

EXECUTIVE SUMMARY

In May of 2007, the Portland Development Commission (PDC) formed the Urban Renewal Advisory Group (Advisory Group) to make recommendations regarding the future of three downtown urban renewal areas (URAs): Downtown Waterfront, South Park Blocks, and River District. This report summarizes the Advisory Group's findings and recommendations.

1. DOWNTOWN WATERFRONT AND SOUTH PARK BLOCKS URBAN RENEWAL AREAS SHOULD BE CLOSED DOWN

The Advisory Group reached an early consensus that urban renewal areas should not be perpetual. Once a district has substantially achieved its goals, it should be closed. In the case of downtown Portland's two older districts (Downtown Waterfront and South Park Blocks), the Advisory Group determined that both districts had been successful and should be closed down.

A. Maximum indebtedness limits should not be increased for either district:

These two districts should be closed down in a way that allows for a phase-out period that provides PDC with the time and resources necessary to complete critical projects. The Advisory Group recommends, however, that PDC limit borrowing in the two districts to that which is necessary to complete those commitments. The Advisory Group recommends no extension or increase to the borrowing authority for either district when that authority expires this year.

B. To the extent possible, the amount of new debt should be limited to that which can be repaid no later than 2024: An Urban Renewal Area continues to exist and collect tax increment resources until all outstanding loans have been paid. The Advisory Group recommends that debt be repaid by 2024 for a full "close-out" of both Downtown Waterfront and South Park Blocks.

2. EXTEND AND EXPAND RIVER DISTRICT URBAN RENEWAL AREA

In order to achieve the 2024 close-out goals for both of the older districts, the Advisory Group recognized and approved moving certain unfinished projects to River District through a River District boundary expansion. Most notably, a considerable amount of unfinished work in the Old Town/Chinatown neighborhood will be moved to River District.

The Advisory Group recognized that River District has been very successful in its first ten years. Unlike the two older districts, however, the Advisory Group recommends that the district should grow in terms of size and financial capacity to pursue: several pending catalytic projects; unfinished elements of its original plan; and those projects that cannot be completed in the two older districts.

A. Extend River District from 2020 to 2021: The Advisory Group recommends extending the district's expiration date by one year. The extension will increase the district's financial capacity by a little more than \$27 million. The additional capacity will be used to support Multnomah County's efforts to replace two aging downtown facilities.

B. Maximum Indebtedness in the River District should be increased: The Advisory Group recommends increasing River District maximum indebtedness from \$225 million to its 2021 financial capacity of \$563 million. This action would create approximately \$416 million for project funding from now until 2021.

C. The boundaries of the River District should be expanded: The Advisory Group recommends expanding River District by approximately 40.5 acres to address blight conditions and development opportunities in Old Town/Chinatown; and approximately ten acres to complete other critical projects that are currently in Downtown Waterfront or South Park Blocks. Up to 11 acres should be designated for future expansions including possible island district formations.

D. Explore creating “Island Districts”: The concept of an “island district” is relatively new. It is a potential mechanism by which to extend the financial capacity of exceptionally successful urban renewal areas such as River District to help other parts of the community that would not otherwise benefit directly from this urban renewal tool.

E. Assist Multnomah County with Capital Needs: The Advisory Group recommends setting aside \$35 million to assist Multnomah County with its capital needs, beginning with \$10 million in 2015.

F. Release acreage under Interstate 405. Approximately 30.7 acres will be removed from River District, because its location under Interstate 405 limits its re-development potential. This is a housekeeping measure with little substantive impact for River District.

3. BEGIN TO SET UP THE NEXT GENERATION OF CENTRAL CITY URBAN RENEWAL ACTIVITIES

As it concluded its work, the Advisory Group also identified steps that should be taken now to prepare for future downtown urban renewal work.

A. Downsize Downtown Waterfront and South Park Blocks. PDC should work with the Office of Management and Finance to determine whether these districts may be reduced in size as part of each district’s close-out strategy, and work with the Bureau of Planning to determine which blocks should be removed from the districts.

B. Identify Potential New Districts. PDC should lead a community effort to identify potential new urban renewal areas for downtown. PDC should collaborate with Portland’s Bureau of Planning to ensure that these urban renewal opportunities and challenges are addressed in the Central Portland Plan Update.

C. Develop Interim Development Strategies. PDC should work in collaboration with Portland’s Bureau of Planning to ensure adequate consideration of urban renewal challenges and opportunities pending completion of the Central Portland Plan Update.

D. Give Multnomah County A Meaningful Voice. The Advisory Group agreed that Multnomah County should have a meaningful voice in major decisions to expand or extend an existing district or to create a new one.