

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 5350

**RESOLUTION APPROVING THE 23RD AMENDMENT TO THE
DOWNTOWN WATERFRONT URBAN RENEWAL PLAN**

WHEREAS, the Portland Development Commission is undertaking the Downtown Waterfront Urban Renewal Project, herein after referred to as the "Project", pursuant to an urban renewal plan adopted on April 25, 1974 by the City Council, by Resolution No. 31395, as subsequently amended; and

WHEREAS, one of the goals of the Plan is "to maintain existing low-income housing and promote additional new housing serving mixed income groups"; and

WHEREAS, the preservation of low-income housing in the downtown area is difficult because of comprehensive development and high cost and acquisition of this property is necessary to accomplish the public purpose of preserving affordable housing; and

WHEREAS, the property located at 302-318 NW Sixth Avenue has become available for purchase by the Portland Development Commission but only if the Commission acquires the property under the threat of condemnation; and

WHEREAS, the Commission has determined that the acquisition of this property will significantly further the goal of the Plan, and that there are funds available to acquire the property; and

WHEREAS, the Commission has prepared a proposed 23rd Amendment to the Downtown Waterfront Urban Renewal Plan to provide for the acquisition of the property at 302-318 NW 6th Avenue; and

WHEREAS, the Commission has reviewed the "Report on the 23rd Amendment to the Downtown Waterfront Urban Renewal Plan" dated October 12, 1999; and

WHEREAS, the Commission now desires to accept the Report, approve the Amendment, and direct the Executive Director to transmit the Report and Amendment to the City Council for review and consideration; now, therefore, be it

October 20, 1999

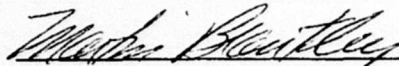
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RESOLVED that the Commission hereby finds and determines that acquisition of the property located at 302-318 NW Sixth Avenue is necessary to fulfillment of the goals of the Plan; and

FURTHER RESOLVED, that the Commission does hereby accept the Report, which be reference is made a part hereof, and approves the Amendment, a copy of which is attached as Exhibit "A"; and

FURTHER RESOLVED that the Executive Director is hereby authorized to forward copies of the Report and the Amendment to the City Council for review and consideration, with the Commission's recommendation for adoption by City Council.

ADOPTED BY the Commission October 20, 1999.


Martin Brantley, Chairman

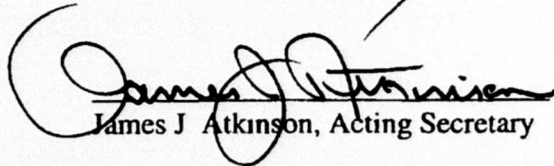

James J. Atkinson, Acting Secretary

Exhibit A**TWENTY THIRD AMENDMENT TO
DOWNTOWN WATERFRONT URBAN RENEWAL PLAN
TO AUTHORIZE ACQUISITION OF THE BILTMORE HOTEL PROPERTY**

1. The Property Acquisition Map (Exhibit Five and Five-A – Part Two) of the Downtown Waterfront Urban Renewal Plan is amended, as shown on Exhibit 1, by the addition of the following real property, located at 302-318 NW 6TH Avenue, Portland, Oregon, legally described as:

Lots 2 and 3, Block 38, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

2. Section D(2)(d) of the Downtown Waterfront Urban Renewal Plan is amended by the addition of the following:

- d. **Land Acquisition**

Real properties already acquired or which may be acquired by the Agency for clearance and redevelopment are shown on the Property Acquisition Map (Exhibit Five and Five-A – Part Two) which shall be amended from time to time as additional parcels are identified, as provided in this Plan. Parcels shown on the Property Acquisition Map are for use as follows:

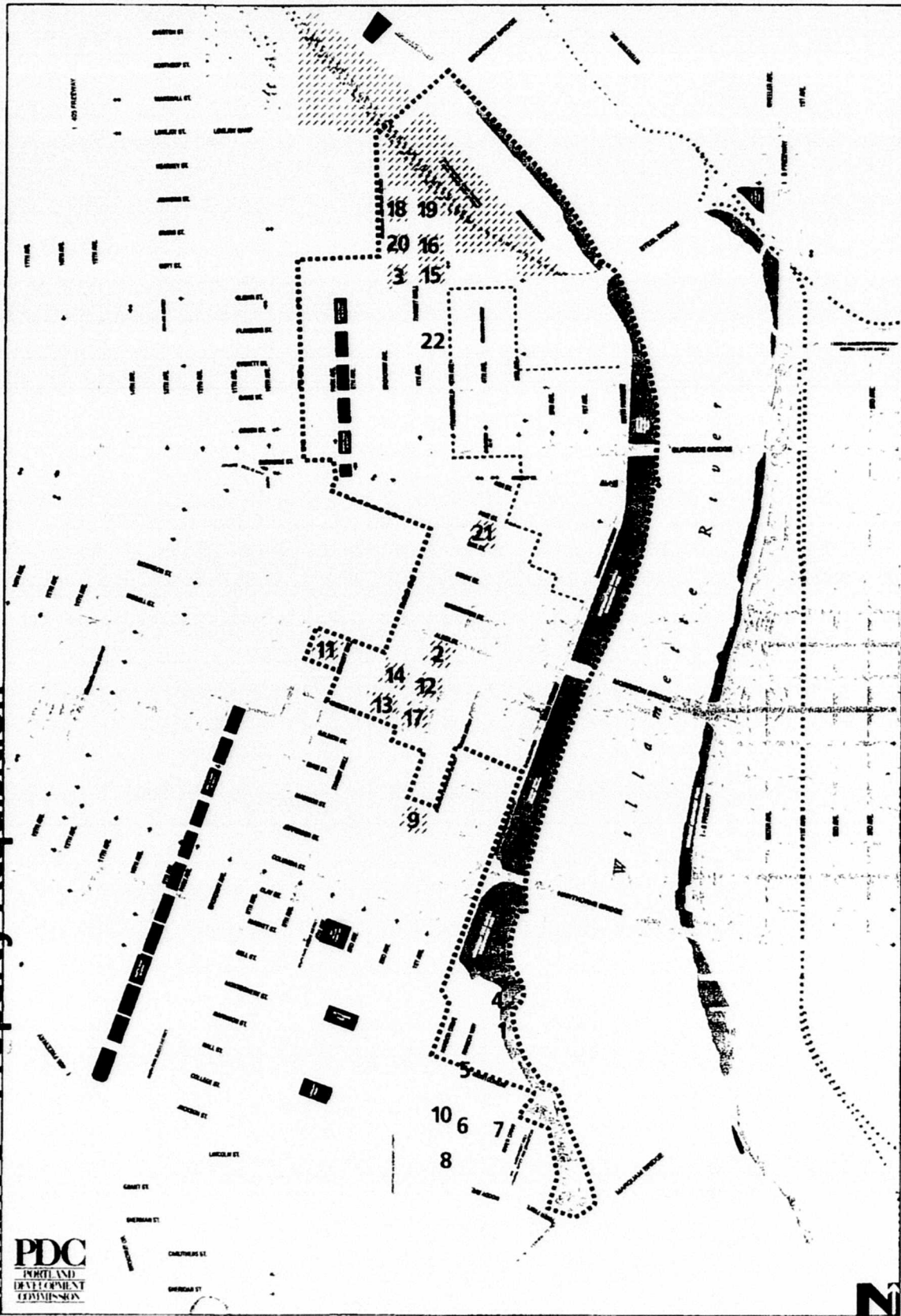
[stet]

Parcel 22

Housing preservation or redevelopment.

Downtown Waterfront Urban Renewal Plan

Exhibit 5 - Property Acquisition



PDC
 PORTLAND
 DEVELOPMENT
 COMMISSION

- Property Acquired
- Property to be Acquired
- Project Boundary

REPORT ON THE TWENTY THIRD AMENDMENT
TO THE
DOWNTOWN WATERFRONT URBAN RENEWAL PLAN
City of Portland, Oregon

Portland Development Commission
October 20, 1999

TO ADD PROPERTY LOCATED AT 302-318 NW SIXTH AVENUE TO THE LIST OF PROPERTIES THAT MAY BE ACQUIRED BY THE COMMISSION.

Chapter 1 - Introduction

This is the Urban Renewal Report accompanying the Twenty Third Amendment (the Amendment) to the Downtown Waterfront Urban Renewal Plan (the Plan). This Amendment adds the property located at 302-318 NW 6th Avenue to the list of properties that may be acquired by the Commission.

This report includes:

- A. A description of physical, social, and economic conditions in the urban renewal areas of the plan, and the expected impact, including the fiscal impact, of the plan [or change] in light of added services or increased population;
- B. Reasons for selection of each urban renewal area in the plan;
- C. The relationship between each project to be undertaken and the existing conditions in the urban renewal area;
- D. The estimated total cost of each project and the sources of monies to pay such costs;
- E. The anticipated completion date for each project;
- F. A relocation report which shall include:
 - 1. An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions, under ORS 457.170;
 - 2. A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 285.045 - .105; and
 - 3. An enumeration, by cost range, of the of the existing housing units in the urban renewal areas of the plan which are to be destroyed or altered, and of the new units to be added.

This report will address each of these categories

The Twenty Third Amendment to the Downtown Waterfront Urban Renewal Plan authorizes the Portland Development Commission, as the City's urban renewal agency, to acquire a parcel of land in order to preserve the building on the parcel in its current use as

affordable housing. The property, located at 302-318 NW Sixth Avenue, is located within the boundaries of the urban renewal district, as originally authorized by the Plan. See Exhibit 1. The subject property is shown as Parcel 22.

Chapter 2 - A Description of Physical, Social, and Economic Conditions in the Urban Renewal Areas and the Expected Impact, Including the Fiscal Impact, of the Plan Amendment in Light of Added Services or Increased Population.

A. Physical Condition of the Parcel to be Acquired

The parcel is 10,000 square feet, and occupied by a 78-unit three-story, average quality brick and wood frame single room occupancy (SRO) hotel with three ground-floor retail spaces. The building was originally constructed in 1905 and the hotel underwent renovation to its current SRO use in 1984. The building contains approximately 28,377 square feet of gross building area according to Multnomah County records. Based upon the available information gathered by the appraiser, the building has a total net rentable area of approximately 21,100 square feet. There is 8,772 square feet of ground floor retail area according to the appraiser's calculation taken from drawings provided by the owner. This does not include the SRO lobby area on the main floor. Additionally, there are 74 units of 156 square feet in size and four corner units of 196 square feet for a rentable SRO area of 12,328 square feet. This does not include the SRO common area (lobby, hallways, bathrooms or kitchens). There is also a 2/3 height basement with a foot print similar to the ground floor which houses some mechanical equipment and is also used for storage. The basement area has not been included in the gross building area due to its marginal utility.

Since the property is within the boundaries of the existing urban renewal district, the Commission and the City Council have already made a finding of blight.

B. Existing Social and Economic Conditions of the Parcel to be Acquired

Since its renovation in 1984, the SRO portion of the building has been operated as a HUD Section 8, federally-subsidized low-income housing. One of the ground-floor commercial space units is occupied, two are vacant. Because the long term project-based federal subsidy contract schedule has expired, the property is at risk of being sold for redevelopment with likely conversion to market rate uses. All of the residential units are occupied, and the building has extremely low historical vacancy. The proposed public acquisition will allow for preservation of the affordable housing units through restructuring of the financing on the property

Chapter III - The Expected Impact, Including the Fiscal Impact, of the Plan Amendment
in Light of Added Services or Increased Population

A. Taxes

The actual real property taxes for the building are \$18,416 for 98-99. If acquired, the property will no longer be subject to property taxes until it is resold. If the property is resold with the affordable units preserved as planned, it may qualify for some other tax exemption or abatement that would reduce or eliminate property tax revenues.

B. Infrastructure

No change in infrastructure is indicated by this amendment.

Chapter IV - Reasons for Selection of Each Urban Renewal Area in the Plan
Amendment

This Amendment does not effect the selection of any new or changed areas, since the parcel is within the existing urban renewal boundary. This parcel has been selected for acquisition in order to fulfill Goal No. 3 of the DTWF Plan, which includes the preservation of affordable housing units in the urban renewal district.

Chapter V - The Relationship between Each Project to be Undertaken under the Plan
Amendment and the Existing Conditions in the Urban Renewal Area.

"Project" is a defined term in ORS Chapter 457. It includes both single-site activities and implementation of programs necessary to achieve the goals of the urban renewal plan.

The Twenty Third contemplates, first, that the subject parcel will be acquired using the agency's urban renewal authority, and second, that it will be remarketed to a developer or owner who will maintain its current use as affordable housing. This remarketing will be undertaken pursuant to the Commission's multifamily rental housing development program.

Both steps, site control and disposition with long-term use control, are integral to accomplishing the Plan goal of preserving affordable rental housing within the district.

Chapter VI - The Estimated Total Cost of each Project or Activity and its Anticipated Completion Date

A. Estimated Costs

Acquisition	\$1,330,000
Holding and Transfer Costs	75,000
Property Rehabilitation Costs	800,000

B. Financing Sources

Sale Proceeds	\$1,330,000
Operating Income (6 months)	75,000
Tax Increment	800,000

C. Anticipated Completion Date

Acquisition and remarketing are anticipated to be completed by December, 2000.

Chapter VII - Financial Analysis of the Plan with Sufficient Information to Determine Feasibility

Sufficient tax increment proceeds are available in the DTWF Urban Renewal fund to finance the proposed activities. The building's current operating statements indicate a net operating income of slightly over \$151,000 per year in net, before-tax operating income, including the payment of real estate taxes, ordinary maintenance and repair, certain debt service, and the costs of professional management. The projected rents for the parcel will allow for adequate debt-servicing by a prospective owner, to return sale proceeds to the Commission, though some tax increment-funded subsidy will be necessary to preserve the affordable units.

Chapter VIII - Relocation Issues

No existing residents or businesses will be required to relocate as a result of these agency actions.

CERTIFICATE OF RECORDING OFFICER

The undersigned hereby certifies, as follows:

1. That s/he is the duly qualified Staff Assistant of the Portland Development Commission, herein called the "Commission," and in such capacity keeps its records, including the minutes of proceedings of the Commission;

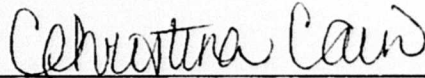
2. That the attached resolution is a true and correct copy of the resolution as finally adopted at a meeting of the Commission held on October 20, 1999, and duly recorded in the Commission office;

3. That the undersigned is authorized to execute this certificate.

IN WITNESS WHEREOF the undersigned has executed this certificate

October 20, 1999

Date



Christina Cain, Commission Asst.

35838

RESOLUTION NO.

Approve the 23rd Amendment to the Downtown Waterfront Urban Renewal Plan and the Acquisition of the Biltmore Hotel Located at 302-318 NW Sixth Avenue, including by condemnation, if necessary (Resolution)

WHEREAS, the Portland Development Commission ("Commission") is undertaking the Downtown Waterfront Urban Renewal Project ("Project"), pursuant to an urban renewal plan adopted on April 25, 1974 by the City Council, by Resolution No 31395, as subsequently amended, and

WHEREAS, one of the goals of the Downtown Waterfront Urban Renewal Plan ("Plan") is "to maintain existing low-income housing and promote additional new housing serving mixed income groups", and

WHEREAS, the property located at 302-318 NW Sixth Avenue, known as the Biltmore Hotel, has become available for purchase by the Commission but only if the Commission acquires the property under the threat of condemnation, and

WHEREAS, the Commission has determined that the acquisition of this property will significantly further the goals of the Plan, and that there are funds available to acquire the property, and

WHEREAS, Section D(2)(b) of the Plan authorizes the Commission to acquire property to achieve objectives of the Plan, provided one or more of specific criteria is met, and in the case of acquisition by condemnation, provided that the City Council approves the acquisition, and

WHEREAS, the Commission on October 20, 1999 approved the 23rd Amendment to the Plan to provide for the acquisition of the Biltmore Hotel, located at 302-318 NW 6th Avenue, and

WHEREAS, the Commission on October 20, 1999 approved a resolution authorizing the purchase of the Biltmore Hotel, located at 302-318 NW Sixth Avenue, including by condemnation if necessary, and

WHEREAS, the City Council has reviewed the Commission resolution approving the 23rd Amendment to the Plan, and the Report on the 23rd Amendment to the Downtown Waterfront Urban Renewal Plan dated October 20, 1999, attached as Exhibit A, and

WHEREAS, the City Council now desires to approve the acquisition of the Biltmore Hotel located at 302-318 NW Sixth Avenue, including by condemnation, if necessary,

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Portland approves the 23rd Amendment to the Downtown Waterfront Urban Renewal Plan, and be it

FURTHER RESOLVED, that the City Council of the City of Portland approves the acquisition of the property known as the Biltmore Hotel located at 302-318 NW Sixth Avenue, including by condemnation, if necessary, and authorizes the Executive Director of the Portland Development Commission to execute any documents necessary to acquire the property

Mayor Katz
PDC MRB
October 26, 1999

Adopted by the Council

NOV 03 1999

Gary Blackmer
Auditor of the City of Portland
By *Brita Olson*
Deputy

RESOLUTION NO. 35838

Title

Approve the 23rd Amendment to the Downtown Waterfront Urban Renewal Plan and the Acquisition of the Biltmore Hotel Located at 302-318 NW Sixth Avenue, including by Condemnation, if Necessary (Resolution)

INTRODUCED BY	DATE FILED OCT 29 1999
Mayor Vera Katz	Gary Blackmer Auditor of the City of Portland
NOTED BY COMMISSIONER	By <u>Cay Kershner</u> Deputy
Affairs	
Finance and Administration <i>VK/als</i>	
Safety	
Utilities	
Works	
BUREAU APPROVAL	
Bureau Portland Development Commission	For Meeting of _____
Prepared by Date	ACTION TAKEN
M Baines 10/26/99	
Budget Impact Review	
___ Completed <input checked="" type="checkbox"/> Not Required	
Bureau Head <i>[Signature]</i> <i>for</i> Felicia L. Trader	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS	
		YEAS	NAYS
Consent <input checked="" type="checkbox"/> Regular	Francesconi	Francesconi	
NOTED BY	Hales	Hales	
City Attorney	Saltzman	Saltzman	
City Auditor	Sten	Sten	
City Engineer	Katz	Katz	