

EXHIBIT A

North Macadam Urban Renewal Area Project Goals and Investment Principles

Adopted by the City Council
August 11, 1999

The Portland City Council adopted the North Macadam Framework Plan and Urban Renewal Plan on August 11, 1999. At that time, the Council directed the Portland Development Commission to negotiate development agreements with property owners. PDC is being advised by a Negotiation Team consisting of the managers of key City Bureaus. The Plans establish the public objectives and investment principles for the North Macadam area and these will guide PDC and the Negotiation Team in developing agreements with property owners.

Primary Objective

(See Page 6 of the Urban Renewal Plan)

The primary goal of the Plans is to "enable redevelopment of the North Macadam Area to fully utilize its potential as an employment center with the characteristics of a viable neighborhood, including adequate housing, infrastructure, transportation, and supportive businesses, amenities and services."

General Objectives

(See pages 6-12 of the Urban Renewal Plan)

1. Urban Revitalization
2. Job Creation
3. Public Involvement
4. Willamette Riverfront and Natural Environment
5. Housing
6. Transportation and Utilities
7. Parks, Open Spaces and Public Amenities

Public Funding Objective

(See page 63 of the Framework Plan)

"The primary purpose of public funding is to obtain a return on investment that exceeds what would be expected without a major public contribution to redevelopment of the North Macadam District."

Principles for Investment

(See page 65 of the Framework Plan)

1. Provide public infrastructure and urban amenity investments to facilitate development consistent with the goals and objectives of the North Macadam Framework and Urban Renewal Plans.
2. Secure private financing for development and infrastructure that can be supported with reasonable returns to private investments made in periods of changing market conditions.
3. Target public funding for investments required to leverage private development that makes the Central City competitive in the regional market.

4. Assure adequate resources for investments necessary to attract a critical mass of job and housing related private investment in the next five years (2000-2005).
5. In addition to assuring adequacy of tax increment funding over the life of the Urban Renewal Plan, achieve a rate of return on public investment that meets or exceeds City financial objectives over a long-term (30 Year) time horizon.

Performance Measures

(See Page 64 of the Framework Plan)

1. Total Private Investment leveraged—by project phasing.
2. Density of development—both employment and residential.
3. Parks, open space and greenway—in acreage and dollars invested.
4. Net added employment—and associated incomes.
5. Number of housing units—by income range and owner/rental status.
6. Transportation efficiency—improvements enabling full build-put, non-auto mode availability, mode split, live/work opportunity, and parking spaces.

SECTION 400 - GOALS AND OBJECTIVES FOR THE NORTH MACADAM URBAN RENEWAL AREA

A. Plan Goals

The primary goal of the Plan is to enable redevelopment of the North Macadam Area to fully utilize its potential as an employment center with the characteristics of a viable neighborhood, including adequate housing, infrastructure, transportation, and supportive businesses, amenities and services. Redevelopment will be planned in such a manner as to optimize the Area's contribution to Portland's role as the major regional employment, population, and cultural center by creating public and private facilities to bring jobs, provide supportive housing, open space, and develop necessary transportation and economic links to the rest of the City. This redevelopment should balance economic, community and environmental goals to create a healthy and vital Central City district. This redevelopment will utilize the unique character of its relationship to the Willamette River to create an identity for the Area. Improvements will link its riverfront, business centers, residential, open space and parks, retail and business centers, and must include an effective intermodal transportation system.

This Plan is one of several tools to be used to implement City policies and goals in the Area. The Framework Plan and other relevant policies provide public policy direction for this Area and should guide redevelopment. Not all City policies may be implemented by use of urban renewal. However, the Plan should be read in such a manner as to implement, complement, or support general City policies and those specific policies which are applicable to the Area and to the use of urban renewal funds. These policies should be reflected in the urban renewal projects slated for funding in the Commission's Five Year Plan and budgets for the Area. The following goals and objectives more specifically identify the purposes of this Plan.

1. URBAN REVITALIZATION

a. General Goal

Optimize contributions to Portland's role as the major regional employment, population, and cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the positive characteristics of established residential, neighborhood and business centers. Use public investment when necessary to optimize public benefits. Prioritize expenditures of public funds in a manner that will implement the Framework Plan, the Comprehensive Plan including Portland's Housing Policy and Prosperous Portland, the Central City Plan and other applicable policies.

b. Specific Goals

(1) **The Riverfront.** Fully utilize the aesthetic, commercial, and qualitative benefits of the relationship among the uplands, the greenway, the waterfront, and the Willamette River. Augment the mixed commercial and residential character of the area by, among other methods, developing public access along the greenway in order to link private

residential and commercial spaces, and by developing opportunities for riverfront uses including public parks, plazas, habitat, open spaces and commercial enterprises.

(2) **Living Closer to Work.** Facilitate balanced, mixed development of commercial and residential improvements to encourage and provide opportunities for workers of all family sizes, ages, cultural backgrounds, and income levels to reside near their employment.

(3) **Utilization of Vacant Land.** Provide for full utilization of existing vacant and underutilized land except in those areas designated as open space, which should be located strategically to complement other uses.

(4) **Open Space.** Provide opportunities for recreation and visual relief by creating and preserving Portland's parks and supporting pedestrian linkages to the greenway, the waterfront, the uplands, and open spaces.

(5) **Urban Diversity.** Promote a high-quality urban environment with design attributes, use of materials, and characteristics that encourage a range of living environments and employment opportunities for city residents in order to attract and retain a stable and diversified population.

(6) **Transit Stations.** When new transit facilities and stations are to be sited, increase opportunities for adjoining commercial activities, and the development of medium- and high-density residential improvements.

(7) **Adjacent Areas.** Coordinate, support and provide ability to integrate goals and activities of adjacent neighborhoods and renewal areas with this renewal Area.

(8) **Natural Environment.** Enhance restoration of the health of the local ecosystem in association with the urban neighborhood through means such as planting, development of wildlife habitat, assurance of a structurally sound riverbank which responds to the river dynamics, and daylighting streams where feasible within the network of parks, open spaces, and the Willamette Greenway.

(9) **Brownfields Redevelopment.** Coordinate redevelopment of brownfields with citywide policies, initiatives, and resources, including the Brownfields Showcase designation.

2. **JOB CREATION**

a. General goal

Optimize economic development to create a job center in the Area. Support infrastructure and development to attract target industries identified by City policies and

businesses that support these industries or enhance fulfillment of the job density goals of the Area. Create linkages between job and housing development in the Area.

b. Specific Goals

- (1) Create appropriate infrastructure, amenities, services and development opportunities to bring new jobs to the Area, as provided in City policy.
- (2) Encourage a mix of occupations and wage levels that provide a range of employment opportunities consistent with the central city, and central city "fringe" locations.
- (3) Develop a mix of employment density and design principles that reflect the Area's status as a transition area from the central city to close in neighborhoods, support housing development potential in the Area, and support transit development.
- (4) Evaluate and develop a range of public financing mechanisms to encourage employment growth in the district generally, and in specific target industries.
- (5) Identify and encourage opportunities such as Oregon Health Sciences University development in North Macadam, including the potential capture of spin-off activities from OHSU's bioscience/health technologies research and development.
- (6) Support service and retail business opportunities made available by increased employment, residential, and commercial activity in the Area.
- (7) Support marketing and redevelopment of land to encourage businesses to site employment opportunities in the Area.
- (8) Seek opportunities to create synergy among transportation, utility systems, and housing development that will allow for efficient redevelopment in a manner that encourages diverse-income employment and a mix of occupations consistent with the central city and central city fringe locations.

3. **PUBLIC INVOLVEMENT**

a. General Goal

Solicit and receive public input into the preparation of the Urban Renewal Plan and future amendments to it.

b. Specific Goals

- (1) The Commission intends to continue to solicit public input from neighborhood groups, property owners, and other interested parties, for all significant issues and

policies related to the adoption and implementation of the Plan, including open houses, newsletters, web-site information and/or other approaches as suitable.

(2) The Commission may establish additional citizen committees as appropriate to address new issues and opportunities into the future.

(3) In addition, public input will be solicited as part of the Commission's annual budget preparation process and future Five Year Plan Update Processes.

(4) Future urban renewal plan amendments will also involve public input, through public hearings held by the Portland Development Commission, Portland Planning Commission and Portland City Council with public notice provided in conformance with state law and consistent with the amendment process in Section 900.

4. WILLAMETTE RIVERFRONT AND NATURAL ENVIRONMENT

a. General Goal

Protect, conserve, maintain, and enhance the scenic, habitat value, historic, economic, and recreational qualities of land along the riverfront and in natural areas.

b. Specific Goals

(1) Enhance the natural, cultural and recreational values of the Willamette River and its banks to create an exemplary urban riverfront, which will be the focus for the District and its surrounding neighborhoods. Coordinate development by establishing a program of land use, design, visual, and public access requirements that optimize public use and appreciation of this diverse urban waterway.

(2) Increase public access to and along the Willamette River by extending the recreational trail system on the west side of the river through the Area.

(3) Conserve and enhance the aesthetic value, urban and riparian habitat, and structural soundness of the riverbanks.

(4) Facilitate the development of an attractive, quality commercial and recreational environment along the river.

a. General Goal

Provide for new housing units in livable mixed-income neighborhoods that collectively reflect a diversity of housing types, occupancy (rental and owner-occupied), and income levels in the City. Support housing development that is geared to support the Area's employment generation goals.

b. Specific Goals

(1) Provide a wide range of housing opportunities to accommodate households at all income levels, including low income, moderate-income, and market-rate rental and owner-occupied housing, which support prospective residential markets in, adjacent to, and near the Area.

(2) Develop quality housing in a manner that makes available housing opportunities for a profile of household incomes that are representative of the City as a whole.

(3) Consistent with Jobs goals and where financially feasible, encourage and promote housing opportunities for Low and Very low-income households.

(4) Promote and encourage a density of housing in the area which supports transit orientation and rider-ship, and which accommodates the city's housing unit growth goals in this central city location.

(5) Encourage programs which create linkage between employment and housing in or near the Area. Pursue an appropriate balance of jobs and housing to insure vitality and reduce congestion. Promote housing which supports and enhances the attraction of new jobs to the Central City and creates residential linkages with the research and medical facilities on Marquam Hill.

(6) Promote the development of housing in the Area which supports a connection with the surrounding neighborhood, and provides increased housing opportunities for nearby residents and workers.

(7) Develop and support services and amenities necessary for a quality neighborhood as well as assisting the maintenance and production of substantial and well-designed housing.

(8) Assess the impact of new development on existing housing in the Area to prevent or mitigate potential displacement.

6. TRANSPORTATION AND UTILITIES

a. General Goal

Develop a transportation and circulation system which enhances linkages with other parts of Portland and the region; modify and improve transportation within the Area to enhance livability, and encourage development and use of multimodal transportation; assure adequate water, sewer, storm sewer, flood protection and drainage, communication, and other infrastructure necessary to support redevelopment of the Area.

b. Specific Goals

(1) Develop an integrated transportation system in which each mode, and the system as a whole, is efficient and practical, and serves the commercial, residential, and recreational needs of the Area.

(2) Provide adequate parking to support new development, consistent with transportation demand management strategies.

(3) Facilitate the location in the Area of regional light rail, bus, tram, water taxi, a transit hub, and/or streetcar improvements through the availability of land, funding, or both.

(4) Develop bikeways that are separate from pedestrianways wherever practical, particularly in parks and open spaces, and assure that bicycle and pedestrian access exists to link internal employment, residential, neighborhood service, recreational, and transit destinations.

(5) Implement the North Macadam District Street Plan to create adequate vehicular access to, from, and within the Area.

7. PARKS, OPEN SPACES, AND OTHER PUBLIC AMENITIES

a. General Goals

Create, and support the development of amenities including, neighborhood and pocket parks, open spaces, natural areas, daylighted creeks, urban plazas, green streets and public attractions which will make the Area a comfortable and pleasant place for people to live and work, and a resource of all citizens of the City.

b. Specific Goals

(1) Provide for construction of the Willamette Greenway Trail and east-west pedestrian connections in the Area.

(2) Create a network of parks and greenspaces that meets the needs of the Area and connects to regional resources.

(3) Create an attractive setting for area residents, employees and visitors by developing open spaces that complement commercial and residential development.

(4) Enhance urban wildlife habitat areas and create educational and recreational opportunities for citizens to interact with wildlife.

(5) Develop appropriate public facilities to support increased population, employment and commercial activity in the Area.

(6) Enhance the Area by use of public art.

Public Investment Principles

The North Macadam District Framework and Urban Renewal Plans anticipate the planned expenditure of significant tax increment and other city, state and federal resources over a multi-year period. As with downtown Portland, the Convention Center and other urban renewal districts, City of Portland investment has proven critical to leveraging private investment in support of public objectives that otherwise would not occur.

Purpose of Public Investment: The primary purpose of public funding is to obtain a *return on investment* that exceeds what would be expected without a major public contribution to redevelopment of the North Macadam District.

Public Funding Objectives: Public investment serves a series of objectives more specifically focused on outcomes desired for the North Macadam District. These objectives include:

- Increased density of development with less parking than would otherwise occur.
- Amenities ranging from parks and open space to pedestrian scale development and improved quality of development.
- Office development to improve the Central City's competitive position within the region for new jobs including an expanding health services and technology community.
- A greater mix of housing affordable to the full range of incomes found in Portland for both renters and owners.
- More efficient, less expensive use of infrastructure, particularly transportation investment by encouraging people to live and work in the same district.
- A faster pace of redevelopment better addressing Central City population and employment objectives.
- Creation of a neighborhood reflecting the full range of activities and values of the entire city.

Public investment in North Macadam also serves broad citywide policy objectives for housing and job development. To the extent that North Macadam succeeds, the pressure on other city neighborhoods to meet Metro job and housing targets is correspondingly reduced.

Scenarios Evaluated: The degree to which the District Framework Plan and Urban Renewal Plan can *make a difference* is to be assessed through the formulation and subsequent evaluation of three alternative scenarios:

- (A) **Base Case Development**— assuming limited public capital investment, maintenance of the current land use regulatory framework, public-private development tools currently available and market rate development. This scenario also assumes no significant transportation infrastructure or planning constraints that would limit the level of private sector-driven development otherwise achievable.

(B) Urban Renewal/Tax Increment Strategy — predicated on adoption of an urban renewal plan enabling multi-year funding of a balanced set of project and program activities including jobs, parks/open space/greenway, housing investment, transportation, public parking and infrastructure — achieved through tax increment financing (TIF).

(C) An Enhanced Development Funding Strategy — assume availability of additional public resources (as yet undetermined) beyond TIF and private development capital to accomplish the full range of investment proposed with the North Macadam Framework Plan (as the preferred development program).

Performance Measures: Quantitative measures of investment performance to be applied in assessing prospective effects of the three development scenarios are anticipated to include:

- Total private investment leveraged — by project phasing.
- Density of development — both employment and residential.
- Parks, open space and greenway — in acreage and dollars invested.
- Net added employment — and associated incomes.
- Number of housing units — by income range and owner/rental status.
- Transportation efficiency — improvements enabling full build-out, non-auto mode availability, mode split, live/work opportunity, and parking spaces.

In addition to measures that can be directly quantified, the city's return on investment also will be comprised of distinctive *qualitative* benefits — for the North Macadam District, adjoining neighborhoods, and the broader Portland community. Qualitative performance is not as easily measured in numerical terms, but can be discerned from the extent to which the *working vision* for the North Macadam District is realized — as a "vibrant urban neighborhood."

The quality of the North Macadam experience undoubtedly will be assessed based on factors including but not limited to: accessibility to and diversity of waterfront, greenway and open space experiences; achievement of compact, mixed-use, human-scale developments; housing affordable and attractive to those who work in the District; business activities ranging from incubator to corporate firms; active public, non-profit and civic institutions; and a mix of transportation modes lessening dependence on the automobile.

Principles for Investment: Based on the purpose and more specific public funding objectives as outlined, a set of recommended *principles* for investment of public resources in support of North Macadam District Framework Plan and urban renewal implementation can be articulated:

- **Prioritize near term public funding on the Infrastructure and transportation improvements together with park, open space and greenway acquisition set-asides necessary for first phases of private development to move forward quickly, beginning the District's redevelopment process and establishing a tax base for tax increment generation.**
 - **Focus public funding for affordable housing and targeted jobs strategies in mid- and late-term phases after basic transportation and infrastructure systems are in place.**
 - **Pursue agreements or mechanisms with property owners that assure private performance in exchange for the full completion of public infrastructure necessary for development to proceed.**
- 5. In addition to assuring adequacy of tax increment funding over the life of the Urban Renewal Plan, achieve a rate of return on public investment that meets or exceeds city financial objectives over a long-term (30 year) time horizon.**
- **Identify categories of public investment and ongoing public services for which a financial return is expected versus investments benefiting the greater Portland community for which a direct financial return from the District is not required.**
 - **Prepare and periodically update projections of public investment outlays versus revenues by source (both operating and debt) to assure year-by-year financial capacity to perform.**
 - **Modify funding priorities with periodic updates based on identification of public investments most likely to secure the next market-ready wave of development consistent with the Framework Plan.**
 - **Actively pursue additional public and private resources in order to fully realize all aspirations including full funding of the North Macadam Framework Plan.**

III. Implementation

1. Provide public infrastructure and urban amenity investments to facilitate development consistent with the goals and objectives of the North Macadam Framework and Urban Renewal Plans.
 - Make public investment decisions that serve private investment in conformance with plan objectives calling for the creation of a jobs center with significant housing and mixed-use development in a high density environment.
 - Make *beyond base level* commitments as justified by public financing capacity — from urban renewal/tax increment resources and other sources as available.
2. Secure private financing for development and infrastructure that can be supported with reasonable returns to private investments made in periods of changing market conditions over time.
 - Rely on private investment for residential market segments that can be served without public investment; target public resources to assure affordability to other renter and owner segments so that District housing is attractive to and reflects the income profile of all Portland households — with 1,500 to 3,000 housing units developed by 2020.
 - Encourage office development competitive with the edge-of-city market and attractive for expansion of nearby health service institutions and technology-based businesses to achieve an added 8,500-10,000 jobs by 2020.
 - Secure private investment that can be financially successful and supportive of Framework Plan Implementation.
3. Target public funding for investments required to leverage private development competitive in the Central City and regional market throughout both the early and later phases of plan implementation.
 - Link *beyond base level* investment to fulfillment of plan objectives not typically associated with private development in the Portland metro area, notably the public funding objectives described above.
 - Recognize the catalytic role of public sector investment, particularly for front-end infrastructure necessary to attract early phase private investment.
4. Assure adequate resources early on for investments necessary to attract a critical mass of initial job and housing related private investment in the next five years (2000-2005).
 - Target properties most efficiently served and ready to proceed with immediate private development.

RESOLUTION NO.

35864

Authorize the Executive Director of the Portland Development Commission to conduct negotiations with North Macadam property owners (Resolution)

WHEREAS, The Council accepted the North Macadam Framework Plan on August 11, 1999, establishing the City's vision that North Macadam should be a vibrant riverfront neighborhood that advances the vitality of the Central City by accommodating housing, jobs and an enhanced river's edge

WHEREAS, the Framework Plan also establishes Public Investment Principles to guide public investment in the area

WHEREAS, on August 11, 1999, the Council adopted the North Macadam Urban Renewal Plan to enable redevelopment of the North Macadam Area to fully utilize its potential as an employment and housing center with the characteristics of a viable urban neighborhood

WHEREAS, the Plan directs the Portland Development Commission to stimulate new private investment on vacant and underutilized property and if necessary to achieve the public objectives for North Macadam, to provide financial assistance in connection with private investment, acquire property for development or resale to others for redevelopment and finance infrastructure improvements

WHEREAS, City Council has directed the Portland Development Commission to prepare development agreements with North Macadam property owners as part of the urban renewal implementation process and expects the Executive Director to prepare all necessary agreements so that the City's representatives will be able to accurately represent adopted Council goals and positions

WHEREAS, the public must have confidence that the development agreements achieve the public objectives for the area; are a good business deal for the community and achieve a return on public investment beyond that which would be obtained without city assistance, and

NOW, THEREFORE, BE IT RESOLVED, that

- 1 The Framework Plan and Urban Renewal Plan state the City's objectives for the North Macadam District. Strategies to achieve those objectives shall include Development Agreements. The Agreements shall obligate property owners to invest significant private dollars and to develop in a manner that meets public objectives. In return for that commitment, the City shall agree to provide financial assistance for infrastructure and other Plan purposes
- 2 The Council appoints the Executive Director of the Portland Development Commission to represent the City in the negotiation of all agreements with private parties involving public actions and investments in the North Macadam Area.

- 3 A negotiating team consisting of City Bureau Managers and citizens may advise the Executive Director. The negotiating team shall conduct its deliberations in a manner that assures that the City speaks with a single voice through its negotiators.
- 4 The Council recognizes that each negotiation will be different, but that generally the first step will be the negotiation of a non-binding Memorandum of Understanding (MOU) which shall be completed by June 30, 1999. The purpose of the MOU is to outline an agreement in general terms and identify the issues that require resolution in a more detailed agreement. Because an MOU indicates potential investments and actions, it shall be presented to the Portland Development Commission and the Council for approval.
- 5 Binding agreements between the City and property owners shall take the form of Development Agreements. Development Agreements commit the City to actions and investments in exchange for actions and investments by property owners. Development Agreements shall be presented to the Portland Development Commission and the Council for approval. The Executive Director of PDC will recommend an approach to Council and timeline for completion of the development agreements, taking into account the changing regulatory environment, market conditions, and other relevant factors.
6. Before presenting an MOU or Development Agreement to Council, the Executive Director must be satisfied that the proposed agreement is consistent with the public investment principles set forth in the Framework Plan and achieves the public objectives set forth in both the Framework Plan and Urban Renewal Plan. The investment principles and public objectives are attached as Exhibit A.
- 7 The Executive Director shall report to Council, no less than every 90 days, on the status of negotiations. At such times as the Executive Director has a recommendation on an agreement, the Executive Director's report shall address specifically how the proposed agreement satisfies the public objectives set forth in the Framework Plan and Urban Renewal Report and the public investment principles set forth in the Framework Plan.

Mayor Katz
PDC C Twete
February 15, 2000

Adopted by the Council:

FEB 23 2000

GARY BLACKMER
Auditor of the City of Portland

By



Deputy

RESOLUTION NO.

35864

Title

Authorize the Executive Director of the Portland Development Commission to conduct negotiations with North Macadam property owners (Resolution)

INTRODUCED BY	DATE FILED FEB 17 2000
Mayor Vera Katz	Gary Blackmer Auditor of the City of Portland
NOTED BY COMMISSIONER	By <u>Bette Olson</u> Deputy
Affairs	
Finance and Administration <i>VK bes</i>	
Safety	
Utilities	
Works	
BUREAU APPROVAL	
Bureau Portland Development Commission	ACTION TAKEN
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Budget Impact Review	
Completed <input type="checkbox"/> Not Required <input checked="" type="checkbox"/>	
Bureau Head <i>Felicia L. Trader</i> Felicia L. Trader, Executive Director	

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