- it has taken us so long to get a boundary shifted 6.1 acres, we had to wait for the proper time lines. I have a solution for david douglas, and not just david douglas but all schools in the district. We have gold, expensive gold within Oregon agriculture and hops. We have the best hops grower in the world, so much so that anheuser busch sold his company for \$46.8 billion to a company in germany. Their lobbyists have tied our hands in Salem. Some of the champions for time for a dime, dime a drink, malt recovery fees for people who abuse those products have been constantly centered in committees. We have to rally around and raise that beer tax from ¾ penny per 12 oz container to 10.1, which would put \$60 million annually into the general fund, freeing up money for things like david douglas. Measure five injured us. Measure 49, we constantly tweaked the system. Those with money can tweak it. Those of us that are just advocates for every day citizens, and it is frustrating to come in here and go for three minutes and try to make a sensible point. What I had prepared to say after listening to the other testimony, I am not going by my plan here. There is money out there. We can work together. I am familiar with david douglas. I walked the first safe routes to school. We had eight of them. I am concerned about the children's safety walking to and from their schools. We want kids in school. This council has constantly rescued Portland public schools in Multnomah county, five school districts to get more money to keep the kids in school. We need to keep our kids in school, we need to educate them. Another possibility, why not bus the kids to one of the underused schools in Portland public schools as what happened as they had the floods in the river down on the willamette. We can band aid this until 2011. We can fix it by lobbying the capitol -- we voted good people in there and collectively we can make things happen. Thank you.

Neilson Abeel: Mayor Potter, I want to reiterate under this item, 816, and make it clear as a river district, pearl district resident, that this -- our opposition to this is not trying to affront the david douglas school area. What we are looking at is a city, a council that is trying to solve a problem with a policy that is not legal. Urban renewal districts run under Oregon state law and the satellite district, as you have heard from experts, has neither precedence nor legal standing. This entire situation was created by a councilman that is no longer on it. I quote from the "oregonian" this morning who quoted former councilman Sten, who put this procedure through, and I want to emphasize the word that he used in the quote. It is not just poaching money from the river district, I think it is a new way of seeing a relationship between the successful downtown and outer areas of Portland. What I want to bring your attention to is his use of the word poach. Poach in english refers to an illegal act of taking something that you're not legally entitled to. And as far as procedure here, I want to echo what shelley has talked about that this is an incredibly important item, all items have been incredibly important and have great financial consequence to the city of Portland and to the state of Oregon. And to have two of your council not here today and to have other -- and to have some of the absent councilmen also quoted by the "oregonian" talking about they've got the muscle in salem to change the law, I also point out to you that I believe the city

June 18, 2008

lobbied the special session of the Oregon legislature this past february on changing the urban renewal law and was turned down cold. Thank you very much.

Moore-Love: That is all who signed up

Potter: Okay.

Potter: This, too, is a nonemergency ordinance, and we will move to a second reading. Are there other questions, business that we need to proceed before conclude?

*******:** To enter into the record, the planning commission's approval of these three amendments.

Potter: Okay.

Potter: This is moved to a second reading. It will be a week from today. We will begin the regular agenda. We will have a recess for a half hour, we will be back at 1:45 p.m. to conclude the remainder of the council.

RIVER DISTRICT URBAN RENEWAL PLAN

Add 8.53 ACRES - DAVID DOUGLAS SCHOOL DIST

IF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email (optional)
✓ Kyle Riggs	12345 SE Holgate Blvd. 97236	KyleLRiggs@msn.com
✓ FRIEDA CHRISTOPHER	13311 SE Sherman St 97233	
✓ BARBARA Rommel	DAVID Douglas School Dist 97233	
✓ Deborah Baker	10535 SE Schiller St 97266	debs_cleanstreak@yahoo.com
Bob Anus	1136 NW Hoyt St PORTLAND 97209	
✓ Dan Yates		
✓ Oliver Norville		
Jeff Tashman		
✓ Mary Ann Sellars	all rec'd	
✓ Matton Haynes	200 SW Market, Ste. 1770 97201	
✓ Shelley Lorenzen	310 SW 4 th Ave #520	

RIVER DISTRICT URBAN RENEWAL PLAN

Add 41.98 acres from DTWF AND SPB

IF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email (optional)
✓ Veronica Bernier	1117 SW Stark Portland Oregon 97208	Veronica - Melody @Yahoo.com
✓ Marion Haynes	200 SW Market Ste 1770 97201	

182961

Moore-Love, Karla

From: Blackmer, Gary
Sent: Wednesday, June 18, 2008 7:52 AM
To: Moore-Love, Karla
Subject: FW: River District URA Renewal

fyi

From: Kurt [mailto:kball@comcast.net]
Sent: Tuesday, June 17, 2008 9:03 PM
To: gblackmer@ci.portland.or.us
Subject: River District URA Renewal

WHEN WILL THEY (URA's) END?

I see there is a debate coming up to renew another URA this time for the River District. The endless cookie jar it seems in the name of revitalization.

I have lived in Portland 18 years having moved from Tigard; a real tax shock to start with for a basically equivalent value house. The combined taxes of City of Portland & Multnomah without a doubt are of the highest in the state along with water & sewer. Retirement seems to be headed for the wealth here because of the absurd tax burden that only goes up when it should be going down. I higher density should mean a lower cost for all, but not in Portland.

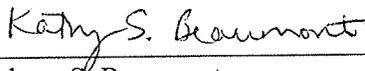
The PDC and City of Portland has done a great job of increasing population density and congestion in Portland, but there as been nothing done to relieve any property taxes by keeping the 1000's of condo and other developments off of the general tax rolls with more and endless URA's that get renewed.

It is time to back off and retire some URA's so Portland can start to be affordable again; assuming the City can stay out of the cookie jar.

Sincerely
Kurt Ball

1 CERTIFICATE OF FILING AND SERVICE

2 I hereby certify that I served the foregoing RESPONDENT'S RECORD on:

3 STEVEN L. PFEIFFER
4 JESSICA T. HAMILTON
5 PERKINS COIE LLP
6 1120 NW COUCH STREET, TENTH FLOOR
7 PORTLAND, OR 97209-4128
8 *Attorney for Petitioners*9 DAVID J. ELOTT
10 PORTLAND DEVELOPMENT COMMISSION
11 222 NW 5TH AVENUE
12 PORTLAND, OR 97209
13 *Attorney for Intervenor-Respondent*14 on August 11, 2008, by mailing to said Attorneys a correct copy thereof, contained in a sealed
15 envelope, with postage paid, and deposited in the post office at Portland, Oregon on said day.16 I further certify that on August 11, 2008, I filed the original of RESPONDENT'S
17 RECORD with the:18 LAND USE BOARD OF APPEALS
19 PUBLIC UTILITY COMMISSION BLDG
20 SUITE 235
21 550 CAPITOL STREET NE
22 SALEM OR 97301-255223 by mailing said document, contained in a sealed envelope, with first class postage paid, and
24 deposited with the post office at Portland, Oregon on said day.25 26 Kathryn S. Beaumont
Senior Deputy City Attorney
Attorney for Respondent City of Portland

182961