



Multnomah Education Service District

A Regional Cooperative Opening Doors to Education

April 10, 2008

Mark Rosenbaum, Chairman
Portland Development Commission
222 NW 5th Avenue
Portland, OR 97209-3859

Dear Chair Rosenbaum:

I am happy to offer the Multnomah Education Service District's (MESD's) support for the Portland Development Commission's (PDC's) plan amendments for four urban renewal areas (URAs): River District, Downtown Waterfront, South Park Blocks and Lents. Your urban renewal work is important to the health of our community, and I am happy to support the continued use of this financial tool.

Your agency has consistently demonstrated that the wise investment of taxpayers' resources can produce dividends for all of us. Your urban renewal work has helped to make Portland what it is today—a great place to live and work.

While urban renewal does not directly impact our fiscal situation, I am pleased to see that the needs of education were explicitly considered during your deliberations. While I do not see that our agencies are in direct competition for tax resources, your consideration of our community's public education agencies is much appreciated. In addition to MESD I believe there are opportunities for PDC to make a broader connection with all school districts under PDC's purview.

Predictably, a number of us have tracked with some interest the City Council's desire to form an island district to help construct a new school for the David Douglas School District. We appreciate the Council's continued interest in supporting schools and we would like to learn more about the concept of this proposed amendment. As you might imagine, it is a topic of significant interest to my agency and all of the City's school districts. I would like to take this opportunity to suggest that a presentation on the topic to the Leaders' Roundtable Group may be appropriate. That group is uniquely positioned as it regularly engages decision makers from education, business and elected officials

Thank you again for briefing us on the Future of Urban Renewal initiative and please accept this letter as the Multnomah Education Service District's support for all five proposed plan amendments.

Sincerely,

A handwritten signature in black ink that reads 'Ron Hitchcock'. The signature is written in a cursive, slightly slanted style.

Ron Hitchcock
MESD Superintendent

Superintendent *Ron Hitchcock*

Chief Program Officer *Barbara Jorgensen*

Board of Directors *Harry Ainsworth* ■ *Janice Gratton* ■ *Jean Haliski* ■ *Zak Johnson* ■ *Ken Kissir* ■ *Kevin Spellman* ■ *Geri Washington*

11611 NE Ainsworth Circle ■ Portland, Oregon 97220 ■ 503-255-1841 ■ fax 503-257-1519 ■ tty 503-257-1599 ■ www.mesd.k12.or.us



April 11, 2008

Mark Rosenbaum, Chairman
Portland Development Commission
222 NW 5th Avenue
Portland, OR 97209-3859

Dear Chair ^{Mark}~~Rosenbaum~~:

Thank you very much for this opportunity to comment on urban renewal plans for two important areas in our community. Portland Development Commission staff provided TriMet with a comprehensive overview of those plans, and I am happy to offer TriMet's support for both the general direction of your efforts and the specific plan amendments being considered by the Commission and City Council this spring.

With respect to the Lents Town Center Urban Renewal Area, TriMet supports the proposal to expand this URA acreage to provide additional resources in the district. The Green Line, opening in September 2009, will have four stops in the Lents URA including a station serving the Lents Town Center. An expanded partnership between TriMet and PDC in Lents will help ensure that public investments pay significant dividends for neighborhood residents and the region as a whole.

Plans to expand River District Urban Renewal Area are also timely. Expanding the district to Old Town/Chinatown will amplify the investment in the Green Line extension to Union Station on 5th and 6th avenues. Much work remains to be done to help the Old Town/Chinatown neighborhood reach its full economic potential while ensuring the effective continuation of various housing and social service programs. This balance is not easy to achieve. Acquisition of the U.S. Post Office facility to create a site for an employment anchor would be an exciting opportunity to diversify activity in this part of downtown.

TriMet also supports the proposal to retire two older urban renewal areas: Downtown Waterfront and South Park Blocks. These districts have been extremely successful and have significantly contributed to a vibrant, transit-oriented downtown. It is now appropriate for properties in these areas to contribute to the City's general fund and other taxing districts.

That said, TriMet looks forward to joining PDC and other community partners to discuss a possible new downtown urban renewal area. The Portland to Milwaukie light rail project is an important opportunity to help promote the full development potential of property along the route through the south end of downtown. The project will provide an essential transportation link among Portland State University, Oregon Health Sciences University,

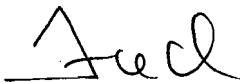
April 11, 2008

Page 2

the Oregon Museum of Science and Industry and Portland Community College. The “innovation quadrant” created by this connection will build on investments in downtown, North Macadam and the Central Eastside. While much of budget for this project is committed, by the end of this year the region needs to secure commitments for local dollars to match state and federal funds. Urban renewal will likely be a critical piece to fully fund the project and a new district may be needed.

Again, thank you for this opportunity to review and comment on the evolution of urban renewal plans in Lents and downtown Portland. TriMet supports your efforts and looks forward to continuing a tradition of collaboration between our agencies.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Hansen". The signature is written in a cursive style with a horizontal line underneath.

Fred Hansen
General Manager

Mission: To enhance the region's economy and quality of life by providing efficient cargo and air passenger access to national and global markets.



April 23, 2008

Mark Rosenbaum, Chairman
Portland Development Commission
222 NW 5th Avenue
Portland, OR 97209-3859

Dear Chair Rosenbaum:

Thank you for providing the Port of Portland with information regarding the Portland Development Commission's (PDC's) Future of Urban Renewal Initiative and your emerging plans for four of our community's eleven urban renewal areas. We appreciate this opportunity to provide you with our input on those plans.

First, congratulations on the successful completion of your two older urban renewal areas: Downtown Waterfront (DTWF) and South Park Blocks (SPB). Both districts have served the downtown area well and it is now appropriate for them to be closed.

With respect to the proposed expansion of the River District and Lents, we offer the following comments.

River District

We are pleased to learn that substantial portions of Old Town/Chinatown will be moved from DTWF to River District. Although we will be moving our headquarters out of Old Town soon, this has been a great neighborhood to call home. However, it still needs more investment to complete its renaissance as a uniquely diverse corner of downtown.

We are similarly pleased to see a \$30+ million commitment to the acquisition and redevelopment of the US Post Office site. We will continue to work with you to facilitate the move of the US Postal Service operation to a more suitable location. It is our hope and expectation that the current post office site will be developed into a major employment center for the city and region. As this progress, additional investment will likely be needed in the River District.

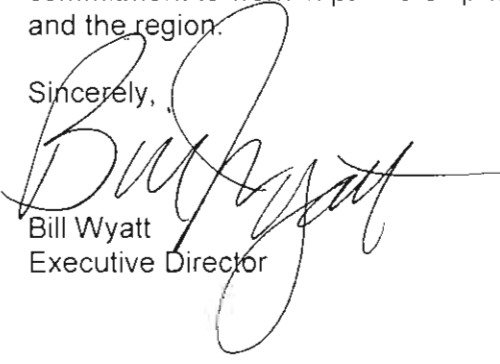
Lents

Our interests in your Lents Urban Renewal Area are less direct, but we are supportive of PDC's efforts to fulfill the potential of this town center area. Its importance to the overall health of the region grows significantly with the pending completion of the new eastside light rail project. We are particularly interested in, and supportive of, your plans to pursue commercial and industrial redevelopment of the Freeway Land parcel as an eastside employment center.

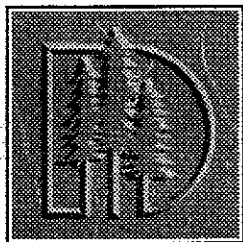
Finally, while we have been a consistent supporter of the urban renewal program, we urge you to keep a focus on the goals of job creation and tax-generation. As with all public agencies, we know PDC strives to meet an ever expanding list of community expectations. Nonetheless, as a participating taxing jurisdiction, we do believe the focus of your urban renewal work should be on job creation and growing the community's tax base.

Again, thank you for sharing your future plans. You have our support and our continued commitment to work in partnership with you on our many shared priorities for Portland and the region.

Sincerely,



Bill Wyatt
Executive Director



David Douglas School District

Barbara K. Rommel, Superintendent
1500 SE 130th • Portland, Oregon • 97233-1799
(503) 252-2900 • Fax (503) 256-5218

May 2, 2008

Mark Rosenbaum, Chair
Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209-3859

Dear Chair Rosenbaum:

The David Douglas School District strongly supports the Portland Development Commission's proposed amendments to both the River District and the Lents Town Center Urban Renewal Areas (URAs). As you might expect, we are extremely pleased that you will be considering an island extension of the River District to partner with us on the development of a badly needed elementary school and community center. We are equally happy to learn that you will also be expanding your involvement in the Lents neighborhood. Your investments in both of these endeavors will pay large dividends for our community.

Portland's real estate boom of the past decade pushed more families farther east in search of lower cost housing options in areas of the city where land is less expensive. As a consequence, we are seeing more families with school-aged children in our district. David Douglas is faced with a demand for school facilities which cannot be met by current supply. Therefore, the potential to leverage the growth of the tax base in the central city to assist with our overcrowding is a wonderful opportunity.

With respect to the island expansion of River District, we understand the satellite concept is somewhat untested in Oregon, and legal challenges to the Plan Amendment are a possibility. As such we sincerely appreciate your willingness to take this risk, and we look forward to working in partnership with the Portland Development Commission on this important endeavor.

Tracking the districts that our new students have transferred from, shows that a significant number of families have come to David Douglas due to rising housing costs found in Portland's central city neighborhoods. In effect, successful investment downtown has created our challenge. A new community-based educational center for our east Portland area would greatly help us meet this challenge. The center will involve a number of partners in the operations of a multi-purpose facility providing a wide variety of educational opportunities for the community from early childhood education options to career training programs.

Visit our web page: www.ddouglas.k12.or.us E-mail: David_Douglas@ddouglas.k12.or.us

School Board

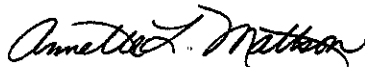
Annette Mattson, Chair • Frieda Christopher, Vice Chair
Dawn Barberis • Bruce Burton • Mike Centoni • Donn Gardner • Mike Price

With respect to the Lents Town Center URA, we have been pleased to see the many improvements to the area due to your urban renewal investments and look forward to the growth of businesses and family wage jobs. With few businesses in our community, it will be good to have parents able to work in the urban renewal area, so we can see a very direct benefit from economic investment in the neighborhood. As light rail is expanded along I-205, the challenges and opportunities facing this urban renewal area increase. Further investment of tax increment resources is prudent and appropriate.

We are also supportive of the boundary changes that have been proposed for the Lents URA. Even modest investments in these commercial areas can have a positive impact on the small businesses that make up the majority of our area's employment base. We are particularly excited by the prospect of a job-creation strategy for the Freeway Land parcel, and the potential for pedestrian safety improvements near Alice Ott Middle School.

Thank you again for all of your work in our community. We are grateful for this opportunity to work with you on a school much needed by Portland's children in David Douglas, and our dream of building a 21st Century educational center for all of our community.

Sincerely,

A handwritten signature in cursive script, appearing to read "Annette L. Mattson".

Annette L. Mattson
Chair, Board of Directors

*Investing in
Portland's Future*



**PORTLAND DEVELOPMENT COMMISSION
INTERNAL MEMORANDUM**

DATE: May 8, 2008
TO: Portland Development Commission Board
FROM: Bruce Warner, Executive Director
SUBJECT: Multnomah County Cooperative Agreement

PDC had extensive conversations with Multnomah County on each of the proposed plan amendments. Public presentations and testimony was given to the County Board of Commissioners on both May 1 and May 8, 2008. The tenor of these discussions centered around a commitment by both parties to be more proactive and inclusive on policy and investment related urban renewal decisions in the future. Multnomah County memorialized their comfort with this approach by unanimously approving the attached Cooperative Agreement associated with these most recent urban renewal plan amendments..

BW:kw

Enclosure (1)

COOPERATIVE AGREEMENT

This is an Agreement between the Portland Development Commission (PDC) and Multnomah County, Oregon (County). This Agreement shall become effective upon the date of the last signature hereto and shall expire ten years from that date unless renewed by both governing bodies.

PURPOSE:

The purpose of this agreement is to establish a new cooperative relationship between the PDC and the County to broaden the benefit of Urban Renewal as a tool to improve Portland through the elimination of blight.

Recitals

1. Urban renewal is a unique and powerful financing tool that enables local governments to make targeted investments in a community's future through Tax Increment Financing (TIF) designed to remove blight and influences that contribute to blight.
2. In Portland, fifteen percent of the city land area can be captured for urban renewal. The cycle of designating an area for urban renewal, implementing community priorities and goals, repaying the bonds and then removing the urban renewal designation takes anywhere from 30 – 40 years.
3. The financial theory behind urban renewal is to bond against estimated increases in assessed values in specific areas of the city, and then reinvest those resources in order to accelerate the growth of the tax base. As projects get completed, the bonds are repaid and the land is eventually released from these urban renewal areas in order for taxing jurisdictions to benefit from this increased growth. Urban renewal investments are also expected to increase economic activity such as income tax and business tax generation thereby assisting jurisdictions over the life of the urban renewal plan.
4. In the City, about 26 cents of every dollar available to invest in URAs would otherwise be available to Multnomah County's general fund for the purpose of making investments in public safety and human services and other County services.
5. Currently, the County forgoes approximately \$18 million annually due to Urban Renewal Areas within the City. Despite the loss of revenue from neighborhoods within URAs, the County is still obligated to provide, and the community still needs County services, including human services and public safety.

6. Oregon Revised Statutes generally define blighted areas as those that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community.
7. The American Heritage Dictionary (3rd Edition) defines blight as “Something that frustrates hope or impedes progress and prosperity.”
8. Blight is a product of multiple factors, some of which can best be addressed by increasing human service and public safety expenditures within a community. However, dollars raised through tax increment financing in Urban Renewal Areas (URA) can only be spent on capital needs (bricks and mortar).
9. Current state statutes require urban renewal agencies to “consult and confer with the taxing districts” prior to presenting a plan or a substantial amendment to a plan to the governing body of the municipality for approval. These plans, and related decisions to increase maximum indebtedness and extend the last date to issue debt of the district would postpone the return of taxes.
10. Because Urban Renewal investments can only be made within the boundaries of an Urban Renewal Area, portions of our community not within those boundaries must pay a disproportionate share of the cost of providing community services.
11. Approaching these decisions collaboratively will ensure services to our most vulnerable populations are considered while also protecting the ability for urban renewal to serve as an effective tool which benefits the broader community.
12. The participation of Multnomah County in the construction of the River District plan amendment demonstrated the benefits of this collaborative policy approach.
13. The parties desire to engage in a thoughtful, cooperative approach to improve the effectiveness of both TIF expenditures and County service delivery and to operate in the spirit of community partnership.

Now, therefore, PDC and the County hereby agree as follows:

- a. PDC will consult, collaborate and confer with the County on the investment of urban renewal funds with the goal of investing such funds in a manner that respects and values people who rely on the County's services and minimizes the impact on the County's financial capacity to provide services to the community.
- b. PDC agrees the County shall have the right to have a representative on all advisory and policy groups PDC may form to assist the City and PDC in decisions regarding the formation, expansion, change in plan end date or increase in the maximum indebtedness of all urban renewal areas. This includes a representative on urban renewal advisory committees which provide advice to PDC and the City whenever a plan is amended, or a new plan is created. The County will need to work with the PDC to make sure the representative selected does not have any legal impediments (e.g., a conflict of interest) to serving in that capacity.
- c. PDC agrees to consider the impact to other taxing jurisdictions as one of the criterion used to decide whether or not an urban renewal area is created or amended.

In witness whereof, the parties hereto have executed this Agreement as of the dates set forth below their signatures.

PORTLAND DEVELOPMENT COMMISSION

By: _____
Bruce A. Warner, Executive Director

Date: _____

MULTNOMAH COUNTY

By: _____
Name: _____
Title: _____
Date: _____