

**A Brief History of Urban Renewal
in
Portland, Oregon**

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Introduction

By Marty Brantley, Chairman of the Portland Development Commission

We can be proud of the human scale of our city, from our safe neighborhood streets and vibrant central city to our variety of housing and thriving small businesses. We can credit much of the livability of our city to exemplary planning and a strong history of nearly 50 years of urban renewal to carry out the plans and visions of our citizens.

There is one person who has been a strong voice and committed supporter for urban renewal in the past nine years, Mayor Vera Katz. Since her election in 1993, Mayor Katz has been charged with overseeing the work of Portland's urban renewal agency, the Portland Development Commission, we have worked closely with Mayor Katz and are extremely proud of the accomplishments we have been able to achieve together—The Classical Chinese Garden, the birth of a new neighborhood in the River District, a revitalized retail core thanks to developments such as Pioneer Place and a renewed focus and commitment to our neighborhoods like Northeast Portland, Lents, Gateway and Interstate. During the Katz administration we have brought forward five new urban renewal areas and hundreds of projects, but our work is far from over.

The Mayor, the Portland Development Commission, City Council and all of our community partners must begin now to determine what the next era of urban renewal will mean for Portland. To do the best we can in shaping the future, we must learn all we can from the past urban renewal projects, programs, and processes.

In the history that follows you will find that the past five decades of urban renewal have brought some marvelous successes, but they have not been without their hurdles and challenges. In reading about this past we are blessed with hindsight and the ability to learn from our missteps. History is, indeed, a valuable learning tool. After all, you cannot know where you are going unless you understand and respect where it is you have been.

As we look back in time at the use of urban renewal, we must realize it reflects the best thinking and the best intentions of those who came before us. This history informs the decisions Mayor Katz, my colleagues on the Portland Development Commission and the City Council will make about how Portland uses the tool of urban renewal in the 21st Century. These decisions will continue to build safe neighborhoods, provide housing of all income levels, and keep Portland one of the most envied cities in the United States. Regardless of your past involvement, I hope this historical look at urban renewal will both inform and encourage further community involvement and partnerships as we shape Portland's future.

URBAN RENEWAL IN AMERICA:

Context and Perspective

“From the day slum entered the language of social reform, its mere mention was enough to revolt the good citizen, win the support of the crusading press, and dedicate official action to its extinction.”

–Charles Abrams, *The City is the Frontier*, (1965), p. 19

Franklin Roosevelt, in his second inaugural address in 1937, described the economic condition of families after the Great Depression. He saw “one-third of a nation ill-housed, ill-fed, ill-clothed,” and challenged the United States to do better. However, it was not until after World War II that meaningful action was possible. The Housing Act of 1949 was Congress’s first post-war attempt to make good on FDR’s promise. The act reemphasized the national commitment to adequate housing that Roosevelt had enunciated in his 1937 address. It states that

the general welfare and security of the nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and suitable living environment for every American family.¹

The Housing Act offered federal funds to municipalities for urban redevelopment. At the time, the lack of investment in real property had devastated large cities all over the United States, leaving properties that were unfit for occupancy and abandoned.

As projects were completed, and as analyses of the social and economic factors leading to slum conditions became more sophisticated, urban renewal activities to address blight have changed. However, the fundamental principles of urban renewal have remained the same as the goals Roosevelt articulated: to address economic disinvestment in communities by providing targeted funds for infrastructure, public spaces, and the renovation or construction of buildings to

meet the economic, housing, and social needs of the community, and to sustain or increase the base of property values.

The values and objectives associated with the policy of urban renewal provided funding for hundreds of projects nationwide including 17 major redevelopment areas in the city of Portland since 1958. The basic strategies associated with these values and objectives in the United States generally have produced, a variety of outcomes ranging from great triumphs to markedly unsuccessful undertakings.

As federal urban renewal funds were replaced by block grant programs, urban renewal became less a tool of national strategy and more a response to local needs and priorities. Portland has taken FDR's vision and given it a uniquely local flavor.

The Portland Context

As in the rest of the nation, the record of urban renewal in Portland is best judged by its contemporary social and economic context. Following World War II, the Pacific Northwest generally grew only slowly in contrast to the rest of the West, particularly the southwestern states. Between 1950 and 1980, Washington and Oregon's population grew at a rate of about 20 percent per decade, far below the rates of Arizona (an average of 54 percent growth in the same period), California (57 percent), and Nevada (71 percent). After 1980, because of sluggish economies, the two states grew only slowly, with Washington at 13 percent and Oregon at a meager four. Indeed, Oregon's urban center, Portland (like Seattle), lost population in the 1970s, although its metropolitan area kept growing, even as the state of Oregon itself lost 43,000 inhabitants between 1980 and 1984. The significance of this slow and relatively homogeneous population growth is that as urban renewal came into focus and was implemented as the cornerstone of redevelopment in Portland, it was in a community that did not experience the high level of social conflict that occurred elsewhere at the same time in terms of the racial politics and social tensions of the era.

Portland in the 1950s was a quiet town of 373,628 inhabitants. It had grown only slowly since World War II, primarily because of a consistent policy of resistance by its city leaders to the

post-war industrialization that characterized the development of other large U.S. cities. The values by which business and political leaders lived and acted, and that a foremost historian of the city, E. Kimbark McColl, asserted were shared by the general public at the mid-point of the twentieth century were summarized by him in the second volume of his two-part history of the city. He characterized these notions in a terse list.

Portlanders considered the rights of private property to be sacred.

Portlanders were rurally oriented.

Portlanders had a deep-seated Anglo-Saxon bias.

Portlanders viewed their city as a center of problems: crime, rising taxes, minorities and welfare recipients.

Portlanders wanted above all else to keep their neighborhoods familiar and unchanging.

Portlanders wanted to improve their lives by moving on.²

Portland's citizens during these years were not unlike other American city dwellers. Favored, as they and other Americans saw it, by the development of the automobile and the booming economy of the early post-war era which conferred on them higher incomes than their parents had achieved, as well as the GI Bill, FHA loans, and other devices of income and status growth, they desired more living space, and more pastoral and pleasant surroundings, than the core area of the city offered. With the aid of the Eisenhower administration, these aspirations were put within reach of many in the middle class. Under the guise of national security, the administration began a massive highway building program that enabled more efficient commuting to take place and clearly put the automobile in play as the preferred mode of transportation for most Americans. One symptom of this in Portland was the quick decline of the privately owned bus line, the Rose City Traction Company which, as the fifties progressed, limped into insolvency as Portlanders took to the streets in their cars in ever-increasing numbers.³

The exodus to the outer areas of the city in the 1950s--they could not yet be called suburbs as most of these places, such as Hillsdale in the southwestern quadrant, were actually well within the city limits--in the Portland region mirrored the movement of the white middle class in

other metropolitan areas of the United States, and it was to have similar consequences for the city of Portland as it would have elsewhere. For one thing, the departure from the core immediately divided the urban center in the minds of the white middle-class population from their new home places. The core area had become, as a whole, a place to work and do various kinds of business. The city and county administrations, police headquarters, and the courts were located there, as well as the largest banks and other major institutions. However, it was not a place for recreation or shopping. Indeed, for shopping there were new shopping centers, conveniently situated near outer neighborhoods. The first was a modest place in Hillsdale opened in 1955. It was followed by Eastport Plaza on 82nd Avenue in the southeast and then the massive Lloyd Center mall. Initially advertised as the largest shopping center in the nation, Lloyd Center began construction in the fifties and was opened in 1960. These were accessible by automobile and, in fact, could accommodate hundreds of cars in their spacious parking lots. Slowly, the inner core of the city became less dynamic and then stagnated with shopping trips dropping off dramatically by the end of the decade of the fifties.⁴ It would be an exaggeration to describe the center of the city as being abandoned as happened in many other urban centers over the same period, but it is accurate to say that it became far less attractive to many, indeed, somewhat unattractive with its run-down stores and restaurants, crime, and elderly and poor residents. Meier & Frank had opened a store in the Lloyd Center as had other traditional merchants so consumers felt less and less necessity to make the trip to downtown for their needs. In the classic storyline of urban decline, the stable middle class was abandoning the core for the fringes.

Urban renewal in Portland must also be considered within the city's racial context. African-Americans were the only significant minority in Portland in 1950, whose numbers in that year were 11,529 and made up only about .8 percent of Oregon's population and 4.2 percent (at 9,529) of the city's --with only very limited growth from 1950 to 1980.⁵ In 1950 more than 50 percent of the black population lived in Census Tracts 22 and 23 in the Albina neighborhood.⁶ Their isolation left the impression with many white Portland residents that there were no significant minority problems to speak of in the city. Sustaining this impression, city officials in

1968 carefully edited the word “ghetto” out of early planning documents in the Model Cities program.⁷ This occurred over a period when most other major metropolitan areas experienced interracial strife based on tensions between the much larger populations of blacks living in poverty in central cities and whites, particularly working class whites unable to afford suburban living, and middle class whites who had the means to decamp for the suburbs.

The result of this superficial lack of a racial dimension to Portland’s social and political life meant that few designs and outcomes of the city’s urban renewal program were affected by race politics, with the general exception of the Emanuel Hospital District project, and initial participation in Model Cities. This fact would make Portland one of the few large cities to escape the intense racial turmoil that characterized the urban renewal efforts of many other places. It would also have the effect of gradually turning the city’s program from one with a mildly socio-political mission, as it was in its origins (with a few exceptions, the largest being, again, Emanuel), as was the case in most other large cities, to one based on the preservation of neighborhood integrity and latterly the economic development needs of the entire city.

PORTLAND'S FIRST URBAN RENEWAL AGENDA:

Ira Keller and the Era of Grand Projects

“Keller was an amateur bureaucrat, but he resembled redevelopment entrepreneurs such as Edward Logue of New Haven and Boston, and Robert Moses of New York in his willingness to use appointive office and personal prestige to impose his own vision on a changing city.”

–Carl Abbott on Ira Keller, first chairman of the Portland Development Commission, in *Portland: Planning, Politics, and Growth in a Twentieth-Century City*, (1983), p. 171

The history of urban renewal in Portland is distinguished by three phases of development. The first period ran roughly from 1958 to the late sixties. It was an era of grand projects, projects that were often undertaken with an urgency suggesting the crises of larger, more racially divided cities. The second lasted from the late sixties to the end of the 80s and focused urban renewal efforts on the preservation of Portland's neighborhoods and a vital downtown. The third and current phase, which began in the late 80s and early 90s, is characterized by its entrepreneurial spirit, its insistence on citizen involvement, and its adherence to the values of evolving what might be called “post-modern” urban planning theory.

Urban renewal's roots in Portland reach back to World War II. The war had a tremendous impact on Portland. In 1940 the Commercial Iron Company was granted federal contracts for shipbuilding. Other local companies received orders for Liberty and Victory ships, cargo ships, escort carriers, minesweepers, and patrol crafts. The frenzy of wartime industrial activity created thousands of jobs. An influx of workers and their families from the rural Northwest infiltrated the city creating an impact on facilities, an increase in retail sales, and a strain on the housing market.⁸

At the time, the City Planning Commission identified areas of residential blight. For example, during a meeting in February 1945, the Planning Commission stated, “the Albina area is one of the most decayed residential areas in the city and yet one of the most convenient areas from the standpoint of getting to the downtown area”.⁹

Portland's post-war boom lasted through 1948, when wartime industrial jobs began to disappear, and the economy began to slow. The city paused to reflect on ways to revitalize itself. The Housing Act of 1949 provided funds to replace sub-standard housing with new low-income residences. Under the act, federal funding was also offered to local public agencies to buy, clear, and re-sell the land for additional housing ventures. Only ten percent of the redevelopment on the newly acquired property could serve nonresidential purposes.¹⁰

By 1950 city officials had met with Portland's civic leaders to determine what projects would be eligible under the Housing Act. After reviewing maps and tables illustrating the central decay of Portland, the Urban Redevelopment Committee under the Planning Commission chose Vaughn Street in Northwest, South Portland (near the Civic Auditorium), and the Stephens Addition (an inner Southeast area near Hawthorne Boulevard), as candidates for federal assistance.¹¹

Based on the desire to quickly convert a dilapidated residential neighborhood to meet the need of an industrializing Portland, the Housing Authority approved the Vaughn Street project for further study in September 1951. In 1952 the City Council placed a \$2 million bond for the so-called "Vaughn Street Plan" on the ballot. The project referred to a 44-block area in the mixed residential-industrial area in the city's northwestern quadrant.¹² The Housing Authority of Portland (HAP) called for removing dilapidated housing to make way for light industry and warehousing. The measure lost by over 18,000 votes¹³ as western Portland and inner east side residents feared elevated housing prices and tax increases. In addition, politicians, such as Multnomah County Commissioner Frank Shull, voiced concern over the upheaval of a neighborhood and the "invitation of the federal octopus into Portland."¹⁴ Recognizing that the City of Portland would need to sell the idea of urban renewal to the people, they proposed a self-funded pilot demonstration on two blocks during a meeting in 1955. Furthermore, the proposal recommended that the City Council appoint an urban renewal committee. The Council approved the proposal, but they made no further attempts to implement the project or to organize a committee to oversee urban renewal projects.¹⁵ Eventually, a petition of 963 residents of the city's

northwest section, which contained an ethnic community of protesting Croatians, the predicted absence of money for housing after industrial development, and the voters' concern over the \$2 million worth of bonds that would be Portland's share of the cost, killed the Vaughn Street project.¹⁶

Notwithstanding the disappointment of the 1952 vote, there was still a sense among city leaders that redevelopment should be undertaken in Portland. A discussion to develop a committee to oversee urban renewal was suggested in 1955. However, Portland was not ready to transfer demolition power to a single agency. Using a planning grant of \$84,000, the Housing Authority nevertheless contracted with the Planning Commission to create an urban renewal sector in the Planning Bureau a year later.

A popular new mayor, Terry Shrunck, elected in 1956, actively educated the public on the economic benefits of an urban renewal program for Portland. The City also informed residents that if urban renewal was not employed in Portland, their home values were at stake.¹⁷

On May 16, 1958 the voters approved the creation of an urban renewal agency (by a slim margin) and the Portland Development Commission (PDC) was born.¹⁸ The new agency claimed, "the men of Portland business and civic organizations will see their reward in the future elimination and prevention of blight and the promotion of industrial development."¹⁹ Using urban renewal as their tool, the PDC's mission was to elevate and stabilize property values and in turn increase property tax returns. In addition, they were to protect public and private investments in urban renewal areas.²⁰

Carl Abbott remarks in his development history of the city that Portland "fell head over heels for urban renewal at the end of the 1950s."²¹ The reasons for the infatuation can be traced to the city's economic decline. When Terry Shrunck moved into the mayor's office in 1957, he found the local economy was sluggish, construction activity had fallen off, and unemployment was rising. Moreover, the municipal planning agencies, including the Planning Commission and HAP, were in need of re-energizing.²² In 1957, the Oregon Legislature, acting on the recommendation of a Mayor's Advisory Committee, had enacted the state's urban renewal law. The city charter

provisions empowering PDC named it as the “Department of Development and Civic Promotion,” designating it as a Department of the city and as the city’s urban renewal and redevelopment agency. PDC’s dual task was urban renewal under the state law, and civic promotion under the Charter.

On 14 July 1958, the first meeting of the PDC was held. PDC’s first chairman was a Chicago transplant named Ira Keller, the chief executive and founder of Western Kraft Corporation, a wood products firm. Its first executive director was John Kenward, formerly a member of the city’s planning staff and before that in the planning department of Santa Barbara, California. Kenward had worked energetically to promote the view that a development agency was necessary. He saw it as a medium by which public and private interests could be harnessed together to take advantage of federal funds available for civic improvement.²³ Urban renewal received a significant boost in 1961 when state voters granted the agency the most important tool of urban renewal, tax increment financing.

In Keller, PDC had a tireless champion of its mission. The son of an army general, Ira Keller had traveled extensively and lived in many places during his life. He had come to Portland from Chicago, where he was a Vice President of the Container Corporation of America, the largest paper and corrugated box company in the United States.

Keller was the archetype of the civic booster who had the best interest of the city in mind during his leadership. Although the City did not involve its citizens in many of their early projects, Keller took the initiative to go door-to-door on Sunday afternoons with his wife and grandson, Richard Keller. He hoped to sell the City’s plan to the communities and determine their stance on current projects. Politically, Keller was sensitive to social issues and concerned with controversy; he never let anything go to a vote without a consensus.²⁴ Quiet, steely, and recognizable by his bow tie and red Cadillac, Keller served 13 years as chairman of the Portland Development Commission. His proudest accomplishment was the South Auditorium project, which he characterized, with typical enthusiasm, as “the greatest downtown project in the country.”²⁵

Despite Keller's energetic leadership, the pieces of the city's urban renewal program fell into place only slowly. But it was not because citizens were left to wonder about the urgency of the situation. The threat to the city posed by blight was, at least to municipal officials, clear and they did their best to make property owners aware of it. In a 1962 promotional piece from the Bureau of Buildings entitled "Meet Creepy Blight," the effects of blight on the city were graphically outlined. In the brochure, Creepy Blight, depicted as an ogreish cartoon character, speaking for himself, claimed,

I destroy houses, neighborhoods, and cities. I'm not really happy unless I'm tearing down a house or two. You've probably seen my work in Portland—those places that look old before their time? Not too long ago they were in good condition. How do I do it?

Simple! I make a little neglect go a long ways! You know—all those little things that are going to be fixed "tomorrow."

Well, I get there before "tomorrow" comes! Don't they see me coming? Some do, but most don't! They don't call me "Creepy" for nothing, you know!²⁶

The South Auditorium Urban Renewal Area

The first project that PDC undertook was in a 109.3-acre area on the southern fringe of the downtown that became known as the South Auditorium Renewal Project, because the well known landmark, the Civic Auditorium, was within its boundaries. The South Portland Auditorium area had been eyed for clearance and redevelopment since 1950. John Kenward characterized the district as "blighted" and "economically isolated." The plan was to turn this old "stopover" neighborhood into a place of offices and businesses, a plan that was confirmed when the state highway department ratified a plan for a foothills freeway that would run across the southwestern and western edge of the downtown area. This freeway encompassed the urban renewal district within its bounds, making it natural to integrate South Portland into downtown.²⁷

Initially, Keller believed public housing should be built on the periphery of the renewal district not within its boundaries; "...no residential housing was contemplated in the initial South Auditorium Redevelopment Plan," he said.²⁸ By 1961 a professional analysis by an outside consultant determined the area would best serve Portland as a mixed use of offices, apartments,

and retail stores. Between 1965 and 1966, the urban renewal area was expanded to include the southern end of downtown and a twenty-six acre extension between Market and Jefferson streets.²⁹

With its \$12 million in federal money, the City moved forward with its plan to reinvent South Portland. The project area was bordered by S.W. Market Street, Harbor Drive, Arthur Street and Fourth Avenue. The neighborhood was experiencing a notably growing crime rate, substandard housing, and crowding. Compared with Portland as a whole, South Portland had three times the juvenile delinquency rate, two and a half times the adult crime rate, and four times the number of welfare cases. The obvious answer to PDC was to acquire, clear, and re-build the entire area. At least 349 parcels were secured, 1,573 residents, including 336 families, and 289 businesses were relocated, and 445 buildings were demolished. The plan was to erect offices, commercial and retail services, high-rise apartments, a hotel, parks, malls, and transportation routes.³⁰ Keller foresaw South Auditorium serving commercial and light business uses.³¹

The relocation of the South Auditorium neighborhood has been likened to the upheaval of Vanport City in 1948. The neighborhood supported a variety of businesses such as drug stores, grocery stores, barber shops, taverns, fish and meat markets, and ethnic delicatessens³² as well as churches and synagogues. Father James P. O'Flynn, an Irish immigrant, served at St. Lawrence Church at the time urban renewal swept through the neighborhood. In 1910 the church served an affluent congregation; however, by the 1930s Portland had changed and St. Lawrence became one of the poorer churches in the area.³³

The South Portland Auditorium project area contained an ethnically heterogeneous lower class neighborhood. Most of the residents were older Jewish and Italian immigrants who had come to America between 1890 and 1920.³⁴

The project perhaps had the greatest effect on some of the city's eastern Jewish community. The second and third generations of the immigrants, who had established the community, had begun to make their own migration—to the suburbs this time—but the infrastructure of an entire subculture remained in South Portland. On S.W. First Avenue there was

a kosher shopping district and, dispersed throughout the designated area, five synagogues, and the Jewish Community Center, a meeting and recreation place for the community, especially important to those in the younger generation who had left the core, but wished to remain in touch with their roots.

The project also had displacement effects on the area's Chinese, Greek, Italian, and Irish residents.

Many of the South Auditorium residents banded together, calling themselves the Property Owners Committee, and testified against the proposed plans. They were also concerned that eminent domain was unconstitutional and they worried the PDC was not paying a fair price for land.³⁵ However, ultimately, city leaders determined the area was seriously blighted, and urban renewal was the only known cure.

By 1963 all of the land had been cleared for new development. The relocation staff aided families who requested help in finding standard housing that included referrals of sale or rental property based on their specifications. The eight-person relocation staff offered "additional assistance" to relocated citizens, but in many cases they were refused.³⁶

One of the most noteworthy and successful projects born out of the South Auditorium Plan was the Forecourt Fountain (now the Ira Keller Fountain). Hailed as one of the finest, the fountain was designed by Angela Danadjieva of Lawrence Halprin's San Francisco landscape architecture firm and is located in front of the auditorium.

Later renamed for Ira Keller, the fountain was a radical departure in the arts, a playful experiment in the plasticity of concrete and water that drew workers from the newly built nearby office towers at lunch and concert goers at intermissions of performances in the evening, in order to create a sense of community and excitement in the downtown district. It was, in fact, famously pronounced by Ada Louise Huxtable, the *New York Times* architecture critic, "the most important urban space since the Renaissance."

Despite the removal of a unique urban ethnic enclave and historic cast iron buildings, the South Auditorium project was hailed as a success. Keller summed up the local consensus: "the

project is particularly important because it has begun to stem the flow of middle and upper income families from the downtown area to the suburbs".³⁷

Whatever its chief sponsor's view, the project was actually an ambitious first attempt to change the fate of the core city. Its slate of projects of multi-family housing, offices, business and jobs development, retail establishments, as well as parks and plazas, were fresh, exciting additions to the city. Its most notable ornament, the Forecourt Fountain, became a source of civic pride for years. Ninety-seven percent of the funding for the redevelopment in the district came from private sources. The result added \$394 million of assessed property value to the tax rolls by 1974.

One aspect of the South Auditorium project has rippled through the history of PDC's urban renewal program. Financing of the project was done on a formula of two-thirds federal funding and one-third local match. The local match was generated by the tax increment financing method (TIF), authorized by voters in 1961. New construction and renovated buildings increase property values in urban renewal districts. Higher property values generate some additional property tax revenues. Under TIF, those additional revenues are used to pay off bonds for improvements to streets, sewers and other public facilities in the urban renewal district. Once urban renewal improvements are paid for, all tax revenues go back to normal property tax collection and distribution. TIF is used when a municipality identifies a renewal area suffering from stagnating property values and blight and designates that area as an urban renewal plan area. The renewal agency sells bonds to finance various projects. Projects are planned to address first the most pressing reasons for disinvestment in the area. Private investment leveraged by urban renewal improvements increases tax revenues to pay debt service on the urban renewal bonds. Private developers are attracted to the area. After the bonds are paid off, the city is able to enjoy the fruits of a vibrant area and a stronger tax base.³⁸

The mechanism approved by the voters in 1961 had originally been used in Sacramento, California for its urban renewal program. Oregon was only the second jurisdiction in the country to employ it to fund urban renewal and South Auditorium was the first instance in the state.

This financing scheme is important because in the early phases of Portland's urban renewal program, such as South Auditorium, it was a significant source of money, providing the local match at virtually no cost to the jurisdiction. In later projects that were primarily oriented to rehabilitation of existing structures and neighborhoods, such as in Albina and Model Cities, it was irrelevant because such projects did not generate much new development. TIF was thus basically a tool of the large-scale redevelopment plans. In the 1980s, however, when federal monies began gradually to disappear, it became the key financing component of PDC's redevelopment programs.

In the 90s, passage of Measure 5, which limited property tax rates, had a significant impact on PDC and other Oregon urban renewal agencies. Measure 5 dramatically reduced revenues to schools and most local governments. If a local government's tax levy would result in taxes that exceeded the limit, then the local government could not collect all of its levy. The amount of the uncollected levy was said to be "compressed." The City of Portland and Multnomah County experienced significant compression shortly after the passage of Measure 5. They voluntarily curtailed tax increment collections, foregoing urban renewal funding in order to finance other municipal budget items.

As property values in Portland naturally increased, the city gradually experienced less Measure 5 compression and reinstated some urban renewal funding. In 1997, the adoption of Measure 50 constituted a tax revolution in Oregon. The Measure converted the state's tax system from a levy-based system to a rate-based system and added new limits on the rate of assessed value growth. The impact on urban renewal funding was two-fold: first, the Measure included constitutional protections for continued urban renewal funding with special levy authority, and second, it caused urban renewal funding to be paid from divisions of future taxes that other jurisdictions might otherwise receive, not from a general levy for urban renewal. For the first time, in general, the presence of an urban renewal plan did not increase taxes paid by a property owner.

The Albina Neighborhood Improvement Program

Meanwhile, TIF worked well for the South Auditorium project because it was essentially a land clearance operation. But PDC wanted to undertake a real neighborhood rehabilitation exercise in which an existing neighborhood would be transformed to prosperity. Fortunately, it was presented with an opportunity by the availability of new federal monies for rehabilitation of existing housing. Keller and Kenward chose the Albina neighborhood for this effort, with the development of the Albina Neighborhood Improvement Plan (ANIP) in 1961. A traditional blue collar section of the city, Albina after World War II became the area in which the largest concentration of African-Americans lived, although the fact that they composed only fifty percent of the district's population was thought to be propitious. Albina was neither as extensively nor as uniformly blighted as similar enclaves in larger cities throughout the nation, although the area was characterized by mixed uses of the land and, in pockets, its housing stock was seriously dilapidated.

The neighborhood consisted of pre-World War I housing, small African-American churches, and a handful of small businesses. The neighborhood had been deteriorating since the 1940s and was in dire need of improved streets, sidewalks, street lighting, and structural rehabilitation. The project area included 33 blocks bounded by Fremont, Vancouver, Mississippi, and Skidmore.

Historically, Albina had been in part an upscale suburb that responded poorly to the freedom of the automobile during the 1940s and 1950s. The "white flight" to the suburbs had left many large older homes to the poor and minority community members who did not have the wherewithal to keep them up to former standards. By 1957, at least 50 percent of Portland's African-American community lived in the Albina Neighborhood. Within five years two-thirds of the area housed an African-American population and the elderly.³⁹

The Albina Neighborhood Improvement Project was Portland's first attempt at rehabilitating rather than clearing a neighborhood. Active Albina residents met with PDC representatives on a regular basis to determine the neighborhoods blighted areas and how to solve

those problems. Oliver Norville, a lawyer who worked extensively on bonding for Portland's urban renewal projects over a period of about forty years, remembered, "they were the first real active neighborhood group and committee."⁴⁰

A year later the Albina Neighborhood Improvement Committee (ANIC) was established and chaired by Reverend Cortland Cambric. The newly-formed program organized citizens in efforts to improve Albina through home renovation, new sidewalks, improved streets, and tree planting. Funded by grants and loans, over 90 percent of the homes were "rehabilitated" by 1972. Although 117 structurally unsound homes were demolished, 56 affordable units, leased by the HAP, were built in the neighborhood. Forty-two buildings, that included 83 single and multi-family housing units constructed in the urban renewal area, were made possible by HUD and FHA programs.⁴¹ In order to foster a sense of community, a five-acre park filled with playground equipment and a baseball diamond was built and dedicated to Dr. DeNorval Unthank, a revered civic leader of the African-American community and member of the Emanuel Hospital medical staff.⁴²

Despite the efforts of the Model Cities program of the seventies and diligent neighborhood participation, Albina was still considered a problem area in the mid-1970s. Although much improved, many streetscapes were still considered eyesores. While PDC claimed over 90 percent of the homes were rehabilitated, most of the work was internal. The *Oregon Journal* reported in 1976, "The glaring decay is most prevalent along N. Williams and N. Vancouver Avenues and in adjoining streets extending as far west as Interstate 5 and east toward NE Union Avenue."⁴³ Even with the aesthetic problems of Albina, Portland businesses continued to expand northward into the district. The arrival of furniture and automobile shops in the late seventies and 80s threatened the African-American identity of the neighborhood.

Carl Abbott has written that the Albina effort was "devised by the agency and sold to the community".⁴⁴ However, PDC staff felt that it stepped back and let the neighborhood make the decisions. Ted Parker, director of the Albina ANIP, stated "The PDC does not plan, program or execute prior to expression of the wishes of the neighborhood."⁴⁵

At its conclusion, the Albina project encompassed a 48-block area in which approximately \$2 million was spent to rehabilitate and improve existing homes. The project eventually renovated 585 homes and also included repairs to streets, curbs, and sidewalks. Additionally, it paved alleys and paid for lighting to be installed in them.⁴⁶

Portland State Urban Renewal

Another significant project took a number of years to develop. In 1958 Portland State College (PSC), reacting to special urban renewal monies set aside for universities, contacted PDC to seek urban renewal funding for the acquisition of additional land for the campus. Six years later, a feasibility study was completed and the project was approved for funding by the City Planning Commission and City Council. The application was then forwarded on to HUD and also approved. Without protest, the City Council approved the demolition of all buildings, except university structures, in the project area. The PDC planned to relocate 117 families, 835 single people, and 52 businesses. The urban renewal activities included site improvements and re-designing and landscaping the south park blocks. Several non-university buildings--Ione Plaza and Park Plaza apartments, the Campus Christian Center, and the Division of Continuing Education headquarters--were never acquired due to expense.⁴⁷

The only concern voiced by the residents was over the demolition of apartment buildings. Some were concerned that the elderly and students would be competing for housing in the area. In response to this finding, a group of Portland State College students suggested keeping some vacant apartments for student housing. The student group, then called Portland Student Services, Inc. (now College Housing Northwest), was given the responsibility of managing 440 student housing units on campus.⁴⁸

As part of the campus plan, the re-creation of the South Park Blocks cost \$700,000 and involved a face lift of six blocks located between S.W. Park and Ninth Avenues and S.W. Mill and College Streets. The park was rehabilitated to create a more usable and viable area for the student

campus and residents. The park blocks were improved by adding over 50 percent more grass, an additional 107 trees, lighting, new diagonal walkways and benches.

The Portland State Urban Renewal Project turned out to be an early object lesson for Portland in the ambiguous impact urban renewal projects could have on the nature and character of the city. As Gordon B. Dodds, the school's historian put it, "a mixed blessing." In his book, *The College That Would Not Die*, he stated dismay among many about the loss of the "traditional" campus "...There was a range of lodgings....The local fraternities had their own quarters....The thirsty gathered at the Montgomery Gardens and the Chocolate Moose...The all-time favorite coffee shop was Bianca's, whose warm and colorful owner endured several moves as the campus expanded...."

Yet, without urban renewal, Dodds muses,

it seems impossible a university could have emerged. There was no land for a campus anywhere else in the metropolitan community to be acquired at a price the state board [of higher education] could pay. The original land on the Park Blocks could never contain the buildings necessary for a growing college, let alone the university that would arise in the future. Only expansion within the area surrounding Park Blocks, and only expansion with the aid of the federal government, was possible. Portland State would either grow or wither downtown.⁴⁹

Lair Hill

For a variety of reasons, a pivotal project in the early history of urban renewal in Portland was the Lair Hill Plan. Encompassed in twenty city blocks south of downtown largely between Barbur Boulevard and Corbett Street, Lair Hill was, during the 1950s, a neighborhood composed of 100 historic homes from the late 19th and early 20th centuries and approximately 36 commercial businesses. The City of Portland believed the Lair Hill neighborhood should be cleared and re-built with low density apartments or possibly large apartments for the elderly or Portland State University students.⁵⁰ In 1968 the clearance project for Lair Hill was scheduled, albeit as a low priority owing to its anticipated high costs. The plan would have included the

leveling of all of the buildings including the displacement of 20 businesses, 45 families, and 95 individuals.⁵¹

However residents and other community activists, including a young lawyer named Neil Goldschmidt, spoke out against the project and it did not go forward. In fact, in 1977 the City Council designated the Lair Hill neighborhood one of the first historic conservation districts in Portland. They found that the architecture and the community were historically significant to the people of Oregon.

Emanuel Hospital Urban Renewal

The Emanuel Hospital urban renewal project, begun in 1970, included 55 acres bounded by the junction of the Fremont Bridge and Interstate 5, North Russell Street and Williams and Vancouver Avenues. In 1963, PDC met with the Planning Commission, Emanuel Hospital, and other interested parties to discuss the possible urban renewal of Emanuel with newly available federal monies under the Hill-Burton program. The program was named for the Senate sponsors of the Hospital Survey and Construction Act of 1946, which, among other things, mandated funds to build access to community hospitals for low-income areas.⁵² The plan was to remedy the substandard housing and poor environment in the area by expanding the hospital and constructing related facilities, parking, employee housing, offices and housing for the elderly.

During the Emanuel planning process, deep concern arose about the degree of citizen involvement. As a result Albina citizens, along with a member of the American Friends Service Committee, created the Emanuel Displaced Persons Association (EDPA) in 1970. Multiple meetings with PDC followed in subsequent years to discuss the dissatisfaction of many of the displaced citizens.

Yet, amid highly vocalized concerns about poor treatment and getting fair market value for homes and moving costs, many area residents welcomed relocation to newer and better homes. The Federal Relocation Act of 1970 provided programs that provided for purchase at fair home market value, moving costs, up to \$15,000 if a comparable home could not be found, and up to

\$4,000 to help renters with their rent or towards a new home. Initially, for instance, Mr. and Mrs. T.C. Williams were upset that they had nothing to say about their relocation. After they moved to a home twice the value of their old home the Williams were very happy. Indeed, PDC claimed, “On the average, the families in the Emanuel Project are moving into homes twice the value of their previous home.”⁵³

In April 1973, after 200 people and 20 businesses were relocated, Emanuel Hospital stopped work on the project because Hill-Burton funds were relinquished following federal budget cuts. Former residents expressed anger and frustration over their community being forever altered for a plan that never reached fruition.

The Emanuel community’s disappointment in the process and the ultimate result of the project is easily understood and may well have been reflected in the social and economic conditions of minority residents on the city’s eastside. Their disappointment also may reflect a confusing period in which urban renewal was implemented with public involvement in ANIP at the same time as substantive conflict between the Emanuel project managers and the public was occurring. The experience with this project would affect Portland’s application of urban renewal for much of the next decade during the life of the federal Model Cities program.

Congress had passed the Demonstration Cities and Metropolitan Development Act of 1966, known as Model Cities, to allow inner city residents to manage and participate in programs to improve their own lives. Under the umbrella of this act, the Model Cities Program promised “supplemental funds and preferred treatment for existing federal programs such as urban renewal, in exchange for creation of a local mechanism for an integrated attack on the various social, economic, and physical problems of troubled neighborhoods.”⁵⁴ However, the public was to have the last and decisive word as public participation became the standard of federal participation through Model Cities in urban renewal.

ERA OF ACTIVISM:

From Model Cities to Measure Five

"I really want this understood. We want people to talk at these meetings. The name of the game is public participation."

—E. J. Basket, of the Model Cities Citizen's Planning Board, quoted in Dennis West, "A Case Study of the Planning Process in the Portland, Oregon Model Cities Program," (1969), p. 68

"We just believed that if we worked hard enough and had enough money we were going to do great things."

--Elaine Cogan, Former Chair Portland Development Commission, quoted in D. T. Hemminger "The History of the Portland Development Commission," (1990), p. 28

Great social forces were at work in the 1960s and 70s, changing the relationship between citizens and their government. Beyond the Civil Rights Movement and the Vietnam War, the War on Poverty was turning the federal government's response to the physical manifestations of urban blight away from expert-driven urban renewal of the type of Ira Keller. Instead, a new approach, one addressing a broader range of associated social and economic problems that were defined in large part by those living in the affected communities, was the order of the day.

Specifically, changes in categorical federal urban renewal programs were encouraging a move from large-scale clearance projects to neighborhood rehabilitation. Low-interest loans and grants for low-income individuals had already come into play in the Albina Neighborhood Improvement Plan (ANIP). Model Cities and the Neighborhood Development Program (NDP) offered these tools for housing rehabilitation to a much larger part of Portland. Further, Model Cities and NDP went beyond ANIP in elevating public participation to the forefront of the urban renewal agenda. Along with the social changes of the time, the program's clear focus on citizen involvement in the planning process meant that public participation would now be a key

component for evaluation of federally-funded urban renewal programs. In light of these changes nationally, the earlier era of the largely unopposed clearance project had come to a conclusive end.

PDC now emphasized funding of neighborhood conservation projects. By 1978, the agency was funding 24 such enterprises and by then, PDC had rehabilitated more homes than any other American city.⁵⁵ This focus was greatly assisted by the increased availability of federal funds. The Housing and Community Development Act (HCD) of 1974 had made it possible, in conjunction with urban renewal, to assist twelve neighborhoods through the HCD Block Grant Program. In fact, from 1975 to 1978, Portland received \$25 million. The money was used, as PDC put it, “for maximum impact on neighborhood livability....” This meant street paving, traffic control improvement, street lighting, tree planting, and improvements to community centers.”⁵⁶

From 1973 to 1979, when Neil Goldschmidt was Mayor, the city initiated or completed numerous planning and development projects that did much to define Portland's character around vibrant neighborhoods and a thriving downtown, a period that saw the creation of the Office of Neighborhood Associations and the implementation of the landmark Downtown Plan of 1972 as well as the establishment of the Downtown Waterfront Urban Renewal Area in 1974. Intertwined with this vision for the city, was a new view of urban renewal. It emphasized rehabilitation work in neighborhoods and work in downtown districts on amenities and parks, including numerous high profile projects in the Downtown Waterfront District. Other projects were geared toward economic development, such as the industrial park in the NW Front Avenue Urban Renewal Area that became home to Wacker Siltronic.

Much of the neighborhood work relied on some form of urban renewal funding, shaped by federal requirements that were changing with the times, and institutionalizing public participation and leading the turn away from the earlier paradigm of expert-driven planning.

From the standpoint of urban renewal, an important precedent was set by this era of activism. Early projects such as South Auditorium and the Albina Neighborhood Improvement Plan, while benefiting the city, had also been shaped and molded by specific changes in federal legislation, first favoring clearance, then rehabilitation or providing special funds for institutions like colleges.

What the neighborhood and Downtown projects of the 1970s established was that post-federal urban renewal in Portland could serve as a powerful tool to advance a local agenda, rather than simply to shape local agendas around funding opportunities. While the PDC would still receive some federal funds through Community Development Block Grants, these monies came through the city with few federal strings attached. The funding source that would drive urban renewal was TIF, which had provided the local match in the South Auditorium project.

Model Cities and the Neighborhood Development Program

Goldschmidt's political style was one of insurgency. Ironically, the era began fraught with a matching effort by the federal government to aid in wresting a measure of power from urban establishment leadership and handing a greater role to urban minority communities. That set a new tone in urban renewal and attacks on urban blight through the Johnson Administration's Model Cities Program. Model Cities provided funding to certain cities to supplement and coordinate existing federal funds, primarily urban renewal money received through the Department of Housing and Urban Development (HUD). This would go to a locally directed effort on a comprehensive range of issues affecting urban poverty, adding education and social services to traditional urban renewal concerns with physical problems of housing and redevelopment.⁵⁷

This represented a dramatic shift in emphasis, requiring "widespread public participation" in every stage of the local programs. The legislation called for citizen boards to be elected from the project areas. These boards were typically provided with a consultative role and veto over projects. As a supplement, the money involved was tied not to population characteristics but to existing federal funding sources already at play in a locality. This meant that the resulting local implementation of the program focused on planning and process reform rather than creating dramatic institutional changes in the management of urban renewal.

In Portland, given the focus of the federal legislation, the implementation of Model Cities meant that the physical manifestations of urban renewal and redevelopment would largely continue

as a function of the PDC. Focusing on the planning process may be key to understanding the changes that occurred during this period of urban renewal in Portland.

Looking back on the 1970s, former Portland Development Commission (PDC) Executive Director Pat LaCrosse described Portland as a "process town" and said that "it became one during those days." The new federal program ensured that this would be taking place through a significantly different process that would lead the PDC and the city into new partnerships with the public.⁵⁸

Model Cities and its legislative companion, the Neighborhood Development Program, required a quality and quantity of public participation that was well outside the realm of experience of any arm of Portland's government.⁵⁹ While the PDC had gained some experience with a neighborhood focus through the earlier Albina Neighborhood Improvement Plan, current practice on public participation would no longer be sufficient.

Model Cities targeted a four-and-one-half square mile area of Portland's eastside neighborhoods whose approximately 40,000 residents were almost 50 percent African-American. The program got off to a rocky start with protests over City Council's selection of a white executive director to head the program. Community sensitivities were further aroused by the ongoing controversy over the nearby Emanuel Hospital project. For many in the neighborhood this tainted any program associated with urban renewal or the PDC, which would serve as fiscal agent for Model Cities and staff for the program's redevelopment and housing activities. Model Cities' elected Citizens Planning Board, while not given any control over funds, was given a veto power over projects. No plans from the target area, which after some discussion included ANIP and the Emanuel Hospital Project, were to be sent to City Council without prior approval of the Board.⁶⁰

Working with the Citizen Board, professional staff on loan or contract from the PDC, Planning Commission, and other entities including Portland State's Urban Center, drew up a first year planning document that created much debate among city and PDC officials. Saddled with an ongoing disagreement and discussion, the program saw three executive directors in its first three

years, with the result that it was put on notice from HUD that it was not progressing satisfactorily. Charles Jordan, later Portland's first African-American member of City Council, was the program's third and final director. Hired from Palm Springs, California, he recalls surprise when he arrived in town to interview with the Citizen Planning Board for the job of director. Television cameras and vocal protests greeted him, questioning plans to hire an outsider to head the program. That chaotic scene ended with protesters "kicking in the door and Board members diving out the windows." Such excitement notwithstanding, Jordan reveled in the vigorous participation from the neighborhoods involved in the program. "Different meetings were held sometimes seven days a week," where black and white residents worked closely together to deal with "...planning for...millions of dollars for people who had never had anything like this." Many of these neighborhood residents went to work for the program where they learned new skills, an investment that the city was able to recoup when they were transitioned into city employment at the end of Model Cities.⁶¹

As mentioned, there were actually two programs under the umbrella of the federal authorizing legislation. Model Cities dealt primarily with provision of a variety of educational, social, and planning services for the five-neighborhood target area which included Boise-Humbolt, Elliot, Irvington, King-Vernon-Sabin, and Woodlawn. The Neighborhood Development Program (NDP), staffed by the Portland Development Commission, handled physical redevelopment projects for each of these neighborhoods.

The bulk of project spending, which included almost \$14 million in federal money, occurred from 1970-1975. This was disbursed with the approval of the Citizen Planning Board and through the neighborhood planning processes initiated by the program. However, departing from past urban renewal practice, Model Cities funding was not limited to capital improvements. Expenditures included youth development programs, expanded pre-school and education aides for schools, as well as technical assistance for neighborhood business in contract management and capital access. NDP funding included typical urban renewal expenditures for neighborhood infrastructure and new or expanded public facilities. Further, as was the case in ANIP, funds went

to citizens directly in the form of home rehabilitation loans and repair grants. Throughout this range of activities different neighborhoods expressed different priorities.

The Woodlawn Improvement Association, organized in 1969, represented one of the first neighborhoods to undertake NDP planning. Residents identified as major problems inadequate recreation areas and vacant land and abandoned houses. In response, their highest priority project was the creation of the nine-acre Woodlawn Park located in the center of the neighborhood next to Woodlawn School. Significant money also went to housing rehabilitation and to support the creation of new multi-family housing aimed at retaining a mix of ages and income levels in the neighborhood. Additional projects included street improvements, tree planting, and the construction of a new traffic signal at N.E. 15th and Dekum.⁶²

Irvington was the other neighborhood to initially engage in NDP planning. Irvington's Community Association was organized in 1965 well in advance of Model Cities. Described in PDC literature as "...one of Portland's finest and most stable older residential areas..."⁶³ Containing much of the white and relatively middle class population who it was feared were departing the city, the neighborhood was clearly on the margins of more blighted areas. With no need for or interest in massive restructuring of the neighborhood, they looked for support for improving and maintaining their existing neighborhood structure. This involved significant use of housing rehabilitation loans, as well as the addition of supportive infrastructure like bus shelters and drinking fountains.⁶⁴ Former City Commissioner Gretchen Kafoury recalls getting one of the loans when she and her husband were young teachers living in the neighborhood.⁶⁵ They also sought increased street lighting throughout the neighborhood, as well as a traffic diverter at N.E. Tillamook and 16th. Further projects involved upgrading their park by building a baseball diamond, running paths, the installation of lighting, playground equipment, and additional ball facilities.⁶⁶

Part of the original Model Cities area, King, Vernon, and Sabin neighborhoods began their involvement with NDP in 1972. Housing rehabilitation through grants and loans, and the replacement of existing substandard units were the number one priority of a coordinating

committee representing the three neighborhood associations. Funding also went to street improvements that saw the installation of traffic signals at N.E. 7th and Prescott, and N.E. 7th and Alberta. In addition to planning for the construction of a community center, the King Neighborhood Facility near King School, providing a range of social services and recreational activities, one of the major projects realized through the program was the redesign of Alberta Park and a construction of pedestrian bridge over Killingsworth in order to connect the Park and Vernon School.

Boise-Humbolt's neighborhood associations, which also began work with NDP in 1972 similarly prioritized housing rehabilitation and the replacement of substandard units. Rehabilitation grants and loans were a major activity. Further support went to street improvements, pedestrian crossings and tree plantings. Residents were also involved in improvements to Peninsula Park.⁶⁷

Late In 1972, Eliot was the last of these neighborhoods to engage in NDP planning. The City of Portland had previously slated the neighborhood as a commercial and institutional area during the early to mid 1960s. Eliot had already been impacted through the Emanuel Hospital urban renewal project, excluded from the Model Cities program, and the Memorial Coliseum project which took place outside of urban renewal. NDP funds went into relocation services to address these issues. Rehabilitation and replacement of substandard housing remained a priority.⁶⁸

The program's physical legacy can easily be seen in more than 1,000 rehabilitated homes on the city's eastside.⁶⁹ The successful precedent of this work solidified a turn by PDC toward repair and rehabilitation work in their use of later federal Community Development Block Grants and other private sources by PDC. This continues through various residential and commercial programs to this day.

An organizational legacy exists as well. The roots of Portland's image as a city of neighborhoods can be seen in Model Cities and what followed. For example, Southeast Uplift began in 1968 as an *ad hoc* coalition of neighborhood groups protesting their exclusion from the Model Cities target area. With the creation of the Office of Neighborhood Associations in 1974

during Neil Goldschmidt's term as Mayor, the city would come at one point to support and facilitate the activities of sixty neighborhood associations across Portland.⁷⁰

Discussing the challenges this atmosphere presented to policymakers, Pat Lacrosse observed "you almost can't be seen in this community as both a neighborhood guy and a downtown guy."⁷¹ After one term on City Council Neil Goldschmidt ran for Mayor in 1972 as a candidate of the neighborhoods. Although Golschmidt ran as a "neighborhood guy" talk of abolishing PDC over its handling of urban renewal, as was recommended in a City Club Report co-authored by one of Goldschmidt's chief aides, came to an end once he was in office.⁷² Both downtown and the tools available through the PDC came to have a great significance in the work that would come to epitomize his term of office.

His first visits to the PDC met with a certain amount of trepidation among staff members.⁷³ Taking the reins of city administration, he asked for the resignation of most city bureau chiefs as well as the resignation of all members of the Planning Commission and PDC, two of whom did not comply. In the end he replaced a majority of PDC Commissioners, including Ira Keller and the Executive Director John Kenward, two men who over decades had a singular hand in managing urban renewal in Portland. To head the PDC and recast its most powerful financing tool, urban renewal, Goldschmidt brought in fellow Eugene native J. David Hunt whose background and interests were in downtown development, to replace Kenward as PDC Executive Director.

Goldschmidt also created the Office of Planning and Development (OPD) This office would review and coordinate citywide policies, comprehensive planning, and development decisions of the PDC, Housing Authority, Planning Commission, and Bureau of Buildings.⁷⁴ Mike Lindberg, OPDs second director, described his functions as coordination and management. Acting in that capacity, he created an Office of Policy and Research, under a young planner named Don Mazziotti, to work on long range planning problems on a variety of issues.⁷⁵ (Mazziotti returned to Portland after working in Washington, D.C. and other U.S. cities and is PDC's current Executive Director.)

Controlling project selection for future urban renewal areas, these changes significantly enhanced the capacity of the city to shape its own urban renewal agenda when categorical federal funds and their ability to influence local plans for urban renewal came to an end.

Bringing new coordination across policy spheres was also significant in developing what Carl Abbott describes as a "population strategy," that reacted to a flight of middle-class families seen in the 1970 Census and the impact this would have on the city budget and the quality of neighborhood life.⁷⁶ The cornerstone of this strategy would be advanced through the implementation of the landmark Downtown Plan of 1972. The vital center city would protect property values in adjacent districts, as well as serve and be supported by a mix of residential neighborhoods. The resultant rising property values all around would support enhanced public services. This would in turn stimulate a virtual circle of growth, renewal, and redevelopment for the downtown and neighborhoods alike.

This vision was sold not only to Portland, but the surrounding region, which would participate in public transit when the Mt. Hood Freeway was "traded" for light rail. Another audience, planning professionals across the nation, would also become enthralled with the intersection of Portland's downtown, neighborhood, and transportation planning. John Southgate, Portland Planning Bureau veteran and current manager of PDC's Interstate Urban Renewal District, noted the watershed represented by these events, "...stopping Mt. Hood Freeway w[as] an expression that there would be no more Emanuels or mega-projects...the focus on downtown was embellishing, not destroying...."⁷⁷

The Downtown Waterfront Urban Renewal Area

Urban renewal enters this process in 1974 with the adoption of the Downtown Waterfront Urban Renewal District covering approximately 300 acres of the center city from Union Station to the Marquam Bridge. Downtown's deteriorated conditions were described by Barbara Bennet, a secretary at Centennial Mills, Inc. located along Front Avenue in 1964, "The pavement is in unbearable condition-my poor car-the approaches are almost impassable due to trains, there is a

tremendous amount of traffic at commuting hours, and besides all of this, there is no bus service in case we can't drive."⁷⁸ Responding to clogged traffic arteries, inadequate public transportation, and questionable air quality urban renewal dollars funded projects and leveraged additional private and public dollars for a dizzying array of projects that addressed the coherent themes of turning downtown into an area that favored pedestrians and human scale activities.⁷⁹

Among many projects created in the district, urban renewal dollars supported new public open space in the construction of Pioneer Courthouse Square and development of the former Harbor Drive into the Governor Tom McCall Waterfront Park which allowed public access and family events along the west side of the Willamette River. Support also went to new development in the South Waterfront, called RiverPlace. The nationally acclaimed project included a mix of new housing, retail and office uses, a marina, hotel and fitness center and helped reclaim a former industrial area along the Willamette Riverfront.

The Pioneer Place Project in the district is a significant example of PDC's focus on a strong downtown core. The project was designed to respond to a need to revitalize the downtown in a systemic way. Businesses were hesitant to locate in the downtown because of an absence of services for customers and employees, and service businesses would not locate downtown because of a lack of customers. The PDC assembled and cleared land for the four block development and worked with the Rouse Company to build a retail and office complex. PDC maintained a high level of design control, and control over the identity and nature of business conducted by tenants of the project. The goal was to create a unique attractor that would draw members of the public downtown for shopping and recreation during the evenings and on weekends, to create a base of customers who would support service businesses downtown. The project is one of PDC's more notable successes, both for economic activity on the premises and for the synergistic effects it achieved in the downtown business and retail market.

Other major projects included three new parking garages supporting retail development and mass transit facilities, such as the expansion of the transit mall and improvements to Union Station. Additional money went into Historic Restoration Loans and Historic District improvements and

Multi-Family Housing Rehabilitation and Downtown Housing Preservation for low-income and special needs housing.⁸⁰ The district has helped generate a \$618 million increase in assessed value since its formation.

Northwest Front Avenue Urban Renewal Area

A contrasting example to the deliberate integration between planning and downtown urban renewal appears in the economic development project undertaken in the Northwest Front Avenue Urban Renewal Area established in 1978. In 1977 Governor Robert Straub, Mayor Goldschmidt, the Department of Environmental Quality and other City representatives visited Wacker Siltronic, a German semiconductor manufacturer presenting an invitation to construct a plant along the Willamette River within the Portland city limits.

The project provided \$14 million in tax increment financing for road, sewer, and site improvement creating a multi-tenant industrial park. The move received some criticism, occurring as it did at the same time that Hillsboro was recruiting California-based chip maker Intel without the use financial incentives. This example represents an early lesson in the cost of so-called "brownfield" redevelopment, land burdened by past industrial use, versus "greenfield" development in suburban locations. In addition to returning more than ten times Portland's urban renewal investment in enhanced property tax value, the plant provided 800 jobs. Jobs were made available to unemployed Portland residents through the region's first, "first-source" hiring agreement.⁸¹

The projects of this era differed from earlier urban renewal not only in avoiding the controversial neighborhood displacement of earlier projects. They also represented a departure from the federal funding and regulatory umbrella, and were funded largely through locally issued tax increment financing (TIF) bonds. Following the departure of Goldschmidt in 1979 to head Jimmy Carter's U. S. Transportation Department, urban renewal continued through TIF Bonds with varying degrees of success and enthusiasm under Mayors McCready, Ivancie, and Clark.

Examples include moderate to affordable downtown housing as a part of the Central City Plan in the South Park Blocks Urban Renewal District formed in 1985.

The South Park Blocks Urban Renewal Area

The South Park Blocks Urban Renewal Area comprises approximately 161 acres in the western half of downtown and current redevelopment there focuses on a broad range of housing, parking to service older buildings, retail shops, cultural attractions and addressing transportation challenges.

Urban renewal was also used, in a time of statewide economic stress, for economic development projects that were far dispersed from Portland's Downtown. Examples include job development in the Airport Way Urban Renewal District, facade, streetscape and infrastructure in the Central Eastside and Convention Center Urban Renewal Districts.

The St John's Urban Renewal Area

This period saw not only the closeout of categorical federal funding for urban renewal in 1975, but also the decline in other direct federal support for housing and economic development by 1980. This played a significant role in at least one of Portland's urban renewal districts. During the late 1970s, responding to a general business decline in the St. John's area, the PDC was carrying out a series of commercial revitalization plans. By 1978, they had established a new traffic circulation system, purchased street furniture, rehabilitated the old City Hall and Fire Station. Plans were also in development to construct a Central Plaza and Welcome Island, covered public tennis courts, and improve the St. Johns Community Center.⁸² It was hoped that a combination of public and private investments would revive the area into a booming business district. The complete vision was never realized. Along with high interest rates that undermined private sector interest in the project, the end of federal Urban Development Action Grants crippled the public funding scheme underlying urban renewal plans for the district.

Portland's urban renewal program ground to a conclusive, if temporary, halt in 1990 with the passage by state voters of Measure 5. Its property tax rate cap forced the TIF mechanism underlying urban renewal financing off the table until later initiatives revived it in a new form. Urban renewal and TIF may not have driven the Measure 5 debate. In fact it fell to the Oregon Supreme Court to finally interpret the effects of Measure 5 and rule that TIF fell under the Measure 5 limits. This setback marks an important milestone in the evolution of urban renewal and a fitting place to mark the close of this era of activism.

THE LATE 1980s, the 1990s AND BEYOND:

PDC and the Post-Modern Paradigm of Portland Planning

“The best future for a community is the one it plans for itself.”

—Sheila Holden, quoted in “Interstate Corridor Plan,” (16 August 2000), p. 3.

In the late 1980s and 1990s, PDC’s urban renewal agenda took on characteristics which, in retrospect, harmonized with the evolving core values of the planning profession which, in turn, responded to the post-war history of urban America. The impact of the change on the nature and shape of PDC’s renewal initiatives in the most recent period makes it possible easily to differentiate the projects of the late 80s and 90s from the two previous eras.

There were three distinct strands to this evolution: 1) the development of a mixed use planning philosophy; 2) the necessity of reliance on entrepreneurial vision with strategies to identify and shape projects; and 3) the recognition of the ever growing necessity of true community involvement in renewal programming, coupled with the implementation of practices to effect it.

Where mixed use was concerned, by the end of the 80s, urban planning had come to a different vision of what the good city is than it had worked from previously. The basis of this vision can be described as a devotion to community and reverence for “mixed use” projects as the necessary ingredients of successful, healthy cities. The straightforward slum clearance and bricks-and-mortar approach to redevelopment, which was the core of the planning agenda of the fifties, sixties, and seventies—that is, the classic attack on blight—became obsolete, while the sense of the neighborhood or the self-contained community as the supreme planning value, drove to completion many of the projects undertaken in this period.

Underlying the theory of mixed use was the basic assumption that the compact, self-contained, self-sufficient neighborhood or community providing single- and multi-family housing, employment, pedestrian-friendly streets lined with key retail establishments, such as groceries and

dry cleaners, would afford a high level of intimacy and interdependence among residents and business owners. This ambience would be conducive to a sound micro-economy, lower occurrences of crime, and greater neighborhood cohesion which, in turn, would induce better civic health generally. Later planners added to the mixed use other considerations such as keeping vehicle miles of travel below the average; contributing to the area's jobs-housing balance; mixing uses at the finest grain the market would bear and including civic uses in the mix; placing higher density and senior housing near commercial centers, transit lines, and community facilities; creating neighborhoods with well-defined centers and edges; offering life-cycle housing; supplying affordable housing for moderate and low-income households; tapping government housing programs to broaden and deepen the housing/income mix; and mixing housing to the extent the market could absorb.⁸³

The second strand, entrepreneurship, had roots in developments nationally and locally in Portland itself. By the end of the twentieth century, the nature of Portland, like many large American cities, had changed. Although there is controversy among economists and other social scientists about the nature of the "new economy" on which the United States supposedly operates today, it is clear that urban economies have undergone a metamorphosis. By the late 80s and 90s, Portland and other cities were no longer the industrial centers they had once been. Rather, their employment mixes had become more reliant on service and technical jobs than ever before. The middle class exodus to the suburbs, as well as the loss of federal monies for urban areas as Democratic and Republican administrations alike from Nixon through Clinton withdrew funds in the processes already discussed, forced cities into new strategic initiatives to keep themselves viable. Under increasing fiscal pressure to provide resources for citizen needs and their demands for services, jobs, social stability, and cultural amenities, cities were forced to find ways to strengthen their overall economic footing and widen and deepen their tax base. Whatever they chose, it was obvious that the devices had to be resistant to economic flux and political vagaries. The most logical and attractive options typically involved making the city once again a magnet for the affluent middle class and for desirable businesses, largely by making it possible for the target

residents to live in safe, attractive, and affordable environments and to work nearby in accessible districts with the amenities necessary for full productivity and profit. This is an entrepreneurial model in which cities, as one planning scholar Edward Blakely, has described it, “compete for talented and skilled workers as the resource to attract or nurture the new economy.”⁸⁴

In order to pay for the initiatives to turn the city in this new strategic direction, municipal governments across the nation became more entrepreneurial in more than just the search for human capital. In order to embark on such a venture, they had to identify, aggressively seek, and tap into the funds available to attract the businesses that would draw these desirable workers and residents. Increasingly, this has meant using urban renewal as a vehicle for economic development. Two examples of this elsewhere are what Blakely calls the “amazing redevelopment of San Francisco’s South of Market area and Greenwich Village in New York City’s so-called Silicon Alley,” where the sought-after workers have been added to the city’s work force, as much by transforming declining neighborhoods into residential lifestyle magnets as by the attractiveness of the available jobs.⁸⁵

Following this approach in Portland, as elsewhere, has largely meant transforming the traditional urban renewal agenda into one of redevelopment by leveraging private investment, along with funds available from federal or other sources applicable to the ultimate goals of the city to sustain itself in the “new economy.”

But more than a structural change in the economy, let alone in planning philosophy, occurred as PDC and the city of Portland moved toward the end of the twentieth century. There were other signals that complicated the picture of how urban renewal would, or for that matter, could, be done in the city. They suggested the necessity of a more aggressive, entrepreneurial tack. A significant one was the stern challenge to the entire concept of urban renewal financing that took shape in Oregon’s political milieu in 1990. In the general election of that year, voters passed Measure 5. Measure 5 limited increases in property tax rates and cut property tax revenues to most local governments and schools substantially. It passed at a time when, in Portland especially, property taxes seemed to be going up precipitously. Passage of Measure 5 had a crippling effect on urban

renewal bonding when the state Supreme Court ruled it applied to property taxes collected to pay off urban renewal bonds.

The situation was made even more complex when, in 1993, voters decisively rejected Measure 1, an attempt to exempt urban renewal bonds from Measure 5's strictures. In 1996, voters passed Measure 47, a new property tax limit on the rate of growth of assessed value. The confusing language of Measure 47 exempted taxes used to pay bond debt, but didn't define bonded indebtedness leaving questions about its effects on urban renewal bonds. Measure 47's effects were so unclear that legislators and the Measure 47's author, Bill Sizemore, agreed to a revised version – Measure 50 – sent to a statewide vote and approved by voters in April, 1997. Measure 50 immediately reduced tax revenues to 1995-96 levels less 17 percent and limited the growth of property tax assessments to three percent a year in most cases.

In the end, the passage of Measure 50 minimized the impact of Measure 5 on urban renewal funding. In fact, by the time the City Council had approved the Gateway Project in the summer of 2001, it was the fifth new district in the city, established following the passage of Measure 50. Furthermore, it is one of ten current districts engrossing a total of 12.3 percent of the city's land area.

Another dimension of the entrepreneurial ethic that PDC embraced in the 90s is the absence of a comprehensive social agenda for its urban renewal programming. One reason for this is the lack of a prominent figure with a missionary zeal for urban renewal as a primary tool for eradication of blight as the vector of poverty, social dislocation, or neighborhood disintegration. In the conservative political environment of the 90s, there was little political advantage to be gained from such approaches. The prevailing political culture of the decade nationally, statewide, and locally dictated an approach to such problems that would not smack to voters of profligate expenditures of tax money.

The third strand of urban renewal in the 90s was community involvement. As the decade unfolded, citizen participation in the decisions made by government that affected daily life became an article of faith in planning practice. There were several significant historical reasons

for this. One was that the nation's political culture had crossed a great divide in the perception of how democracy should work in the roughly twenty-year period between 1954 and 1975. Nationally, this time span encompassed the arc of the civil rights movement, the entirety of the American phase of the Vietnam War, and the Watergate episode. Each of these events conveyed powerful lessons to citizens, political theorists, reformers, and officials about the arrogance of power, governmental deceit, and the importance of scrutinizing authority and official institutions. Government agencies at all levels suddenly became subject to energetic questioning by citizens who also demanded and achieved, especially at the local level, integration into the decision making process in many phases of official functioning.⁸⁶

In urban planning, a whole school of thought and practice grew up around the concept of citizen involvement. In Oregon, because planning has become such an important tool of the state's political culture, citizen participation has become a routine, if carefully nurtured, feature of economic development, land use planning, and urban renewal activities. The impact these developments had on the urban renewal function were readily apparent throughout the decade of the 90s in Portland's renewal programming.

The Central Eastside Urban Renewal Area

Perhaps the first plan that symbolized this shift in focus was the Central Eastside project adopted in 1986. The plan encompasses a 681-acre warehousing, distribution, and manufacturing area near the Willamette River, employing some 21,000 persons drawn from four adjacent neighborhoods. The narrative describing the plan indicated the transition. It called for "maintaining a good business environment for existing businesses," including early redevelopment activities in a district in a part of the area known as Produce Row. The first activities involved the expenditure of \$9 million of new investment and 275 new jobs. Almost \$1 million was invested in public street and access improvements to facilitate car travel to the new campus of the Oregon Museum of Science and Industry (OMSI), formerly the Station L power generating site of the utility Portland General Electric. More than fifteen acres of vacant or underutilized land was also

earmarked for industrial and commercial redevelopment within the district.⁸⁷ The Central Eastside undertaking clearly marks the movement away from the more socially focused projects of the two earlier stages of urban renewal to one focused on creating and maintaining jobs in the targeted area. The focus was on business development assistance and redevelopment financing. For example, one project in the area took a four-block area employing six people and redeveloped it into a retail and employment center employing 121. Other current objectives for the area include transportation and pedestrian safety improvements for improved traffic circulation, extensive streetscape improvements, and the creation of the Eastbank Esplanade on the eastside riverfront. The Esplanade is a response to the east bank section of the I-5 freeway, the placement of which, hard by the river, had otherwise compromised all attempts over the years to create for the eastside, the recreational opportunities available at Waterfront Park on the Willamette's west bank. The Esplanade was made to extend from the Steel Bridge to OMSI, and was completed in 2001.

Airport Way Urban Renewal Area

Another significant project illustrating the trend in PDC's increasing view of urban renewal as a planning and economic development tool, was Airport Way. The Airport Way plan was adopted in 1986. The purpose of the project was to increase the city's inventory of developable industrial lands by providing planning, coordination, and infrastructure for the 2,780 acres within the project's boundaries. By 1992, the main access road had been extended four miles to the east of the airport, and also widened. This opened up 1,000 acres of new land for development and resulted in \$6 million in private investment. Projects included water, sanitary sewer, electric, telephone, and storm sewer facilities. More than 250,000 square feet of improvements were constructed by that year. It included new warehouse, distribution, manufacturing, and office facilities.

As the narrative on the objective of the revitalized project in the "Adopted Five Year Business Plan, 2000-01 through 2004-05" stated it, the project was to

facilitate development of Columbia Corridor as a major employment center with a diverse economy by attracting and retaining business and by supporting development of infrastructure, transit and protection of natural and cultural resources. Encourage employers to provide opportunities to residents of economically disadvantaged communities.⁸⁸

From 1994 to 2001, \$30.4 million was invested in the public improvements in the area. This, combined with the private investment, helped generate a \$516.7 million increase in assessed value by 2001. Perhaps the most significant project in the Airport Way Urban Renewal Area is the 5.5 mile extension of the region's light rail line to the Airport and a complementary mixed-use development of hotel, retail and office facilities near the Airport section of the line, called CascadeStation. Employment in the Cascade Station project is projected to be 8,000 by the year 2020. The light rail line to the airport opens in September 2001.

Oregon Convention Center Urban Renewal Area

Another plan, adopted in 1989, that reinforced the theme was the Oregon Convention Center Urban Renewal Area. The goal of the plan is to bring economic development and employment opportunities to the area surrounding the Convention Center, by capitalizing on the activity it generates. Key projects there included the construction of the Oregon Convention Center, several new multi-family housing projects and public improvements constructed to support the new Rose Garden Arena.

The Convention Center Plan was amended in 1993 to add the commercial area along Martin Luther King, Jr. Boulevard to Portland Blvd. Lines were purposefully drawn to exclude residential properties because of residents' negative perceptions of urban renewal stemming from the Emanuel project and other efforts. When the area was incorporated into the plan, it included some of the highest violent crime rates in the city. One of the areas was referred to as "Crack Alley" because of the volume of drug trafficking activity in the neighborhood. "Crack Alley" is now the location of several affordable housing projects, and successful retail and services development called Walnut Park, a community policing office, and the local Boys and Girls Club. The

incidence of police activity decreased by 24 percent from 1990 to 2000. Improvements were also made to the boulevard itself to create a more safe and inviting pedestrian environment. Other projects in the area, accomplished in conjunction with PDC's administration of block grant funds, include loans to small businesses for equipment, facility improvements, and new storefronts and new or rehabilitated housing units up and down Martin Luther King, Jr. Blvd. Since its formation assessed value in the Oregon Convention Center Urban Renewal Area has increased by \$424 million.

The River District Urban Renewal Area

The importance of economic development considerations was also seen in the River District Plan, which closely resembled the South of Market and Silicon Alley projects mentioned above. A westside area that abuts the Willamette River to the east and I-405 to the south, the River District is nestled near the downtown core area. The objective of the plan is stated in language in keeping with the entrepreneurial agenda and the mixed-use paradigm:

to generate new private investment and an improved tax base on vacant and underutilized land by developing a wide range of new housing units, new commercial opportunities and open space, all oriented to the Willamette River. To retain and enhance Union Station's function as a critical public asset and transportation center for the regional transit system. To help foster a "24-hour city" environment for residents, visitors, and employees.⁸⁹

Adopted in 1998, the plan features the construction of the Central City Streetcar on N. W. 10th and 11th Avenues, and N. W. Lovejoy and Northrup Streets circulating through the district's core (completed in the summer of 2001). It will eventually have three new parks and 5,000 new housing units in a mix reflecting the income demographics of the city generally, with density of more than 100 units per acre. Some 2,000 to 3,000 of these will be affordable units. It will be, in the description of PDC's Five Year Plan, "a vital mix of multi-family housing, major office facilities, regional attractions [such as the new Chinese Garden on SW 3rd Avenue and Everett

Street in Old Town], supporting service, retail businesses, parks and open spaces.”⁹⁰. Private development in the district has occurred at a rapid pace. Since 1994 more than 3,000 new housing units have been built in the district—more than halfway to the 20-year goal of 5,500 new units. In its first two years the River District Urban Renewal Area growth in assessed value was \$182.2 million.

The Lents Town Center Urban Renewal Area

Yet another urban renewal area, Lents Town Center, adopted in 1998, is perhaps most symbolic of the post-modern planning paradigm. Its objective, as part of Metro’s 2040 Framework Plan, is to make the Lents district, a distressed area in Southeast Portland, into a key Town Center for the Portland metropolitan region. Meeting this goal includes plans for transportation management in the area’s business district, a redevelopment implementation strategy that will include revitalization projects for the area’s businesses, a street paving program for Lents neighborhoods that will include sidewalk and intersection improvements, a housing strategy involving financial assistance programs to support the purchase, and the rehabilitation of homes, rental repair, and the development of new housing stock. The Lents plan also calls for a redevelopment strategy for the Springwater corridor area, the spine of which is an abandoned rail line converted to hiking and biking, which runs to Gresham. The Springwater Trail is part of a 40-mile loop that will ultimately connect to the riverfront. Finally there is also a parks and recreation capital improvement program. Citizen involvement in the Lents urban renewal efforts has been intense and extensive. It was PDC’s first urban renewal area to exclude the right of condemnation from the plan at the insistence of the citizens on the urban renewal committee.

The North Macadam Urban Renewal Area

Yet another significant plan is South Waterfront/North Macadam, adopted in August, 1999. In this area PDC is seeking meaningful commercial and housing development in this westside Willamette riverfront locale. While the River District’s focus is on housing development near

employment centers, North Macadam's emphasis is on creating a new center for jobs. It is hoped that more than 10,000 jobs will be created and that Oregon Health & Science University will be a major employer there with an expansion of its Marquam Hill campus.

Formerly an industrial area, the North Macadam Urban Renewal Area encompasses 417 acres with 206 acres of developable land. An extensive public involvement process led to the development of a Framework and Urban Renewal Plans that deal with transportation, open space, and greenway problems, and issues of creating a new neighborhood in the heart of the city on former industrial lands. The implementation of the plan began in 2000.⁹¹

The Gateway Urban Renewal Area

Another urban renewal area with a high degree of citizen involvement is Gateway Regional Center. The ambitious plan is primarily a redevelopment package designed to turn the area, the perimeter of which includes roughly I-84, N. E. Halsey, and N. E. 102nd and 122nd Avenues, into a regional center with improved housing and employment, as well as greater recreational and cultural opportunities. Gateway contains the highest density zoning designations in the city—CX, EX, and RH.⁹²

The Gateway area is projected by 2015 to be “the most accessible location in the Portland metropolitan region,” as PDC’s five-year plan document put it.⁹³ The district is served by two interstate freeways, light rail transit to the west and to the east, and will have light rail service to the airport. Thirteen bus lines also converge on it. It has become, as a result, a focus of new investment and development. Since 1999, over 1,000 new housing units have been built or slated for construction—a tenfold increase compared to the total of the period from 1989-99.⁹⁴

The area’s redevelopment strategy further includes the creation of public spaces, transportation improvements, design enhancements to stimulate pedestrian traffic, and other projects, including an education center and a performing arts center that “demonstrate Gateway’s viability as a livable center of activity.”⁹⁵

The process of creating the Opportunity Gateway Concept Plan and Redevelopment Strategy, the blueprint for the transformation of the region that these projects embody, was accepted by PDC and the City Council in February 2000. The Concept Plan was the product of two years of public meetings attended by hundreds of residents, business owners, and workers in the Gateway district.

PDC and the City Council adopted the Gateway Plan June 21, 2001. Implementation of the framework plan is supervised by a 40-member Program Advisory Committee, appointed by Mayor Vera Katz.

The intrinsic significance of 2040 to the Gateway and Lents framework plans indicates a new dimension to PDC's urban renewal activities. They suggest that the commissioners and staff have begun to think of the urban renewal tool as a part of a regional strategy for the metropolitan area. The 2040 Framework Plan is the preferred model of growth for the Portland metropolitan region, identified by its regional governmental body, Metro. The intrinsic significance of 2040 to the Gateway and Lents framework plans indicates a new dimension to PDC's urban renewal activities. They suggest that the commissioners and staff have begun to think of the urban renewal tool as part of a regional strategy for the metropolitan area. The 2040 Framework Plan's Growth Concept includes a major role for mixed use centers. It states

Mixed use centers inside the UGB [Urban Growth Boundary] are one key to the [2040] Growth Concept. Creating higher density centers of employment and housing and transit service with compact development, retail, cultural and recreational activities, in a walkable environment is intended to provide efficient access to goods and services, enhance multi-modal transportation and create vital, attractive neighborhoods and communities....Regional centers serve large market areas outside the central city, connected to it by high capacity transit and highways. Connected to each regional center, by road and transit, are smaller town centers with local shopping and employment opportunities within a local market area. Planning for all these centers will seek a balance between jobs, housing and unique blends of urban amenities so that more transportation trips are likely to remain local and become more multi-modal.⁹⁶

The Interstate Urban Renewal Area

Finally, one interesting project which, in many important respects, looks Janus-like back to the era of the original social engineering imperatives of urban renewal, while, at the same time, remaining focused on the current values mainly of economic development, is the Interstate Corridor Urban Renewal Area which was approved August 16, 2000. It covers an area that encompasses nine north and northeast neighborhoods from near the Rose Quarter arena to North Portland Harbor, making it the largest redevelopment project in the city's history at 3,710 acres. As the Interstate Renewal Plan document puts it, the district is "a diverse and fascinating collection of neighborhoods."⁹⁷ However, it also soberly notes that "these areas suffer from a variety of characteristics which, taken together, form a compelling argument for the formation of an urban renewal area."⁹⁸

Interstate's sprawl encompasses nine inner north and northeast neighborhoods (ten if a part of King where activity will occur is included), including such landmarks as the I-5 freeway and the Columbia Slough.⁹⁹ Over the 25-year life of the project, it's maximum tax increment funding could be as much as \$335 million in funds for its various elements. Again citizen involvement was extensive in the formation of the urban renewal area. Inasmuch as the project area covers some of the city's most heavily African-American areas and has one of the highest concentrations of minority and low-income citizens in its census tracts, and at the same time attempts to accomplish so many different things, it is a striking microcosm of the evolution in philosophy that PDC has undergone over the 43 years covering South Auditorium, Albina, and Emanuel and Model Cities, the neighborhood movement, and the era of economic development of the last two decades. In that sense, the Interstate plan seems to bring PDC and the enterprise of urban renewal in Portland full circle. Its general principles reflect an all-embracing and ambitious agenda including outreach, in that, in the language of the guiding document,

the planning and implementation of the Interstate Corridor Urban Renewal Area will be founded on a thorough, ongoing, and inclusive community involvement process. This process will build capacity by providing specific, consistent, and culturally appropriate

opportunities for all community residents, businesses, and organizations to access and impact urban renewal decision-making, and by providing educational resources necessary to an informed decision.¹⁰⁰

The plan document also promises to benefit primarily

existing residents and businesses within the urban renewal area through the creation of wealth, revitalization of neighborhoods, expansion of housing choices, creation of business and job opportunities, provision of transportation linkages, protection of residents and businesses from threats posed by gentrification and displacement, and through the creation and enhancement of those features which enhance the quality of life within the urban renewal area.¹⁰¹

The Interstate plan also calls for close cooperation and integration of efforts with the advisory committee, TRI-MET, the Oregon Department of Transportation, other agencies, and the private and nonprofit sectors in the development of the Interstate light rail line—the key project of the urban renewal area. The plan intends to “optimize light rail investment by ensuring that the entire area benefits...by the creation of catalyst projects near light rail stations and other key locations...;” and to focus investment along Interstate.¹⁰²

The Interstate project is an index and microcosm of the promise and pitfalls of urban renewal in the 21st century. Oregonians, no less than other Americans, have learned over the last half century that the economics of public policy can be a zero sum game and that therefore care must be taken in making even the most obviously positive expenditures, because good done in one venue might mean harm in another. Thus, the commissioners of Multnomah County, for example, were troubled in 2000 by the Interstate proposal. While the municipal government manages the infrastructure of Portland, the county is responsible for the region’s human needs. So the district’s frozen base during the life of the urban renewal area would, they said, profoundly shape the county’s ability to deliver community services. The county asked the Portland City Council to provide it \$2 million per year to help cover the expected shortfall.

Many residents were opposed to the light rail line and protested its construction at the various community meetings. In addition, some in the community were suspicious of the project because of the history of urban renewal in the area and feared gentrification and displacement would result. Harold Williams, head of the Chamber of Commerce of Portland in 2000, at one point contemplated initiating a lawsuit to halt it. Recalling how North Portland had changed in the 41 years since he had moved into the area before I-5, the Memorial Coliseum, and the convention center were put in and prior to the three urban renewal districts, he noted, "...it wiped out the whole business district. We had restaurants, clothing stores, pharmacies...small business shops, barbershops, nightclubs.... And they were all wiped out—like...a breeze just came through and we no longer exist!"¹⁰³ Williams then went on to serve as a valuable and vocal member of one of the implementation committees for the Interstate urban renewal area. The Interstate plan also excludes the right of condemnation as a result of citizen concerns.

City Council member Charlie Hales, speaking through Ron Paul, his Executive Assistant, expressed his support of the project: "By rejuvenating an area, both through a transit system like the Interstate Light Rail and through its economic development efforts that will parallel that, the overall tax base over time will certainly increase to everyone's benefit."¹⁰⁴

Felicia Trader, then PDC's Executive Director, suggested in August 2000, that Interstate was "more a traditional community development project" than an urban renewal district in which land is combined for housing projects, industrial uses, or retail complexes. "We are looking to help people living there now to improve their circumstances. That will happen by creating jobs and by increasing the value of the houses that are already there, and by providing new affordable housing."¹⁰⁵

Carl Abbott, commenting on Interstate, seconded this view, noting that the proposal reflected a more conservative approach as well as the continuing evolution of renewal as a tool for emphasizing economic and community development rather than the "intense block-busting developments" of an earlier day.¹⁰⁶

The Interstate Plan, however, suggested to some both the maturation and the dangers of urban renewal as an implement of community development. As a result, some observers and students of urban renewal and of PDC were not as sanguine as Hales. Oliver Norville, for instance, observed that the largeness of the district worked against other projects. Reporting on his concerns, the *Oregonian* noted in the summer of 2000 that the size of Interstate would bring the city “closer to a state-imposed limit on renewal districts, which could restrict some renewal options in the next several years.”¹⁰⁷ Norville and the paper were alluding to the fact that, by statute, cities may only put a maximum of 15 percent of their acreage or total assessed value in a tax increment urban renewal district. Interstate placed Portland’s total at 11,403 acres, or 12.3 percent of total city area, leaving approximately 2,500 acres for other projects. The assessed value of property in new districts is 10.1 percent of the city’s assessed value, though because of some nuances of urban renewal law, not all of the taxes attributable to this amount of assessed value are actually paid to PDC. PDC generally foregoes approximately forty percent of the taxes that it could be eligible to receive. This election mitigates impacts on Multnomah County and other taxing entities.¹⁰⁸

PDC officials such as Trader and John Southgate, Interstate project manager, were satisfied with both the shape and size of the district and the plan agenda and confident it would succeed, in large part because of the level of citizen participation. As Southgate put it, “it [the Interstate Plan District] looks like it’s gerrymandered, but there’s a rationale to it. The boundaries reflect the will of the neighborhoods.” The neighborhoods had firm ideas and a large “wish list” of projects that ultimately dictated the size of the district. The citizens advisory committee, more than 50 strong, recommended a formula that called for 25 percent of the Interstate funding to be spent on housing; 24 percent on light rail and other transportation-related projects; and 19 percent on economic development.¹⁰⁹

CONCLUSION:

How to Renew a City

“I have seen a lot of scenery in my life, but I have seen nothing so tempting as a home for man as this Oregon country.... You have here a basis for civilization on its highest scale, and I am going to ask you a question which you may not like. Are you good enough to have this country in your possession? Have you got enough intelligence, imagination and cooperation among you to make the best of these opportunities?”

–Lewis Mumford, in a speech to the City Club of Portland,

July 1938

Urban renewal is an activity that unfolds in cycles of initiatives that play out over twenty to thirty years. Thus, events predicated on a set of values and assumptions in one era may develop only slowly under another value set and come to fruition under yet another set, even as another constellation of planning values creates a different series of plans.

This does not mean that we cannot distinguish between periods in the urban renewal history of Portland. Of course, we already have. Nearly half a century after the program began, an assessment might be fairly sanguine about what happened. Clearly, there have been some triumphs, but, amazingly, there have been no disasters. Partly this is due to the fact that some important lessons of the past were learned on the spot and in retrospect. One of the main ones, as Stan Jones, a 30-year PDC employee, pointed out, was that PDC did not perform bypass surgery on the heart of the city—the central business district—as happened in so many other places.¹¹⁰ Instead, especially early on, it concentrated on the transition zone with activities that functioned almost as demonstration projects, allowing citizens to see what it could accomplish in relatively small increments.¹¹¹ Few, if any, of these projects were utter failures, although some were far less successful than others.

A second lesson is that the nature of available funding has played a critical role in Portland’s urban renewal history, both as largesse and also as shaper of project selection and the type of the project activities undertaken. On project selection, to take one instance, South Auditorium would

probably not have been a clearance activity had that not been what the federal government was funding. For that matter, Albina, Portland State, and Emanuel were all decided and done on the basis of the available type of funding. The withdrawal of federal monies, of course, crippled St. Johns. Measure 5 halted urban renewal in its tracks. The inability to fund through TIF was a short-term disaster.

A third lesson is in the process by which urban renewal has been carried out. Process is a cardinal legacy of Portland's experience. The public and their urban renewal agency in Portland have moved upward together—not always at the same pace, nor always very steadily. Model Cities was a turning point in this development. ANIP notwithstanding, it brought citizen planning for the first time in urban renewal in Portland. It also engendered an infrastructure of citizen participation organizations across the city. Neil Goldschmidt used the emerging neighborhood movement to energize people to participate in the planning of PDC's projects and in the creation of a broader vision of redevelopment and, not incidentally, the city's future. PDC's policies and programs have been flexible and implemented in concert with these changes in policy.

As we contemplate its contemporary state, it is clear that the entrepreneurial spirit, the application of the mixed use philosophy, and the much more intensive involvement of the community in the 90s form the basis of the current slate of improvements. But it is also obvious that the social, political, and economic forces, not to mention planning fashions, at play in Portland history over the last half century have also constrained and liberated policy makers as they craft redevelopment strategies.

The opportunity to answer Lewis Mumford's questions in the affirmative, and to shape the next era of urban renewal still lies before us.

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