

King Neighborhood will vote next Tuesday, March 27, on the controversial Nordstrom project proposed by the Portland Development Commission. The project entails acquisition of four residential blocks along the Union Avenue Corridor, to be used as a distribution center by Nordstrom.

Officials of Nordstrom's have said that the company would not go along with the plans without full neighborhood approval, and have several alternative sites in mind if the vote is negative. Residents, property owners, and those working within the neighborhood are eligible to vote at the 7:30 p.m. meeting of the King Neighborhood Association in the Neighborhood facility. The

Association in the Neighborhood facility. The neighborhood, as defined by Model Cities, has about 4,000 residents. People will be required to show identification

at the door as proof that they live or work in the area, according to Anna Madden of the King Neighborhood Association. There have been rumors that those supporting the proposal will bring in outsiders to pack the voting, she said.

The Nordstrom proposal is part of an overall plan by the Portland Development Commission to revitalize the Union Avenue Corridor, an area that was once a thriving commercial center, but has recently faced neglect and decline.

One of the stated goals of the proposal is to provide job-producing development that would serve as an incentive to other facilities to locate along the Corridor. Initially, the Nordstrom facility would employ between 60 and 80 persons in the distribution center and another 10 in the retail outlet. Plans call for employment to increase to 100 in the center "fairly soon," and ultimately may reach a potential for up to 280 distribution center jobs and 15 to 20 retail jobs. A program for employee training and placement to maximize the benefit to the neighborhood's unemployed residents is also proposed.

The project will require existing residents and businesses to move. Based on personal interviews, the PDC has identified 52 households currently residing in 45 housing units within the fourblock area. These include 23 owners and 29 renters. An additional 12 housing units are currently unoccupied, bringing the total number of actual housing units to 57.

Each resident would be paid for the cost of moving and receive an additional replacement housing payment to assist in renting or purchasing a new home. For the homeowner, both moying and replacement housing payments are in addition to the actual purchase price of the home, which is based on professional appraisals.

Including vacancies, the project area contains 46 residential structures. From an exterior survey, 17 are classified substandard and cannot be feasibly rehabilitated to standard condition. Another 29 structures are in fair condition, which is defined as requiring some degree of rehabilitation which probably could be feasibly done. None of the structures is classified as requiring no rehabilitation.



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DEPARTMENT OF DEVELOPMENT AND CIVIC PROMOTION

> PORTLAND DEVELOPMENT COMMISSION

Allison Logan Belcher Jerry G. Jones Dennis Lindsay Walter C. Mintkeski Louis Scherzer

J. David Hunt Executive Director

1500 S.W. First Avenue Portland, Oregon 97201 (503) 248-4800 March 24, 1978

FOR IMMEDIATE RELEASE

NORDSTROM WITHDRAWS FROM UNION AVENUE ECONOMIC IMPROVEMENT PROJECT

A letter from Nordstrom to the City was received today, announcing the firm's decision to withdraw from the proposed Union Avenue Economic Improvement Project.

The City's Portland Development Commission has been working with the developer, affected residents, Union Avenue businesses, and neighborhood groups to bring to the area a \$2 million distribution center and retail outlet which would have created 80 to 300 new jobs for local residents.

Robert Holmes, PDC Director of Development, met with Nordstrom yesterday. According to Holmes, "Nordstrom withdrew basically because of perceived negative attitudes in the community and continuing criticism by neighborhood groups about the project. We indicated to the neighborhood they had to work together on this, that if there was substantial opposition the developer would go elsewhere, and this is what is happening."

The PDC staff will recommend to the Commission, at its next meeting, that affected property owners and tenants be advised the Commission will withdraw the project from consideration.



NORDSTROM 701 S.W. BROADWAY, PORTLAND, OR 97205 (503) 224-6666 RECEIVED

March 23, 1978

MAR 24 1978

PORTLAND DEVELOPMENT COMMISSION

Mr. Robert J. Holmes Director, Development Portland Development Commission 1700 S.W. 4th Portland, Oregon

Dear Robert;

Several months ago when the Portland Development Commission approached Nordstrom to consider locating our distribution center on Union Avenue, one of our major concerns was the reaction of the community. Subsequently, our committment early this year on Union Avenue was based on a favorable labor availability and logical location for a small retail outlet. We felt this would have an additionally meaningful effect on the community.

However, we made it clear from the outset that if the community did not want the project or if controversy developed, we would discontinue our efforts. In recent weeks it has become increasingly apparent that the acceptance of the project was not receiving the support from the community. The meeting of March 1st, individual discussions, subsequent meetings, newsprint, and recent correspondence received this week indicates that what has been presented over the last several months was not having the anticipated positive effect.

It is after considerable deliberation that we have decided not to locate on Union Avenue.

A facility will be built as soon as we can re-evaluate other site alternatives. It is our continued intention, through advertising and other recruitment efforts, to insure the North East area is aware of employment opportunities with Nordstrom.

Your efforts all along have been to help convey the importance of a project like this to the community. I am sure that we will be involved in future efforts.

Sincerely.

Paul Hunter Vice President Oregon Regional Manager PH/kw

cc: David Hunt, Portland Development Commission Thomas Kennedy, Portland Development Commission

Harney Lockett

## King Improvement Association

Minutes - General Meeting, January 24, 1978

Chairman Rutherford called the meeting to order at 8:00 P.M. with a minute of silent prayer.

The Chairman asked for approval of the agenda, which was subsequently approved by voice vote.

Corresponding Secretary, Marian Dawan read the December 14, 1977 minutes. The minutes were approved via motion and voice vote.

Chairman Rutherford reported that the liquor license has been re-approval for Johnny's & Lenney's Market on Union Avenue for another year, despite the concerns of neighboring businesses.

Chairman Rutherford said the money has been allocated for installation of traffic signals at Union Avenue and Failing Street, but he does not know when the actual installation work will be done. Mr. Warren Chung, Chairman of the Union Avenue Boosters responded that it would be done later this spring.

### Correspondance

Correspondance was read by Vice Chairperson, Ella Mae Gay regarding HCD Housing Rehabilitation funding, and KIA's Needs Request: The playground on King School site, traffic signs, clean-ups, abandonded automobiles, and environmental clean-ups.

Guest Speaker Mr. Thomas Kennedy, was then invited to give his presentation. (This presentation/dialogue is provided on a separate report).

Marian Dawan provided an update on the Crime Prevention Committee's activities.

Adjournment: 10:05 P.M.

Meeting roster attached

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CEFICE OF COMMISSIONER OF PUBLIC SAFETY

### Thomas Kennedy Program Manager - Union Avenue Plan

Presentation / Dialogue From Taped Minutes KIA 01-24-78

Mr. Kennedy stated that his role with Portland Development Commission is Program Manager of the Union Avenue Plan.

The first duty assigned to me was to establish/re-establish a good commercial business organization or industrial organization of the business community on Union Avenue.

The second assignment was to go through the Model Cities document that was printed and passed in 1974, and to outline the priorities in the document by basic needs that were recited in the document.

The document draft was completed through the Model Cities process, and adopted by the Planning Commission in 1975. It was adopted in parts.

One of the things that came out vividly was the need for jobs in the area. Another point was to stimulate the traffic floor and have it more more safe for the people in this area.

They then looked at the whole area as to basic need insofar as encouraging economic growth and redevopment in the area. The southern part of Union Avenue is coming along quite well; <u>Roth</u> Motors has put up a \$350,000 building. The northern area around Columbia has become more developed, and has stabilized their commercial and industrial area.

When you get past Killingsworth and Fremont on the boxed area (refers to the KIA flyer), you hardly see any kind investments for that area.

One of the things looked at first before talking with any developers, was should we as a City, get involved with relocation, demolition, the whole ball of wax, just for the sake of redevelopment? Obviously the answer was no.

We decided that (if) we would encourage any kind of redevelopment in this area, it would have to be of the job-producing industry or something of that caliber. I was told tonight that we would talk about the area from Mason to Shaver, to Skidmore, to Sixth, as a possibility of an economic redevelopment area.

It was proposed that not one but several developers for the Mason area. The boundaries of the proposed project is Union Avenue on the east, sixth on the west, Skidmore on the north, and Shaver on the south. I will try to answer questions to the best of my knowledge from the (flyer). Thomas Kennedy - Dialogue KIA Taped Minutes 01-24-78 Page (2)

Let me introduce Mr. Peter Tryon , Project Manager for Highway Development. If you have any questions about that, I'll be directing them to him.

Here is what we found on your map: That (46) residential structures, (60) residential units -- that's not factual because no one has actually yet been into everybody's house or apartment house to count them (individual units). This is an estimate on (60) units.

Of the area, residential units are (47), owner occupied is (18), and tenant occupied is (29). What we are trying to do in the City of Portland is sit down and talk to every person who lives in that affected area (meaning the area in which we propose to redevelop).

I'm sure that some of the people here have been contacted by one of the relocation persons on PDC's staff. If you have not, you soon will be. This survey that is being given now is to determine the total impact that it would have on the residents of that affected area. One thing that is required by law, is that a proper relocation plan be developed for the people of that area. That means economically, residentially, and socially. There will be no one dislocated from their property until they are properly relocated in something sufficient, adequate and sanitary by the City code. It is not going to happen that someone is going to take your house from you. QUESTION: Will people have an opportunity to have some imput into where they are going?

KENNEDY: Yes. I'll get into that more with Mr. Cralley , who is with the Relocation Dept. of PDC, and I will direct certain questions to him.

CHAIRMAN: Please take notes, and hold your questions until Mr. Kennedy has completed his presentation.

We talked to many developers who are interested in investing in the area. As you know, last year we thought we had a developer by the name of Lipman, but because some national policy made by the parent store, they had to back out of the proposal before we had got to this point of talking to people in the area.

Now we are at the point of being able to talk, because we might have a product, meaning a developer. Should we not get the developer we want this

Thomas Kennedy - Dialogue KIA Taped Minutes 01-24-78 Page (3)

time, there are other developers in the wings we might be able to get if this development falls through; should this community want it.

The area we're talking about aquiring for private development is approximately 312,000 sq. ft. The streets to be vacated is approximately 62,000 sq. ft. Total aquisition of the property to be site-prepared will be 374,000 sq. ft. Estimated cost to do this would be approximately 2.5 million dollars.

This facility will not be a warehouse. A warehouse is a place that stores (articles) for a long period of time, where it would encompass more square footage than we are talking about here, and it would be maybe 6-7 stories high. It would employ about (5) people, so a warehouse is not what we are looking for in this area.

We have research with the Seattle Nordstrom Company, but they have made no decision yet. We have negotiated with a couple of other companies, but because they are behind the Nordstrom's time-line, I am unable to reveal their names at this time.

The Nordstrom Company has proposed a plan to build a distribution center in this (affected) area; should we go ahead with all the approvals and everything else (required). This facility that is to be built is needed by the spring of 1979, but no later than the fall of 1979.

The reason why the company has not made a commitment to this area, is that other communities are competing for the job-producing benefits. I am not here to sell you the program, but to inform you about the program.

Nordstroms proposes to construct a distribution center with a small retail outlet, that would sell retail merchandise similar to budget stores.

We have other companies that would like to do the same thing, not with merchandising, but with light manufacturing. We have several manufacturers located on Union Avenue already. When we talk about light manufacturing, we're talking about non noise polluting, non air polluting, and hopefully for the future, non eye polluting.

The basic premise with which the City is approaching this problem, is to help solve the job needs. Nordstrom proposes to hire the first year in the facility, in excess of (90) people. In the future they say that there is the possibility of additional hiring during the Easter and Christmas holidays, and perhaps (2) shifts. Thomas Kennedy - Dialogue KIA Taped Minutes 01-24-78 Page (4)

I am trying to relate to you as much information as I have at this time about the project. It is not something we have to be afraid of. It is something we have to work with; ask ourselves individually how much we want to move ahead economically, or how much we want to be satisified with the status quo?

In conjunction with the aquisiiton of preparing the land, the City is obligated to do the buffering lanscaping around the site, that is done with City money.

- QUESTION: When a person living on Sixth Avenue comes out of their door, what will greet their eyes in the way of landscaping?
- KENNEDY: I have not seen any renderings of any facility that Nordstrom has built other than the one downtown. I am told it will be no more than 1½-2 stories high. There will be more set-back than the normal one that is ordinarily required. There will be adequate landscaping, shrubbery, and perhaps a fence. No one has seen the architectural design yet. In my opinion, hopefully something that will be appealing to the eye.

QUESTION: Why was this particular 4-block area chosen for the project?

- KENNEDY: The northern and southern ends of Union Avenue are already prospering. Nothing is happening (investments) in this core area. Some people are finding it difficult to borrow money to fix their homes up. We have a high level of absentee landlords compared to some areas, and we have the need to use some money for economic stimulis there.
- QUESTION: Of the overall area along Union Avenue that needs help, why this area? Was the decision based upon the fact that this is where the fewest number of people would be affected?
- KENNEDY: In the Model Cities area #2 planning book, it calls for this type of development, and these decisions were made by the Model Cities Planning Taskforce and Model Cities Board.

QUESTION: Does that map represent the Model Cities policy plan?

KENNEDY: Yes.

Thomas Kennedy - Dialogue KIA Taped Minutes 01-24-78 Page (5)

- OTHER: From what I can tell, that area is zoned commercial and one of the blocks is scheduled to be a park.
- KENNEDY: No. The key for planning area #2 which we are talking about, calls for cummulative facilities, recreational centers, social services, open storage parking, single and multi-family units, service commercial, retail commercial, residential housing, manufacturing, warehousing, and wholesaling. That is in the policy statement that was approved by the Planning Commission from the Model Cities Planning Board.
- QUESTION: Who made up the map?
- KENNEDY: This was made up by the Northeast Neighborhoods that were designated as Model Cities. There were (9) neighborhoods that participated in the program. Representatives were selected by their neighborhoods to comprise the Model Cities Planning Board.
- QUESTION: If this project moves in, how does it affect people living on the adjoining blocks? Will it make their property less or more valuable?
- KENNEDY: I could not answer specifically as to this project. It might require rezoning, but normally when you increase the value of property, everything around it goes up. It could go either way.
- QUESTION: (UNAUDIBLE ON THE TAPE)
- KENNEDY: No one has made up their minds; this is a proposed project. There have been no definate decisions made on this project. If the people in the affected area say they don't want it, we won't have it.

ROBERT

BOYER: (UNDESERNABLE ON TAPE)

QUESTION: Do you have copies of the survey that is currently being distributed so that we may have a look at it?

KENNEDY: No, I do not have one.

QUESTION: How will relocation work?

Thomas Kennedy - Dialogue KIA Taped Minutes 01-24-78 Page (6)

PDC

- OTHER: Relocation will work the same as it did in 1970. Homeowners who live in their house will get the market value price of their homes, plus a grant up to \$15,000. Tenants will get \$4,000 and a maximum of \$2,000 to help defray the the cost of increased rental payments. This will be up to (4) years. They could also take that money and make a down payment on a home.
- QUESTION: What happens when a tenant in the affected area refuses to move, but everyone else will? Is relocation based on majority concensus? PDC

OTHER: Once the project is approved, everyone will have to move.

KENNEDY: City Counsel makes the final decisions.

- QUESTION: (UNAUDIBLE ON TAPE)
- RESPONSE: (UNAUDIBLE ON TAPE)
- KENNEDY: There will be someone to come out and sit down with you to assist in working out specific problems.
- KENNEDY: The City of Portland is required to give fair market price for homes.
- QUESTION: Is that assessed value?
- KENNEDY: No, you would receive what your house would sell for on the market today. If the homeowner owes money on the house, that amount would be deducted from the amount paid the homeowner.
- QUESTION: How is fair market value determined?
- KENNEDY: By bonified, certified appraisers.
- QUESTION: What happens if a senior citizen sells their home, and they won't have enough money to pay taxes on a higher market value home?
- KENNEDY: We don't have all the answers yet. We are told by the City Council to look into the feasibility of moving homes to other vacant sites.
- QUESTION: What happens when you own (2) houses in the affected area?
- OTHER: You can only move out of one, and that is the home whereby you would qualify for relocation funds. You would get market value for the other one, but the tenant would get up to \$4,000 for relocation.

Thomas Kennedy - Dialogue KIA Taped Minutes 01-24-78 Page (7)

QUESTION: Since there is a high crime rate against businesses in the area, how will a retail outlet affect these businesses, and what crime prevention methods will be offered?

KENNEDY: (UNAUDIBLE ON TAPE)

- QUESTION: Is there anyone here who has been relocated due to urban redevelopment?
- QUESTION: How will relocated homes with higher taxes affect senior citizens and others on fixed incomes?
- OTHER: People should attempt to buy homes they can afford.
- KENNEDY: Other methods can be explored. If you have any fears of relocation, we can sit down and talk with you about it. The problem is, does this community need economic stimulis? Do we need to recognize the need for change?
- QUESTION: To what extent will area residents be involved in the approximate (90) jobs?
- KENNEDY: Any company coming into the area musit not only provide employment opportunities, but must provide training program to prepare the people employed from the area, the opportunity to move up in that business.
- QUESTION: What kind of guarantees will we have to that effect?
- KENNEDY: In writing.
- QUESTION: Why were questionnaires (surveys) distributed to just the 4-block affected residents, and not to surrounding blocks?
- KENNEDY: The law says that we musit confront the residents of the property that is directly affected by the area, before we do anything else.
- OTHER: We did not send out questionnaires; there were letters sent out and an oral survey was taken.
- QUESTION: You are saying that the affected area is only those people living around the 4-block site, and that other residents are not affected?

Thomas Kennedy - Dialogue KIA Taped Minutes 01-24-78 Page (8)

KENNEDY: No. I'm saying we have to talk to those residents directly affected first. We have scheduled many meetings to inform the community via clubs, churches, etc.

(TAPE WAS UNPLUGGED AT THIS POINT)

- QUESTION: I live right across the street; will this change the zone on my property so that I can operate a business out of my home?
- KENNEDY: I don't know. It could be explored with the Planning Commission.
- QUESTION: Can the City use the Intimate Domaine law to take a home?
- ANSWER: (UNAUDIBLE ON TAPE)
- KENNEDY: My office is located at 4008 N.E. Union Avenue; telephone 249-0330 or 249-0607. If you are not getting the right answers from me, you can call 248-4933 and speak with the Director of PDC.

There are 3-4 hearings scheduled regarding this matter which you may attend.



### KING ECONOMIC IMPROVEMENT PROJECT

### DESCRIPTION OF PROPOSED DISTRIBUTION CENTER DEVELOPMENT

Nordstrom is considering constructing a major distribution center on Union Avenue within the King Economic Improvement Project. According to information furnished to The City of Portland, Development Commission, the following are preliminary site plan and improvement characteristics. Changes are likely before final plans are made based on community and city agency review.

From the information now available, the following development characteristics apply at the present time: (Refer to enclosed schematic site plan)

Size of Distribution Facility:	176,000 sq. ft. (with potential for expansion)
Retail Area:	15,000 sq. ft.
Office Area:	15,000 sq. ft.
Parking:	As determined by zoning, up to a maximum of 145 spaces.
Employment:	Initially 60 - 80, with a potential of 300.
Foundation and Floors:	Reinforced concrete
Walls:	Tilt-up reinforced concrete panels (28 ft. high).
Roof and Roof Cover:	Precast concrete or steel beam construction with built-up roof cover.
Plumbing:	Approximately four washrooms, fire protection will be sprinklers and stand pipes.
Electrical:	Suspended fluorescent fixtures and normal ware- house electrical service.
Built-in Equipment:	Truck docks with built-in load levelers. Su- spended conveyor system.
Site Improvements:	Heavy landscape screening in 10 foot set-back areas around entire site. Surface drainage. Chain-link fencing around parking and loading areas behind screening. Paving of all loading and parking areas.
Access;	Truck access from Union Avenue at Mason only. <u>15 - 20 trucks/day would be normal</u> . 30 - 35 could be expected at busiest times. Heaviest traffic would occur between <u>7:00 a.m. and 1:00 p.m.</u>
Security:	Electric-eye beams and wired doors and windows. Exterior lighting in parking and loading areas shielded to prevent glare on adjacent properties.









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earnings of the business during the two tax years immediately preceding the year in which such business is displaced. The payment will not be less than \$2,500 nor more than \$10,000. Those who choose this payment will not be eligible to receive any other payment.

Storage of Personal Property. Occasionally, unusual circumstances may make the storage of personal property necessary. This expense may qualify for a payment. The payment period will not exceed one year.

### ELIGIBLITY

Eligibility requirements for relocation payments may vary depending upon the type of activity causing displacement, the length of time the dwelling unit has been occupied by the person displaced, and other factors. To determine eligibility for relocation payments, the Relocation Staff of the PDC should be contacted.

### APPEALS

Any person who is dissatisfied with a determination as to his eligiblity, the amount of payments, or service received may have his case reviewed by the Executive Director of PDC. Such person should contact a Relocation Advisor for assistance in filing his appeal.



City of Portland Development Commission 1500 S.W. First Avenue Portland, Oregon 97201 248-4800

# CITY OF PORTLAND DEVELOPMENT COMMISSION

Revised 1178 PDC

# RELOCATION ASSISTANCE BENEFITS

An outline of relocation assistance available if you move because of a publicly financed project

### QUESTIONS AND ANSWERS ABOUT THE PROPOSED UNION AVENUE ECONOMIC IMPROVEMENT PROJECT

QUESTION: WHAT IS THE PROJECT ALL ABOUT?

ANSWER: The proposed project is designed as a means to help bring economic improvement and stability to Union Avenue. It is proposed that four blocks between N. E. Union and 6th Avenue and Shaver and Skidmore streets be designated by the City Council for economic development. The land would be acquired and prepared for commercial and light industrial activity, such as a wholesale distribution center.

### QUESTION: WHY IS AN ECONOMIC IMPROVEMENT PROJECT NEEDED?

ANSWER: Basically, to bring new commercial life and jobs back into the area. Once a thriving and commercial area, Union Avenue has in recent years been characterized by vacant lots, boarded-over store windows and high unemployment. The proposed project is designed as a step to provide new jobs and attract new investment to the community.

### QUESTION: WHAT IS THE COST OF THE PROPOSED PROJECT?

ANSWER: The total public cost of the project is estimated at \$2.46 million. The cost includes acquisition of land, moving utility lines, relocation of existing residents and businesses and site preparation. After resale of the land, the net public cost will be approximately \$2.1 million. The source of funds for the project will be the City's Housing and Community Development grant from the federal government.

### QUESTION: HOW WILL THE PROJECT AFFECT EMPLOYMENT?

ANSWER:

Initially, the facility would employ between 60 and 80 persons in the distribution center and another 10 in the retail outlet. Plans call for employment to increase to 100 in the center fairly soon and ultimately may reach a potential for up to 300 distribution center jobs and 15 to 20 retail jobs. No developer would participate with the City in a program for employee training and placement to maximize the benefit to the area's unemployed residents. Using general industrial wage standards, it is estimated that this level of employment will produce a payroll of approximately \$925,000 initially, with an ultimate payroll of \$3.4 million annually possible with complete development. These figures are in terms of 1978 dollars.

QUESTION: WHAT IS THE HISTORY OF THE NEIGHBORHOOD AND WHY THE DECLINE?

ANSWER: The Union Avenue Corridor reflects the influence of successive waves of settlers. From the 1800's until the early twentieth century neighborhoods on either side of Union Avenue received large numbers of European immigrants. Since the Second World War, the area has also received a substantial influx of Black persons, who presently make up about 50 percent of the population.

> The 1930's and 1940's marked the high point of Union Avenue's commercial development. However, instead of catering to the predominately low income neighborhoods, most merchants along the Avenue directed their business to a city-wide market.

A major financial setback came as a result of the opening of Interstate 5 in 1964. A substantial reduction in traffic flow along Union Avenue had a negative effect on commercial uses. In addition, the growth of shopping centers and their increased popularity resulted in competition to Union Avenue businesses, which further caused a general decline in and neglect of the commercial strip. These factors also contributed to the creation of an environment for crime. Problems are compounded by the fact that ownership of the Union Avenue area is transitory and consequently services offered frequently do not address the needs of nearby neighborhoods.

### QUESTION: HAS ANY PLANNING TAKEN PLACE?

ANSWER:

Yes, for over a decade the City has been involved in programs to assist residents and businesses along Union Avenue and its adjacent neighborhoods. Increasingly, it has become apparent that the Union Avenue Corridor would benefit from significant redevelopment efforts, particularly those that would increase the number of jobs available to area citizens. The most recent document identifying this need is the Union Avenue Redevelopment Plan prepared by the Planning Bureau in June, 1975 and approved by the Planning Commission in March, 1976. The plan specifically called for the provision of distribution type facilities at appropriate places along the Corridor.

Approximately one year ago, PDC began exploring the feasibility of implementing this Plan. Several potential sites were identified and the Union-Mason area selected because of its location and the significant amount of vacant land within the site.

# QUESTION: WHAT WILL BE THE IMPACT ON RESIDENTS AND BUSINESSES?

ANSWER: The project will require existing residents and businesses to move. Based upon personal interviews, the Commission has identified 52 households (families and individuals) currently residing in 45 housing units within the four-block area. This includes 23 owners and 29 renters. An additional 12 housing units are currently unoccupied bringing the total number of actual housing units to 57. As explained to these residents, each would be paid for the cost of moving (and recieve an additional replacement housing payment to assist in renting or purchasing a new home). Certain residency and other eligibility requirements must be met. For a homeowner, both moving and replacement housing payments are in addition to the actual purchase price of their homes. which is based upon professional appraisals.

> At the direction of the City Council, the project would attempt to physically move and rehabilitate as many of the structures as possible, reducing the total number of housing units lost as a result of the project.

QUESTION: WILL THE CITY HELP RESIDENTS FIND NEW HOMES AND BUSINESS LOCATIONS?

ANSWER: Yes, the Portland Development Commission staff is experienced in solving relocation problems. Assistance will be provided to find new homes, and business locations, to coordinate with other agencies involved and to plan for the move itself.

QUESTION: WHAT ABOUT FINANCIAL ASSISTANCE?

ANSWER: Federal legislation adopted in 1970 and State legislation adopted in 1975 provide for financial assistance to displaced residents and businesses. Specifically, a tenant is paid for the cost of his move plus a Tenant Differential Payment which is basically equal to the difference - for four (4) years - between his previous monthly rental cost and the rental cost of a comparably-sized home meeting code requirements. The maximum payment for the four-year period is \$4,000.00.

If desired, a renter may under certain conditions convert the Differential Payment into a downpayment towards the purchase of a home.

Homeowners receive three payments. The first is the fair market value of their home as determined by appraisal. Second is the cost to physically move their belongings. Finally, owner-occupants may receive an Owners Differential Payment which is based upon the difference between what he was paid for the home (fair market value) and the purchase cost of comparably-sized homes meeting code requirements. This difference payment can be up to \$15,000, and may include the cost of increased interest expense if a new mortgage is necessary to replace the previous one.

The homeowner could face increased taxes and other costs reflecting the increased value of his home but will own a more valuable asset. At the end of the four-year period, the tenant would likely be faced with higher rental costs. Tenants eligible for one of HAP's programs receive top priority for their units and therefore can receive more long-term assistance. This is particularly useful for elderly residents.

Detailed information regarding specific benefits to individuals involved in relocation will be provided by the PDC staff.

Eligible displaced businesses are entitled to receive reimbursement for actual reasonable moving expenses. In addition the actual reasonable cost of searching for a replacement location, up to a maximum of \$500 may be paid. Additional benefits may be available. Detailed information will be provided to each business involved in relocation by the PDC staff.

### QUESTION: WHAT WILL HAPPEN TO EXISTING PROPERTY TAX REVENUES?

ANSWER: Without considering development on the site beyond that proposed for the initial phase, the project will substantially increase the assessed value for the four-block area. The current assessed value, as determined by the Multnomah County Assessor's Office is \$625,000. With an anticipated initial development of \$1 million and a land value of \$336,000, the future value of the site will be about \$1,300,000 or more than double its current value. However, compared to the City's total value of \$6.2 billion, this increase will be minor and will not have any noticeable impact on the total. Additionally, since the tax increment process may be used to repay a portion of the City's cost of the project, taxes from the increased value for the site will be dedicated to the repayment for several years.

QUESTION: WHAT WILL BE THE IMPACT ON SURROUNDING AREAS?

ANSWER:

The project would include efforts to protect the adjacent residential neighborhood from adverse impact from the proposed development. These efforts would include landscaping and berming to reduce visual and noise impacts and vehicle circulation control to protect the area from traffic problems.

Additional infringement of commercial or industrial uses into the adjacent residential neighborhood can be prevented by zoning controls. All the area east of the midblock between Grand and 6th is currently zoned for residential development.

The combination of existing zoning controls and visual landscaping should prevent the project from causing a direct increase or decrease in the property taxes on the adjacent neighborhoods.

QUESTION:

WHAT ARE THE BENEFITS OF THE PROPOSED PROJECT?

ANSWER:

The proposed project will be a significant step towards meeting identified goals for the neighborhood. The policies for this portion of Union Avenue, as approved by the Planning Commission in the Union Avenue Redevelopment Plan, dated March, 1976, include the following goal:

"(The) Area immediately adjacent (to) Union Avenue should be encouraged to develop as wholesale distribution and some light industrial."

This project is expected to serve as an incentive for additional development of Union Avenue, combining the benefits of the creation of new jobs with those of utilizing underdeveloped land and removing substandard structures. QUESTION:

# WILL SOMEONE BE BY MY HOME TO TALK WITH ME FROM PDC?

ANSWER:

Yes, if you live or own property in the area shown on the map PDC staff or a representative will be contacting you. There have been unauthorized persons contacting people stating they represent PDC so you should request to see identification.

For further information contact:

The City of Portland Development Commission 1500 S. W. First Avenue Portland, Oregon Telephone: 248-4800

or

4008 N. E. Union Avenue Portland, Oregon Telephone: 249-0330



### PORTLAND DEVELOPMENT COMMISSION MEMORANDUM

Commissioner Charles Jondan TO: FROM: J. David Hunt SUBJECT: King Economic Wevelopment Project

Date February 2, 1978

FEB 0 3 1979

CIFICE OF COMMISSIONER CF PUILLE SAFETY IB

In response to your memo of January 5, outlining questions regarding this project, I would like to offer the following comments.

### Impact on Displaced Residents

The impact of moving effects people differently. There are some for whom it is a very emotional experience while others view it more as an inconvenience. Our relocation staff is experienced in dealing with residents and their problems in a way that should minimize their difficulties. Assistance is provided to find new homes, coordinate with other agencies involved and to plan for the move itself.

Economically, displaced residents are better served now than several years ago. Federal legislation adopted in 1970 and State legislation adopted in 1975 provides for significant financial assistance.

Specifically, a tenant is paid for the cost of his move plus a Tenant Differential Payment which is basically equal to the difference - for four (4) years - between his previous monthly rental cost and the rental cost of a comparably-sized home meeting code requirements. The maximum payment for the four-year period is \$4,000.00.

If desired, a renter may under certain conditions convert the Differential Payment into a downpayment towards the purchase of a home.

Homeowners receive three payments. The first is the fair market value of their home as determined by appraisal. Second, is the cost to physically move their belongings. Finally, owner-occupants may receive an Owners Differential Payment which is based upon the difference between what he was paid for the home (fair market value) and the purchase cost of comparably-sized homes meeting code requirements. This difference payment can be up to \$15,000, and may include the cost of increased interest expense if a new mortgage is necessary to replace the previous one.

The homeowner could face increased taxes and other costs reflecting the increased value of his home but will own a more valuable asset. At the end of the four-year period, the tenant would likely be faced with higher rental costs. Tenants eligible for one of HAP's programs receive top priority for their units and therefore can receive more long-term assistance. This is particularly useful for elderly residents.

Commissioner Charles Jordan February 2, 1978 Page Two

### Resident Characteristics

We are preparing for Commission and Council review a Relocation Plan. As a first step our relocation staff has just completed interviewing residents of the urban renewal area. The preliminary results of this survey indicate that there are 52 households living within the project boundaries. These 52 households live in 45 dwelling units and an additional 12 dwelling units are vacant. This makes a total of 57 dwelling units in the area.

There are 8 businesses, non-profit, or government offices which would be displaced. Of these 8, 3 are retail businesses, 1 is storage only in connection with a business elsewhere, 1 church, 2 social service organizations, and the PDC-Union Avenue office.

There are 38 families and 10 individuals, as well as 4 households where the status wasn't determined. Most of the families are of moderate size, but one family of 9 will require special attention to meet their housing needs. Most of the households currently live in or can be accomodated by a 3 bedroom or smaller dwelling. At least 6 households will require 4 bedroom or larger dwellings. About half of the households have incomes of less than \$6,000 per year. The predominate source of income of those with income of less than \$6,000 per year is ADC. Four households had an unemployed head of household. There is no particular concentration of any one age group; the largest is the 51 - 60 year old age group of which there are 12 as determined by age of head of household.

There are at least 35 school age children in the project with most going to neighborhood schools, but at least 15 are transported to schools outside the neighborhood.

Owner-occupants comprise 23 of the households living in the project. This compares to a total of about 50 ownership land parcels.

The results of the survey are being further analyzed to determine the needs of those who would be displaced. Having documented the needs of the residents, we will begin looking at the housing market to determine if these needs can be adequately met or if special actions will be necessary.

### Neighborhood Associations

Since your memo we have prepared and reviewed with you an approach to inform the affected neighborhoods of the proposal and seeking their reaction. A copy of that paper is attached for your records. In compliance with it, Thomas Kennedy has already begun meeting with the Association, including one night with the King group.

### Developer Benefits, Operations & Design

You made several comments specifically regarding the Nordstrom proposal. Initially, as Paul Hunter outlinedwhen we met, the facility would employ 70 - 90 persons on one shift. Ultimately, the facility could employ additional persons on several shifts.

Commissioner Charles Jordan February 2, 1978 Page Three

The development should initially increase the assessed value of the site by \$700,000 - \$750,000. This should generate between \$18,000 - \$20,000 annually in increased taxes.

In addition to the site costs, we would anticipate financing the necessary utility relocation and the special landscaping you suggested to buffer the adjacent residences. The developer would benefit from these improvements. As part of our design review process, we will receive plans and review them with you.

I hope this answers your questions. We are continuing to prepare the Urban Renewal Plan, Relocation Plan and Economic Import analysis necessary to bring this project formally before the Development Commission and the Council. We will be reviewing these with you in draft form. We are scheduling the Development Commission public hearing on the Urban Renewal Plan in the King neighborhood for February 21, 1978.

JDH:sa

Attachment

cc: Mayor and Council Mike Lindberg



### DEPARTMENT OF DEVELOPMENT AND CIVIC PROMOTION

PORTLAND DEVELOPMENT COMMISSION

Robert Arnes, Chrmn. Louis Scherzer Bob Walsh Dennis Lindsay Allison Logan Belcher

J. David Hunt Executive Director

Union Avenue Program Office Thomas Kennedy, Jr. Program Manager

4008 N.E. Union Portland, Oregon 97212 (503) 249-0330

### KING ECONOMIC IMPROVEMENT PROJECT STRATEGY OUTLINE

- 1. Meet with King Improvement Association Executive Board.
  - a. Discuss with KIA the economic opportunities that this improvement project may bring to the neighborhood.
  - b. Show site layout and project boundaries.
  - c. Discuss information about the project with the neighborhood such as jobs, costs, and size of the facility, for their consideration.
  - d. Make this information available to the total King Neighborhood for its review.
  - e. Get a commitment from the KIA to participate in this project.
- Have informal discussion with the Portland Development Commissioners about the King Economic Improvement Project.
  - a. Get approval to proceed with project development.
- 3. Discuss the King Economic Improvement Project with the Northeast Business Boosters.
  - a. Interpret the goals and objectives the project will try to achieve.
  - b. Discuss the project budget and how it would relate to the community at large.
  - c. Encourage the NEBB to commit themselves to the project as part of the Union Avenue HCD program. $h_{cs}$

 Make individual contacts with residents in the affected area.

- a. Discuss the project.
- b. Discuss the benefits derived from the project.
- c. Communicate residents concerns about the project.
- d. Handle specific grievances that emerge from these discussions.
- Have a meeting with the Inner Northeast Neighborhood Association through the Office of Neighborhood Associations.
  - a. Have OONA help set other neighborhood meetings.
  - b. Have OONA set meeting with Northeast Coalition after meeting with all affected neighborhood associations (those bordering Union Avenue).
  - c. Obtain Northeast Coalition's commitment to the project.

Revised 1/9/78

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### KING ECONOMIC IMPROVEMENT PROJECT STRATEGY OUTLINE (cont'd)

6. Present the King Economic Improvement Project to the community.

- a. Have supportive services arrange meetings with the Northeast HCD neighborhoods to disseminate information about the King Economic Improvement Project.
- b. Meet with church associations such as Albina Ministerial Alliance.
- c. Meet with prominent area clubs and associations such as Lions, Elks, Masons, etc.
- d. Handle specific grievances that emerge from these discussions throughout the community.

7. Present the King Economic Improvement Project to the City government.

- a. Obtain project review and approval by the Portland Development Commission at a regular Commission meeting to which affected communities have been invited.
- b. Obtain project review and approval by the Portland Bureau of Planning at a public hearing with PDC and community support.
- c. Obtain review and approval by City Council with support of the Bureau of Planning, Portland Development Commission, and the affected communities.
- d. Obtain approval of the urban renewal designation and the HCD allocation.

Summary:

I feel that the cooperation of the City agencies that are involved in information dissemination is vitally important for the success of this program. A positive attitude about the project should always be conveyed to the citizens by all City employees who are a part of this effort.

With the help of the PDC's Relocation section, I feel that we can develop a heartening presentation on the benefits to be derived from this program.

TK/jab

### Union Avenue Economic Development Project

It is common knowledge within the northeast community that employment and business opportunities within the area have been less than desirable for some years. This trend of marginal economic growth may be effectively reversed through implementation of the Union Avenue Economic Development Project.

The proposed project site will encompass four square blocks. These blocks are situated between N.E. Union Avenue, N.E. Skidmore, N.E. Sixth, and N.E. Shaver. If the project is approved the property within the mentioned boundary will be purchased by the Portland Development Commission and subsequently sold to an acceptable developer.

Most citizens of the area would readily agree that economic development is a vital component in generating and maintaining neighborhood stability. However, many often become uneasy when a specific development project is proposed. Some of the factors giving rise to the uneasiness are what is to be developed, when will it begin, will it cause displacement of homes and other establishments, what benefits are available for those displaced, what are the benefits and detriments arising from the activity and to whom will they flow, and the list continues. These and other contributory factors are of natural interest and concern to both directly and indirectly affected parties through the community.

In seeking the confidence of the residents, businesses, and other affected parties of the community for the proposed development it is extremely important that the long-term costs and benefits to be gained are in the best interest of the community and the City of Portland. In my opinion, what is best for the community and the City of Portland will and can only be determined by addressing the issues involved as perceived by all directly and indirectly affected parties including those to be displaced, those residing immediately adjacent to the project site, the developer, and others throughout the general community.

Within the next few days PDC representatives will commence initiating contact with affected parties including business, social, fraternal, and church organizations to provide in-depth information on the proposed project. The northeast Office of Neighborhood Associations which is under my supervision will play a vital role in facilitating citizens' participation through the various neighborhood associations.

My immediate objective as Commissioner of Public Safety is to actively assist in promoting and generating economic growth and stability within the community. If the trend of marginal economic growth of this community is to be reversed it will come about only when you (the community) desire such and when there are business developers wishing to be an integral part of such desires. I believe the time has arrived in the form of the proposed Union Avenue Development Project. I propose we get involved, speak to the issues, and make this opportunity a reality.



### MEMORANDUM

DATE: January 5, 1978 TO: David Hunt FROM: Commission SUBJECT: Mason Area Urban Renewal Project

OFFICE OF PUBLIC SAFETY

CHARLES JORDAN COMMISSIONER

1220 S.W. FIFTH AVE. PORTLAND, OR. 97204 503 248-4682 David, I was very encouraged by my meeting with Paul Hunter of Nordstrom and the efforts taken to redevelop Union Avenue. Given Nordstrom's interest to locate on Union I want to ensure that we are prepared to accomodate Nordstrom when they make their final decision to locate on Union.

I strongly support any efforts of Economic Development along Union Avenue and am very pleased to see PDC aggressively seek a development which will provide employment to the residents of that community. However, I am very concerned with the short and long-range socio-economic implications upon those to be displaced, the Union Avenue and Inner Northeast communities, and the City of Portland. Specifically, the immediate impact and long-term benefits of this development on those individuals and families directly affected by displacement as well as the total community. In seeking the confidence of the residents of the community for this development it is important that the longterm costs and benefits to be gained are in the best interests of the community and the City of Portland.

Prior to giving my support to urban renewal designation of the Mason site I would like to review the Relocation Plan to insure that individual contact is made to all residents within the proposed site to determine individual needs for relocation. The relocation package must adequately address the individual housing needs of those displaced. Questions which come to mind which I seek answers to are (1) How many residential units and businesses will be displaced? (2) How many individuals and families will require relocation? (3) What is the income status of those individuals or families requiring relocation? (4) Are any of them unemployed? (5) What is the composition of households affected? (6) Who are the property owners occupying units in the proposed site area to be purchased by the city? (7) How much comparable standard housing is available within Inner Northeast? (8) What is Nordstrom's employment forecast for the first year? (1) What benefits will Nordstrom realize other than the land write down? (10) What are the projected revenues to be realized by the city in terms of taxes? (11) What is the city's obligation in terms of improvements to accomodate Nordstrom? (13) What are Nordstrom's hours of warehousing operation?

David Hunt January 5, 1978 Page 2

David, given PDC's past urban renewal activities in this area I feel that it is important that the strategy employed to market the Nordstrom project will be one that will gain community confidence in the city's efforts. Any development which removes housing and displaces families should be in the best interest of that community. I want to insure that the interest of this community is protected. Prior to PDC's marketing efforts to sell Nordstrom in Northeast Portland I would like to discuss with Thomas Kennedy and Bob Holmes your strategy for neighborhood contact particularly if you will approach any of the neighborhood associations or business groups. In addition I would also like to personally review Nordstrom's architectural design and plans for parking and truck traffic as well as the city's plans to buffer and adjacent residential neighborhood.

David, in order for me to feel completely confident about any further urban renewal activities in the city, questions related to the advantages and disadvantages and effect on the residents to be displaced must be addressed. I am concerned about the public cost as well as benefits of our urban renewal activities.

Your expediency in providing answers to my questions will be most appreciated. Thank you.

CJ:ph

cc: Mayor Neil Goldschmidt Commissioner Francis J. Ivancie Commissioner Connie McCready Commissioner Mildred A. Schwab

#### CITY OF PORTLAND

### INTER-OFFICE CORRESPONDENCE

(NOT FOR MAILING)

November 4, 1977

From Jan Batiste

То

Commissioner Charles Jordan

Addressed to

Subject

Status of Development Activities along Union Avenue and the Model Cities Neighborhoods

Based on a meeting with Thomas Kennedy the following activities are underway or the back burner to develop the Union Avenue area.

### I. Activities

1) Union Avenue Street Improvements - The preliminary engineering is currently underway and should be completed within a year. Construction will get underway by 1979. The P.E. study proposes a median strip, landscaping, traffic improvements such as diverters and turn out lanes and signalling. In the meantime some temporary signalling at Failing and Union is being looked at to redirect traffic. Public off street parking is being considered at the St. Vincent De Paul site so that some parking can be removed. Street painting is underway.

2) Commercial Development

a) <u>Woodlawn Mall</u> - The market study has been completed however, Warren Chung has been advised to hold off based on the findings of the market study which show that high rents are necessary to make the development feasible and that there is a lack of tenants available who could afford rents necessary to make his development succeed. According to Tom the time is not quite right.

b) <u>Mason Area Urban Renewal</u> - This site is where the proposed Nordstrom distribution center will locate. Nordstrom has not yet made a firm decision, but its expected that they will decide within a few weeks. Thomas says they need to be pushed a little and that your encouragement may be in order. Once Nordstrom has made a decision on the site PDC will ask Council to authorize Urban Renewal Designation.

Thomas feels that the real hold up is that Nordstrom would like the land cleared first. They do not want to recieve public criticism for condemnation of that block and do not want to be subject to any kind of adverse publicity. They also fear neighborhood flack.

The Nordstrom site is approximately 8 acres - a four block area. The proposed structure will be about 100,000 square feet employing approximately 100-200 persons.

Thomas feels that if Nordstrom decides to locate in this area, you should go out front on the Urban Renewal designation and initiate Council action.
He feels that a conversation between yourself and Paul Hunter, Vice President of Nordstrom indicating your support is in order to get them to make a decision.

-2-

Thomas feels that the Nordstrom development is an opportunity for black owners of delapidated housing to benefit from fair market sale of their property and relocation benefits. Its his opinion that once Nordstrom makes a commitment to the area many reluctant developers will follow suit and things will begin happening to turn Union around.

c) <u>Best Western Motel</u> - The Market Feasibility Study will get underway within a few weeks. According to David Hunt Leventhal and Erwin will be doing the study. This is the last step needed to get Allen Bowens development going. I talked to Allen this week and he says that he has secured all of the financial backing necessary for his development. Aside from that, I have heard that a utility company has a memorandum stating that it would not want to see Bowens development succeed given that it will be black owned and controlled. (I have only been told this and have not yet seen the memo).

The Market Feasibility Study is expected to be completed by the end of December 1977.

d) <u>David Nero Development</u> - David Nero owns the Black Educational Center property and has requested rehabilitation loan monies from PDC to rehab the structure on his property. The amount requested is \$100,000. According to Tom PDC has not granted the loan given that the maximum amount loaned is \$50,000 and therefore David must secure more private funds to secure more loan monies. According to Thomas Standard Insurance was interested, but pulled out. At this point David needs more private financial backing.

e) <u>Morning Star Baptist</u> <u>Church</u> - This church wants to get rehab loan funds to rehab its building at Union and Cook Avenue to reconstruct a community center for meetings and socials. It has just begun talking to PDC about funding possibilities. Thomas intends to monitor PDC's progress in working with them on this request.

f) <u>Albertsons</u> - Albertsons is currently approaching Tom about a location on Union Avenue. Nothing is definite yet.

g) <u>Jewelia's</u> Jewelia's is closed and Mrs. Campbell is claiming bankruptcy and the land has been put in recievership. Thomas is looking for the NAACP or someone to lease the building for special functions given the upcoming convention.

h) Lampus Housing Development - According to David Hunt Louis Scherzer and Bob Holmes went out and looked at the Lampus site for its possibilities for UDAG or HCD funding for a housing development on the Lampus property located between N.E. Russell to Knott from Union to 7th. It is Scherzer's conclusion that even with urban renewal designation for land writedown and tax abatement, subsidy for housing will be be necessary for construction. According to David Scherzer - feels that even then it is doubtful it would go. UDAG - Other sites thought about for UDAG but abandoned were the Woodlawn site and the Emanuel Urban Renewal area.

If the VA hospital goes at Emanuel site we may want to recommend that the 300,000 + square feet of PDC owned property in that area be considered for housing and light local commercial development such as a cleaners, restaurants, physicians offices, etc.

#### II. Recommendations By Thomas Requiring Your Assistance

-3-

1) <u>Best Western</u> - Thomas feels that we should request to David Hunt that we be notified of the meetings with the consultants to discuss the market study monitoring its progress, to insure that it deals fairly with Allen Bowens. Thomas suggests that we state we're interested in the process of the study. I feel that this is necessary if my information is accurate.

2) <u>Nordstrom</u> - Thomas feels that a phone call or letter from you to Nordstrom is necessary to get them to come to a given decision. You have not indicated your support and it might get them to make a decision if they know you're behind them.

3) Attached is a listing of PDC owned vacant properties. Much of this land can be marketed for housing. Acccording to James Harris many realtors have written off N.E. Portland for new development. Now may be the time to get acquainted with Gary Bidwell of the Housing Corporation to encourage them to look at N.E. Portland as an area for its activities. I suggest that we set up a lunch for you and him to discuss the scope and activities of the Housing Corporation.

4) According to Thomas, Louis Scherzer Chairman of PDC has been blocking much of the proposed activities for N.E. A personal chat with you to discuss his attitude over lunch may be necessary to move him. I feel that this is a good idea given his attitude about housing on the Lampus sites.

5) Thomas suggested that you have lunch with himself, Emanuel and Henry Scott. They are looking for a site for an office tower and Tom says that your support and encouragement would get them going. Possibly around Emanuel or some other public owned land, this will allow them the land writedown given urban renewal designation of much of the property. Nordstrom will pay \$1.00 a square foot, why not a black businessman benefit from this opportunity.

Thomas likes my idea of looking for a development for the Lenny's/Theme block given the problem of the Summer and the number of vacant grass ridden parcels. He has agreed to seek out a developer and possible development for the site which can be your own personal accomplishment.

# III. The Model Cities Plan

Art Barfield has been given the charge of getting the M.C. Plan to Council. Art feels that its really inadequate given the lack of planning interest within the neighborhood organizations. I agree with Art given the lack of any real interest in land use issues particularly the N.E. Hancock zone change and others. I've discussed this with Art and he agrees that something needs to be done to strengthen the neighborhood association in inner N.E. We suggest that the following action be taken.

#### Recommendation

-4-

A letter to Mary Pedersen from yourself be drafted requesting her assessment of those associations and ideas for strengthening them. We should also find out what their structures are in terms of committees and chairpersons. We should meet with the presidents of those associations and the chairpersons of the Planning and Zoning Committees to find out how they feel about the city's planning in their neighborhoods. According to Art very little planning is really being done and the Bureau of Planning really does not make an effort to address the individual associations on planning matters.

Given comprehensive planning which is underway we should do our best to make sure our associations are aware of the importance of having functioning planning committees. If you agree, I will draft the proposed letter to Mary and discuss this further with Peter.

#### IV. General Problems of Black Balling Neighborhoods

I have asked James Harris to find out what the attitude of realtors and developers is about inner North and Northeast Portland. He says that his contacts with the Society of Industrial Realtors says that no one wants to touch N.E. Portland. Its been sort of "red lined," by realtors. James suggests that you attend a couple of the society's monthly breakfast meetings to express your concern about development in the Model Cities area. James knows these people personally and will assist me in setting up some personal meetings with them for you.

He also personally knows the people of Gilley Corporation and Caldwell Bankers and thinks that a lunch with a realtor of these companies would help in lifting the freeze they've placed on our community.

I think this is a very good idea and recommend that we follow up with these meetings.

Commissioner, I request that you let me know if you concur with the recommendations of this memorandum, if so I will discuss this with staff and proceed with setting up the necessary meeting and drafting a memo so that we can provide Thomas, Art and others active in our community with the support needed which can only come from you.

JLB:mh\*

cc: McKillip



OFFICE OF PUBLIC SAFETY

CHARLES JORDAN COMMISSIONER

1220 S.W. FIFTH AVE. PORTLAND, OR. 97204 503 248-4682

## MEMORANDUM

DATE: November 23, 1977

TO: Commissioner Charles Jordan

FROM: Jan Batiste

RE: N.E. Portland Neighborhood Association

Commissioner, as expressed in my memo to you of November <u>4th</u> in many cases the neighborhood associations of N.E. Portland are not responding to landuse matters which have recently come up before the Council. In my discussions with Art Barfield the lack of planning interest will create a problem in the development of the Comprehensive Plan and further action on the Model Cities Plan. With Art's assessment of the lack of planning interest, I feel that its imperative that planning committees within each association be created.

In order to get the associations operating at a level to address landuse matters, I recommend that the following action be taken.

- That Mary Pedersen be directed to conduct an assessment of the neighborhood associations in N.E. in terms of membership, officers, committee structures and meetings.
- Based on this assessment of the strength and weaknesses of each association, she make recommendations to you on the type of action required to address the problems defined.
- 3) That a meeting between Mary Pedersen, Edna Robertson, city staff, Peter Engbretson, Jim McKillip and myself be held to discuss Mary's assessment and recommended solutions.
- 4) Once we've decided on strategies to strengthen the associations, a meeting be called between yourself, Mr. Loving, Presidents of each N.E. Coalitions and Chairpersons of committees be held here at City Hall to discuss the importance of the associations in light of upcoming matters of a) current and significant past landuse decisions such as the zone change of Hancock and Williams (b) the Comprehensive Plan Process (c) resolution of the Model Cities Plan, upcoming HCD and housing strategies, economic development activities, and any other issues which should be addressed i.e., crime prevention, neighborhood stabilization, Emanuel Hospital urban renewal.

- 5) That Edna be charged with reorganizing the associations to carry out our strategies by a specific date.
- 6) That you give the associations the charge to go back and look at its membership, structure and officers and make whatever changes they feel are necessary to meet the task ahead as we've outlined in our strategy plan.

I have discussed these ideas with both Jim and Peter and If you agree with the concept we will discuss this further in our staff meeting and draft the letter to Mary Pedersen to get the final step of an assessment going.

Please respond quickly, I feel these things must happen if our associations in N.E. are going to be functional to address issues of HCD, CIP and others which will come before them.

JLB:mh\*

-2-

cc: McKillip J. Engbretson P.

#### MEMORANDUM

DATE: October 18, 1977

TO: Commissioner Charles Jordan

FROM: Jan Batiste

SUBJECT: The <u>Urban Development Action Grant Program</u> and its Federal Requirements. Commissioner, following is a summary of the UDAG Program and the regulation requirement.

#### 1. Summary

The UDAG Program is a special program of the Community Development Act of 1977 aimed specifically at problems of housing deterioration and employment of seriously distressed cities. It is hoped that the outcome of UDAG for cities will be an increased economy, creation of jobs through new economic development opportunities, and a shift of upper and middle income people back to the cities. It's aimed at stabilizing the inner city.

The program requires cities to demonstrate their eligibility in terms of housing, employment and population conditions. It allows for federal assistance along with private commitments to invest in cities experiencing physical and economic deterioraton or experiencing fiscal problems which may hinder a city's ability to address its problems, creating distress such as loss of employment opportunities, excessive housing abandonment, population outmigration and possible declining tax base.

Approximately 400 million dollars are available nationally for UDAG. It is expected that Portland can be awarded funding up to 8 million dollars.

Cities must be able to demonstrate a degree of physical and economic

# Page 2

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distress. Cities must demonstrate results in carrying out the Block Grant Program, providing housing opportunities, equal opportunities in housing and employment for low and moderate income persons and minority groups. In terms of equal opportunity HUD will look at the location of cities lower income housing, progress of Section 8 to disperse minority families in a given area, fair housing efforts of cities, relocation programs used to expanded housing opportunities for minorities outside of area of concentration, and affirmative effort to hire, train and promote minorities, females and lower income persons.

2. <u>Eligible Activities</u>. Activities eligible for funding are activities aimed at addressing specific housing problems or programs aimed at revitalizing the economic base of cities. This allows for projects specific to housing construction and/or economic development such as relocation of an industry or commercial revitalization. In addition activities eligible under the Block Grant Program are also eligible for UDAG. These activities are: Land acquisition and disposition; improvement of public facilities (neighborhood facilities, senior and handicapped Centers, parks, solid waste disposal facilities, fire protection, utilities, streets, water and sewers, traffic lights, pedestrian walkways; clearance or demolitions; public service-social programs, street repairs; relocation; neighborhood grants; residential rehabilitation; code enforcement; historic preservation; and economic development.

UDAG funds cannot be used for planning assistance unless cities demonstrate its relationship to the objectives of UDAG. As you can see just about any activity can qualify. Page 3

3. <u>Criteria for Selection</u>. According to the regulations projects will be funded which are designed to 1) restore seriously deteriorated neighborhoods, 2) to reclaim for industrial purposes underutilized real property and 3) to renew commercial employment centers. Cities will be evaluated in terms of the extent to which they meet on a competitive basis the ten selection criteria of the regulations. Portland's is directed at objective (1) and (3) and does not propose any industrial development. The criteria are:

- a) Performance in carrying out HCD Programs--now Portland is 70%
   complete in its Block Grant Programs. According to Mike
   Henniger Portland is one of the highest in the nation.
- b) The impact on special problems of low and moderate-income persons and minorities -- This criterion is intended to insure that benefits are gained by low and moderate income persons and minority groups. Special problems which will be addressed in Portland's approach are potential housing for the poor and employment benefits to be gained by minority groups. The reason why Union Avenue is not given consideration is because of the requirement of not negatively impacting any given area and the desire to break up concentration of minorities. Cities are required to demonstrate benefits to low and moderate income persons and minorities. For our proposal minority benefit is addressed in terms of employment and housing opportunities along with possible special efforts to market development to minorities. Possibly American First State Bank would be a lender. The regulations speak particularly to minorities holding on equity interest in the project. HUD will consider

the extent to which relocation programs are developed to provide opportunities for the poor to relocate outside of a low income area or minority concentrated area. <u>Ouestions which</u> <u>come to mind are whether or not there is replacement housing</u> for the poor displaced under UDAG in the city? Are the benefits adequate for the type of housing available given the current high vacancy rates? Can the poor be relocated to the suburbs? Will UDAG change the fabric of an area destroying its social structures for the people surrounding the area? What are the negative social impacts?

c) Cities will be looked at in terms of its extent of citizen participation. Portland's series of meetings with neighborhood groups, developers are an attempt to demonstrate this. ONA is being utilized for neighborhood notification of meeting on UDAG d) The mature and degree of private financial participation--When selecting areas for its Portland Project OP&D looked at areas which meet the criteria of low income residents, blight, and the degree to which the city could obtain participation by private interests. St. Johns and Lents on a scale of 1 to 4 ranks 3rd in terms of having a high number of poor people. Inner N.E. ranks first. Inner N.E. was not considered given that concentration of minorities and the less potential for private involve-Rationale for Lents is the location of I-205 East of ment. Lents and its commercial deterioration; St. Johns is considered for its proximity to industrial areas of Swan Island and the Port of Portland facilities and Rivergate.

In order to meet the requirement of private involvement St.

PAGE 5

Johns and Lents are the sites considered most desirable and possible for the UDAG Program. OP&D feels that these areas can best demonstrate the greatest amount of firm committment from private developers.

- (e) (f) Cities are encourage to obtain involvement of other Federal Programs as well as State and Local government in UDAG and will be compared in terms the extent of other governments involvement.
  - (g) Cities will be looked at in terms of the impact of the project on physical and fiscal or economic deterioration of the community. Specifically projects will be reviewed in terms of total physical impact to an area, environmental impact and suitability of an area, improvements to a city's tax base, economic impact in terms of increased employment opportunities and private investment in commercial and industrial facilities, the market feasibility of a project and minimal displacement and disruption of occupants and jobs. Fifty percent of the proposed St. Johns site is vacant. Lents is developed.
  - (h) Cities will be looked at in terms of the extent to which projects are constant with objectives and meet local priority needs.

The question here is does Lents and St. Johns area meet priority needs where priority needs have been identified. Are the proposed areas special and unique opportunities? If so, how? Are there other areas in the city which could better qualify? Off hand the Mt. Hood corridor is a unique area given the amount of displaced households and businesses. The Williams Avenue area is also unique given the results of the Urban Renewal Project and Emanuel Hospital Plan. Much has been removed and little built to replace the housing lost.

 (i) Cities will be compared with eachother in terms of its degree of distress.

Portland will be looked at in comparison with other applicants in terms of the extent of the problem. OP&D feels that Portland cannot be compared with larger eastern cities but can compete in terms of the City's ability to carry out a UDAG Program given its track record of implementing the HCD Program.

This concludes my review of the regulations. As you can see just about any redevelopment activity can qualify for UDAG. However, the regulations restrict the application of UDAG to non minority and low income concentrated areas. It is unknown what the impact of UDAG will be on residents living in the proposed site areas. We do not know how these residents will be affected. Limited replacement housing for the poor in Lents will be available through UDAG. 10% of UDAG housing will be Section 8 housing for the poor however, it is unclear whether or not this will meet the need of all displaced.

There are other areas which could have been selected and its not clear why St. Johns and Lents **det** considered to be the best sites. OP&D determined these areas as best to meet UDAG regulations, however, we lack the information used when reaching this conclusion.

JLB:da/ph

cc: McKillip



DEPARTMENT OF **DEVELOPMENT AND CIVIC PROMOTION** 

> PORTLAND DEVELOPMENT COMMISSION

**Robert Ames** Allison Logan Belcher Dennis Lindsay Louis Scherzer **Bob Walsh** 

J. David Hunt **Executive Director** 

1500 S.W. First Avenue Portland, Oregon 97201 (503) 248-4800 5480

July 25, 1977

**MEMORANDUM:** 

T0: Jan Batiste

FROM:

Robert Holmes

SUBJECT: Nordstrom Distribution Center

The following chart indicates the number of residential structures to be removed if the Union/Mason Project proceeds. The structures indicated under "Easterly Extension" reflect acquiring the easterly one-half of two blocks. We have done a drive-by stuctural survey of this area, but will not have an accurate relocation report for several days. All except two of the structures in the extended area are single family.

QB

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CITICE OF COMMISSIONER OF PUBLIC SAFETY

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# **Residential** Structures

	Owner- Occupied	Tenants	Vacant	Easterly Extension	Total
Good 1)	0	0	0	0	0
Good 2 Fair 2 Poor 3)	6	9	1	14	30
Poor <sup>3)</sup>	4	9	1	2	16
Total	10	18	2	16	46

Since some of the structures are multi-family the actual number of families or single individuals (i.e., residential units) to be displaced will be greater:

Owners	Tenants	Unknown	Vacant	Total
10	30	13	7	60

Business/Commercial relocation will involve the following:

Used car lot	Church
Radiator shop	Office (4 C's & N. E. Youth Services Center)
Grocery store	Office (PDC Union Avenue Office)

Please let me know if I can provide you with any other information.

Jan Batiste, Cont'd Page 2

July 25, 1977

- 1) 2) Good = Requiring little or no rehabilitation. Fair = Rehabilitation work required. External Survey indicates work
- can be feasibly done.
  Poor = Substantial rehabilitation required. External Survey indicates
  work probably cannot be feasibly done. 3)

RJH:gc

cc: Tom Kennedy

# Paramount Oil Company

Quality Fuel Oils Complete Asphalt Paving Service 281-4210 BID N. FREMONT STREET PORTLAND, DREEDIN 97227

March 14,1978

Commisioner Charles Jordan Rm. 404- City Hall 1220 S.W. 5th. Portland, Or. 97204

Dear Commisioner Jordan,

As a bussiness man in the area of the proposed Nordstrom Project, we are highly in favor of such a project.

If you will refer back to correspondence, I received from Chief of Police Baker on 2-17-78, which you received a copy of, I believe the more people given the opportunity to work in this area will certaintly reduce the probabilities of crime such as I just encountered.

Union Avenue, was at one time a thriving enterprise, and I believe with the help of a project of this nature it can, and will return to a respectable business community. Thank you.

Sincerely,

53

Arnold A. Saari General Manager Paramount Oil Co.

AS/mr.

OFFICE OF COMMISSIONER OF PUBLIC SAFETY





6728 N. E. UNION AVE. - 289-3312 - PORTLAND, OREGON 97211

March 23, 1978

Commissioner Charles Jordan City Hall 1220 S.W. 5th Ave. Portland, Oregon 97204

Dear Commissioner Jordan:

As a small business owner on Union Avenue, I whole Neartedly support the Nordstrom's proposal to build a distribution center on Union Avenue.

This project if favored and supported by your office will give credibility to what the small business community is trying to accomplish on the avenue. That is to provide jobs and work opportunity to this area; make use of the blighted and vacant land, and to inject some economic aid to this area.

When this vital issue is presented to the City Council for a vote, I sincerely hope that you will vote favorably for this project.

Sincerely yours,

Warren Y. Chung B

DE CE VED MAR 27 1979 OFFICE OF COMMISSIONER OFFICE PUBLIC SAFETY



re nordstorm ?» Andere avenue Relocation Rip off 4327 M.E. Grand aut Portland, Oregon March 8, 1978 Commissioner Charles Jordan Jartland, Oregon Dear Sir: How are you and your Co workers including the mayor? Fine I pray. Jam writing to ask you hand our city council To try to be present at King Early Education School antiesday match 28 to help us get the have facts concerning Mendstrem's building a netail outlet budget Store etc in four Houndary lines A.C. Union, Shaver Brandand Sight Avenues We are guly Sight Avenues We are guly 130 feet from the comer of Studmone and Catages 64 respectively worder hew long it will take before our hew long it will be here on the second of the second of the second of the second but 2. Jon rester prised in the second here you show to the second of the second here you show to the second of the second here you show the second of the second of the RS.V.P.

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