

INTERSTATE CORRIDOR

Urban Renewal Area

REPORT ON THE AMENDED AND RESTATED INTERSTATE CORRIDOR URBAN RENEWAL PLAN

July 27, 2011

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in conjunction with the Portland Development Commission
and the Portland Office of Management and Finance

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I. INTRODUCTION

This Report on the Amended and Restated Interstate Corridor Urban Renewal Plan (the "Report") accompanies the Amended and Restated Interstate Corridor Urban Renewal Plan (the "Amended Plan"). The Amended Plan implements boundary changes to the Interstate Corridor Urban Renewal Area ("ICURA" or "Area") made to the Interstate Corridor Urban Renewal Plan originally adopted on August 16, 2000 (the "Original Plan") as a result of the North/Northeast Economic Development Initiative ("N/NE EDI") as further described below. The Original Plan and Amended Plan are collectively referred to herein as the "Plan". This Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the Portland City Council ("Council") as part of its approval of the Plan.

As a result of prior urban renewal plan reviews and updates throughout the City of Portland (the "City"), community members from north and northeast Portland requested a process for review of ICURA and the Oregon Convention Center Urban Renewal Area ("OCCURA"). On December 10, 2008, the Portland Development Commission's Board of Commissioners (the "Board") directed Portland Development Commission (the "Commission" or "PDC") staff to proceed with the N/NE EDI to put this request into action. From 2009 to 2011, the Commission conducted the N/NE EDI in partnership with the community to ensure that the Commission's investments enhance livability and economic opportunity within ICURA and OCCURA, greater north and northeast Portland and the City at-large. PDC staff laid the groundwork with technical assistance agreements with each of the four Minority Chambers of Commerce, the National Association of Minority Contractors, and the Metropolitan Contractors Improvement Partnership. Consultants contacted more than 500 community residents and performed cultural and community-specific outreach, which resulted in a series of interviews and reports. In addition, over 40 stakeholder interviews were conducted to begin the formal process to amend the two urban renewal areas.

The outcome of this community process was the formation of the North/Northeast Economic Development Initiative Community Advisory Committee (the "N/NE CAC"). In August of 2009, the Commission convened the N/NE CAC to review the Original Plan and the OCCURA Plan and make recommendations regarding updates to these plans. Those recommendations were summarized in the North/Northeast Economic Development Initiative Community Advisory Committee Report which was reviewed by the Commission in July, 2010. Those recommendations are implemented in the Plan.

This Report provides technical information to support the Plan. ORS 457.220 (2) requires that any substantial change made in an urban renewal plan shall, before being carried out, be approved and recorded in the same manner as the original plan. The required elements of this Report are set forth in ORS 457.085 (3), subsections (a) through (i), as set forth below:

- (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 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 under the plan and the existing conditions in the urban renewal area;
- (d) The estimated total cost of each project and the sources of moneys to pay such costs;

- (e) The anticipated completion date for each project;
- (f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;
- (g) A financial analysis of the plan with sufficient information to determine feasibility;
- (h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area; and
- (i) A relocation report.

The balance of this Report addresses the requirements of ORS 457. In addition, this Report addresses compliance with the requirements of ORS 457.420 (2)(a), which sets limits on the amount of land area and assessed value within a jurisdiction that may be included within urban renewal areas.

II. A DESCRIPTION OF PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREA

In May, 2010, the N/NE CAC approved five separate expansion areas for ICURA. After this vote, and as a result of specific requests from community members, PDC staff added three additional areas totaling approximately 12 acres. The total expansion acreage is 415.54 acres (the "Expansion Area"). Approximately 230 acres of existing Interstate 5 right-of-way will be removed from ICURA (the "Removal Area"), for a net addition of 185.79 acres.¹

| | |
|--|---------|
| Total acreage moved from the OCCURA | 169.92 |
| Total acreage added which was in no urban renewal area | 233.24 |
| Arbor Lodge Park | 10.35 |
| Bridgeton Road | 0.93 |
| Friends of Children property | 1.10 |
| Expansion Area | 415.54 |
| Removal Area | -229.75 |
| Net addition acreage | 185.79 |

The Area resulting from the Amended Plan is shown in Figure 1. For the purposes of technical analysis for this Report, the Expansion Area (Figure 2) is divided into two areas: the area east of Interstate 5, including NE Martin Luther King Junior Boulevard (the "East Area"), and the area west of Interstate 5, including N. Lombard Street and the St. Johns Town Center (the "West Area"). The Removal Area is comprised predominantly of the properties in the Interstate 5 right-of-way (Figure 3).

This Report will also detail the information for the Area covered by the Original Plan (the "Existing Area").

The East Area properties include the following areas, as recommended by the N/NE CAC, and as shown in Figure 2:

1. Properties north of Broadway/Schuyler presently in the OCCURA, including properties along NE Martin Luther King, Jr. Blvd. and NE Alberta Street;
2. Properties along NE Martin Luther King, Jr. Blvd. which are not presently in an urban renewal area;
3. NE Alberta Street properties which are not presently in an urban renewal area and a portion of NE Killingsworth Street; and
4. Additional areas added by community request following the N/NE CAC process:
 - a) Bridgeton Road: 0.93 acres of right-of-way
 - b) Friends of Children: 1.1 acre property at 44 NE Morris Street

¹ The Multnomah County Assessor's office will make the final determination on acreage. These are estimates provided by the Portland Development Commission's GIS system.

The West Area properties include the following areas, as recommended by the N/NE CAC, and as shown in Figure 2:

1. The south side of N. Lombard Street;
2. St. Johns Town Center Area;
3. Roosevelt High School; and
4. Additional area added by community request following the N/NE CAC process:
 - a) Arbor Lodge Park: 10.35 acres

The Removal Area is shown in Figure 3.

The Existing Area is shown in Figure 4.

Figure 1: Amended and Restated Interstate Corridor Urban Renewal Area

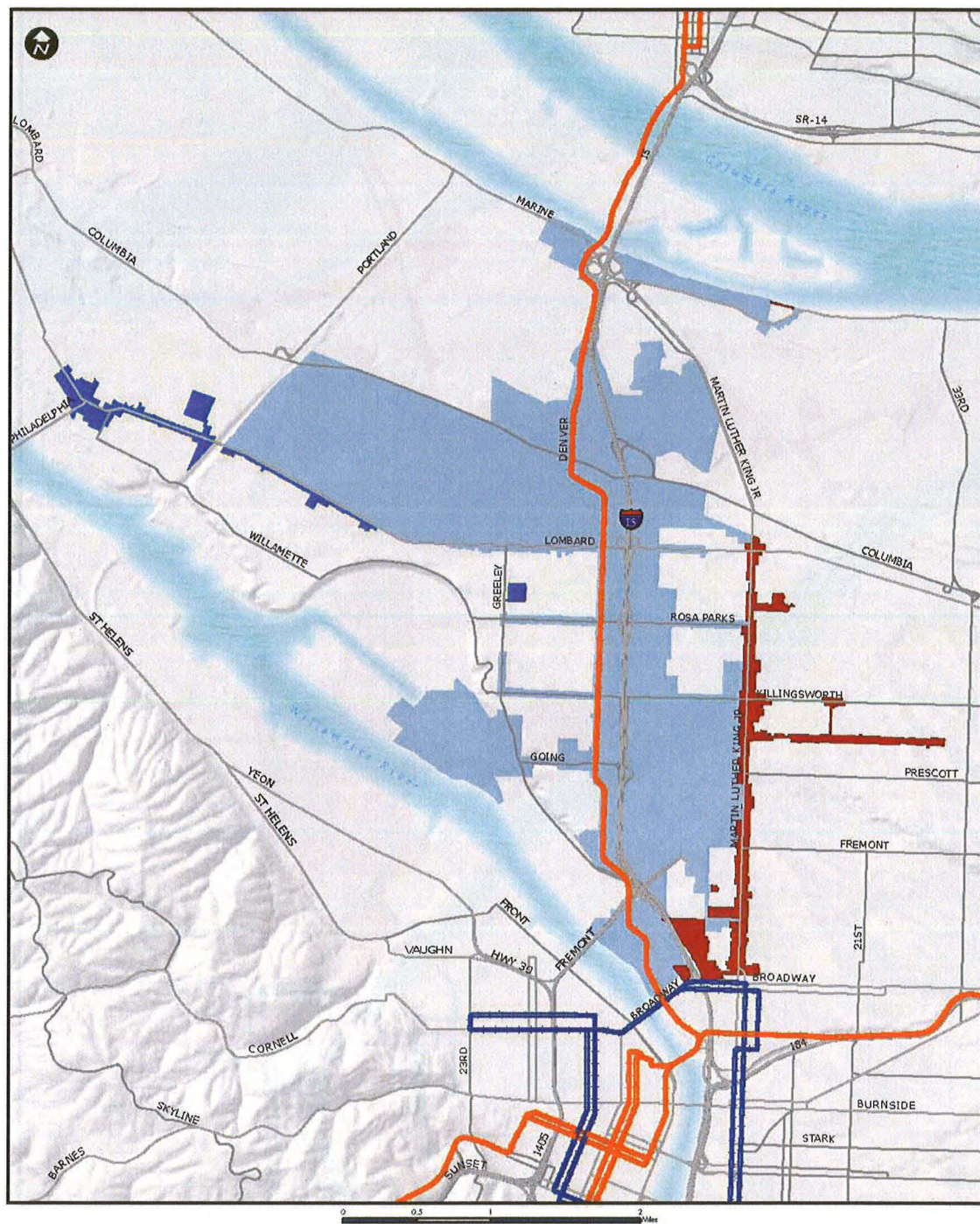


Amended and Restated Interstate Corridor Urban Renewal Area Boundary

Amended ICURA

The information on this map was created by the Portland Development Commission (PDC) GIS. Every reasonable effort has been made to ensure the accuracy of these maps and associated data. However, inadvertent errors can occur and the PDC does not assume any responsibility for omissions or positional accuracy. This information is presented "as is" and without warranty, either expressed or implied. Information Sources: Portland Development Commission Geographic Information Systems (GIS), City of Portland Corporate GIS, April 2011

Figure 2: Expansion Areas

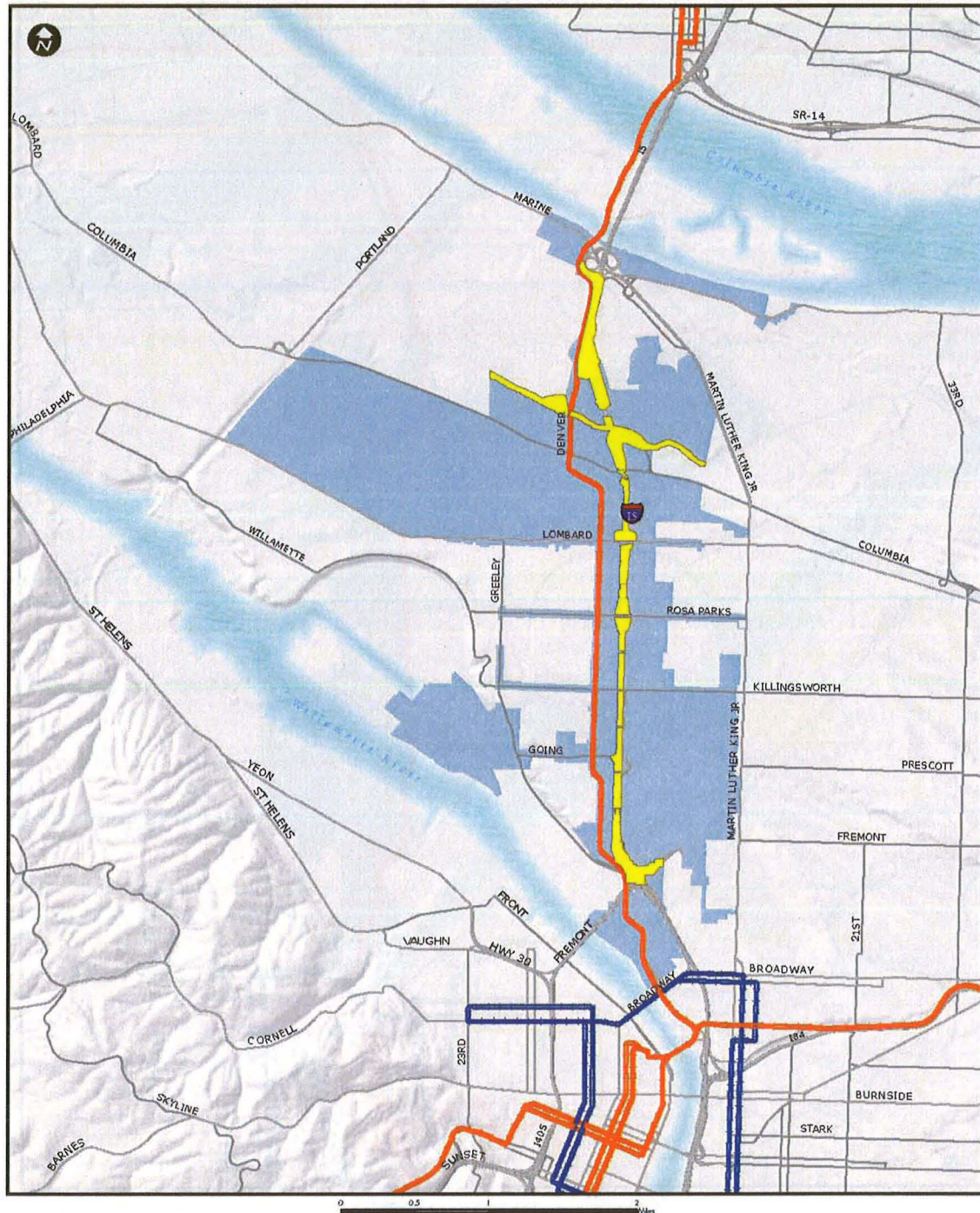


Interstate Corridor Urban Renewal Area - Amendment Areas

ICURA
 Amendment Area East of I-5
 Amendment Area West of I-5

The information on this map was created by the Portland Development Commission (PDC) GIS. Every reasonable effort has been made to assure the accuracy of these maps and associated data. However, inadvertent errors can occur and the PDC does not assume any responsibility for omissions or positional accuracy. This information is presented "as is" and without warranties, either expressed or implied. Information Sources: Portland Development Commission Geographic Information Systems (GIS), City of Portland Corporate GIS April 2011

Figure 3: Removal Area

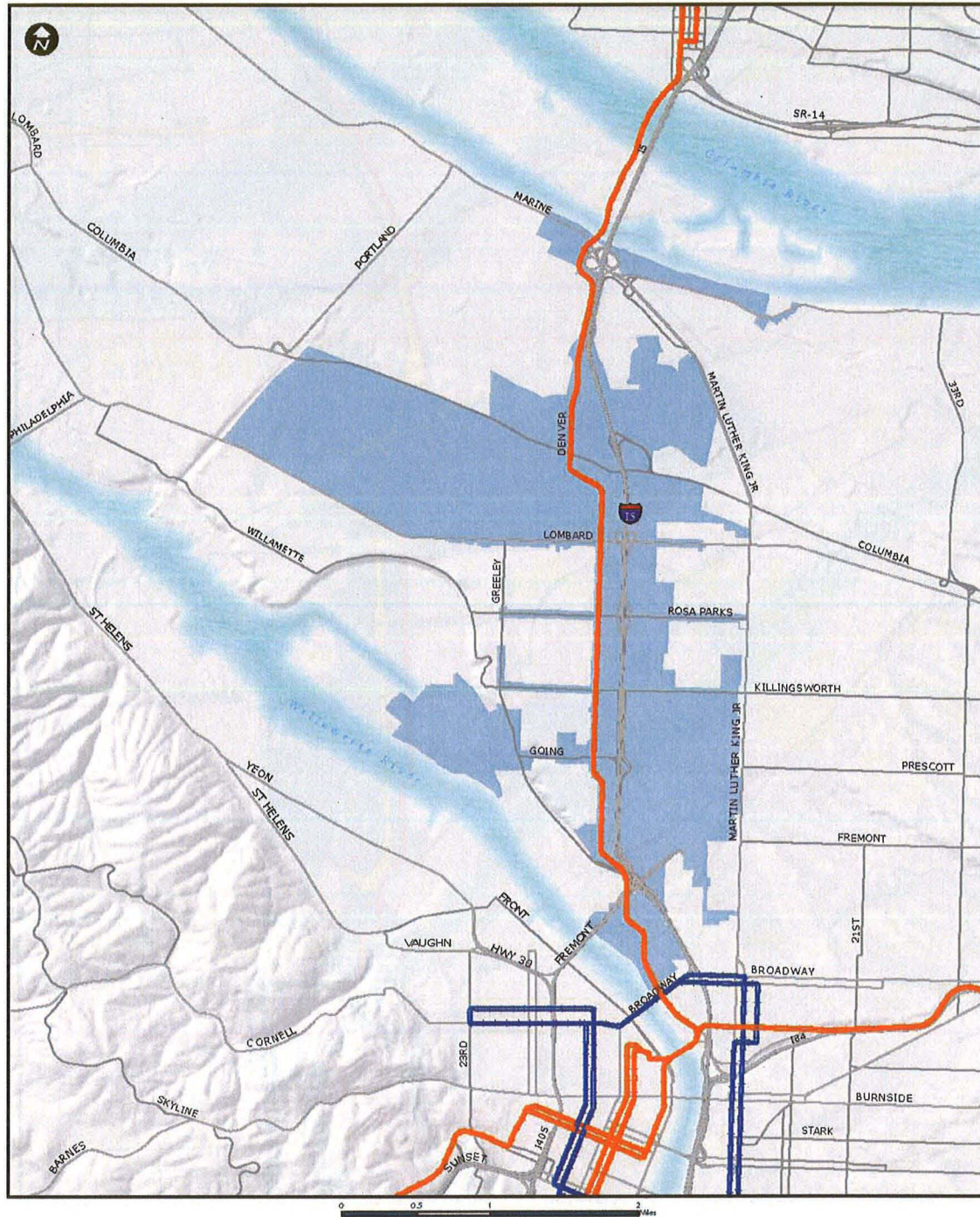


Interstate Corridor Urban Renewal Area - Amendment Areas

ICURA Right-Of-Way Removal

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Figure 4: Existing Interstate Corridor Urban Renewal Area



Existing Interstate Corridor Urban Renewal Area Boundary

ICURA

The information on this map was created by the Portland Development Commission (PDC) GIS. Every reasonable effort has been made to assure the accuracy of these maps and associated data. However, inadvertent errors can occur and the PDC does not assume any responsibility for omissions or positional accuracy. This information is presented "as is" and without warranties, either expressed or implied. Information Sources: Portland Development Commission Geographic Information Systems (GIS), City of Portland Corporate GIS. April 2011

A. Physical Conditions: East Area

The East Area contains 957 parcels and 276.46 acres, including 180.23 acres in parcels and 96.23 acres of right-of-way, as shown in Figure 2. It extends along NE Martin Luther King Junior Boulevard from NE Schuyler Street at the south end to NE Russell Street at the north end of the Area, including properties which were originally in the OCCURA and properties which have not previously been in an urban renewal area. The commercially zoned properties in the OCCURA north of NE Broadway and to the west of NE Martin Luther King Junior Boulevard are also included in the East Area.

Other additions are the commercially zoned properties along NE Alberta Street, some from the OCCURA, and other commercially zoned properties from NE Martin Luther King Junior Boulevard east to NE 31st Street. The East Area also includes a node of properties on NE Killingsworth Street, commercially zoned properties in the Woodlawn Triangle, right-of-way on Bridgeton Road that was previously left out of ICURA, and the Friends of Children property at 44 NE Morris Street.

1. Land Uses

The land uses as identified by the Multnomah County Assessor are shown in Table 1.1. Commercial uses are the most prevalent uses in the East Area, representing 68% of the acreage within the East Area.

Table 1.1- Land Use in East Area

| Land Use | Parcels | Acres | Percent of Acres |
|----------------------------------|---------|--------|------------------|
| None Specified | 16 | 5.51 | 3.06% |
| Commercial | 326 | 79.18 | 43.93% |
| Converted Commercial | 175 | 33.68 | 18.69% |
| General Commercial | 14 | 1.86 | 1.03% |
| Residential as Commercial | 22 | 2.57 | 1.43% |
| <i>Cumulative Commercial Use</i> | | | <i>68.14%</i> |
| Industrial | 13 | 4.1 | 2.27% |
| Multifamily | 84 | 19.66 | 10.91% |
| Recreation | 3 | 3.98 | 2.21% |
| Residential | 304 | 29.69 | 16.47% |
| Total | 957 | 180.23 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2010/2011

2. Zoning

The majority of the properties in the East Area, 71%, are commercially zoned, as shown in Table 2.1. Residential zoning accounts for 22% of the East Area.

Table 2.1- Zoning in East Area

| Zone | Parcels | Acres | Percent of Acres |
|--------------------------------------|------------|---------------|------------------|
| General Commercial | 221 | 42.28 | 23.46% |
| Mixed Commercial/Residential | 69 | 9.8 | 5.44% |
| Storefront Commercial | 137 | 17.65 | 9.79% |
| Central Commercial | 11 | 2.39 | 1.33% |
| Central Employment | 272 | 56.34 | 31.26% |
| <i>Cumulative Commercial Zoning</i> | | | <i>71.28%</i> |
| General Industrial 1 | 6 | 2.31 | 1.28% |
| Open Space | 5 | 4.64 | 2.57% |
| Residential 1,000 | 47 | 8.75 | 4.85% |
| Residential 2,000 | 37 | 5.54 | 3.07% |
| High Density Residential | 135 | 24.98 | 13.86% |
| Central Residential | 17 | 2.19 | 1.22% |
| <i>Cumulative Residential Zoning</i> | | | <i>26.86%</i> |
| <i>Sub-Total</i> | <i>957</i> | <i>176.87</i> | <i>98.14%</i> |
| Multiple Zones | | 3.36 | 1.86% |
| Total | 957 | 180.23 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2010/2011
Some lots have multiple zoning designations

3. Comprehensive Plan

The majority of the properties in the East Area, 73%, are designated as commercial or industrial use in the Comprehensive Plan. Residential designations account for 23% of the East Area.

Table 3.1- Comprehensive Plan Designations in East Area

| Comprehensive Plan Designation | Parcels | Acres | Percent of Acres |
|--|------------|---------------|------------------|
| General Commercial | 221 | 42.29 | 23.46% |
| Urban Commercial | 206 | 27.45 | 15.23% |
| Central Commercial | 11 | 2.39 | 1.33% |
| Central Employment | 272 | 56.55 | 31.38% |
| Industrial Sanctuary | 6 | 2.31 | 1.28% |
| <i>Cumulative Commercial/Industrial Designations</i> | | | 72.68% |
| Residential 1000 | 47 | 7.94 | 4.41% |
| Residential 2000 | 37 | 5.54 | 3.07% |
| High Density Residential | 135 | 24.98 | 13.86% |
| Central Residential | 17 | 2.19 | 1.22% |
| <i>Cumulative Residential Designation</i> | | | 22.56% |
| Open Space | 5 | 4.64 | 2.57% |
| <i>Sub-Total</i> | 957 | 176.28 | 97.81% |
| Multiple Comp Plan Designations | | 3.95 | 2.19% |
| Total | 957 | 180.23 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2010/2011
Some lots have multiple comprehensive plan designations

4. Transportation and Infrastructure

The Portland Bureau of Transportation ("PBOT") provided an evaluation of the current conditions of the streets in the East Area. They are shown in Appendix 1. The ratings are on a five-point scale, from very good to very poor, as shown in the table below. Twelve percent (12%) of the streets are in poor or very poor condition. The narrative in this section is from the PBOT evaluation.

The 2009 Interstate Corridor Urban Renewal Area Transportation Implementation Strategy identified the following need in the Existing Area. In order to fully provide for this need, the section of Bridgeton Street in the East Area would also be improved:

- **Bridgeton Streetscape:** develop a unique identity for NE Bridgeton Road, which could include street furniture, lighting, and curb extensions.

Table 4.1 - Street Conditions in East Area

| Condition | East Area Length | Percent of Total |
|-----------|------------------|------------------|
| Very Good | 20,201 | 30% |
| Good | 30,413 | 45% |
| Fair | 9,190 | 14% |
| Poor | 4,393 | 7% |
| Very Poor | 3,223 | 5% |
| Total | 67,420 | 100% |

Portland Bureau of Transportation

NE Martin Luther King Jr. Boulevard is the major transportation corridor in the East Area, and in order to facilitate development and redevelopment in the East Area, upgrading this street is vital. According to PBOT, there is also the identification of a future streetcar along NE Martin Luther King Jr. Boulevard from NE Broadway Avenue to NE Killingsworth Street.

5. Sanitary Sewer System/Storm Water System

The Bureau of Environmental Services ("BES") provided mapping information on the current conditions of the sewer and storm water lines in the East Area. They are shown in Appendix 2. The ratings are 1-5, with 1 being the best condition and 5 the worst. The predominant ratings are 1 and 2. There are some sections with ratings of 3, 4, and 5. There are also some sections where there is a recommendation for potential sewer projects in the future, most notably along NE Martin Luther King Jr. Boulevard. NE Alberta Street also has a few blocks with recommended potential sewer projects.

6. Parks, Open Space, and Community Facilities

The Lillis-Albina Park and the Matt Dishman Community Center are within the East Area.

7. Water

The Portland Water Bureau provided the following information on the East Area. There are water main deficiencies in the East Area, as shown in the table below. The water mains listed in the table are currently included in the Water Bureau's Needs Database, but are not high enough on the priority list to be included in the current Water Bureau's Capital Improvement Plan. Depending on the type of redevelopment being considered, improvements to the water mains shown as deficient may be necessary in order to meet future water service demands for the renewal and development areas.

Table 5.1 - Water Main Deficiencies in East Area

| Street | Extent | Size (in) | Length (ft) | Material |
|---------------------|------------------------------|-----------|-------------|------------|
| NE Bryant St | NE MLK Jr Blvd to NE 7th Ave | 2 | 1240 | Galvanized |
| NE Killingsworth Ct | NE 8th Ave to NE 9th Ave | 2 | 470 | Galvanized |

Portland Water Bureau

The remaining water mains in the East area are in good to very good condition.

B. Social and Economic Conditions: East Area

1. Social Conditions

There are 388 parcels in the East Area classified by the Assessor's office as having residential uses, 84 of which are classified as multifamily. The multifamily designation does not always mean it is a multifamily use, but rather that a multifamily use would be the highest and best use of the property.

Demographic data provided by the Portland Bureau of Planning and Sustainability gives information on Census block groups overlapping the Expansion Area. Since the information cannot be gathered precisely for the Expansion Area, the percentages of the overlapping block groups are used to summarize the social conditions in the Area.

Sixty-six percent (66%) of the residents are White, while 27% are Black/African American. Hispanic ethnicity accounts for 14% of the residents.

Table 6a.1 - Race in East Area

| Race | Percent of Total |
|------------------------|------------------|
| White | 65.93% |
| Black/African American | 26.58% |
| Native American | 0.94% |
| Asian | 0.91% |
| Pacific Islander | 0.10% |
| Other | 2.10% |
| Two or more Races | 3.44% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Table 6b.1 - Ethnicity in East Area

| Ethnicity | Percent of Total |
|------------------------|------------------|
| Not Hispanic or Latino | 86.49% |
| Hispanic or Latino | 13.51% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Of the total male population, 11% have a high school diploma, 9% have a Bachelor's degree, and 4% have a Master's degree.

Of the total female population, 12% have a high school diploma, 11% have a Bachelor's degree, and 8% have a Master's degree.

Table 6c.1 - Education in East Area

| Education | Percent Male | Percent Female |
|---|---------------|----------------|
| Population 25 years and over: | 45.19% | 54.81% |
| No schooling completed | 0.79% | 0.73% |
| Nursery to 12th grade, no diploma | 5.53% | 5.74% |
| High school graduate, GED, or alternative | 11.43% | 12.13% |
| Some college, less than 1 year | 2.12% | 3.26% |
| Some college, 1 or more years, no degree | 9.00% | 9.69% |
| Associate's degree | 2.46% | 4.13% |
| Bachelor's degree | 9.14% | 10.91% |
| Master's degree | 3.77% | 7.65% |
| Professional school degree | 0.83% | 0.57% |
| Doctorate degree | 0.12% | 0.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Fifty-three percent (53%) of the residents own their homes, while 47% rent them.

Table 6d.1 - Home-ownership in East Area

| Occupied Housing | Percent of Total |
|------------------|------------------|
| Rental | 46.74% |
| Owner Occupied | 53.26% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

The median family income in the East Area is \$39,935. The income distribution is shown in Table 6e.1 below. Close to half (46%) of families have incomes ranging from \$25,000 to nearly \$75,000. Approximately 35% have incomes of less than \$25,000.

Table 6e.1 - Income Distribution in East Area

| Income Distribution | Percent of Total |
|---------------------|------------------|
| Less than \$10,000 | 13.42% |
| \$10,000 - \$24,999 | 21.43% |
| \$25,000 - \$49,999 | 24.94% |
| \$50,000 - \$74,999 | 21.74% |
| \$75,000 - \$99,999 | 5.33% |
| More than \$100,000 | 13.15% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Forty-six percent (46%) of the residents in the East Area are male and 54% are female. Forty-three percent (43%) of the residents are 21-39 years old.

Table 6f.1 - Age Distribution in East Area

| Total Population | Percentage of Total |
|------------------|---------------------|
| Male | 46.49% |
| Female | 53.51% |
| Under 5 years | 7.52% |
| 5-20 years | 15.72% |
| 21-39 years | 43.62% |
| 40-59 years | 22.13% |
| 60-79 years | 9.48% |
| 80+ years | 1.52% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

2. Economic Conditions

One tool for assessing the economic health of an area is to analyze the improvement to land ratio (I:L) of the Area. Improvement to land ratio is an assessment of the real market value of the improvements on a parcel compared to the real market value of the land. If the ratio is low, it indicates a prevalence of depreciated values and indicates that the property may benefit from redevelopment.

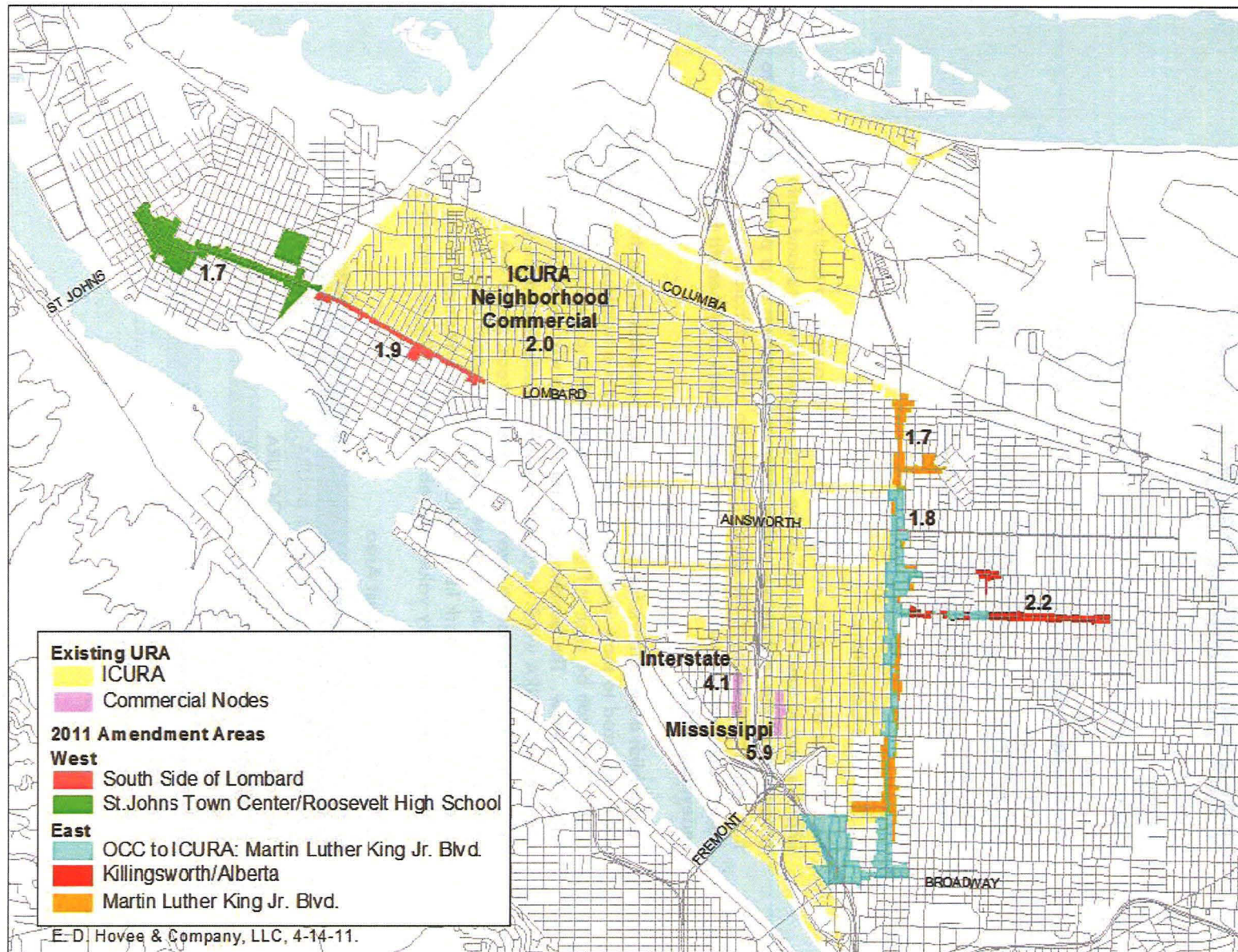
To establish a benchmark for a "healthy" I:L, properties within the Existing Area were analyzed to show what could ideally exist in a neighborhood commercial area. These can be seen in Figure 5: I:L in ICURA and Expansion Areas, and in Table 7.1 below. The benchmark I:L for the Area was determined by analyzing two areas of ICURA which have had significant redevelopment: sections of N. Mississippi and N. Interstate Avenues. In these areas, the I:L are 5.9:1 and 4.1:1, respectively. As shown in the table below, the I:L ratios in the East Area are much lower than the benchmark I:L in the ICURA. Future investment in the areas will promote higher property values, thereby increasing the I:L ratios in the future.

Table 7.1 - I:L Ratios in East Area

| East Area | I:L |
|--|-----|
| NE Martin Luther King, Jr. Blvd. not in an URA | 1.8 |
| NE Martin Luther King, Jr. Blvd. from OCCURA | 1.7 |
| NE Alberta Street and NE Killingsworth Street | 2.2 |
| Benchmark I:L Properties: | |
| N. Interstate in existing ICURA | 4.1 |
| N. Mississippi Avenue in existing ICURA | 5.9 |

Analysis by ED Hovee and Company, LLC

Figure 5: Improvement to Land Ratios



West Area Analysis

C. Physical Conditions: West Area

The West Area contains 368 parcels and 139.08 acres, including 101.56 acres in parcels and 37.52 acres of right-of-way, as shown in Figure 2. It includes the commercially zoned properties on the south side of N. Lombard Street from N. Woolsey Avenue through the St. Johns Business District to N. St. Louis Avenue, the commercially zoned properties in the St. Johns Town Center, Roosevelt High School, located at 6941 N. Central Street, and Arbor Lodge Park.

1. Land Uses

The land uses, as identified by the Multnomah County Assessor, are shown in Table 1.2. Commercial uses are the most prevalent uses in the West Area, representing 58% of the acreage within the West Area.

Table 1.2 - Land Use in West Area

| Land Use | Parcels | Acres | Percent of Acres |
|-----------------------------|---------|--------|------------------|
| Not Specified | 12 | 4.44 | 4.37% |
| Commercial | 275 | 58.89 | 57.99% |
| Residential: Commercial Use | 6 | 0.67 | 0.66% |
| Multifamily | 11 | 4.81 | 4.74% |
| Residential | 63 | 24.06 | 23.69% |
| Recreation | 1 | 8.69 | 8.56% |
| Total | 368 | 101.56 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2010/2011

2. Zoning

The majority of the properties in the West Area, 67%, are commercially zoned, as shown in Table 2.2. Residential zoning accounts for 24% of the West Area, however, 17% of that total is represented by Roosevelt High School, zoned R5 (Residential 5,000).

Table 2.2 - Zoning in West Area

| Zone | Parcels | Acres | Percent of Acres |
|--------------------------------------|------------|---------------|------------------|
| General Commercial | 56 | 20.81 | 20.49% |
| Mixed Commercial/Residential | 14 | 1.61 | 1.59% |
| Neighborhood Commercial 1 | 43 | 6.38 | 6.28% |
| Neighborhood Commercial 2 | 32 | 14.03 | 13.81% |
| Storefront Commercial | 183 | 25.18 | 24.79% |
| <i>Cumulative Commercial Zoning</i> | | | 66.97% |
| Residential 1,000 | 31 | 6.7 | 6.60% |
| Residential 2,000 | 7 | 1.05 | 1.03% |
| Residential 5,000* | 1 | 17.11 | 16.85% |
| <i>Cumulative Residential Zoning</i> | | | 24.48% |
| Open Space | 1 | 8.69 | 8.56% |
| Total | 368 | 101.56 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2010/2011

*Roosevelt High School

3. Comprehensive Plan

The majority of the properties in the West Area, 66%, are designated as commercial use in the comprehensive plan. Residential designations account for 25% of the East Area.

Table 3.2 - Comprehensive Plan Designations in West Area

| Comprehensive Plan Designation | Parcels | Acres | Percent of Acres |
|--|------------|---------------|------------------|
| Urban Commercial | 198 | 26.87 | 26.46% |
| General Commercial | 54 | 19.69 | 19.39% |
| Neighborhood Commercial | 74 | 20.2 | 19.89% |
| <i>Cumulative Commercial Designation</i> | | | 65.73% |
| Open Space | 1 | 8.69 | 8.56% |
| Residential 1000 | 40 | 8.1 | 7.98% |
| Residential 5000* | 1 | 17.11 | 16.85% |
| <i>Sub-Total</i> | | | 33.38% |
| Multiple designations | | 0.9 | 0.89% |
| Total | 368 | 101.56 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2010/2011

*Roosevelt High School

4. Transportation and Infrastructure

PBOT provided an evaluation of the current conditions of the streets in the West Area, as shown in Appendix 1. The ratings are on a five-point scale, from very good to very poor, as shown in the table below. Fifteen percent (15%) of the streets are in poor or very poor condition. The narrative in this section is from the PBOT evaluation.

Table 4.2 - Street Conditions in West Area

| Condition | West Area Length | Percent of Total |
|-----------|------------------|------------------|
| Very Good | 2,082 | 8% |
| Good | 12,244 | 48% |
| Fair | 7,332 | 29% |
| Poor | 2,483 | 10% |
| Very Poor | 1,178 | 5% |
| Total | 25,319 | 100% |

Portland Bureau of Transportation

St. Johns has a lack of adequate streetscape improvements to both mark the entries to the business district and to enhance pedestrian and bicycle safety in the area. St. Johns does not currently have streetscape improvements to mark the entry points at Lombard/Richmond and Philadelphia/Ivanhoe Streets. Additional gateway features are desired at the Portsmouth Cut and where the Peninsula Crossing Trail intersects N. Lombard Street.

The 2009 Interstate Corridor Urban Renewal Area Transportation Implementation Strategy identified the following need in the Existing Area. In order to fully provide for this need, the southern half of N. Lombard Street, in the West Area, would also be improved:

- **Lombard Streetscape:** streetscape improvements on N. Lombard Street from N. Woolsey Street to the Burlington Northern Santa Fe Railroad cut, including curb extensions, street lighting, and bicycle improvements, as identified in the St. Johns/Lombard Plan.

N. Lombard Street has heavy automobile traffic, and improvements are necessary to increase automobile, pedestrian, and bicycle safety on the street. N. Lombard Street requires curb extensions, pedestrian refuge islands, and pedestrian scale lighting between Fiske and Portsmouth Streets. There are also missing curb ramps on N. Lombard Street which must be installed, and bike lanes are not yet developed between Van Houton and Ida Streets.

Bike lanes in the West Area are underdeveloped. They are identified along Oberlin Street (parallel to and south of Lombard Street in University Park) and Central Street (parallel to and north of Lombard Street in St. Johns).

5. Storm Water System

In most cases, the storm water system is combined with the sewer system. The separated storm-sewer system in the area exists in the "fringe" area outside of the combined sewer system along the Willamette River and the Columbia Slough. The storm water system north of the Columbia Slough is fairly minimal, with primarily

small lines connecting into Oregon Department of Transportation outfalls or small swales that discharge into the Columbia Slough.

6. Sanitary Sewer System

BES provided mapping information on the current conditions of the sewer lines in the West Area, as shown in Appendix 2. The ratings are 1-5, with 1 being the best condition and 5 the worst. The map shows potential sewer projects throughout the St. Johns Town Center, with some additional potential projects along N. Lombard Street. The condition of the existing line through N. Lombard Street is in a range from 1-5, with no real predominant condition. The conditions of the lines in the St. Johns Town Center are predominantly 1 and 2, with a small section of 3 and 4.

7. Parks, Open Space, and Community Facilities

Arbor Lodge Park, the St. Johns Racquet Center, and the St. Johns Plaza are in the West Area. The St. Johns Racquet Center and the St. Johns Plaza are in need of renovation. Arbor Lodge Park renovations are proposed, including upgrading sidewalks to ADA standards.

8. Water

The Portland Water Bureau provided the following information on the West Area. There are water main deficiencies, as shown in Table 5.2 below. The water mains listed in the table are currently included in the Water Bureau's Needs Database, but are not high enough on the priority list to be included in the current Water Bureau's Capital Improvement Plan. Depending on the type of redevelopment being considered, improvements to the water mains identified as deficient may be necessary in order to meet future water service demands for the renewal and development areas.

Table 5.2 - Water Main Deficiencies in West Area

| Street | Extent | Size (in) | Length (ft) | Material |
|---------------|-------------------------------|-----------|-------------|------------|
| N Mohawk Ave | N Lombard Way to N Lombard St | 2 | 90 | Galvanized |
| N Oswego Ave | N Lombard St south 100' | 2 | 100 | Galvanized |
| N Leavitt Ave | N Lombard St north 150' | 2 | 150 | Galvanized |

Portland Water Bureau

The remaining water mains in the analyzed area are in good to very good condition.

D. Social and Economic Conditions: West Area

1. Social Conditions

There are 74 parcels in the West Area classified by the Assessor's office as having residential uses, 11 of which are classified as multifamily. The multifamily designation does not always mean it is a multifamily use, but rather that a multifamily use would be the best use of the property.

Demographic data provided by the Portland Bureau of Planning and Sustainability gives information on Census block groups overlapping the Expansion Area. Since the information cannot be gathered precisely for the Expansion Area, the percentages of the overlapping block groups are used to summarize the social conditions in the Area.

Seventy percent (70%) of the residents are White, while 11% are Black/African American. Hispanic ethnicity accounts for 15% of the residents.

Table 6a.2 - Race in West Area

| Race | Percent of Total |
|------------------------|------------------|
| White | 70.13% |
| Black/African American | 11.45% |
| Native American | 1.35% |
| Asian | 1.95% |
| Pacific Islander | 0.00% |
| Other | 7.96% |
| Two or more Races | 7.17% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Table 6b.2 - Ethnicity in West Area

| Ethnicity | Percent of Total |
|------------------------|------------------|
| Not Hispanic or Latino | 84.54% |
| Hispanic or Latino | 15.46% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Of the total male population, 10% have a high school diploma, 9% have a Bachelor's degree, and 6% have a Master's degree.

Of the total female population, 13% have a high school diploma, 11% have a Bachelor's degree, and 3% have a Master's degree.

Table 6c.2 - Education in West Area

| Education | Percent Male | Percent Female |
|---|---------------|----------------|
| Population 25 years and over: | 49.02% | 50.98% |
| No schooling completed | 0.38% | 0.35% |
| Nursery to 12th grade, no diploma | 8.54% | 8.62% |
| High school graduate, GED, or alternative | 10.34% | 13.38% |
| Some college, less than 1 year | 1.90% | 2.41% |
| Some college, 1 or more years, no degree | 9.30% | 7.02% |
| Associate's degree | 2.61% | 2.48% |
| Bachelor's degree | 8.77% | 11.27% |
| Master's degree | 6.16% | 3.22% |
| Professional school degree | 0.76% | 1.52% |
| Doctorate degree | 0.28% | 0.68% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Fifty-six percent (56%) of the residents own their homes, while 44% rent them.

Table 6d.2 - Home-ownership in West Area

| Occupied Housing | Percent of Total |
|------------------|------------------|
| Rental | 43.95% |
| Owner Occupied | 56.05% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

The median family income in the West Area is \$41,455. The income distribution is shown in Table 6e.2 below. Just over 31% of families have annual incomes of less than \$25,000.

Table 6e.2 - Income Distribution in West Area

| Income Distribution | Percent of Total |
|---------------------|------------------|
| Less than \$10,000 | 8.47% |
| \$10,000 - \$24,999 | 22.94% |
| \$25,000 - \$49,999 | 27.57% |
| \$50,000 - \$74,999 | 21.91% |
| \$75,000 - \$99,999 | 10.09% |
| More than \$100,000 | 9.02% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Forty-nine percent (49%) of the residents in the West Area are male and 51% are female. Thirty-eight percent (38%) of the residents are 21-39 years old.

Table 6f.2 - Age Distribution in West Area

| Total Population | Percentage of Total |
|------------------|---------------------|
| Male | 49.00% |
| Female | 51.00% |
| Under 5 years | 9.89% |
| 5-20 years | 14.78% |
| 21-39 years | 37.80% |
| 40-59 years | 24.65% |
| 60-79 years | 9.48% |
| 80+ years | 3.40% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

2. Economic Conditions

A summary of Improvement to Land Ratio analysis is described in Section II.B.2. of this report. As shown in Table 7.2 below, the I:L ratios in the West Area are much lower than the benchmark I:L for the ICURA. Future investment in the areas will promote higher property values, thereby increasing the I:L ratios in the future.

Table 7.2 - I:L Ratios in West Area

| West Area | I:L |
|---|-----|
| South Side of N. Lombard Street | 1.9 |
| St. Johns Town Center | 1.7 |
| Benchmark I:L Properties: | |
| N. Interstate in existing ICURA | 4.1 |
| N. Mississippi Avenue in existing ICURA | 5.9 |

Analysis by ED Hovee and Company, LLC

Existing Interstate Corridor Urban Renewal Area Analysis

E. Removal Area: Existing Area

As part of the Amended Plan, the Interstate 5 right-of-way and Columbia Slough in the Existing Area are being removed from the Area. The deleted right-of-way totals 229.75 acres, and is shown in Figure 3.

F. Physical Conditions: Existing Area

The Existing Interstate Corridor Urban Renewal Area (Existing Area) contains 11,870 parcels, totaling 3,804.22 acres, and includes 2,562.51 acres in parcels and 1,241.71 acres of right-of-way, as shown in Figure 4.

1. Land Uses

The land uses, as identified by the Multnomah County Assessor, are shown in Table 1.3. The most prevalent land use is Residential (45%). Commercial uses account for 17% of the Existing Area.

Table 1.3 - Land Use in Existing Area

| Land Use | Parcels | Acreage | Percent of Total Acreage |
|-----------------------------|---------|----------|--------------------------|
| Residential | 9,916 | 1,165.49 | 45.48% |
| Industrial | 343 | 604.07 | 23.57% |
| Converted Commercial | 511 | 224.01 | 8.74% |
| Commercial | 533 | 211.84 | 8.27% |
| Recreation | 92 | 148.39 | 5.79% |
| Multifamily | 288 | 138.61 | 5.41% |
| None Specified | 137 | 62.94 | 2.46% |
| Residential, Commercial Use | 33 | 4.29 | 0.17% |
| General Commercial | 15 | 2.15 | 0.08% |
| Miscellaneous Use | 2 | 0.72 | 0.03% |
| Total | 11,870 | 2,562.51 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2009/2010

2. Zoning

Fifty-one percent (51%) of the Area is zoned for residential uses. Twenty-six percent (26%) of the Area is zoned for Industrial uses. Seventeen percent (17%) of the Area is zoned for Commercial and Employment uses. The remaining property is zoned Open Space.

Table 2.3 - Zoning in Existing Area

| Zoning | Parcels | Acreage | Percent of Total Acreage |
|--|---------------|-----------------|--------------------------|
| General Commercial | 191 | 68.53 | 2.67% |
| Mixed Commercial/Residential | 273 | 55.44 | 2.16% |
| Storefront Commercial | 303 | 50.74 | 1.98% |
| Neighborhood Commercial | 20 | 3.16 | 0.12% |
| Neighborhood Commercial 2 | 84 | 21.4 | 0.84% |
| Office Commercial 1 | 1 | 0.25 | 0.01% |
| Office Commercial 2 | 3 | 14.22 | 0.55% |
| Central Commercial | 18 | 11.58 | 0.45% |
| General Employment | 9 | 1.58 | 0.06% |
| General Employment 2 | 85 | 108.75 | 4.24% |
| Central Employment | 541 | 97.12 | 3.79% |
| <i>Cumulative Commercial and Employment Zoning</i> | | | 16.89% |
| General Industrial 1 | 231 | 84.97 | 3.32% |
| General Industrial 2 | 122 | 393.63 | 15.36% |
| Heavy Industrial | 144 | 192.14 | 7.50% |
| <i>Cumulative Industrial Zoning</i> | | | 26.18% |
| Open Space | 105 | 156.05 | 6.09% |
| <i>Cumulative Open Space Zoning</i> | | | 6.09% |
| Institutional Residential | 87 | 43.74 | 1.71% |
| Residential 1,000 | 895 | 138.32 | 5.40% |
| Residential 2,000 | 1,365 | 207.04 | 8.08% |
| Residential 2,500 | 1,629 | 180.95 | 7.06% |
| Residential 5,000 | 4,858 | 597.61 | 23.32% |
| Residential 7,000 | 200 | 44.82 | 1.75% |
| R10 - Residential 10,000 | 1 | 1.11 | 0.04% |
| High Density Residential | 675 | 82.83 | 3.23% |
| Central Residential | 30 | 6.54 | 0.26% |
| <i>Cumulative Residential Zoning</i> | | | 50.85% |
| Total | 11,870 | 2,562.51 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2010/2011

3. Comprehensive Plan Designations

The Comprehensive Plan designations, as identified by the Multnomah County Assessor, are shown in Table 3.3 below. Of the total acreage, 52% is designated as Residential. Twenty-five percent (25%) is designated as Industrial Sanctuary and 18% as either Commercial or Employment.

Table 3.3 - Comprehensive Plan Designations in Existing Area

| Comp Plan Designation | Parcels | Acreage | Percent of Total Acreage |
|---|---------|----------|--------------------------|
| Urban Commercial | 576 | 106.18 | 4.14% |
| General Commercial | 192 | 96.62 | 3.77% |
| Neighborhood Commercial | 104 | 24.56 | 0.96% |
| Central Commercial | 18 | 11.58 | 0.45% |
| Office Commercial | 3 | 11.17 | 0.44% |
| Central Employment | 535 | 96.32 | 3.76% |
| Mixed Employment | 93 | 109.12 | 4.26% |
| <i>Cumulative Commercial and Employment Designation</i> | | | 17.78% |
| Industrial Sanctuary | 483 | 629.192 | 24.55% |
| Institutional Residential | 155 | 57.6 | 2.25% |
| Central Residential | 30 | 6.54 | 0.26% |
| Residential 1,000 | 857 | 146.33 | 5.71% |
| Residential 2,000 | 1,367 | 192.98 | 7.53% |
| Residential 2,500 | 1,662 | 184.86 | 7.21% |
| Residential 5,000 | 5,002 | 634.15 | 24.75% |
| Residential 10,000 | 1 | 1.11 | 0.04% |
| High Density Residential | 685 | 95.73 | 3.74% |
| <i>Cumulative Residential Designation</i> | | | 51.48% |
| Open Space | 107 | 158.471 | 6.18% |
| Total | 11,870 | 2,562.51 | 100.00% |

PDC GIS Data from Multnomah County Assessor 2010/2011

4. Transportation and Infrastructure

PBOT provided an evaluation of the current conditions of the streets in the Existing Area, and are shown in Appendix 1. The narrative in this section is from the PBOT report. The ratings are on a five-point scale, from very good to very poor, which are shown in the table below. Fifteen percent (15%) of the streets are in poor or very poor condition.

Table 4.3 - Street Conditions in Existing Area

| Condition | Existing Area Length | Percent of Total |
|-----------|----------------------|------------------|
| Very Good | 84,923 | 13% |
| Good | 315,129 | 49% |
| Fair | 143,338 | 22% |
| Poor | 44,082 | 7% |
| Very Poor | 50,249 | 8% |
| Total | 637,721 | 100% |

Portland Bureau of Transportation

The 2009 Interstate Corridor Urban Renewal Area Transportation Implementation Strategy identified the following needs and/or deficiencies in the Existing Area:

- Russell Streetscape Phase II: streetscape improvements are desired from N. Kerby Avenue eastward to NE Martin Luther King Jr. Boulevard, including construction of sidewalks and curb ramps, street lighting, and street trees.
- Killingsworth Street Streetscape Phase II: streetscape improvements are planned between N. Commercial Avenue eastward to NE Martin Luther King Jr. Boulevard.
- Lombard Streetscape: streetscape improvements on N Lombard from N Woolsey to the Burlington Northern Santa Fe Railroad cut, including curb extensions, street lighting, and bicycle improvements, as identified in the St. Johns/Lombard Plan.
- Lombard Station Area: establish a landscaped boulevard to promote pedestrian-oriented uses, create a safe, pleasant pedestrian link over I-5, and improve pedestrian access to the MAX station. Improvements include a new traffic light and road access to the Fred Meyer development.
- Bridgeton Streetscape: develop a unique identity for NE Bridgeton Road, which could include street furniture, lighting, and curb extensions.
- Marine Drive Improvements: realign NE Marine Drive at NE Bridgeton Road and NE Faloma/6th to reduce speed and traffic on Bridgeton Road.
- Ainsworth Streetscape and Bridge Improvements: construct sidewalk and storm water management frontage improvements along the south side of the street, provide a safe and pleasant bridge crossing for pedestrians and bicyclists, and link the MAX station to the Humboldt and Piedmont neighborhoods.
- Kerby Promenade: create a pedestrian-oriented street along N Kerby Avenue, south of Killingsworth Street, improving the connection between the Portland Community College and Jefferson High School campuses. The needs include street furniture, lighting, and curb extensions.

- Going/Greeley Interchange Redesign: continue to explore opportunities to focus truck traffic on routes that can better accommodate truck travel needs while improving neighborhood safety and livability.
- Prescott Station Area: improvements focus on Prescott and Skidmore Streets between N. Interstate Avenue and Maryland Avenue, and Maryland Avenue between Interstate Avenue and Prescott Street. Needs include sidewalks, storm water management, frontage improvements abutting the Fire Station, and possible frontage improvements along Prescott Street, Skidmore Street, and Maryland Avenue.
- Mississippi Streetscape: develop streetscape plan to widen sidewalks between Fremont Street and Skidmore Street.
- Overlook Station Area: N. Failing Street and bridge improvements to provide a safe and pleasant connection between the MAX station and Mississippi Avenue. The needs include street furniture, lighting, and curb extensions.
- Interstate Corridor Alley Improvements: alley improvements are needed, particularly to alleys behind tax lots abutting N. Interstate Avenue to locate vehicle access in alley and help encourage good pedestrian- and transit-oriented development along N. Interstate Avenue.
- Smaller scale transportation projects, including safer routes to schools and other needs, as identified in the Strategy.

5. Storm Water System

The separated storm sewer system in the Area exists in the "fringe" area outside of the combined sewer system along the Willamette River and Columbia Slough. In most cases, the separated storm sewers connect into the combined sewer outfalls to discharge to the receiving water body. The storm water system north of the Columbia Slough is fairly minimal, with primarily small lines connecting into ODOT outfalls or small swales that discharge into the Columbia Slough.

6. Sanitary Sewer System

Capacity for sanitary conveyance and treatment is not a significant problem in the Area since the combined system has capacity for dry weather flows. The provision for dry weather flows includes peak sanitary flow. Additional capacity for sanitary/combined conveyance and treatment was implemented by the Columbia Slough Combined Service Overflow (CSO) program in 2001. As part of this program, BES installed a 12-foot CSO storage conduit along Columbia Boulevard, with additional pumping and treatment at the Columbia Boulevard Treatment Plant (CBWTP). The new system reduces CSOs to the Columbia Slough by 99%. Sanitary sewage generated within the district south of Columbia Slough is conveyed to CBWTP either through the existing collection system or through the new CSO system. For sanitary flows generated north of Columbia Slough, BES has installed several small pump stations that send flows across the Slough into the main collection system that conveys sewage to CBWTP.

BES provided mapping information on the current conditions of the sewer lines in the Existing Area. They are shown in Appendix 2. The ratings are 1-5, with 1 being the best condition and 5 the worst. The predominant ratings are 1 and 2. There are some sections that are rated 3, 4, and 5.

Other BES conditions identified:

- BES Capital Improvement Projects in design in the Existing Area: N Russell Street, N. Fowler Street.
- Pre-design project: N. Denver Street.
- Bidding phase project: N. Killingsworth Street (in the bidding phase or on hold), and a project in the northern section of the ICURA, just south of N. Schmeer Street, that is in the same category.
- Under construction: N. River Street.
- There are numerous potential sewer projects throughout the Existing Area.

7. Parks, Open Space, and Community Facilities

There are a number of parks and other community facilities in the Existing Area. The parks are:

- | | |
|-------------------------|----------------------|
| • Columbia Park | • McCoy Park |
| • Dawson Park | • Northgate Park |
| • DeNorval Unthank Park | • Overlook Park |
| • Farragut Park | • Patton Square Park |
| • Kenton Park | • Peninsula Park |
| • Madrona Park | • Sumner-Albina Park |
| • Mallory Meadows Park | • Trenton Park |
| | • University Park |

There is one community center at University Park.

There is one cultural center: the Interstate Firehouse Cultural Center.

The community gardens are:

- Beech Community Garden
- Boise-Eliot Community Garden
- McCoy Community Garden
- Patton Community Garden
- Portsmouth Community Garden

The Columbia Buffer, Peninsula Crossing Trail, and the Exeter Property are also in the Existing Area.

In July, 2009, the Interstate Corridor Urban Renewal Area Park Implementation Strategy was completed, which made recommendations for the following park improvements:

- Bridgeton Trail: engineer and build a half-mile promenade trail adjacent to the North Portland Harbor between Bridgeton Road and I-5, a missing link in the 40-Mile-Loop trail system.
- Lombard Station Area Acquisition: acquire land for a park near the intersection of Interstate Avenue and Lombard Street, a park-deficient area.
- Humboldt Acquisition: acquire land for a park in the Humboldt neighborhood, a park-deficient area.

- DeNorval Unthank Park: finish Master Plan implementation, including play equipment, landscaping, historic plaque, community gathering area, and sports field improvements.
- Dawson Park: finish Master Plan implementation, including waterplay feature, formal park entry, and furnishings.
- Continued funding for smaller-scale parks projects as identified in the 2009 Interstate Corridor Urban Renewal Area Park Implementation Strategy.

Another planned public amenity in the area is:

- Jefferson Frontage: public frontage improvements along the south side of Killingsworth Street, adjacent to the Jefferson High School football field and track.

8. Water

The Portland Water Bureau provided the following information on the Existing Area. There are numerous water main deficiencies, as shown in Table 5.3 below. The water mains listed in the table are currently included in the Water Bureau's Needs Database, but are not high enough on the priority list to be included in the current Water Bureau's Capital Improvement Plan. Depending on the type of redevelopment being considered, improvements to the water mains shown as deficient may be necessary in order to meet future water service demands for the renewal and development areas.

Table 5.3 - Water Main Deficiencies in Existing Area

| Street | Extent | Size (in) | Length (ft) | Material |
|--|---|-----------|-------------|------------|
| Alley between N Dana Ave and N Wayland Ave | N Houghton St to N Hunt St | 2 | 640 | Cast Iron |
| Alley between N Willis Blvd & N Hunt St | N Woolsey Ave to N Wayland Ave | 2 | 290 | Galvanized |
| Alley between N Commercial Ave & N Kerby Ave | N Jarrett St to N Ainsworth St | 1.5 | 570 | Galvanized |
| Alley between N Commercial Ave & N Kerby Ave | N Jessup St to N Jarrett St | 1.5 | 250 | Galvanized |
| N Campbell St | N Blandena St to 24" main in N Going Ct | 2 | 210 | Galvanized |
| N Beech St | N Gantenbein Ave to N Williams Ave | 2 | 370 | Galvanized |
| N Fairport Pl | N Bryant St to N Morgan St | 2 | 375 | Galvanized |
| N Buffalo St | N Montana Ave east 80' | 2 | 80 | Galvanized |
| N Simpson St | N Mississippi Ave to N Michigan Ave | 2 | 110 | Galvanized |
| N Jessup St | N Montana Ave west 110' | 2 | 110 | Galvanized |
| N Church St | N Missouri St to N Michigan St | 2 | 250 | Galvanized |
| N Jarrett St | N Missouri St to N Michigan St | 2 | 230 | Galvanized |
| N Humboldt St | N Maryland Ave to N Montana Ave | 2 | 80 | Galvanized |
| N Emerson St | N Maryland Ave to N Montana Ave | 2 | 100 | Galvanized |
| N Blandena St | N Michigan Ave to N Albina Ave | 2 | 230 | Galvanized |
| N Hunt St | N Delaware Ave to N Argyle Way | 2 | 240 | Galvanized |
| NE Baldwin St | NE Rodney Ave to NE MLK Jr Blvd | 2 | 850 | Galvanized |
| NE Wygant St | NE Rodney Ave to NE MLK Jr Blvd | 2 | 300 | Galvanized |
| NE Sumner St | NE Rodney Ave to NE Mallory Ave | 2 | 90 | Galvanized |
| N Prescott Ave | N Williams Ave to NE Cleveland Ave | 2 | 170 | Galvanized |
| N Going St | N Commercial Ave east 80' | 2 | 80 | Galvanized |
| N Hunt St | N Seward Ave to N Hamlin Ave | 2 | 250 | Galvanized |
| N Kiska Ct | N Kiska St south 180' | 2 | 180 | Galvanized |
| N Missouri Ave | N Winchell St to N Terry St | 2 | 250 | Galvanized |
| N Russet St | N Drummond Ave to N Curtis Ave | 2, 4 | 120, 30 | Galvanized |

Portland Water Bureau

Table 5.3 – Water Main Deficiencies in Existing Area, continued

| Street | Extent | Size (in) | Length (ft) | Material |
|-------------------|-------------------------------------|-----------|-------------|------------|
| N Burrage Ave | N Willis Blvd south 130' | 2 | 130 | Galvanized |
| N Gravenstein Ave | N Russet St south 80' | 2 | 80 | Galvanized |
| N Baldwin St | N Fowler Ave to N Washburne Ave | 2 | 220 | Galvanized |
| N Minnesota Ave | N Baldwin St to N Farragut St | 2 | 220 | Galvanized |
| N Borthwick Ave | N Columbia Blvd south 450' | 2 | 450 | Galvanized |
| N Blandena St | N Delaware Ave east 310' | 2 | 310 | Galvanized |
| N Delaware Ave | N Wygant St to N Blandena St | 2 | 190 | Galvanized |
| N Cook St | N Albina Ave east 160' | 2 | 160 | Galvanized |
| N Revere St | N Mississippi Ave to N Michigan Ave | 2 | 180 | Copper |
| N Beech St | N Borthwick Ave to N Commercial Ave | 2 | 360 | Galvanized |
| N Mason St | N Kerby Ave to N Commercial Ave | 0.75 | 90 | Galvanized |
| N Failing St | N Kerby Ave east 110' | 2 | 110 | Galvanized |
| N Failing St | N Michigan Ave to N Albina Ave | 2 | 340 | Galvanized |
| N Beech St | N Albina Ave to N Borthwick Ave | 2 | 90 | Galvanized |
| N Olin Ave | N Lombard St to N Vanderbilt St | 2 | 150 | Galvanized |
| N Hunt St | N Fiske Ave west 160' | 2 | 160 | Galvanized |
| N Hunt St | N Haven Ave east 110' | 2 | 110 | Galvanized |
| N Harding Ave | N Loring St north 160' | 2 | 160 | Galvanized |
| N Loring St | N Nesmith Ave north 150' | 2 | 150 | Galvanized |
| N Webster St | N Missouri Ave to N Michigan Ave | 2 | 110 | Galvanized |
| N Hodge St | N Fessenden St to N Cecelia St | 2 | 480 | Galvanized |
| N Clark Ave | N Interstate south 160' | 3 | 160 | Cast Iron |
| N Berkley Ave | N Hudson St north 520' | 2 | 520 | Galvanized |
| N Easy St | N McKenna Ave to N Houghton St | 2 | 300 | Galvanized |
| N Hudson St | N Fortune Ave to N Kimball Ave | 2 | 320 | Galvanized |
| N Missouri Ave | N Farragut St to N Baldwin St | 2 | 250 | Galvanized |
| N Minnesota Ave | N Terry St to N Winchell | 2 | 230 | Galvanized |
| N Kilpatrick St | N Delaware Ave east 200' | 2 | 200 | Cast Iron |
| N Simpson St | N Minnesota Ave west 120' | 2 | 120 | Cast Iron |
| N Borthwick Ave | N Fargo St north 90' | 2 | 90 | Cast Iron |
| NE Beech St | N Williams Ave to NE Cleveland Ave | 2 | 100 | Galvanized |
| N Shaver St | N Haight Ave to N Vancouver Ave | 2 | 380 | Galvanized |
| N Willis Ave | N Hereford Ave to N Gloucaster Ave | 2 | 320 | Galvanized |
| NE Wygant St | NE Cleveland Ave west 150' | 2 | 150 | HDPE |

Portland Water Bureau

The remaining water mains in the Existing Area that are not included in the table are in good to very good condition.

G. Social, Economic, and Housing Conditions: Existing Area

1. Social Conditions

There are 10,204 parcels in the Existing Area classified by the Assessor's office as having residential uses, 288 of which are classified as multifamily. The multifamily designation does not always mean it is a multifamily use, but rather that a multifamily use would be the best use of the property.

Demographic data provided by the Portland Bureau of Planning and Sustainability gives information on Census block groups overlapping the Existing Area. As the Existing Area is much larger and actually represents several block groups, the data provided is very reliable in representing the social characteristics of the Area. The data for the Existing Area is also very representative of the data for the Expansion Area.

Sixty-two percent (62%) of the residents are White, while 21% are Black/African American. Hispanic ethnicity accounts for 15% of the residents.

Table 6a.3 - Race in Existing Area

| Race | Percent of Total |
|------------------------|------------------|
| White | 62.40% |
| Black/African American | 20.85% |
| Native American | 1.95% |
| Asian | 2.82% |
| Pacific Islander | 0.82% |
| Other | 4.92% |
| Two or more Races | 6.25% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Table 6b.3 - Ethnicity in Existing Area

| Ethnicity | Percent of Total |
|------------------------|------------------|
| Not Hispanic or Latino | 84.92% |
| Hispanic or Latino | 15.08% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Of the total male population, 11% have a high school diploma, 11% have a Bachelor's degree, and 3% have a Master's degree.

Of the total female population, 12% have a high school diploma, 12% have a Bachelor's degree and 4% have a Master's degree.

Table 6c.3 - Education in Existing Area

| Education | Percent Male | Percent Female |
|---|---------------|----------------|
| Population 25 years and over: | 48.55% | 51.45% |
| No schooling completed | 0.60% | 0.51% |
| Nursery to 12th grade, no diploma | 7.65% | 6.14% |
| High school graduate, GED, or alternative | 10.63% | 11.96% |
| Some college, less than 1 year | 3.31% | 3.23% |
| Some college, 1 or more years, no degree | 8.46% | 8.99% |
| Associate's degree | 2.27% | 3.85% |
| Bachelor's degree | 11.12% | 11.98% |
| Master's degree | 3.26% | 4.30% |
| Professional school degree | 0.67% | 0.39% |
| Doctorate degree | 0.59% | 0.10% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Fifty-three percent (53%) of the residents own their homes, while 47% rent them.

Table 6d.3 - Home-ownership in Existing Area

| Occupied Housing | Percent of Total |
|------------------|------------------|
| Rental | 47.07% |
| Owner Occupied | 52.93% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

The median family income in the East Area is \$39,535. The income distribution is shown in Table 6e.3 below. Approximately 31% of families have annual incomes of less than \$25,000.

Table 6e.3 - Income Distribution in East Area

| Income Distribution | Percent of Total |
|---------------------|------------------|
| Less than \$10,000 | 11.70% |
| \$10,000 - \$24,999 | 19.36% |
| \$25,000 - \$49,999 | 29.81% |
| \$50,000 - \$74,999 | 18.66% |
| \$75,000 - \$99,999 | 9.22% |
| More than \$100,000 | 11.26% |
| Total | 100.00% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

Forty-nine percent (49%) of the residents in the Existing Area are male and 51% are female. Forty percent (40%) of the residents are 21-39 years old.

Table 6f.3 - Age Distribution in Existing Area

| Total Population | Percentage of Total |
|------------------|---------------------|
| Male | 49.29% |
| Female | 50.71% |
| Under 5 years | 7.12% |
| 5-20 years | 16.80% |
| 21-39 years | 40.37% |
| 40-59 years | 24.79% |
| 60-79 years | 9.18% |
| 80+ years | 1.76% |

Portland Bureau of Planning and Sustainability, American Community Survey 2005-2009

2. Economic Conditions

A summary of I:L analysis is described in Section II.B.2. of this report. As shown in Table 7.3 below, the I:L ratios of the commercially zoned properties in the Existing Area are much lower than the benchmark I:L for ICURA.

Seventy-eight percent (78%) of the commercial properties have an I:L below 4.0, the benchmark established in the Mississippi commercial area. Future investment in the Area will promote higher property values, thereby increasing the I:L ratios in the Area.

Table 7.3 - I:L Ratios in Existing Area Commercial Properties

| I:L Value | Parcels | Percent of Parcels | Acreage | Percent of Acreage |
|--|------------|--------------------|---------------|--------------------|
| No Improvements | 121 | 13.60% | 37.26 | 16.50% |
| 0.00 - 0.49 | 74 | 8.30% | 14.82 | 6.60% |
| 0.50 - 0.99 | 71 | 8.00% | 23.56 | 10.50% |
| 1.00 - 1.49 | 131 | 14.70% | 25.57 | 11.30% |
| 1.50 - 1.99 | 155 | 17.40% | 28.95 | 12.80% |
| 2.00 - 2.49 | 115 | 12.90% | 12.73 | 5.60% |
| 2.50 - 2.99 | 58 | 6.50% | 23.4 | 10.40% |
| 3.00 - 3.49 | 33 | 3.70% | 4.28 | 1.90% |
| 3.50 - 3.99 | 16 | 1.80% | 5.49 | 2.40% |
| <i>Properties with I:L < 4</i> | <i>774</i> | <i>86.90%</i> | <i>176.05</i> | <i>78.10%</i> |
| 4.00 - 4.99 | 32 | 3.60% | 9.53 | 4.20% |
| 5.00 - 5.99 | 14 | 1.60% | 4.58 | 2.00% |
| 6.00 - 6.99 | 18 | 2.00% | 4.89 | 2.20% |
| 7.00 and Above | 39 | 4.40% | 21.22 | 9.40% |
| No Land/Improvement | 10 | 1.10% | 6 | 2.70% |
| No land | 4 | 0.40% | 3.05 | 1.40% |
| Total | 891 | 100.00% | 225.31 | 100.00% |
| Interstate Avenue Benchmark I:L = 4.1 | | | | |
| Mississippi Avenue Benchmark I:L = 5.9 | | | | |

PDC GIS from Multnomah County Assessor 2010/2011

3. Housing Conditions: Existing Area

In August, 2010, a visual analysis of the exterior condition of the housing stock in the Existing Area was performed. Six areas were randomly selected to provide a geographical distribution throughout the Existing Area. The areas that were surveyed are shown in Figure 6. The total structures surveyed represent 5% of the total housing stock in the Existing Area. The structures were rated on an A, B, C scale.

A: No rehabilitation required

B: Rehabilitation required

C: Should be demolished

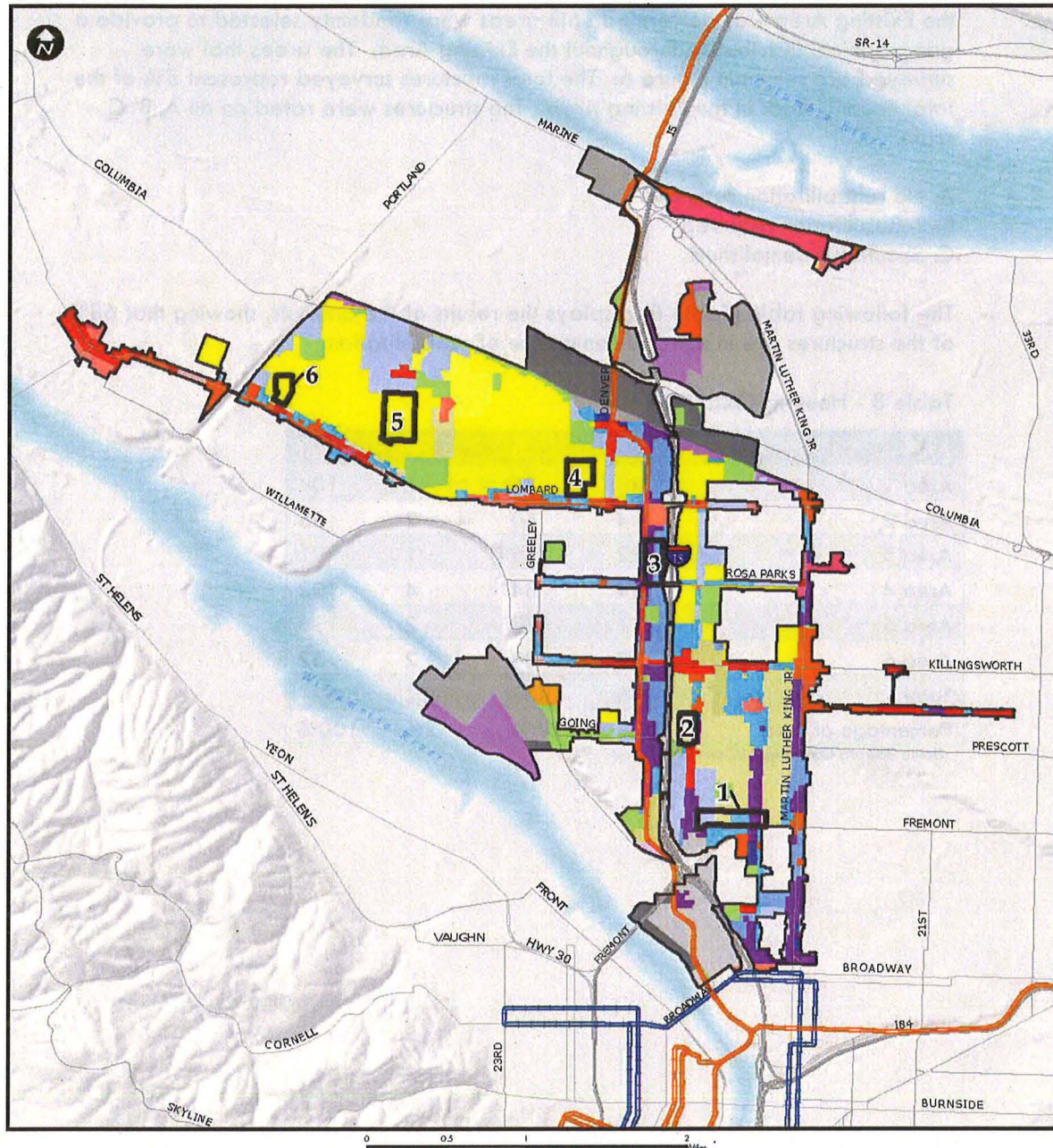
The following table (Table 8) displays the results of the analysis, showing that 68% of the structures are in need of some type of rehabilitation.

Table 8 - Housing Conditions

| Area | A | B | C | Total |
|---------------------|-----|-----|----|-------|
| Area 1 | 28 | 75 | 1 | 104 |
| Area 2 | 14 | 50 | 2 | 66 |
| Area 3 | 22 | 68 | 1 | 91 |
| Area 4 | 34 | 84 | 4 | 122 |
| Area 5 | 71 | 113 | 2 | 186 |
| Area 6 | 17 | 33 | 2 | 52 |
| Total | 186 | 423 | 12 | 621 |
| Percentage of Total | 30% | 68% | 2% | 100% |

Elaine Howard Consulting, LLC survey 8/2010

Figure 6: Housing Condition Survey



Amended and Restated Interstate Corridor Urban Renewal Area - Housing Condition Survey Areas

Zoning

- Open Space
- Single Dwelling Residential 10,000
- Single Dwelling Residential 7,000
- Single Dwelling Residential 5,000
- Single Dwelling Residential 2,500
- Low Density Multi-Dwelling Res. 2,000
- Medium Density Multi-Dwelling Res. 1,000
- High Density Multi-Dwelling Residential

Housing Condition Survey Areas

- Central Multi-Dwelling Residential
- Institutional Residential
- Neighborhood Commercial 1
- Neighborhood Commercial 2
- Office Commercial 1
- Office Commercial 2
- Storefront Commercial
- Mixed Commercial

- General Commercial
- Central Commercial
- General Employment 1
- General Employment 2
- Central Employment
- General Industrial 1
- General Industrial 2
- Heavy Industrial

The information on this map was created by the Portland Development Commission (PDC) GIS. Every reasonable effort has been made to assure the accuracy of these maps and associated data. However, inadvertent errors can occur and the PDC does not assume any responsibility for omissions or positional accuracy. This information is presented "as is" and without warranties, either expressed or implied. Information Sources: Portland Development Commission Geographic Information Systems (GIS), City of Portland Corporate GIS, April 2011.

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III. EXPECTED IMPACT, INCLUDING FISCAL IMPACT OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area ("affected taxing districts") is described in Section X of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Assistance to property owners through economic development programs is not expected to have a negative fiscal impact in terms of demand on municipal services. The assistance would add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated. Various system development charges for each new development will help offset increased demand on municipal services. In addition, the business license fees would help augment the general fund to pay for services.

Any rehabilitation should reduce fire and life safety needs of buildings, as they would be in better overall condition. Development assistance would add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated.

Housing investment is anticipated to both help retain the existing number of low income housing units (both ownership and rental) and replace low income housing units lost through improved market conditions in the Area, as well as supply new workforce and affordable housing in the future. By retaining and replacing low income housing units, the city is effectively managing the limited resources available for low income housing. Other municipal resources would not have to be used for this purpose, which would allow for the funds to be used for other services. Providing low-income and workforce housing in the Area, in close proximity to jobs, retail and light rail transit, helps eliminate traffic and resulting pollution by reducing automobile trips. It also supports the retail trade in the Area, thereby keeping a healthy economy and a socio-economic balance. These potential housing developments will turn stagnant and unproductive land into land which contributes positively to the overall public health, safety and welfare of the Area.

Transportation improvements funded through tax increment resources help reduce the need to finance those improvements through other municipal resources, which allows for the funds to be used in other ways.

The combination of housing, transportation, and economic and commercial development assistance in the Area will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

For examples of other impacts, including community benefit and budget impacts, see the N/NE CAC Report, Appendix 3.

IV. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for the selection of the Expansion Areas is the prevention and reduction of blight. Additional reasons for the specific areas are:

A. East Area

1. Properties north of Broadway/Schuyler presently in the OCCURA, including properties along NE Martin Luther King, Jr. Blvd. and N. Alberta Street

This area includes approximately 170 acres with an approximate assessed value of \$102 million. The priorities for the East Area, as formerly established by the OCC Urban Renewal Advisory Committee (OCCURAC), include Business and Redevelopment Loans, funding to realize the components of the NE Martin Luther King, Jr. Blvd. Action Plan, and N/NE Gateway and Heritage Markers. The Eliot Neighborhood Association Land Use Committee testified in support of inclusion of this area in ICURA. The OCCURAC also supported the inclusion of the East Area. There are specific requests from property owners for inclusion in ICURA.

There is significant need to address blighting conditions in the area which will extend beyond the termination of the OCCURA in 2013. There are properties which are underdeveloped and properties in need of rehabilitation. Potential projects in the East Area include the development of numerous vacant parcels. The tools offered by inclusion in the ICURA will help address these blighting conditions in this area.

2. Properties along NE Martin Luther King, Jr. Blvd. which are not presently in an urban renewal area

Properties along NE Martin Luther King, Jr. Blvd. not presently in an urban renewal area include approximately 72 acres with an approximate assessed value of \$35 million. When the OCCURA was amended to include NE Martin Luther King Jr. Blvd. and ICURA was subsequently created, many parcels along NE Martin Luther King Jr. Blvd. were left out of both districts. Much of this property is underdeveloped or in need of rehabilitation. The Eliot Neighborhood Association Land Use Committee and Woodlawn Neighborhood Association support inclusion of this commercial area in ICURA. There are specific requests from property owners for inclusion in ICURA.

Inclusion of the remainder of these properties into ICURA would allow this significant commercial corridor to make use of the economic development tools offered in the ICURA and address the blighting conditions in this area. Potential projects in this area include a mixed-use development by Sakura Urban Concepts, Simpson Commons by Bridge City Builders, and the development of numerous properties owned by City Urban Projects.

3. NE Alberta Street properties which are not presently in an urban renewal area and a portion of NE Killingsworth Avenue

This Expansion Area includes 32 acres with an approximate assessed value of \$17 million. Although portions of NE Alberta Street are enjoying a recent renaissance, there are many structures within the Area which are still underdeveloped and in

need of rehabilitation. Many of these structures are owned by long-term residents of the neighborhood and the ability to both eliminate blight and support wealth creation in the neighborhood led to the inclusion of these properties. Inclusion would also allow the opportunity for long-term residents to redevelop their own property, supporting community economic development in the neighborhood versus development by investors from outside the community. There are specific requests from property owners for inclusion in the ICURA. Potential projects include redevelopment of property owned by the Black United Fund and a mixed-use project by Riggins Remodeling.

The Killingsworth node was recently rezoned from residential to commercial due to the nature of its existing use, and represents an area in need of redevelopment. There are specific requests from property owners for inclusion in the ICURA. The tools offered by inclusion in the ICURA will help address these blighting conditions.

4. Additional areas added by community request following the N/NE CAC process:

- a) Bridgeton Road
This addition is entirely right-of-way and is being included for potential streetscape improvements along the road, curing blight.
- b) Friends of Children
This addition allows the Friends of Children to apply for financial assistance for building renovations, curing blight.

B. West Area

1. The South Side of Lombard Street

This expansion area includes 28 acres with an approximate assessed value of \$13 million. When the ICURA was originally adopted, the north side of Lombard Street was included in the area. The Portsmouth Neighborhood Association, Piedmont Neighborhood Association, University of Portland, and a N/NE CAC member requested the inclusion of the south side of Lombard Street into the ICURA. There are many business owners, including many Latino business owners, in this expansion area who have expressed interest in the tools provided by the ICURA to help improve physical structures and promote business development in the area.

There are many structures within the area that are underdeveloped and in need of rehabilitation. In addition, the Lombard Streetscape, a Gem List project, can move forward if the entire street is included in the ICURA. The tools offered by inclusion in the ICURA will help address these blighting conditions.

2. St. Johns Town Center Area

This area includes 81 acres with an approximate assessed value of \$67 million. The area is presently underdeveloped and is in need of rehabilitation, including building and streetscape improvements to help enhance the residential and business environment in the area. The St. Johns Neighborhood Association testified to the N/NE CAC that they conducted community outreach concerning the possibility of being added to the ICURA and had very strong support for the concept of inclusion in the ICURA. The University of Portland, St. Johns Boosters,

and The Friends of Cathedral Park sent letters of support for inclusion in the ICURA. The St. Johns Main Street Coalition also supports the inclusion. There are additional requests from property owners for inclusion in the ICURA.

Potential projects identified by community members include the redevelopment of several vacant car lots, an underutilized "gateway" site at N Ivanhoe St. and N Philadelphia Ave, and a city-owned brownfield site. The tools offered by inclusion in the ICURA will help address these blighting conditions.

3. Roosevelt High School

Portland Public Schools requested the inclusion of Roosevelt High School into the ICURA. While there are no specific plans for this area, likely projects would be to assist in the redevelopment of the portions of the site and building that would support joint community use and activities, and improve transportation access. The lack of adequate pedestrian improvements and streetscape are blighting influences which can be addressed through inclusion in the urban renewal area.

4. Arbor Lodge Park

The inclusion of Arbor Lodge Park allows it to be considered for future improvements.

C. Existing Area

The reason for selection of the Existing Area has not changed from the original adoption of the Area.

V. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS

A. Infrastructure

There are new projects within the Expansion Area which fall under this existing project category. These include transportation improvements, streetscape and gateway improvements, pedestrian and bicycle safety improvements, parks improvements, improvements to plazas and athletic facilities, and renovations to existing structures in parks.

Existing conditions: the existing conditions of these project areas exhibit the existence of inadequate streets and other rights-of-way, open spaces, and utilities.

B. Property Redevelopment, including Housing

There are new projects within the Expansion Area which fall under this project category. The new projects will redevelop vacant and underutilized land which is causing a prevalence of depreciated values and impaired investments in the Area. New projects will assist in the rehabilitation and conservation of existing structures in the Area. The new projects will rehabilitate buildings that are unfit or unsafe to occupy due to the defective design and quality of physical construction, faulty interior arrangement and exterior spacing, or other design and building condition flaws. The new projects will redevelop structures which are causing a prevalence of depreciated values and impaired investments in the Area.

Existing Conditions: there are vacant and underutilized parcels, as well as buildings within the Area, that are in need of rehabilitation and causing a prevalence of depreciated values and impaired investments in the Area.

C. Business Development

There are new projects within the Expansion Area which fall under this project category. The new projects will assist property owners in improving their properties and will address blighting conditions in the Area. The new projects will assist private, nonprofit and for profit parties undertaking projects that are supportive of wealth creation, economic development, jobs creation, community livability, and sustainability.

Existing Conditions: the projects which are to be funded in the Area will be determined in the future, but the reason they will seek PDC participation is due to the under development and under utilization of the properties or the need to upgrade properties.

D. Land Acquisition, Improvement, and Disposition for Redevelopment Projects

There are two properties designated for acquisition at this time:

- 574 N. Alberta Street, currently owned by Portland Public Schools
- 7528 N. Fenwick Avenue, currently owned by Portland Public Schools

E. Relocation

There are no plans for projects which would incur relocation.

F. Planning and Administration

There is currently planning and administration provided for the Existing Area. These tasks will continue with the addition of the Expansion Area.

VI. ESTIMATED TOTAL COST OF EACH PROJECT AND SOURCES OF MONEYS TO PAY SUCH COSTS

The remaining capacity is projected to be allocated to the following budget categories. The sources of moneys to pay for these costs are from the projection of tax increment revenues in Section IX of this Report. The maximum indebtedness of \$335 million remains unchanged as a result of the Amended Plan.

Table 9 - Project Costs

| Budget Estimates | Existing Area FY 11/12 - 15/16 ² | Existing Area FY 16/17 - 22/23 ³ | East Area FY 11/12 - 22/23 ⁴ | West Area FY 11/12 - 22/23 ⁵ | Total |
|---------------------------|--|--|--|--|---------------|
| Infrastructure | \$9,175,000 | \$16,200,000 | \$5,500,000 | \$6,300,000 | \$37,175,000 |
| Property Redevelopment | \$18,850,000 | \$33,000,000 | \$9,500,000 | \$3,500,000 | \$64,850,000 |
| Housing | \$11,034,765 | \$33,600,000 | \$6,250,000 | | \$50,884,765 |
| Business Development | \$9,605,906 | \$24,800,000 | \$5,850,000 | \$5,000,000 | \$45,255,906 |
| TOTAL | | | | | |
| Total | 48,665,671 | \$107,600,000 | \$27,100,000 | \$14,800,000 | \$198,165,671 |

Portland Development Commission

VII. ANCITICPATED COMPLETION DATE FOR EACH PROJECT

The projects will be ongoing throughout the time frame of the Area. Due to the fluctuations in the economy, redevelopment and development projects will occur when market conditions allow. Scheduling for Public Improvement Projects will occur during the annual budgeting process for the Area.

Many of the programs are ongoing, such as the Development Opportunity Services program, the Storefront Grants program, the Business Finance program, the Green Features Grants program, the Neighborhood Economic Development program, the Target Industry Development program, and the Community Livability Grants program. These programs are anticipated to receive annual allocations, determined through the budgeting process.

² Figures from Requested FY 11/12 budget dated February 3, 2011.

³ Figures developed for N/NE CAC based on previous 5-year budget percentages. The N/NE CAC voted to increase economic development expenditures and decrease public improvement expenditures. The figures presented to the CAC were subsequently adjusted by \$8 million.

⁴ Figures estimated based on known projects in expansion areas in addition to a percentage of area program dollars.

⁵ Ibid

VIII. ESTIMATED AMOUNT OF MONEY REQUIRED IN THE URBAN RENEWAL AREA UNDER ORS 457.420 TO 457.460 (TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS) AND ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED OR OTHERWISE PROVIDED FOR UNDER ORS 457.420 TO 457.460

Table 10 - The Estimated Amount of Tax Increment Revenues Required

| Fiscal Year Ending June 30 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | | | | | | | | |
| Beginning Balance | \$ 6,292,169 | \$ 6,292,169 | \$ 6,292,169 | \$ 6,292,169 | \$ 9,340,933 | \$ 9,340,933 | \$ 9,340,933 | \$ 9,340,933 |
| EXISTING DISTRICT | | | | | | | | |
| Tax Increment to Raise (before Compression) | \$16,822,250 | \$18,022,377 | \$19,228,748 | \$20,448,771 | \$22,144,182 | \$23,994,187 | \$25,982,498 | \$28,100,888 |
| Less Compression | (\$1,093,446) | (\$1,171,455) | (\$1,249,869) | (\$1,329,170) | (\$1,439,372) | (\$1,559,622) | (\$1,688,862) | (\$1,826,558) |
| Tax Increment Imposed (after Compression) | \$15,728,804 | \$16,850,923 | \$17,978,879 | \$19,119,601 | \$20,704,810 | \$22,434,565 | \$24,293,635 | \$26,274,330 |
| Less Adjustments for Discounts/Delinquencies | (\$943,728) | (\$1,011,055) | (\$1,078,733) | (\$1,147,176) | (\$1,242,289) | (\$1,346,074) | (\$1,457,618) | (\$1,576,460) |
| TOTAL NET TAX INCREMENT REVENUES | \$14,785,076 | \$15,839,867 | \$16,900,146 | \$17,972,425 | \$19,462,521 | \$21,088,491 | \$22,836,017 | \$24,697,870 |
| Bond Proceeds to Debt Service Reserve | 0 | 0 | 0 | \$2,694,624 | 0 | 0 | 0 | 0 |
| Interest Earnings | 94,383 | 110,113 | 125,843 | 157,304 | 233,523 | 233,523 | 233,523 | 233,523 |
| TOTAL REVENUES - EXISTING | \$14,879,458 | \$15,949,980 | \$17,025,990 | \$20,824,353 | \$19,696,045 | \$21,322,014 | \$23,069,541 | \$24,931,393 |
| EXPANSION AREA | | | | | | | | |
| Tax Increment to Raise (before Compression) | \$331,031 | \$504,404 | \$656,191 | \$805,870 | \$993,191 | \$1,245,435 | \$1,509,822 | \$1,787,680 |
| Less Compression | (\$21,517) | (\$32,786) | (\$42,652) | (\$52,382) | (\$64,557) | (\$80,953) | (\$98,138) | (\$116,199) |
| Tax Increment Imposed (after Compression) | \$309,514 | \$471,617 | \$613,538 | \$753,489 | \$928,634 | \$1,164,481 | \$1,411,684 | \$1,671,481 |
| Less Adjustments for Discounts/Delinquencies | (\$18,571) | (\$28,297) | (\$36,812) | (\$45,209) | (\$55,718) | (\$69,869) | (\$84,701) | (\$100,289) |
| TOTAL NET TAX INCREMENT REVENUES | \$290,943 | \$443,320 | \$576,726 | \$708,279 | \$872,916 | \$1,094,612 | \$1,326,983 | \$1,571,192 |
| Bond Proceeds to Debt Service Reserve | 0 | 0 | 0 | 354,140 | 0 | 0 | 0 | 0 |
| TOTAL REVENUES - EXPANSION | \$290,943 | \$443,320 | \$576,726 | \$1,062,419 | \$872,916 | \$1,094,612 | \$1,326,983 | \$1,571,192 |
| TOTAL REVENUES - ALL AREAS | \$15,170,401 | \$16,393,301 | \$17,602,716 | \$21,886,772 | \$20,568,960 | \$22,416,627 | \$24,396,523 | \$26,502,586 |
| Expenditures | | | | | | | | |
| Bond/Line of Credit Debt Service (EXPANSION) | | | | | | | | |
| Line of Credit Draw 1 | \$25,043 | \$80,909 | \$92,468 | \$92,468 | \$0 | \$0 | \$0 | \$0 |
| Line of Credit Draw 2 | | \$7,637 | \$17,457 | \$17,457 | 0 | 0 | 0 | 0 |
| Line of Credit Draw 3 | | | \$10,376 | \$20,752 | 0 | 0 | 0 | 0 |
| Line of Credit Draw 4 | | | | 0 | 354,140 | 354,140 | 354,140 | 354,140 |
| Bond 1 | | | | | 26,162 | 52,325 | 52,325 | 52,325 |
| Line of Credit Draw 5 | | | | | | 35,230 | 70,460 | 70,460 |
| Line of Credit Draw 6 | | | | | | | 36,926 | 73,852 |
| Line of Credit Draw 7 | | | | | | | | 38,807 |
| Bond 2 | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Bond/Line of Credit Debt Service | \$25,043 | \$88,546 | \$120,300 | \$130,676 | \$380,302 | \$441,694 | \$513,850 | \$589,584 |
| Short Term Debt Repayment | 265,900 | 354,774 | 456,426 | 577,603 | 501,467 | 661,772 | 821,986 | 990,462 |
| Subtotal Expenditures for Plan Amendment | \$290,943 | \$443,320 | \$576,726 | \$708,279 | \$881,769 | \$1,103,466 | \$1,335,836 | \$1,580,046 |
| Expenditures Associated with Original Plan | \$14,879,458 | \$15,949,980 | \$17,025,990 | \$18,129,729 | \$19,687,191 | \$21,313,161 | \$23,060,687 | \$24,922,540 |
| Bond Defeasance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL EXPENDITURES | \$15,170,401 | \$16,393,301 | \$17,602,716 | \$18,838,008 | \$20,568,960 | \$22,416,627 | \$24,396,523 | \$26,502,586 |
| Ending Balance | \$ 6,292,169 | \$ 6,292,169 | \$ 6,292,169 | \$ 9,340,933 | \$ 9,340,933 | \$ 9,340,933 | \$ 9,340,933 | \$ 9,340,933 |

Table 10 - The Estimated Amount of Tax Increment Revenues Required, continued

| Fiscal Year Ending June 30 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| Revenues | | | | | | | |
| Beginning Balance | \$ 9,340,933 | \$ 14,234,133 | \$ 14,234,133 | \$ 30,786,214 | \$ 52,957,282 | \$ 78,291,394 | \$ 109,513,273 |
| EXISTING DISTRICT | | | | | | | |
| Tax Increment to Raise (before Compression) | \$30,312,106 | \$32,620,636 | \$35,031,601 | \$37,519,245 | \$40,145,386 | \$42,887,532 | \$45,647,714 |
| Less Compression | (\$1,970,287) | (\$2,120,341) | (\$2,277,054) | (\$2,438,751) | (\$2,609,450) | (\$2,787,690) | (\$2,967,101) |
| Tax Increment Imposed (after Compression) | \$28,341,819 | \$30,500,295 | \$32,754,547 | \$35,080,494 | \$37,535,936 | \$40,099,842 | \$42,680,612 |
| Less Adjustments for Discounts/Delinquencies | (\$1,700,509) | (\$1,830,018) | (\$1,965,273) | (\$2,104,830) | (\$2,252,156) | (\$2,405,991) | (\$2,560,837) |
| TOTAL NET TAX INCREMENT REVENUES | \$26,641,310 | \$28,670,277 | \$30,789,274 | \$32,975,664 | \$35,283,780 | \$37,693,852 | \$40,119,776 |
| Bond Proceeds to Debt Service Reserve | \$3,980,303 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Earnings | 233,523 | 355,853 | 355,853 | 769,655 | 1,323,932 | 1,957,285 | 2,737,832 |
| TOTAL REVENUES - EXISTING | \$30,855,136 | \$29,026,130 | \$31,145,127 | \$33,745,320 | \$36,607,712 | \$39,651,137 | \$42,857,608 |
| EXPANSION AREA | | | | | | | |
| Tax Increment to Raise (before Compression) | \$2,077,362 | \$2,379,414 | \$2,694,443 | \$3,020,594 | \$3,362,955 | \$3,720,041 | \$4,083,277 |
| Less Compression | (\$135,029) | (\$154,662) | (\$175,139) | (\$196,339) | (\$218,592) | (\$241,803) | (\$265,413) |
| Tax Increment Imposed (after Compression) | \$1,942,334 | \$2,224,752 | \$2,519,305 | \$2,824,256 | \$3,144,363 | \$3,478,238 | \$3,817,864 |
| Less Adjustments for Discounts/Delinquencies | (\$116,540) | (\$133,485) | (\$151,158) | (\$169,455) | (\$188,662) | (\$208,694) | (\$229,072) |
| TOTAL NET TAX INCREMENT REVENUES | \$1,825,794 | \$2,091,267 | \$2,368,146 | \$2,654,800 | \$2,955,701 | \$3,269,544 | \$3,588,792 |
| Bond Proceeds to Debt Service Reserve | 912,897 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUES - EXPANSION | \$2,738,690 | \$2,091,267 | \$2,368,146 | \$2,654,800 | \$2,955,701 | \$3,269,544 | \$3,588,792 |
| TOTAL REVENUES - ALL AREAS | \$33,593,826 | \$31,117,397 | \$33,513,274 | \$36,400,120 | \$39,563,414 | \$42,920,681 | \$46,446,400 |
| Expenditures | | | | | | | |
| Bond/Line of Credit Debt Service (EXPANSION) | | | | | | | |
| Line of Credit Draw 1 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Line of Credit Draw 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Line of Credit Draw 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Line of Credit Draw 4 | 354,140 | 354,140 | 354,140 | 354,140 | 354,140 | 354,140 | 354,140 |
| Bond 1 | 52,325 | 0 | 0 | 0 | 0 | 0 | 0 |
| Line of Credit Draw 5 | 70,460 | 0 | 0 | 0 | 0 | 0 | 0 |
| Line of Credit Draw 6 | 73,852 | 0 | 0 | 0 | 0 | 0 | 0 |
| Line of Credit Draw 7 | 77,615 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bond 2 | 0 | 558,757 | 558,757 | 558,757 | 558,757 | 558,757 | 558,757 |
| Total Bond/Line of Credit Debt Service | \$628,391 | \$912,897 | \$912,897 | \$912,897 | \$912,897 | \$912,897 | \$912,897 |
| Short Term Debt Repayment | 1,206,256 | 1,201,192 | 218,393 | - | - | - | - |
| Subtotal Expenditures for Plan Amendment | \$1,834,647 | \$2,114,089 | \$1,131,290 | \$912,897 | \$912,897 | \$912,897 | \$912,897 |
| Expenditures Associated with Original Plan | 26,865,980 | 29,003,308 | 15,829,903 | 13,316,155 | 13,316,405 | 10,785,905 | 10,785,905 |
| Bond Defeasance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$98,750,107 |
| TOTAL EXPENDITURES | \$28,700,627 | \$31,117,397 | \$16,961,192 | \$14,229,052 | \$14,229,302 | \$11,698,802 | \$110,448,908 |
| Ending Balance | \$ 14,234,133 | \$ 14,234,133 | \$ 30,786,214 | \$ 52,957,282 | \$ 78,291,394 | \$ 109,513,273 | \$ 45,510,764 |

IX. FINANCIAL ANALYSIS OF THE PLAN WITH SUFFICIENT INFORMATION TO DETERMINE FEASIBILITY

Table 11 shows the assessed values of the Existing Area and the Expansion Area, along with the projections for the incremental assessed values that include new development projections for the Area. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression and delinquencies. The factors used in the analysis are agreed upon by the Commission and the Portland Office of Management and Finance ("OMF"), unless specifically noted:

- Real property appreciation rate of 2.5% until 2016, and then increasing slightly.
- Personal and utility appreciation at 2.5% annually.
- New construction estimates are from calculations by ED Hovee and Company, LLC until year 2016, and then a factor of 1% is used. This new development factor after 2016 of 1% annually was also supplied by ED Hovee and Company, LLC (as a relatively conservative estimate of potential valuation growth assuming full economic recovery nationally and regionally by 2015).
- Compression is estimated by the OMF at 6.5% annually
- Delinquencies are estimated at 6% annually.
- The tax rates for the overlapping taxing jurisdictions were provided by the OMF.

Table 11 – Projected Assessed Value Growth

| Fiscal Year Ending June 30 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Projected Assessed Value Growth | | | | | | | | |
| Existing Area | | | | | | | | |
| Frozen Base | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 |
| Incremental Assessed Value | 772,578,474 | 827,764,083 | 889,632,425 | 957,985,668 | 1,038,181,801 | 1,130,588,138 | 1,227,020,562 | 1,327,745,409 |
| Total Assessed Value - Existing | \$1,823,986,823 | \$1,879,172,432 | \$1,941,040,774 | \$2,009,394,017 | \$2,089,590,150 | \$2,181,996,487 | \$2,278,428,911 | \$2,379,153,758 |
| Expansion Area | | | | | | | | |
| Frozen Base | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 |
| Incremental Assessed Value | 15,202,917 | 23,167,159 | 30,359,151 | 37,753,473 | 46,563,597 | 58,683,946 | 71,301,191 | 84,466,520 |
| Total Assessed Value - Expansion | \$254,230,973 | \$262,195,215 | \$269,387,207 | \$276,781,529 | \$285,591,653 | \$297,712,002 | \$310,329,247 | \$323,494,576 |
| Total Area | | | | | | | | |
| Frozen Base | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 |
| Incremental Assessed Value | 787,781,391 | 850,931,243 | 919,991,576 | 995,739,141 | 1,084,745,399 | 1,189,272,084 | 1,298,321,752 | 1,412,211,929 |
| Total Assessed Value | \$2,078,217,796 | \$2,141,367,648 | \$2,210,427,981 | \$2,286,175,546 | \$2,375,181,804 | \$2,479,708,489 | \$2,588,758,157 | \$2,702,648,334 |
| Total AV Growth | 17.38% | 3.04% | 3.23% | 3.43% | 3.89% | 4.40% | 4.40% | 4.40% |
| Incremental AV Growth | 9.56% | 8.02% | 8.12% | 8.23% | 8.94% | 9.64% | 9.17% | 8.77% |
| Consolidated Tax Rate | 21.7742 | 21.7724 | 21.6143 | 21.3456 | 21.3298 | 21.2227 | 21.1753 | 21.1644 |
| Tax Increment to Raise (before Compression) | \$17,153,281 | \$18,526,781 | \$19,884,938 | \$21,254,641 | \$23,137,373 | \$25,239,622 | \$27,492,320 | \$29,888,568 |
| Less Compression | (1,114,963) | (1,204,241) | (1,292,521) | (1,381,552) | (1,503,929) | (1,640,575) | (1,787,001) | (1,942,757) |
| Tax Increment Imposed (after Compression) | 16,038,318 | 17,322,540 | 18,592,417 | 19,873,090 | 21,633,443 | 23,599,046 | 25,705,319 | 27,945,811 |

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Table 11 – Projected Assessed Value Growth, continued

| Fiscal Year Ending June 30 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Projected Assessed Value Growth | | | | | | | |
| Existing Area | | | | | | | |
| Frozen Base | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 | \$1,051,408,349 |
| Incremental Assessed Value | 1,432,953,605 | 1,542,845,492 | 1,657,630,375 | 1,777,526,930 | 1,902,763,631 | 2,033,579,181 | 2,170,222,976 |
| Total Assessed Value - Existing | \$2,484,361,954 | \$2,594,253,841 | \$2,709,038,724 | \$2,828,935,279 | \$2,954,171,980 | \$3,084,987,530 | \$3,221,631,325 |
| Expansion Area | | | | | | | |
| Frozen Base | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 | \$239,028,056 |
| Incremental Assessed Value | 98,203,788 | 112,538,196 | 127,496,068 | 143,104,895 | 159,393,388 | 176,391,538 | 194,130,667 |
| Total Assessed Value - Expansion | \$337,231,844 | \$351,566,252 | \$366,524,124 | \$382,132,951 | \$398,421,444 | \$415,419,594 | \$433,158,723 |
| Total Area | | | | | | | |
| Frozen Base | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 | \$1,290,436,405 |
| Incremental Assessed Value | 1,531,157,392 | 1,655,383,688 | 1,785,126,443 | 1,920,631,825 | 2,062,157,019 | 2,209,970,719 | 2,364,353,643 |
| Total Assessed Value | \$2,821,593,797 | \$2,945,820,093 | \$3,075,562,848 | \$3,211,068,230 | \$3,352,593,424 | \$3,500,407,124 | \$3,654,790,048 |
| Total AV Growth | 4.40% | 4.40% | 4.40% | 4.41% | 4.41% | 4.41% | 4.41% |
| Incremental AV Growth | 8.42% | 8.11% | 7.84% | 7.59% | 7.37% | 7.17% | 6.99% |
| Consolidated Tax Rate | 21.1536 | 21.1432 | 21.1335 | 21.1076 | 21.0985 | 21.0897 | 21.0337 |
| Tax Increment to Raise (before Compression) | \$32,389,468 | \$35,000,050 | \$37,726,044 | \$40,539,839 | \$43,508,342 | \$46,607,573 | \$49,730,991 |
| Less Compression | (2,105,315) | (2,275,003) | (2,452,193) | (2,635,090) | (2,828,042) | (3,029,492) | (3,232,514) |
| Tax Increment Imposed (after Compression) | 30,284,152 | 32,725,047 | 35,273,851 | 37,904,750 | 40,680,300 | 43,578,081 | 46,498,476 |

X. FISCAL IMPACT STATEMENT THAT ESTIMATES IMPACT OF TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER INDEBTEDNESS IS REPAID, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN URBAN RENEWAL AREA

The impact of tax increment financing is shown for three scenarios: Impacts From Creation to Bond Defeasance, Impacts for the Full Area From Amendment to Bond Defeasance, and Impacts From the Amendment Only. The data that reflects the amendment is shown from the year that the additional area will be reflected on the Multnomah County Assessor's tax rolls; 2013 through the projected termination of financing in 2027. The Impacts From the Amendment Only is shown in net present value in the last column in Table 12 below.

Table 12 - Revenues Forgone by Taxing Districts

| Revenues Foregone 2013-2027 | Impacts From Creation to Bond Defeasance: 2001/02 to 2026/27 | Impacts for Full Area From Amendment to Bond Defeasance: 2012/13 to 2026/27 | Impacts From Amendment Only: 2012/13 to 2026/27 | NPV of Impacts From Amendment Only |
|---|--|---|---|------------------------------------|
| Permanent Rates | | | | |
| City of Portland | \$119,830,132 | \$101,004,207 | \$6,310,568 | \$3,174,348 |
| Multnomah County | \$113,714,266 | \$95,849,175 | \$5,988,491 | \$3,012,336 |
| Metro | \$2,529,078 | \$2,131,747 | \$133,188 | \$66,996 |
| Port of Portland | \$1,835,283 | \$1,546,951 | \$96,651 | \$48,617 |
| East Multnomah County Soil | \$2,436,686 | \$2,206,778 | \$137,876 | \$69,354 |
| Portland Public Schools | \$138,000,675 | \$116,475,925 | \$7,277,215 | \$3,660,591 |
| Portland Community College | \$7,403,968 | \$6,240,767 | \$389,912 | \$196,134 |
| Multnomah County Education Service District | \$11,980,395 | \$10,098,214 | \$630,919 | \$317,365 |
| Local Options⁶ | | | | |
| City of Portland | \$10,584,850 | \$8,884,486 | \$555,087 | \$279,221 |
| Multnomah County | \$23,058,455 | \$19,640,320 | \$1,227,093 | \$617,254 |
| Oregon Historical Society | \$1,172,699 | \$1,103,389 | \$68,938 | \$34,677 |
| Portland Public Schools ⁷ | \$50,185,614 | \$43,914,873 | \$2,743,725 | \$1,380,151 |

⁶ This assumes all existing local option levies will be renewed at their existing level.

⁷ Local Option rate includes Local Option passed in May 2011.

Table 13 shows the increase in permanent rate levy revenues due to the addition of properties under the Amended Plan that would occur after termination of the tax increment financing in FY 2026/27. The Portland Public Schools Local Option rate includes the Local Option passed in May, 2011.

Table 13 - Revenues Gained by Taxing Districts after Termination of Urban Renewal Area

| | Revenues Gained: 2027-28 | Present Value |
|---|-----------------------------|------------------|
| Permanent Rates | | |
| City of Portland | \$973,269 | \$329,680 |
| Multnomah County | \$923,596 | \$312,854 |
| Metro | \$20,541 | \$6,958 |
| Port of Portland | \$14,906 | \$5,049 |
| East Multnomah County Soil | \$21,264 | \$7,203 |
| Portland Public Schools | \$1,122,354 | \$380,180 |
| Portland Community College | \$60,316 | \$20,370 |
| Multnomah County Education Service District | \$97,306 | \$32,961 |
| Local Options | | |
| City of Portland | \$85,610 | \$28,999 |
| Multnomah County | \$189,253 | \$64,106 |
| Oregon Historical Society | \$10,632 | \$3,601 |
| Portland Public Schools | \$423,161 | \$143,339 |

The new impact of the Amended Plan is from two sources: properties being moved from the OCCURA to ICURA and properties being added to ICURA which are not presently in an urban renewal area, as explained below:

There is an annual impact as a result of the change in status of properties which are proposed to be added to ICURA from OCCURA. Since OCCURA receives revenues under a special levy formula, there is not an impact on the taxing jurisdictions based on the annual growth of assessed value in OCCURA. The impact is consistent each year until the maximum indebtedness is reached or the Area is terminated. However, when those properties are transferred to ICURA, they will be in an urban renewal area where the taxes from the increase in the assessed value will go to the urban renewal agency. While this is an annual change, the total burden to the taxing jurisdictions does not change as the overall maximum indebtedness of ICURA is not increased.

There is also an impact due to the inclusion of properties which were not formerly in an urban renewal area. The taxes raised as a result of the increase in growth of assessed value of these properties after their addition to ICURA will be allocated to the urban renewal agency.

With the maximum indebtedness of \$335 million, the total estimated impact to taxing jurisdictions from FY 2010-11 through 2026-27 is shown in Table 12. The actual impact can vary depending on the timing of the issuance of debt.

XI. RELOCATION REPORT

The existing Relocation Report is not altered by the Amended Plan.

XII. COMPLIANCE WITH LIMITATIONS ON ASSESSED VALUE AND ACREAGE IN URBAN RENEWAL

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 14 shows that the Plan is in compliance with ORS 457.420.

Table 14 - Compliance with Assessed Value and Acreage Limitations

| Urban Renewal Area | Frozen Base Assessed Value | Acreage |
|---|----------------------------|-----------------|
| Airport Way ⁸ | \$124,710,302 | 1,841.4 |
| Central Eastside | \$224,626,739 | 692.3 |
| Downtown Waterfront | \$55,674,313 | 233.1 |
| Gateway Regional Center | \$307,174,681 | 658.5 |
| Interstate Corridor | \$1,051,408,349 | 3,804.2 |
| Interstate Corridor - Proposed Amended and Restated Plan ⁹ | \$239,022,576 | 185.8 |
| Lents Town Center | \$736,224,033 | 2,846.3 |
| North Macadam | \$192,609,397 | 401.9 |
| Oregon Convention Center ¹⁰ | \$248,951,143 | 410.0 |
| River District | \$461,577,974 | 351.2 |
| South Park Blocks | \$376,066,574 | 156.3 |
| Willamette Industrial | \$481,443,135 | 755.5 |
| Total Urban Renewal Areas | \$4,499,489,216 | 12,336.5 |
| Total Assessed Value City of Portland Less Incremental Assessed Value in Urban Renewal Areas (10/11 TSCC) | \$ 42,375,354,541 | |
| Total Acreage, City of Portland (10/11 TSCC) | | 92,773 |
| Percent in Urban Renewal Areas | 10.6% | 13.3% |

Additionally, ORS 457.220 states that "no land equal to more than 20% of the total land area of the original plan shall be added to the urban renewal areas of a plan by amendments". The original acreage of ICURA was 3,772 acres. Twenty percent (20%) of that is 754.4 acres. Previous amendments added another 33.72 acres. The Amended Plan adds 415.54 acres, for a total addition of 449.26 acres or 11.91% of the original acreage. Therefore, the Plan is in compliance with ORS 457.220.

⁸ Airport Way frozen base represents Revised Frozen Base as of FY 11/12, provided by the County Assessor. Current FY 10/11 value is \$129,701,177.

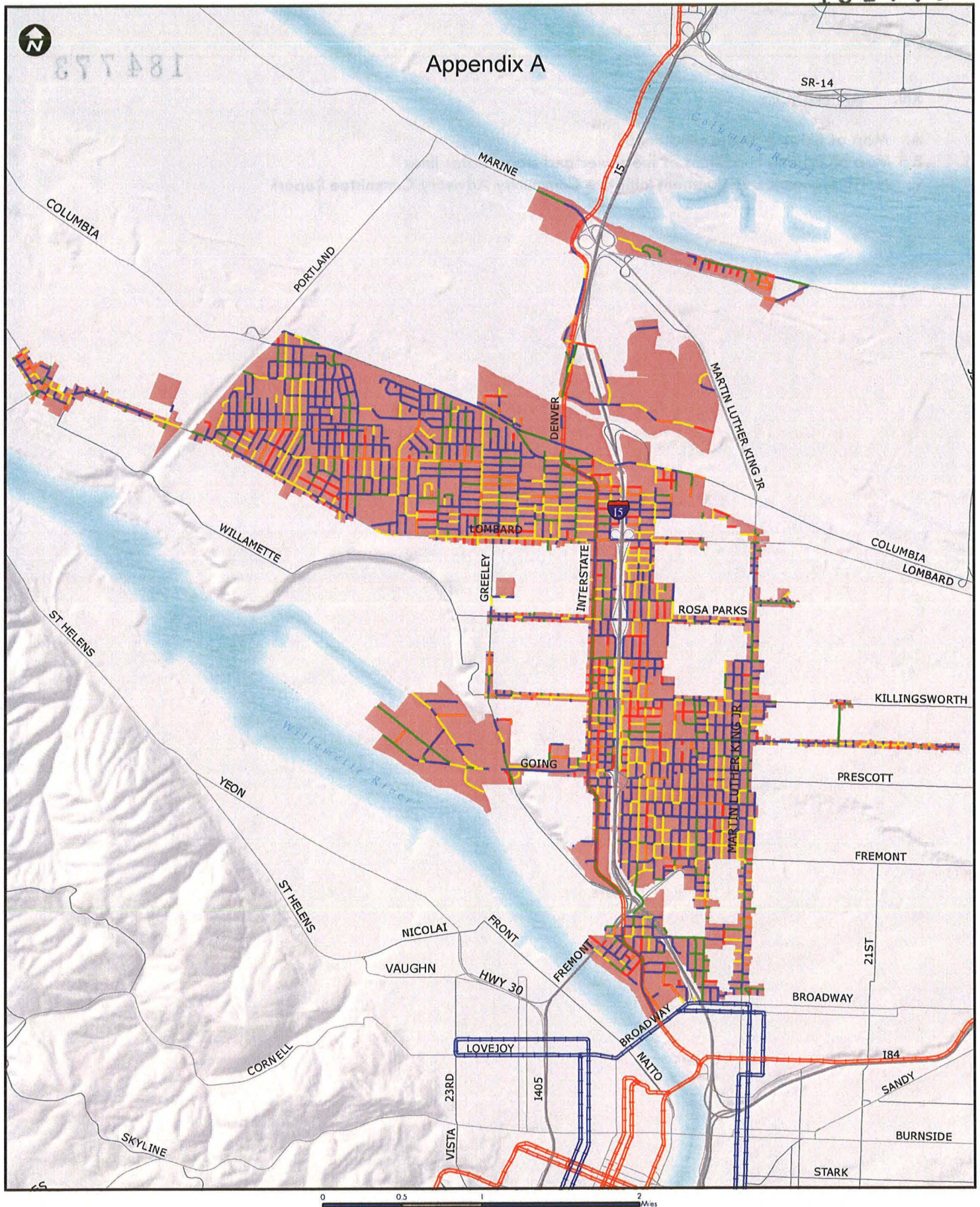
⁹ Assessed value figure represents estimated AV to be added to ICURA. Actual frozen base will be determined by the County Assessor. Acreage reflects net acreage from expansion as well as reduction of right-of-way.

¹⁰ Frozen Base value represents current OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects reduction in acreage from 20th Amendment.

XIII. APPENDICES

- A. Map of Existing Street conditions
- B. Map of Existing conditions of the sewer and storm water lines
- C. N/NE Economic Development Initiative Community Advisory Committee Report

Appendix A



Amended and Restated Interstate Corridor Urban Renewal Area Boundary - Street Conditions

— Very Poor
 — Poor
 — Fair
 — Good
 — Very Good
 Amended ICURA

The information on this map was created by the Portland Development Commission (PDC) GIS. Every reasonable effort has been made to assure the accuracy of the information. This information is presented "as is" and without warranties, either expressed or implied. Information Sources: Portland Development Commission



N/NE Economic Development Initiative Community Advisory Committee Report

July 2010

*Elaine Howard Consulting, LLC
and*

PDC
PORTLAND
DEVELOPMENT
COMMISSION



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Executive Summary

This North Northeast Economic Development Initiative Community Advisory Committee Report (Report) provides information on the North/Northeast Economic Development Initiative Community Advisory Committee's review of and recommendations for the Interstate Corridor Urban Renewal Area and the Oregon Convention Center Urban Renewal Area. The Report is divided into two main sections.

Section One details the **Background of the Future of Urban Renewal Initiative**, lists **Committee Members**, provides **Recommendations** and the **Impacts of the Recommendations** including **Community Benefits, Budget Impacts and Impacts on Taxing Jurisdictions**.

Section Two provides background data for the decision making process including the **Current Status of the Urban Renewal Areas, Meeting Summaries, Community Input Summary, Preliminary Blight Analysis and Next Steps**.

The Appendices include **Meeting Summaries** provided by the Portland Development Commission, **Resource Library Links** for documents provided during Committee meetings, **Criteria for Urban Renewal Decision Making** for the North/Northeast Economic Development Initiative Community Advisory Committee, a **Voting Summary** of North/Northeast Economic Development Initiative Community Advisory Committee Recommendations, the **Gem List**, the **Statutory Definition of Blight**, the **Request Log** of questions from Committee meetings, a narrative of the **Background of Urban Renewal in Oregon**, and **Urban Renewal Terms and Definitions**. Copies of materials used in the meetings and videos of those meetings may also be accessed at <http://www.pdc.us/four/nnestudy/nne-materials.asp>.

The North Northeast Community Advisory Committee's recommendations are presented to the Portland Development Commission Board in this Report.

Section One

Future of Urban Renewal Initiative Background

The year 2008 marked the 50-year anniversary of the Portland Development Commission (**PDC**). PDC is using this milestone as an opportunity to evaluate its progress and chart the course for the next 50 years in an initiative called the Future of Urban Renewal (**FOUR**). The FOUR initiative called for analyses of PDC's investments in the three central city urban renewal areas, River District, Downtown Waterfront and the South Park Blocks which was completed in 2008/09. The Lents Town Center Urban Renewal Area has also been reviewed with an amendment adopted by the Portland City Council in 2008. The City is presently researching the potential of a new Central City urban renewal area, which is being reviewed by the Central City Urban Renewal Area Evaluation Committee.

As a result of the prior urban renewal plan reviews and updates, community members from North and Northeast Portland requested a process for review of their urban renewal areas. The PDC Board of Commissioners, who voted on December 10, 2008 to direct staff to proceed with the North/Northeast Economic Development Initiative (**N/NE EDI**), put this request into action. PDC staff laid the groundwork with technical assistance agreements with each of the four Minority Chambers of Commerce, the National Association of Minority Contractors, and the Metropolitan Contractors Improvement Partnership. CH2A Associates, who contacted more than 500 community residents, performed cultural and community-specific outreach, which resulted in a series of interviews and reports. State Representative Lew Frederick and Sue Hagmeier, of NW Ideas, conducted over 40 stakeholder interviews to begin the formal process to amend the two urban renewal areas.

The outcome of this community input was the formation of the North/Northeast Economic Development Initiative Community Advisory Committee (**N/NE CAC**). N/NE EDI is the next phase of the FOUR Initiative, and the results of this study will be used to update the plans for both the Interstate Corridor Urban Renewal Area (**ICURA**) and Oregon Convention Center Urban Renewal Area (**OCCURA**). For OCCURA, the last date to issue more debt to fund projects is 2013, pointing to the need to ensure that the goals established for the area have been fulfilled or develop other alternatives. The OCCURA is adjacent to the ICURA, and, therefore, a review of the two areas together will facilitate future planning for the respective areas. See Figure 1 for a map of these urban renewal area (URA) boundaries.

PDC conducted the North Northeast Economic Development Initiative in partnership with the community to ensure that PDC investments enhance livability and economic opportunity within the two urban renewal areas, greater North and Northeast Portland and the city at-large.

The map displays the Denver metropolitan area with various districts and landmarks. Key features include:

- Districts and Neighborhoods:** Downtown, Golden, Aurora, Lakewood, Northglenn, Thornton, Arapahoe, Adams, Jefferson, and others.
- Water Bodies:** Front Range, Littleton Reservoir, and various smaller lakes and rivers.
- Roads:** Major highways (I-70, I-25, I-76) and local roads (e.g., 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th).
- Scale:** 0 to 1.5 miles.

Disclaimer: The information on this map was created by the Portland Development Consortium (PDC) GIS. Every reasonable effort has been made to assure the accuracy of these maps and associated data. However, inadvertent errors can occur and the PDC does not assume any responsibility for omissions or inattention to accuracy. This information is presented "as is" and without warranties, either expressed or implied. Information Sources: Portland Development Consortium Geographic Information Systems (GIS), City of Portland Corporate GIS, May 2010

The North/Northeast Economic Development Initiative Community Advisory Committee Members

The North Northeast Economic Development Initiative Community Advisory Committee was composed of representatives from the community who reflect a wide spectrum of perspectives and held a wealth of historical knowledge to provide a framework for the decision-making process. The N/NE CAC, listed below, included representatives from the Interstate Corridor and Oregon Convention Center Urban Renewal Advisory Committees, Chambers of Commerce, Minority Contractors and business owners, Neighborhood Associations, residents and the major affected taxing jurisdictions.

Table 1: North Northeast Economic Development Initiative Community Advisory Committee

| Member | Affiliation |
|---|---|
| Sara Carlin Ames | Portland Public Schools |
| Gale Castillo | Hispanic Metropolitan Chamber |
| Paige Coleman | Northeast Coalition of Neighborhoods |
| Jonath Colon | Montesi & Associates |
| James Faison | National Association of Minority Contractors (NAMCO) |
| Dr. Algie Gatewood | Portland Community College |
| Jorge Guerra | Oregon Association of Minority Entrepreneurs |
| Damien Hall | Oregon Convention Center Urban Renewal Area URAC Vice Chair |
| Roslyn Hill | Roslyn Hill Development |
| Sheila Holden | Interstate Corridor Urban Renewal Area URAC Co-Chair |
| Roy Jay | African-American Chamber of Commerce |
| Robert McKean | Albina Community Bank |
| Traci Manning* | Oregon Convention Center Urban Renewal Area URAC Chair |
| Marissa Madrigal | Multnomah County |
| Tracy Menasco | North Portland Business Association |
| J. Isaac | Portland Trailblazers |
| Skip Newberry | Office of Mayor Sam Adams |
| Joice Taylor | North/Northeast Business Association |
| Walter Valenta | Interstate Corridor Urban Renewal Area URAC Co-Chair |
| Abigail Webb | New Columbia Resident |
| Charles Wilhoite ** | Portland Development Commission |
| *Ms. Manning resigned after 10 meetings due to conflicts in her work schedule | |
| **chair | |

The N/NE CAC met 12 times. A paragraph summary of each meeting is in Section Two of this report. Detailed summaries compiled by Portland Development Commission staff are provided in Appendix A and all videos of the meetings can be found online at <http://pdcn-needi.blip.tv/>. Appendix B is a Resource Library Link for all documents used in the N/NE CAC meetings.

Mission

The mission of the North/Northeast Economic Development Initiative Community Advisory Committee shall be to advise the Portland Development Commission regarding:

- Planned investment for the Interstate Corridor Urban Renewal Area and Oregon Convention Center Urban Renewal Area;
- Potential boundary adjustments in the two urban renewal areas;
- Identification of new investments; and
- Public outreach efforts.

Priorities

The background data provided in the community input before this process began, the initial meeting of this committee where statistical data was presented providing an overview of the community, and the testimony from the committee and citizens from the community throughout the initiative has reiterated General Principles which are contained in the original Interstate Corridor Urban Renewal Plan's Goals and Objectives:

General Principle, Benefit the Existing Community:

The Interstate Corridor Urban Renewal Area will primarily benefit existing residents and businesses within the urban renewal areas through the creation of wealth, revitalization of neighborhoods, expansion of housing choices, creation of business and job opportunities, provision of transportation linkages, protection of residents and businesses from the threats posed by gentrification and displacement and through the creation and enhancement of those features which enhance the quality of life within the urban renewal area. A special emphasis will be placed on providing timely benefits to groups most at risk of displacement (e.g. the elderly, people of color, small businesses, low income people and the disabled).¹

The committee's specific recommendations follow the outline of their mission statement. Statements concerning important supporting policy concepts are presented after the mission statement recommendations.

Criteria for Decision Making

The Criteria for Decision Making which was adopted by the N/NE CAC is shown in Appendix C.

¹ Interstate Corridor Urban Renewal Plan, Goals and Objectives, City of Portland, Oregon, 2000, p 4.

Appendix C

Recommendations: Interstate Corridor Urban Renewal Area and Oregon Convention Center Urban Renewal Area

The following recommendations were made by the N/NE CAC at the May 19, 2010 meeting. The voting summary is in Appendix D.

Members of the N/NE CAC and residents from the affected communities identified community benefits agreements (CBA) as a key objective in the discussions regarding how urban renewal areas can better serve the N/NE community. Existing programs and projects currently provide community benefits in the form of jobs, redevelopment of commercial and residential sectors, and significant investments in infrastructure in URAs. In addition to these benefits, the N/NE CAC encouraged a strict requirement for participation of state certified minority, women, and emerging small business (M/W/ESB) contractors and for the requirement of CBAs on key projects within the relevant urban renewal areas.

Because these issues are of vital concern to the PDC on a city-wide, policy basis, specific percentages were not advised. However, increases in the participation of minority contractors and the provision of CBAs are viewed as critical components of a successful investment strategy for URAs. The N/NE CAC, and more importantly, area residents, expect that the PDC will establish consistent standards regarding both of these directives.

Planned Investments:

1. Recommendations on planned investment in ICURA and OCCURA include:
 - a. The Gem List (see Appendix E), identified by the Interstate Corridor Urban Renewal Advisory Committee, will receive priority funding. Mayor Sam Adams also indicated Council support for this funding priority.
 - b. Funding levels of programs as presently allocated in the PDC Five Year Budget will be adjusted in future years (FY 2016-2021) to increase the funding for Business and Industry (Jobs) and decrease the funding for Infrastructure.
 - c. Funding levels of programs as allocated in the PDC Five Year Budget for OCCURA will be unchanged unless affected by amendments to the urban renewal area.
 - d. Based on current capacity and priorities, this committee sees no need to increase maximum indebtedness at this time. The Committee will consider the maximum indebtedness issue if additional acreage is added.

Boundary Adjustments:

The boundary of the ICURA will be amended to include the following expansion areas, as shown in Figures 2A and 2B:

1. Properties north of Broadway/Schuyler presently in the Oregon Convention Center Urban Renewal Area including properties along Martin Luther King, Jr. Blvd. and Alberta Street;
2. Martin Luther King, Jr. Blvd. properties that are presently not in any urban renewal area;

Appendix C

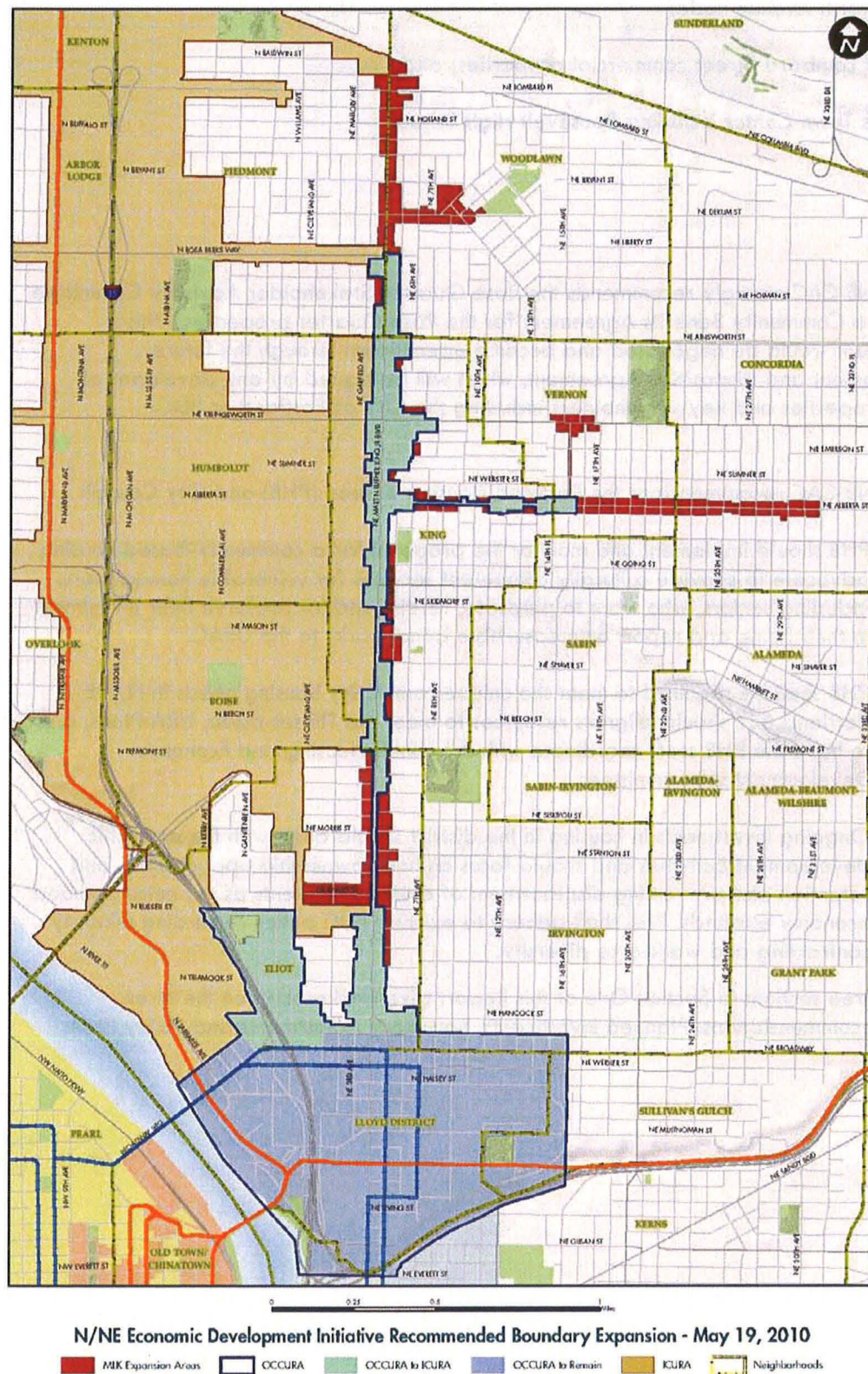
3. Alberta Street properties that are presently not in any urban renewal area and Killingsworth Avenue node;
4. South of Lombard Street commercial properties; and
5. St. Johns Town Center including Roosevelt High School.

Policy Issues:

1. The N/NE CAC strongly recommends the Rose Quarter Stakeholder Advisory Committee require a Community Benefits Agreement for the Rose Quarter properties. This agreement would be negotiated and become operational through the future Development and Disposition Agreement, which will be signed by any developer of these properties and key stakeholders including the City of Portland or PDC.
2. The N/NE CAC recommends to the Portland Housing Bureau (PHB) and City Council:
 - a. PHB should implement and monitor the proposal for a community-based housing advocate to provide culturally competent services for vulnerable homeowners, including seniors, who want to purchase, retain, and/or preserve their investment in their home and report on measurable benchmarks to the URAC.
 - b. PHB shall be required to meet the unique community housing needs in N/NE Portland and should align its resources to meet the TIF set-aside, URA Plans, and to have the PHB staff coordinate with the URAC Housing and Economic Development subcommittees.
 - c. Ongoing investments in housing in the district should align with the economic development activities and should focus on homeownership opportunities and retention and preventing displacement of existing residents as the neighborhood economy expands. PHB shall adhere to existing PDC policy regarding minority contracting and workforce diversity.

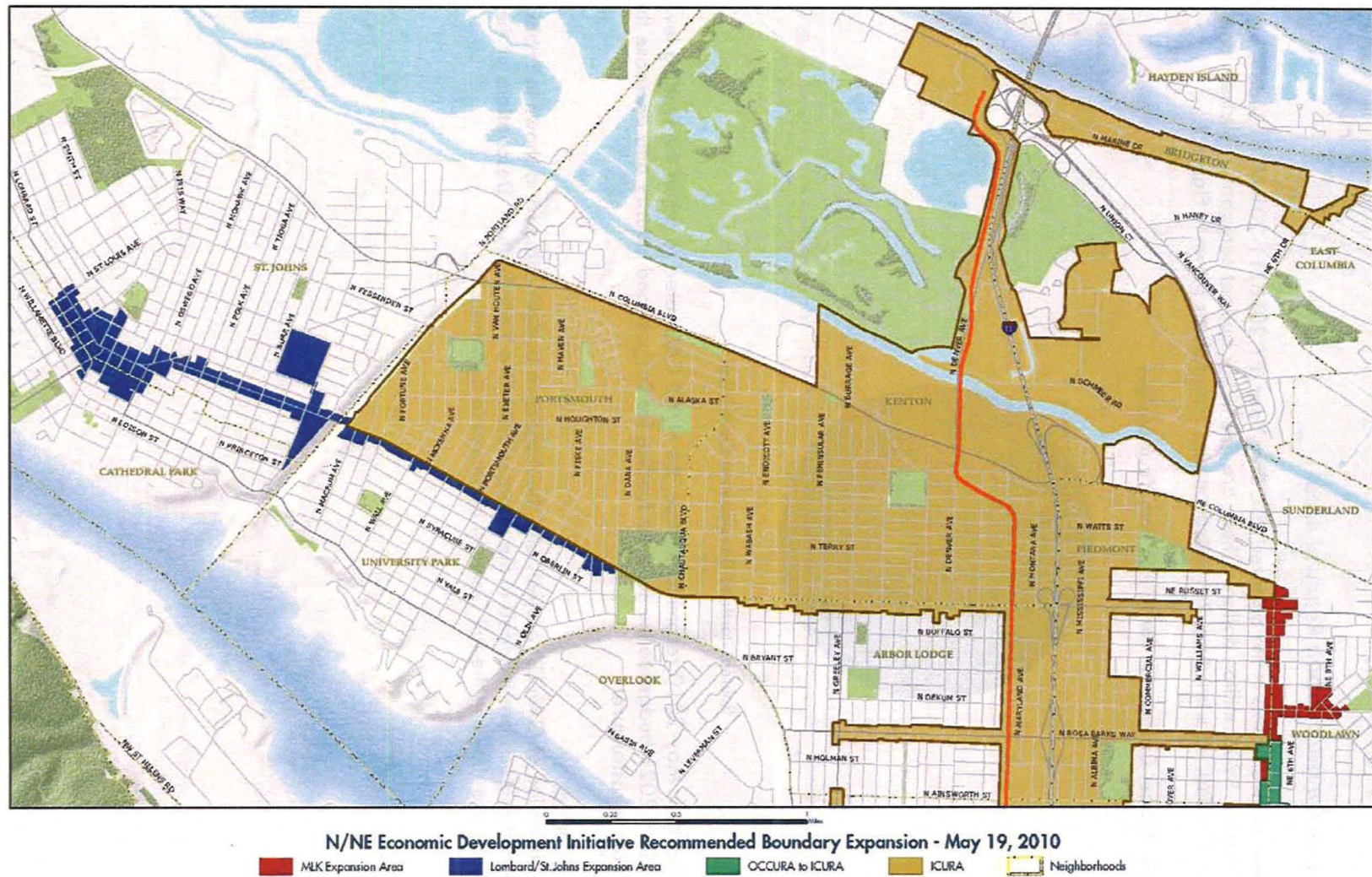
The following three sections in Section One of this Report give background on the three categories of recommendations: Planned Investments, Boundary Adjustments and Policy Issues.

Figure 2A: Boundary Adjustments East



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Figure 2B: Boundary Adjustments Wes



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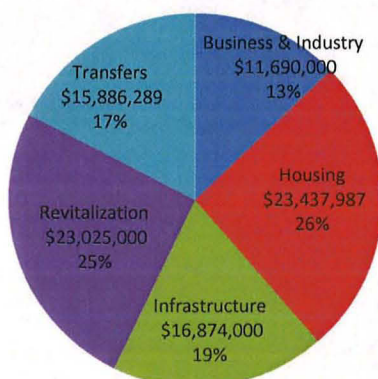
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Planned Investments

Interstate Corridor Urban Renewal Area

The planned investments in the adopted PDC Five Year (FY 2010/11-2014/15) Budget for the ICURA are for \$90.9 million dollars. There are five major budget categories: Business and Industry, Housing, Infrastructure, Revitalization and Transfers as shown in Figure 3.

Figure 3: Budget Categories for ICURA Five Year Budget



Source: Portland Development Commission

As part of their May 2010 recommendations, the N/NE CAC voted to adjust the funding levels in the FY 2016-2021 budget to increase the funding for Business and Industry and decrease the funding for Infrastructure.

Project Priorities

The identification of Gem List projects and the respective budget category is shown in Table 2. All Gem List projects are included in the adopted PDC Five Year Budget. Descriptions of the Gem List projects are shown in the full Gem List document in Appendix E.

Table 2: Gem List Projects and Budget Categories

| Gem List | ICURA Five Year Budget Category | Millions of Dollars |
|------------------------------------|----------------------------------|---|
| Redevelopment | | |
| Killingsworth Station | Business and Industry | 5.40 |
| Argyle Site Redevelopment | Revitalization and Redevelopment | 3.15 |
| Kenton Field Redevelopment | Revitalization and Redevelopment | 1.25 |
| Transit Oriented Development | Revitalization and Redevelopment | Funding represented through multiple budget items |
| Parks and Open Space | | |
| Jefferson High School Plaza | Infrastructure | 0.90 |
| Unthank Park Renovation | Infrastructure | 1.80 |
| Dawson Park Renovation | Infrastructure | 1.50 |
| Humboldt Park Acquisition | Infrastructure | 1.25 |
| Bridgeton Trail | Infrastructure | 1.95 |
| Small Parks Projects | Infrastructure | 0.90 |
| Transportation | | |
| Killingsworth Streetscape Phase II | Infrastructure | 3.10 |
| Russell Streetscape Phase II | Infrastructure | 2.10 |
| Lombard Streetscape | Infrastructure | 1.60 |
| Lombard Station Improvements | Infrastructure | funding included in Lombard Streetscape line item |
| Small Transportation Projects | Infrastructure | 1.20 |
| Programs | | |
| Revitalized Business Districts | Business and Industry | 20.00 |
| Quality Jobs | Business and Industry | 2.45 |
| High Quality Community Facilities | Revitalization and Redevelopment | 2.00 |
| Affordable Housing | Housing | 17.00 |
| TOTAL | | 67.55 |

Source: Portland Development Commission

The maximum indebtedness of the ICURA is \$335 million. Of that, approximately \$91 million has been spent in the district. There is approximately \$230² million remaining for projects and programs. As shown in the adopted 2010-2011 budget, \$90.9 million is allocated in the five-year forecast. The funding estimate for completion of the Gem List is approximately \$67.55 million and the Portland Development Commission portion is completely funded in the five-year budget, as shown in Table 3. Actual completion of the Gem List projects is dependent on public/private sector participation.

² This number increases to \$231 million with the addition of the expansion properties as reflected in the May, 2010 vote by the N/NE CAC.

Table 3: ICURA Funding Estimates

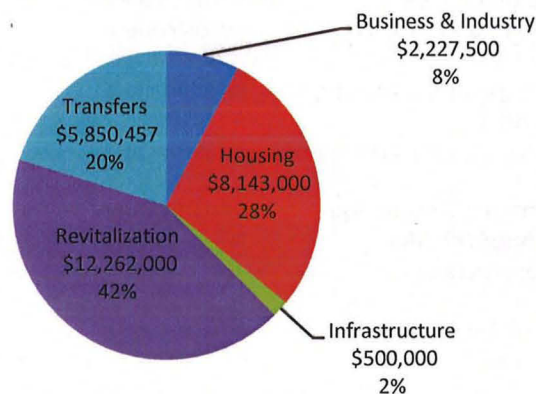
| | |
|--|-----------------|
| ICURA Maximum Indebtedness | \$335.0M |
| Funding used to date* | \$91.0M |
| Funding remaining for Projects and Programs | \$230.0M |
| Gem List funding estimate | \$67.5M |
| <u>Remaining 5-year budget</u> | <u>\$23.4M</u> |
| Remaining funding | \$139.1M |
| Debt Issuance Costs | 14.0M |
| *includes current FY 09/10 budget | |

Source: Portland Development Commission

Oregon Convention Center Urban Renewal Area

The planned investments in the approved PDC Five Year (FY 2010/11-2014/15) Budget for the OCCURA are for \$28.9 million dollars. There are four major budget categories: Business and Industry, Housing, Revitalization and Transfers as shown in Figure 4.

Figure 4: Budget Categories for OCCURA Five Year Budget



Source: Portland Development Commission

Project Priorities

The OCC Urban Renewal Advisory Committee's (OCCURAC) main priorities are to assist in the redevelopment of the Rose Quarter and to support jobs and economic development. These priorities are encompassed in the list below:

- Memorial Coliseum/Rose Quarter Redevelopment
- Blocks 43/26/Support for Convention Center/Potential Convention Center Hotel
- Mixed-use development on Blocks 47/49
- Lloyd EcoDistrict
- Business and Industry Economic Development
- Housing Set Aside
- Enhanced Connection between Rose Quarter and Oregon Convention Center

Boundary Adjustments

The recommended expansion areas are briefly summarized below and are shown in Figures 2A and 2B.

1. Properties north of Broadway/Schuyler presently in the Oregon Convention Center Urban Renewal Area including properties along Martin Luther King, Jr. Blvd. and Alberta Street

This area includes 186 acres with an approximate assessed value of \$98 million. The priorities for this area as established by the OCCURAC include Business and Redevelopment Loans, funding to realize the components of the Martin Luther King, Jr. Blvd. Action Plan and N/NE Gateway and Heritage Markers. The Eliot Neighborhood Association Land Use Committee testified in support of inclusion of this area in the ICURA. The OCCURAC also supported inclusion of this area. There are specific requests from property owners for inclusion in the ICURA.

There is significant need to address blighting conditions (see Appendix F: Definitions of Blight) in the area which will extend beyond the termination of the OCCURA in 2013. There are properties which are underdeveloped and properties in need of rehabilitation. Potential projects in the area include the development of numerous vacant parcels. The tools offered by inclusion in the ICURA will help address these blighting conditions in this area.

2. Properties along Martin Luther King, Jr. Blvd. which are not presently in an urban renewal area

Properties along Martin Luther King, Jr. Blvd. not presently in an urban renewal area include 75 acres with an approximate assessed value of \$38 million. When the OCCURA was amended to include Martin Luther King, Jr. Blvd., and the ICURA was subsequently created, many parcels along Martin Luther King, Jr. Blvd. were left out of both districts due to the zoning at the time. Much of this property is underdeveloped or in need of rehabilitation. The Eliot Neighborhood Association Land Use Committee and Woodlawn Neighborhood Association support inclusion of this area in the ICURA. There are specific requests from property owners for inclusion in the ICURA.

Inclusion of the remainder of these properties into the ICURA would allow this significant commercial corridor to make use of the economic development tools offered in the ICURA and address the blighting conditions in this corridor. Potential projects in this area include a mixed-use development by Sakura Urban Concepts, Simpson Commons by Bridge City Builders, and the development of numerous properties owned by City Urban Projects.

3. Alberta Street properties which are not presently in an urban renewal area and the Killingworth Avenue node

This boundary expansion area includes 33 acres with an approximate assessed value of \$15 million. Although portions of Alberta Street are enjoying a recent renaissance, there are many structures within the area which are still underdeveloped and in need of rehabilitation. Many of these structures are owned by long-term residents of the neighborhood and the ability to both eliminate blight and support wealth creation in the neighborhood lead to the inclusion of these properties. Inclusion would also allow the opportunity for long-term residents to redevelop their own property, supporting community economic development in the neighborhood versus development by investors from outside the community (destinational development). There are specific requests from property owners for inclusion in the ICURA. Potential projects include

redevelopment of property owned by the Black United Fund and a mixed-use project by Riggins Remodeling.

The Killingsworth node was recently rezoned from residential to commercial due to the nature of its use and represents an area in need of redevelopment. There are specific requests from property owners for inclusion in the ICURA. Coast Industries and James Berry, for example, have requested the N/NE CAC include this area to assist with redevelopment of their properties. The tools offered by inclusion in the ICURA will help address these blighting conditions.

4. The South Side of Lombard Street

This expansion area includes 28 acres with an approximate assessed value of \$12 million. When the ICURA was originally adopted, the north side of Lombard Street was included in the area. The Portsmouth Neighborhood Association, Piedmont Neighborhood Association, University of Portland, and N/NE CAC member Jonath Colon requested the inclusion of this expansion area into the ICURA. There are many business owners, including many Latino business owners, on the south side of Lombard Street who have expressed interest in the tools provided in the ICURA to help improve physical structures and promote business development in the area.

There are many structures within the area which are underdeveloped and in need of rehabilitation. In addition, the Lombard Streetscape, a Gem List project, can move forward if the entire street is included in the ICURA. The tools offered by inclusion in the ICURA will help address these blighting conditions.

5. St. Johns Town Center Area (including Roosevelt High School)

This area includes 103 acres with an approximate assessed value of \$66 million. The area is presently underdeveloped and is in need of rehabilitation including building and streetscape improvements to help enhance the residential and business environment in the area. The St. Johns Neighborhood Association testified to the N/NE CAC that they conducted community outreach concerning the possibility of being added to the ICURA and had very strong support for the concept of inclusion in the ICURA. The University of Portland, St. Johns Boosters, and The Friends of Cathedral Park sent letters of support for inclusion in the ICURA. The St. Johns Main Street Coalition also supported the inclusion. There are additional requests from property owners for inclusion in the ICURA.

Potential projects identified by community members include the redevelopment of several vacant car lots, an underutilized "gateway" site at N. Ivanhoe St. and N. Philadelphia Ave and the City-owned brownfield site. The tools offered by inclusion in the ICURA will help address these blighting conditions.

Roosevelt High School

Portland Public Schools requested the inclusion of Roosevelt High School into the ICURA. While there are no specific plans for this area, likely projects would be to assist in redevelopment of the portions of the building that would house a community center and to improve transportation access. The lack of adequate pedestrian improvements and streetscape and lack of community facilities are blighting influences which can be addressed through inclusion in the urban renewal area.

Appendix C

Acreage and Assessed Value of Expansion Areas

Table 4 shows the acreage and assessed value calculations for the expansion areas. The acreage of the ICURA can be increased by a total of 720.7 acres. The N/NE CAC recommendations are for expansion of 425 acres, well within the statutory allowed total for the ICURA and for the City of Portland as a whole.

Table 4: Potential Expansion Areas

| Area | Acreage | AV |
|--|------------|---------------|
| Property from OCCURA | 186 | \$98M |
| Martin Luther King, Jr. Blvd. new to URA | 75 | \$38M |
| Alberta St. and Killingsworth St. | 33 | \$15M |
| S. Side of Lombard St. | 28 | \$12M |
| St. Johns Town Center | 103 | \$66M |
| Total | 425 | \$229M |

Source: Portland Development Commission

Pending Future Action

Rose Quarter

This area includes 32 acres with an approximate assessed value of \$16 million. The area is presently underdeveloped and has the capacity to produce enormous economic activity to support the region. There is a specific request from the Portland Trail Blazers for inclusion in the ICURA and for the development of Jump Town. Currently, this area is being analyzed by the Rose Quarter Stakeholder Advisory Committee (SAC). They are scheduled to conclude their process in December 2010, which will result in the creation of a Rose Quarter Development Strategy and a determination on the future of the Memorial Coliseum. Properties which are now publicly owned are under consideration to move to the ICURA. The SAC will make a recommendation to the PDC and City Council at the end of the SAC's process. There was a specific request from Mayor Adams to remove N/NE CAC consideration of the potential Rose Quarter boundary adjustment at this time and to reconvene the committee to address this issue at the culmination of the Rose Quarter Stakeholder Advisory Committee process. The N/NE CAC will review the SAC recommendation and make a future recommendation to PDC on whether this area should be included into the ICURA.

Policy Issues

The first policy issue voted on by the N/NE CAC was the Community Benefits Agreement (CBA) on the Rose Quarter as referenced in the preceding section. The Rose Quarter Stakeholder Advisory Committee will receive a recommendation from the N/NE CAC to implement a Community Benefits Agreement for the development of the Rose Quarter.

The concept of a public-private partnership extends well beyond the foreseeable, direct benefits that will accrue to the participating parties. A public-private partnership can also be analyzed from the perspective of identifiable, affected parties that are not direct parties to the partnership—e.g., residents, including individuals, businesses and other entities/organizations that represent the “community”—and the direct and indirect impact that the public-private investments can potentially provide to the community.

CBAs are legal contracts between developers and community coalitions designed to ensure that affected residents share directly in the benefits of major developments. The potential benefits contemplated by CBAs are broad, and include returns in the economic, environmental and equity areas.

The remaining policy issues voted on by the N/NE CAC regarded housing issues raised repeatedly during the N/NE CAC process. A primary area of interest for the N/NE CAC was gentrification and the desire to allow seniors to stay in their homes. Other priorities are to increase homeownership opportunities, assist with retention of existing residents and prevent displacement. The commitment by the Portland Housing Bureau to meet the minority contracting and diversity standards established by PDC will help enhance the economic equity and wealth creation that is a stated principle of the Interstate Corridor Urban Renewal Plan.

Meetings with staff from the Portland Housing Bureau have resulted in significant efforts to address these important issues. These results include a pilot project that will fund community-based services that can provide direct outreach and technical assistance to at-risk homeowners in N/NE Portland and a commitment by the Portland Housing Bureau to commence a review of all of its programs through an equity lens to ensure those programs are reaching underserved communities of color. This commitment is further solidified by the N/NE CAC's requests for measurable benchmarks.

Impacts of Recommendations

Community Benefits

A key issue in the discussion of how urban renewal can better serve the N/NE community has centered on how investments will benefit the N/NE community. The existing programs and projects already provide community benefits of jobs, reinvestment in the commercial and residential communities, and investment in the infrastructure of the neighborhood. The recommendations for increases in the participation of minority contractors, Community Benefits Agreements in general and a Community Benefits Agreement with the Rose Quarter/Memorial Coliseum could be important vehicles for providing additional community benefits. The Portland Housing Bureau has also made significant steps towards addressing issues raised during this review process. Specific areas of community benefit include:

Jobs: The inclusion of additional properties within the ICURA will provide tools to assist with business development, which will result in job creation in the area. PDC estimates that more than 960 jobs will be created as a result of the projected Business Finance investment in the expansion areas as shown in Table 5 (one job for every \$5,000 of investment). Additional jobs will be created from investment from PDC infrastructure projects, other PDC programs, as well as construction jobs from Portland Housing Bureau programs.

Table 5: Projected Jobs from Expansion Areas

| Expansion Area | Potential Business Finance Investment | Jobs Created |
|--|---------------------------------------|--------------|
| Properties from OCC | 650K | 130 |
| Martin Luther King, Jr. Blvd., Alberta, Killingsworth | 1.56M | 312 |
| South side of Lombard/St. Johns | 2.6M | 520 |
| Totals | 4.81M | 962 |

Source: Portland Development Commission

Using average salaries of companies who received loans through PDC's Quality Jobs Program and average salary for Portland, these jobs are projected to provide wages of \$42-45 million annually.³

Leverage of Public Investment: The use of tax increment funds for leveraging of private investment is one of the unique benefits of urban renewal. The majority of the areas being added in the expansion are commercial properties which have the ability to leverage investment dollars and add jobs as described above. PDC estimates a 1:4 leverage of public funds to private funds will be achieved for the business finance funds in the expansion areas. This equates to \$19.24 million dollars of private funds that are anticipated to be invested in the area.

Minority Participation: The City of Portland and PDC are currently involved in work on a disparity study. Results from this study, anticipated in fall 2010, will provide guidance for goals and participation rates of minority contractors. Of the three construction projects in ICURA in 2009, 22 percent of construction costs went to minority-owned, women-owned, and emerging

³ PDC average salary between FY04/05 through FY07/08 was 43,888. Portland's average annual salary in 2008 was \$47,000.

small businesses. Total hours worked included 43 percent minority and female hours and 22 percent apprentice hours. The ability to continue to provide fair and equitable contracting opportunities to minorities will help provide important jobs and help create wealth in the community. The N/NE CAC discussed the need for higher utilization rates.

Community Benefits Agreements:

The N/NE CAC heard several proposals for Community Benefits Agreements, including a specific proposal by the African American Chamber of Commerce for the Rose Quarter development. This proposal would place 1 percent of gross revenues from the Rose Quarter into a community investment fund to be dispersed among non-profits throughout the city. This proposal also included a \$1.99 ticket tax. The Community Benefits Agreement for the Rose Quarter/Memorial Coliseum is a concept that is still being refined. This committee made the following recommendation to the Rose Quarter Development Stakeholder Advisory Committee (SAC):

The N/NE CAC strongly recommends the Rose Quarter Stakeholder Advisory Committee require a Community Benefits Agreement for the Rose Quarter properties. This agreement would be negotiated and become operational through the future Development and Disposition Agreement which will be signed by any developer of these properties and key stakeholders including the City of Portland or PDC.

Business Opportunities in Expansion Areas: The inclusion of expansion areas provides the opportunity for business owners to participate in the programs offered by the Portland Development Commission to both improve existing businesses and provide funding sources to create new businesses. These benefits include eliminating blighting conditions, creating jobs, retaining and creating new businesses, and adding to the tax base in these neighborhoods. The projected PDC investment is shown in Table 6 below.

Table 6: Projected PDC Investment in Expansion Areas

| Area | Projected PDC Investment | | | | | | |
|---|--------------------------|-------------|-------------|---------------|---------------|--------------|--------------|
| | Storefront | DOS | GBG | CLG | Redev | Infra | B. Fin. |
| Properties from OCC | 390K | 180K | 80K | 150K | 7.65M | 5.1M | .650M |
| Martin Luther King, Jr. Blvd., Alberta, Killingsworth | 450K | 225K | 146.25K | 292K | 6.5M | 2.8M | 1.56M |
| South side of Lombard/St. Johns | 750K | 375K | 243.75K | 487.5K | 3.5M | 2.6M | 2.6M |
| Total | 1.59M | 780K | 470K | 929.5K | 17.65K | 10.5M | 4.81M |

DOS: Development Opportunity Service; GBG: Green Business Grants; CLG: Community Livability Grants; B. Fin: Business Finance

Source: Portland Development Commission

Budget Impacts

Interstate Corridor Urban Renewal Area:

The N/NE CAC adopted a recommendation on May 19, 2010 that the Gem List projects, high priority projects identified by the Interstate Corridor Urban Renewal Advisory Committee (ICURAC), will receive first funding priority. The future budget impacts caused by adding additional area to the ICURA are in two main categories: frozen base changes and budget requests.

Once the expansion area properties are added, the assessor will increase the frozen base for the ICURA. This addition of properties will increase the amount of annual tax increment which will be allocated to the ICURA. This increased allocation will allow for additional annual funding in the ICURA budget. It does not, however, increase the total funding allowed (maximum indebtedness) for the lifetime of the area.

There will be additional requests for funding from the expansion areas. The estimated use of funds from PDC in the expansion areas is shown in Table 6 above. These requests will be dealt with the way all budget decisions are made: the ICURAC will review budgets on an annual basis and make recommendations to the Portland Development Commission, which recommends budgets to the Portland City Council for approval.

A final budget impact will result from payment by ICURA to OCCURA for the "book value" of PDC-owned properties being transferred from OCCURA to ICURA.⁴

Oregon Convention Center Urban Renewal Area:

The funding levels as allocated in the PDC Five Year Budget for OCCURA will remain unchanged unless affected by the amendments to the urban renewal area. For instance, the overall budget level will not change; however, any funds allocated to areas that will be removed will be reallocated to the remaining OCCURA priorities. There will be a reimbursement to the OCCURA of the book value of PDC-owned properties being transferred to ICURA as stated above. The frozen base value will decrease, but because the OCCURA receives its funding from a Special Levy, a decrease in the frozen base will not impact the revenues it receives.

Impacts on Maximum Indebtedness

Interstate Corridor Urban Renewal Area:

The N/NE CAC has not recommended an increase in maximum indebtedness for the ICURA at this time. The committee made it clear in their recommendation on May 19, 2010 that they could revisit this issue if additional properties, like the Rose Quarter, were added to the ICURA in the future.

Oregon Convention Center Urban Renewal Area:

There is no impact on the maximum indebtedness of the OCCURA as a result of the N/NE CAC recommendations.

Impacts on Taxing Jurisdictions

Interstate Corridor Urban Renewal Area:

Since new areas are proposed to be added to the ICURA from the OCCURA, there is an annual impact as a result of the change in status of these properties. This impact is described in the following section on the Oregon Convention Center Urban Renewal Area.

⁴ For any property which is owned by PDC and transferred from one urban renewal area to another, PDC's policy is to repay the present value or "book value" of the property to the urban renewal area which is losing the property. If the property is sold in the future, the sale proceeds go to the new urban renewal area.

With the maximum indebtedness of \$335 million, the total estimated impact to taxing jurisdictions from FY 2010-11 through 2026-27 is shown in Table 7. The actual impact can vary depending on the timing of the issuance of debt.

Table 7: Taxing Jurisdictions Impacts through FY 2026-27

| | Impact with Expansion Areas |
|---------------------------------|-----------------------------|
| City of Portland | \$127M |
| Multnomah County | \$133M |
| Portland Public Schools* | \$166M |

*75% is made whole by the Oregon State Funding Formula

Estimated by the City of Portland Office of Management and Finance

Oregon Convention Center Urban Renewal Area:

There will be an impact on taxing jurisdictions as a result of moving properties from the OCCURA to the ICURA. The OCCURA is an Option 3 district. Unlike other urban renewal districts, Option 3 districts receive their revenues from a Special Levy which is set and does not increase annually. Therefore, increases in tax revenues in the OCCURA presently go to all taxing jurisdictions, not just to the urban renewal agency. Once some of these properties move to the ICURA, the taxing jurisdictions will no longer receive those annual increases in taxes. The taxing jurisdictions will continue to receive the taxes on the value established at the time the properties move into the ICURA, but any future growth, once in ICURA, will be allocated to the urban renewal agency.

Section Two

Current Status of Interstate Corridor Urban Renewal Area and Oregon Convention Center Urban Renewal Area

The information in this section presents data on the current status of the two urban renewal areas. It is not inclusive of the proposed changes as recommended by the N/NE CAC as identified in Section One.

Socio-Economic Background

The Urban League of Portland's website, on its home page for *The State of Black Oregon* report, states that, "Seven months after the inauguration of the first Black president, a statewide report on the condition of African Americans in Oregon reveals that black Oregonians remain at or near the bottom of every meaningful social and economic measure. African Americans in Oregon have significantly higher infant mortality rates, are more likely to live in poverty, have higher levels of unemployment, are half as likely to own their own homes and are far more likely to die of diseases such as diabetes than their white counterparts."⁵

Facts from *The State of Black Oregon* report and other reference entities were used to provide the background for the mission of the N/NE CAC. As shown in Table 8, the N/NE area of Portland has, overall, lower educational levels, lower home prices, and more residents in poverty than Portland as a whole. Key demographics indicate the ICURA is even more diverse than N/NE Portland. In the Interstate Corridor Urban Renewal Area there are significant disparities in minority homeownership,⁶ a higher unemployment rate, lower property values, lower education rates, a lower median age and an increased ratio of residents living in poverty than those living in the N/NE area of Portland.

The two high schools which serve the Interstate Corridor Urban Renewal Area, Jefferson High School and Roosevelt High School, have significantly higher rates of poverty than others in Portland, as shown by the participation rates for the free and reduced lunch programs. Thirty-eight percent of Black children live in households with incomes below the poverty level; 60 percent live in households with incomes below 200 percent of the poverty level.⁷

These key factors lead to the acknowledgement that much still needs to be done to establish economic parity for residents of N/NE Portland, particularly in the Interstate Corridor Urban Renewal Area. The ability to focus investments in the N/NE neighborhoods through the use of urban renewal provides significant tools to help address these issues.

⁵ *The State of Black Oregon*. (2009). The Urban League of Portland, Portland, Oregon.
<http://ulpdx.org/StateofBlackOregon.html>

⁶ *Ibid.*, Index summary p 9.

⁷ *Ibid.*, p 11.

Table 8: Statistical Information on Areas

| | Portland | N/NE | ICURA | OCCURA |
|--|-----------|------------------|------------------|-----------|
| Demographics/Minority % | 25.60% | 41.00% | 50.70% | 41.00% |
| % African American | 7.00% | 21.70% | 25.60% | 25.50% |
| Diversity Index | 53.1 | 68.9 | 77.7 | 65.3 |
| Homeownership | 53.70% | 56.20% | 50.90% | 22.10% |
| Average Home Sales Price 2008 | \$344,248 | \$317,047 | \$262,889 | \$282,400 |
| Median Household Income | \$54,037 | \$52,198 | \$45,043 | \$38,345 |
| Residents in Poverty | 16.40% | 17.30% | 22.40% | 24.20% |
| Small Businesses | | 3,999 | 1,033 | 735 |
| Median Age | 37 | 35.4 | 32.7 | 37.4 |
| Bachelor Degree | 35.40% | 30% | 19% | 35.40% |
| Total Households | 238,824 | 44,614 | 11,444 | 1,283 |
| Family Households | 123,875 | 24,797 | 6,676 | 383 |
| | | | | |
| School Information | | Jefferson | Roosevelt | |
| Free and Reduced Lunch | 43.20% | 67.40% | 74.90% | |
| Residents in School cluster: Minority | 44% | 68% | 66% | |
| Residents in School cluster: African American | 15% | 41% | 24% | |

Source: ESRI Business Analyst Software, 2008, RMLS, Roosevelt & Jefferson, 2008 profiles PPS, QCEW 2007.

Urban Renewal Area Key Facts

Table 9 summarizes the key urban renewal area facts on the Interstate Corridor and Oregon Convention Center urban renewal areas. The Oregon Convention Center Urban Renewal Area was established before the Interstate Corridor Urban Renewal Area, and will expire before the Interstate Corridor Urban Renewal Area.

Table 9: Current Status of Areas

| | Oregon Convention Center | Interstate Corridor |
|---------------------------------------|--------------------------|---------------------|
| Maximum Indebtedness | \$167M | \$335M |
| Last Date to Issue Debt | 2013 | 2021 |
| Amount Available for Projects* | \$22M | \$230M |
| Existing Acreage | 594.50 acres | 3,804.2 acres |
| Can be Expanded by | 1.45 acres | 720.7 acres |
| Established | 1989 | 2000 |

Source: Portland Development Commission

*Tax increment funds available from FY 2010/11 to end of district

Interstate Corridor Urban Renewal Area Key Facts

The ICURA was formed in 2000. With 3,804.2 acres, it is Portland's largest urban renewal area. It includes a diverse collection of historic communities in North and Northeast Portland, comprised of older residential neighborhoods, and interconnected by commercial corridors, with large scale industrial areas. The ICURA boundary overlaps seven neighborhood associations. The diverse nature of the area within the boundary results in an urban renewal plan that covers a wide range of goals and objectives, and therefore a wide range of activities.

Key Facts

- The ICURA is going to expire (reach the last date to issue bonded indebtedness) in 2021. That date can be extended through an amendment to the Urban Renewal Plan.
- The maximum indebtedness (MI) is \$335 million.
- The ICURA is presently 3,804.2 acres and can be increased by 720.7 acres.
- The ICURAC has identified a list of priority projects called the Gem List. This list can be seen in Table 2.
- Even after all Gem List projects are fully funded, it is projected that there is a remaining capacity of \$139 million in the ICURA through 2021.

Urban Renewal Plan Goals

The goals and objectives of the Interstate Corridor Urban Renewal Area Plan reflect considerable community involvement, including Advisory Committee deliberations, and many broad outreach efforts described in Exhibit C of the Plan. They also borrow considerably from the Albina Community Plan, adopted by City Council in 1993. The ICURA has a much more detailed list of goals and objectives than the OCCURA. There are specific general principles and then principles by topic area. The ICURA plan can be seen in full on the PDC website, at:

http://www.pdc.us/pdf/ura/interstate/interstate_corridor_urban_renewal_plan.pdf.

Specific General Principles from the ICURA plan cover the following key areas:

1. Outreach
2. Benefit the Existing Community (listed in full in Section One of this Report, pg. 7)
3. Coordination
4. Stability/Sustainability
5. Albina Community Plan
6. Optimize Light Rail Investment
7. Focus Investment Along Interstate
8. Distribution of Resources
9. Return on Investment
10. Strategic Use of Resources
11. Condemnation: Do not use
12. Other Funding Sources

In addition to the general principles, principles by topic area are developed for the areas of Housing, Economic Development/Jobs, Transportation, Revitalization, Urban Form/Urban Design/Historic Preservation, Parks and Open Space, and Community Facilities/Public Buildings/Infrastructure. These principles are detailed and explicit. This information can be found at <http://www.pdc.us/ura/interstate/icura-wkgpr-principles.asp>.

Initial projects funded in the district were the Yellow Line MAX light rail and the New Columbia Housing Development. Other significant tax increment investment in the neighborhood has provided housing development, jobs, business and property owner assistance, transportation

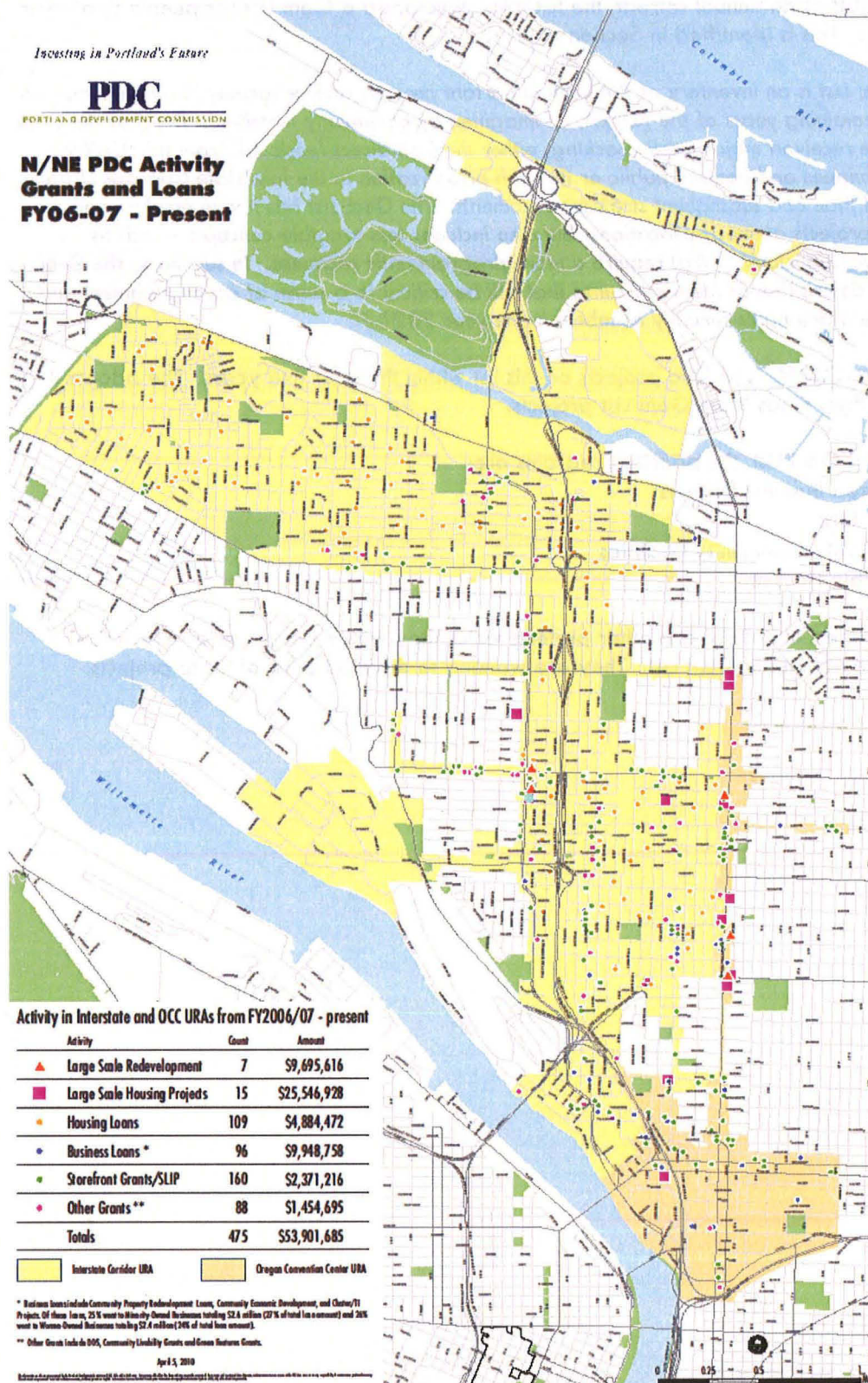
projects, including improved pedestrian connections and streetscapes, open space, and park projects as shown in Table 10. Figure 5 also shows a visual representation of where some of these projects occurred.

Table 10: URA Accomplishments in ICURA

| | |
|-------------------------------------|-------------------|
| Total MI used to Date | 94,300,000 |
| MAX Light Rail | 35,700,000 |
| New Columbia | 6,400,000 |
| Cash on Hand | 2,200,000 |
| Funding for Other Projects | 54,400,000 |
| Business and Industry | |
| Business Finance | |
| Community Economic Development | |
| Total: Business and Industry | 4,800,000 |
| Housing | |
| Crown Motel | |
| Shaver Green | |
| Killingsworth Station | |
| Patton Park | |
| Home Buyer Assistance | |
| Home Repair | |
| Housing Total | 17,000,000 |
| Infrastructure | |
| Dawson Park | |
| Patton Park | |
| Russell Street | |
| Denver Streetscape | |
| Killingsworth | |
| Total Infrastructure | 8,400,000 |
| Revitalization | |
| Storefront Grants | |
| DOS Grants | |
| Community Livability Projects | |
| Commercial Redevelopment Loans | |
| Revitalization Total | 7,300,000 |
| Staffing and Indirect | 16,500,000 |
| Grand Total | 94,300,000 |

Source: Portland Development Commission

Figure 5: Recent Investment in ICURA and OCCURA



Future Priorities

In the fall of 2008 at an annual retreat, the ICURAC developed a Gem List (Appendix E) of their priority projects. This is identified in Section One.

The Gem List is an inventory of the most important projects and programs to be implemented in the remaining years of the ICURA, as imagined by community members. Items of the Gem List have received major public backing, either through direct feedback from the ICURAC subcommittees and general public or through prioritization in the Interstate Corridor Urban Renewal Plan and subsequent strategy documents. The Gem List has heavy emphasis on capital projects at specific locations, but also includes less tangible concepts – such as economic opportunity - that require a more programmatic response. In summary, the Gem List is a description of ideal outcomes that will be critical to a sense of accomplishment and betterment among community members in the year 2021.⁸

A priority of the ICURAC is to fund projects on this list within the next five years. The adopted 2010-2011 budget funds these Gem List projects.

In addition to the Gem List, the priority programs are:

- Revitalized Business Districts
- Quality Jobs
- High-Quality Community Facilities
- Affordable Housing

The ICURAC testified that there are other projects which they would like to undertake in the ICURA which are not on the Gem List. They are working to develop a list of those projects.

⁸ Gem list document, Interstate Corridor Urban Renewal Advisory Committee, Portland Development Commission.

Oregon Convention Center Urban Renewal Area Key Facts

The OCCURA was formed in 1989 with the goal of maximizing the potential of Oregon Convention Center and the eastside MAX while stabilizing adjacent neighborhoods and mitigating any adverse impacts of the Oregon Convention Center.⁹ Plans called for leveraging MAX and the Convention Center to facilitate the redevelopment of the Lloyd District, increase its economic vitality and role within the central city, and to improve its connection to the downtown. The OCCURA Plan has been amended 16 times, six of those adding acreage to the area. The 1993 boundary amendment, in response to the Albina Community Plan, included NE Martin Luther King, Jr. Blvd. from Russell Street to Rosa Parks Way.

The maximum indebtedness of \$167 million was established in 1998 as a result of legislative requirements.¹⁰ The OCCURA is an Option 3 Plan and shares funding with the Special Levy, a \$15 million annual levy collected to share among the OCCURA, Airport Way, Downtown Waterfront and the South Park Blocks urban renewal areas.¹¹

Key Facts

- The OCCURA is going to expire (last date to issue bonded indebtedness) in 2013, and that date cannot be extended.
- The Maximum Indebtedness cannot be increased. This is because the OCCURA is an Option 3 District, and different rules apply to those districts.
- OCCURA may not be able to access its remaining maximum indebtedness, estimated to be \$24.8 million, by the termination date of the Plan in 2013 with the use of traditional bonds.
- OCCURA may be able to use an alternative financing structure to access remaining maximum indebtedness after maximizing traditional bonds.
- There is approximately \$29 million in potential projects identified for the area.
- The OCCURA will expire without an ability to invest additional significant funds on Martin Luther King, Jr. Blvd. and Alberta Street.
- The OCCURA is presently 594.5 acres and can be increased by only 1.45 acres.

Urban Renewal Plan Goals

The following goals were identified in the OCCURA Urban Renewal Plan:

1. Maximize the regional job potential of the Oregon Convention Center.
2. Target jobs and businesses created through urban renewal financed activities to first benefit North/Northeast Portland residents and then all Portland residents.
3. Create opportunities within the area for businesses to expand and service the convention trade.
4. Integrate the OCC area with the Westside of the Central City and the Lloyd Center, reinforcing the expansion of the central city and the economic expansion of the east side.
5. Upgrade the setting and environment of the area to reflect the best of Portland to visitors, encouraging extended convention stays, return visits and business recruitment to Oregon.

⁹ Oregon Convention Center Urban Renewal Plan. Portland Development Commission.

¹⁰ As a result of the implementation of Measure 50 in 1997, the Oregon legislature adopted a requirement that all urban renewal plans must establish a maximum indebtedness.

¹¹ After the passage of Measure 50, existing urban renewal plans were given three classification options from which they had to choose. An Option 3 District was given the authority to issue a Special Levy to help meet bond obligations to replace tax revenues lost due to the rollback of property valuation.

6. Ensure that urban renewal activities work to stabilized adjacent neighborhoods, mitigating adverse impacts and striving to strengthen neighborhood values.
7. Establish realistic and attainable objectives in the formation of projects to be undertaken within the urban renewal area.

The Oregon Convention Center Urban Renewal Plan is also an implementing tool of the Martin Luther King, Jr. Blvd. Action Plan (**Action Plan**), which was developed in 2006 and updated in 2008. It focuses on long-standing goals set forth for the area and identifies specific Action Items for both public and private partners to implement. The Action Plan Goal is to *coordinate public and private efforts to refocus on the revitalization of Martin Luther King, Jr. Blvd. to develop a corridor that promotes local wealth creation, engages and benefits a diverse group of stakeholders, and creates a livable and functional main street.*¹² The strategies are to:

- Practice broad, inclusive public involvement.
- Support business development, especially minority-owned businesses on Martin Luther King, Jr. Blvd.
- Highlight the image and market on Martin Luther King, Jr. Blvd.
- Facilitate commercial, mixed-use development.
- Facilitate housing development.
- Improve the function of Martin Luther King, Jr. Blvd. for people and transit.

Project Priorities

The OCCURA Advisory Committee's priorities are detailed in Section One of this Report.

¹² Martin Luther King Jr. Blvd. Updated Action Plan, June 2008, City of Portland.

The N/NE CAC Meetings: Summary of Information Presented and Input Received

Twelve meetings were held by the N/NE CAC. Full meeting summaries, prepared by PDC staff after each meeting, are found in Appendix A. Complete summaries and videos of all meetings are on the PDC website, at: <http://www.pdc.us/four/nne-study/nne-materials.asp>.

The meetings began in August 2009 and concluded in May 2010. Meetings 1-3 gave general orientation to the issues being considered. Meetings 4 and 5 provided information about housing and economic development programs. Meetings 6-8 dealt with potential expansion areas. Meetings 9-11 reviewed prior information and allowed for discussion of priorities and decision-making. Voting on the recommendations occurred at Meeting 12. Each meeting allowed time for committee members' questions and public input.

A Request Log was compiled to answer questions which were raised but not fully addressed in the meetings. The full Request Log is found in Appendix G.

Meeting 1: The mission statement was presented. A community snapshot of key demographics and background information about PDC's business finance tools was presented. The priorities of the ICURAC and OCCURAC were detailed.

Meeting 2: Presentations were made on the background community opinions research that was compiled prior to convening this N/NE CAC: Community Opinions Research by CH2A & Associates and the N/NE Stakeholder Interviews Report conducted by Northwest Ideas, LLC. The "Criteria for Decision-Making" was introduced and discussed by the committee. A presentation of the basics of tax increment financing was made.

Meeting 3: The Criteria for Decision-Making was reviewed and adopted. A financial summary of the two urban renewal areas was outlined. The distinction between eligible and ineligible activities for tax increment financing was made. The chairs of the urban renewal advisory committees presented background on goals and priorities of their areas.

Meeting 4: This meeting focused on economic development tools available in the urban renewal areas. Presentations were made by the African American Chamber of Commerce, the Hispanic Metropolitan Chamber of Commerce, the Oregon Association of Minority Entrepreneurs, Albina Community Bank, and the Portland Development Commission Business Finance team.

Meeting 5: The Portland Housing Bureau presented information about the recent restructuring of the City of Portland's housing programs. In December of 2008, the City consolidated the former Bureau of Housing and Community Development and the Portland Development Commission's Housing Department. This consolidated housing investments, allowed the 30 percent TIF to be set aside, federal/state and the City's general fund to be coordinated by a single Portland Housing Bureau (PHB), effective July 1, 2009.

Meeting 6: A PSU professor made a presentation about the historical significance relating to disinvestment and reinvestment issues resulting in gentrification and racial disparities within the study areas. The meeting focused on the Martin Luther King, Jr. Blvd. proposed expansion area. Materials included a virtual tour, presentations by stakeholders, and a financial summary.

Meeting 7: A detailed summary of the PDC community involvement activities was provided. The meeting focused on the south side of Lombard Street and St. Johns Town Center proposed expansion areas. Materials included a virtual tour, presentations by stakeholders and a financial summary.

Meeting 8: A presentation was made by Portland Community College, including an overview of PCC and their role in the economic development of the region, and in the Interstate Corridor Urban Renewal Area. The meeting focused on the Rose Quarter proposed expansion area. Materials included a virtual tour, presentations by stakeholders, including a presentation by the Mayor's office on the Rose Quarter Development Project, and a financial summary by PDC.

Meeting 9: The mission, Criteria for Decision-Making, charge to the N/NE CAC, and the Report outline were reviewed - no changes were made. The potential expansion areas were reviewed, and a "lightening round" of votes through anonymous electronic voting was cast to give an idea of the direction the N/NE CAC was leaning, in terms of boundary expansions.

Meeting 10: This meeting was a round table discussion, with committee members summarizing the positions of their respective constituents or organizations. Mayor Sam Adams presented information about the Rose Quarter Development Project.

Meeting 11: The round table discussion continued with additional committee members summarizing the positions of their respective constituents or organizations. PDC staff was directed to prepare recommendations on which to vote at the next meeting.

Meeting 12: Community input was taken. The committee voted on the recommendations.

Summary of Community Input in N/NE Economic Development Initiative

The N/NE CAC was one strategy used to engage the community in this important study. Additional strategies and outreach tools are defined in the North/Northeast Economic Development Initiative Study Public Participation Plan, and can be seen on the PDC website at <http://www.pdc.us/four/nnestudy/nne-materials.asp>.

Some of the specific outreach strategies were:

Community Advisory Committee

- Regular meetings of the N/NE CAC were held from August 2009 to May 2010 at the Billy Webb Elks Lodge (6 N. Tillamook St.) from 6:00-8:00 p.m.
- Members represented the diversity of the N/NE communities.
- Each meeting had time for public comments and comment cards were available for those who preferred to ask questions in writing. Staff responded to all inquiries.
- A Request Log tracked questions asked at public meetings and staff responses.
- Full meetings were televised on Portland Community Media CityNet30 and posted online at Blip.TV
- Public attendance at these meetings averaged between 60 and 75 individuals. The in-person attendance total for the twelve meetings was approximately 800 people.
- Members included representatives from the following organizations:
 - African American Chamber of Commerce
 - Albina Community Bank
 - Central City Concern
 - Hispanic Metropolitan Chamber of Commerce
 - Interstate Corridor Urban Renewal Advisory Committee
 - Montesi and Associates, Latino small business
 - Multnomah County
 - New Columbia resident
 - Northeast Coalition of Neighborhoods
 - North Northeast Business Association
 - North Portland Business Association
 - Northwest Association of Minority Contractors
 - Oregon Association of Minority Entrepreneurs
 - Oregon Convention Center Urban Renewal Advisory Committee
 - Portland Community College
 - Portland Public Schools
 - Portland Trailblazers
 - Roslyn Hill Development
- A subcommittee on minority contracting met and recommended the use of PDC's goals and standards for minority and women contracting and workforce diversity for all applicable projects.

All communications and materials sent to the Community Advisory Committee were also sent to all members of the Interstate Corridor and Oregon Convention Center Urban Renewal Advisory Committees (URAC), the Martin Luther King, Jr. Blvd. Advisory Committee, and to each groups' interested parties list. This information was received by approximately 600 people.

Community Meetings

- Initiative kick-off at Jazz on the Mississippi on September 12, 2009.
- Community groups and stakeholders presented their issues at NNE CAC Meetings 6, 7, 8, 10 & 11
- Presentations to other community groups:
 - St. Johns Main Street Committee
 - Martin Luther King, Jr. Blvd. Advisory Committee
 - Oregon Convention Center URAC
 - Interstate Corridor URAC
 - Eliot Neighborhood Association
 - African American Alliance
 - North Portland Neighborhood Services
- The Northeast Coalition of Neighborhoods, in conjunction with the Urban League of Portland and Portland State University held four community forums in February and March of 2010 to provide information and gain input from the community on the potential changes to the Interstate Corridor and Oregon Convention Center URAs. Over two hundred citizens participated in these forums. At the March 24, 2010 meeting of the N/NE CAC a presentation was made by representatives of this group with initial recommendations based on the community feedback. A handout on Community Perspectives was also presented by the group. These documents are contained on the PDC website under the March 24, 2010 meeting documents.

Urban Renewal Advisory Committee meetings

- The Interstate Corridor and Oregon Convention Center Urban Renewal Advisory Committees were kept apprised of the activities and decisions of the N/NE CAC.
- PDC provided special briefings to a joint meeting of the URACs.

PDC Board Briefings

- The PDC Board of Commissioners authorized initiation of the N/NE EDI in December 2008.
- The Board was briefed in May 2009 with an update based on results from the initial financial analysis.

Oregon Convention Center Urban Renewal Advisory Committee 2010 Membership**Regular Members represent the following organizations:**Neighborhood Associations:

- Eliot Neighborhood Association
- Irvington Neighborhood Association
- King Neighborhood Association
- Lloyd District Community Association
- Woodlawn Neighborhood Association

Neighborhood Business Associations:

- N/NE Business Association

Community Partners:

- Housing Developer (CCC)
- Entertainment
- Lloyd Business Improvement District
- Lloyd Transportation Management Association

- Oregon Convention Center

At Large Members:

- City-Wide

Interstate Corridor Urban Renewal Advisory Committee 2010 Membership

Regular Members represent the following organizations:

Neighborhood Associations:

- Eliot NA
- Arbor Lodge NA
- Overlook NA
- Humboldt NA
- Boise NA
- Kenton NA
- Portsmouth NA
- Piedmont NA

Neighborhood Business Associations:

- Interstate Corridor Business Alliance
- North Portland Business Association

Community Partners:

- Portland Community Reinvestment Initiatives Inc. (housing interests)
- Bosco Milligan Foundation (historic interests)
- N/NE Economic Development Alliance (economic development interests)
- University of Portland (development interests)
- Northeast Workforce Center (business/economic development interests)

At-Large Members:

- Neighborhood at-large (2)
- Real Estate interests
- Affordable Housing interests
- Parks interests

Alternate Members:

- Eliot NA
- Overlook NA
- Kenton NA

N/NE Economic Development Initiative Web Page

<http://www.pdc.us/four/nnestudy>

Contains all information about the project including:

- Project information and background;
- Community Advisory Committee meetings, meeting summaries and materials;
- Question/comment section for people to ask questions or add comments online and staff responds to all inquiries;
- Links to relevant sites;
- Page views from August 1, 2009 through May 19, 2010
 - Web site: 5331 views
 - Main N/NE EDI page: 2491 views
 - Materials page : 1906 views
 - Timeline: 418 views
 - Publications page: 235 views
 - Next steps page: 41 views (since its creation on 5/20/10)

N/NE Facebook Page

<http://www.facebook.com/pdxNNEDI>

Contains information about the project including:

- Project information and background;
- Question/comment section for people to ask questions or add comments online and staff responds to all inquiries;
- Links to relevant sites;
- Responses from individuals;
- From August 1, 2009 through May 19, 2010, 308 people signed up as liking the N/NE EDI Facebook page.

Twitter

- Staff tweeted at each meeting using the #NNEDI tag so people could follow the meeting on Twitter. Staff responded to questions asked via Twitter.
- From August 1, 2009 to May 19, 2010 staff averaged 30 Tweets per N/NE CAC meeting.

U.S. Mail

- Approximately 3,000 mailers were sent to all residents, businesses, and property owners within the expansion areas notifying them that their property was being considered for inclusion in the URA.

E-Blasts

Email updates regarding meeting agendas and materials were sent out to:

- The N/NE CAC and an interested parties list of over 600 individuals;
- The Interstate and OCC URACs and related interested parties lists;
- Martin Luther King, Jr. Blvd. Advisory Committee members and related interested parties list;
- A media list that included community papers as well as those whose circulation is citywide.

Print Media

- Regular media releases on significant events in the study.
- Advertisements in community newspapers such as the Portland Observer, The Skanner, Asian Reporter, El Hispanic News, Sentinel, and the Eliot News.
- The Skanner Newspaper placed a link to the N/NE EDI web page on their web page.
- PDC Commissioner Bertha Ferrán has written about the N/NE EDI in her monthly column in El Hispanic News.

Electronic Media

- Portland Community Media taped all the meetings and replayed them on Channel 30 at least once a week.
- A 10 minute video summary was created of each meeting and posted on the N/NE Facebook Page
- The meetings are available to view on the N/NE Facebook page using Blip.TV.
- PDC has produced and aired Spanish language radio advertisements.
- PDC has posted N/NE EDI videos on YouTube:
 - <http://www.youtube.com/user/PDXDevelopmentComm#p/u/6/bHEwnPKI08s>
 - <http://www.youtube.com/user/PDXDevelopmentComm#p/u/30/HwepUaH3Zal>

Chambers of Commerce

- PDC developed technical assistance agreements with each of the four minority chambers of commerce—the Hispanic Metropolitan Chamber of Commerce; the African American Chamber of Commerce; the Oregon Native American Chamber of Commerce; and the Philippine-American Chamber of Commerce. Each of these chambers provided communications and outreach recommendations and business opportunities for the North-Northeast Economic Development Initiative.

Stakeholder Interviews

- Harold Williams and Harold Williams II from CH2A Associates interviewed more than 500 community members over a year and a half to lay the ground work for the development of the North/Northeast Economic Development Initiative. In addition, Mr. Williams arranged dozens of meetings with PDC senior executives and long-time members of the North/Northeast community prior to the beginning of the project, including members of the Albina Ministerial Alliance, small businesses, and minority developers and contractors.
- Prior to beginning this initiative, State Rep. Lew Frederick and Ms. Sue Hagmeier from Northwest Ideas interviewed over 40 stakeholders in N/NE Portland to gain their perspective on the current situation in both URAs and their ideas for future development. These interviews were the first part of the formal process to enhance resources in North and Northeast Portland.
- The Rev. Renee Ward developed a faith community outreach plan that PDC used for the N/NE EDI.

Future Outreach for Identification of Potential Projects

- Should the N/NE Community Advisory Committee's recommendations lead to amendments of the urban renewal areas, there will be additional public outreach associated with that process including:
 - Citywide notice to all residents that an amendment to the URAs are occurring and dates for upcoming public meetings related to the amendments,
 - Public testimony opportunities before PDC Board, Planning Commission and City Council
- If new areas are incorporated into the ICURA, the Urban Renewal Advisory Committee will make decisions on future projects. For the N/NE EDI process, we aimed to bring information to the N/NE CAC on projects in the expansion areas known to us at the time of the meetings.

Additional Outreach for Rose Quarter Development Project

<http://rosequarterdevelopment.org/>

- This separate but concurrent process will result in the creation of a Rose Quarter Development Strategy and a determination on the future of Memorial Coliseum.
- Thirteen meetings held to date
- Public attendance at these meetings averages 25-50 people
- Over 650 people attended the public presentation of 29 Coliseum concepts
- Rose Quarter Stakeholder Advisory Committee is chaired by Mayor Sam Adams and has 31 voting members who represent the following organizations:

| | |
|------------------------------------|----------------------------------|
| • American Institute of Architects | • Eliot Neighborhood Association |
| • Bicycle Transportation Alliance | • Greenlight Greater Portland |
| • Central City Concern | • Interstate Corridor Urban |
| • City of Portland | Renewal Advisory Committee |

Appendix C

- Kalberer Company
- Lloyd District Neighborhood Association
- Lloyd Transportation Management Association
- Mississippi Studios
- National Association of Minority Contractors
- One Wolf Soccer Management and Development
- Oregon Association of Minority Entrepreneurs
- Oregon Ballet Theatre
- Oregon Sports Authority
- Portland Business Alliance
- Portland Center Stage
- Portland Public Schools
- Portland State University
- The Natural Step Network
- Travel Portland
- Urban League of Portland
- Youth perspective

Blight Analysis: Expansion Areas

A requirement of the approval process of an urban renewal plan amendment which contains a boundary expansion is to establish blight in the expansion area. In the summary paragraphs below, improvement to land (I:L) ratio, one indicator of blight, is analyzed. Improvement to land ratio is an assessment of the real market value of the improvements on a parcel compared to the real market value of the land. If the ratio is low, it indicates a prevalence of depreciated values and indicates that the property may benefit from redevelopment.

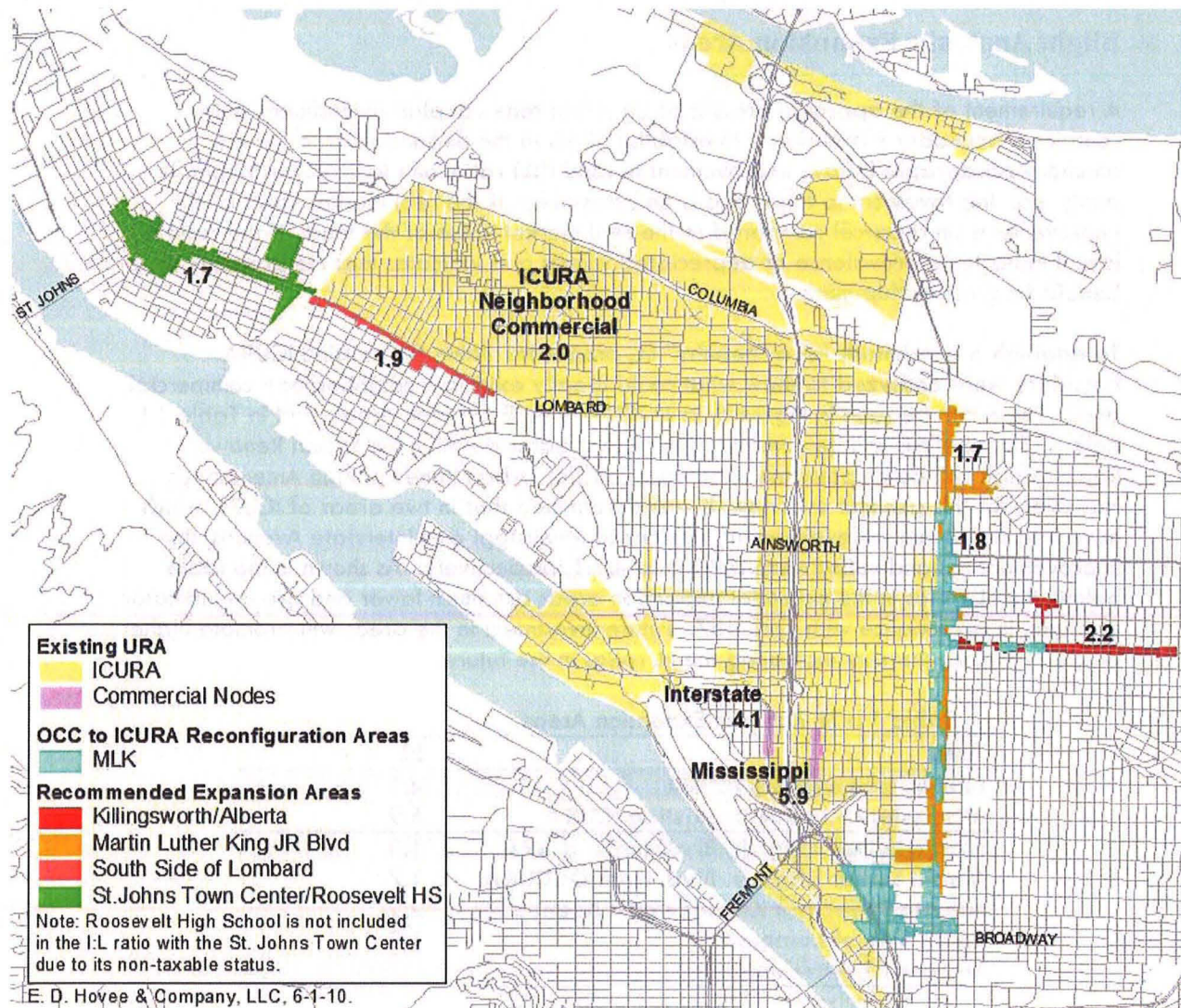
To establish a benchmark for a "healthy" I:L, properties within the existing ICURA boundary were analyzed to show what could ideally exist in a neighborhood commercial area. These can be seen in Figure 6: I:L in ICURA and Expansion Areas, and in Table 11 below. This analysis will be completed in much greater detail in the Urban Renewal Report which will accompany the Interstate Corridor Urban Renewal Plan Amendment. However, for this general overview, it was determined that in two areas of ICURA which have had significant redevelopment, sections of Mississippi and Interstate Avenues, the Improvement to Land ratios were 5.9:1 and 4.1:1, respectively. As shown in the table below, the I:L ratios in the potential expansion areas are much lower and are an indicator of blight, in accordance with ORS 457. Future investment in the areas will promote higher property values, thereby increasing the I:L ratios in the future.

Table 11: I:L Ratios in Expansion Areas

| Area | I:L |
|--|-----|
| Interstate in existing ICURA | 4.1 |
| Mississippi Avenue in existing ICURA | 5.9 |
| Martin Luther King, Jr. Blvd. not in a URA | 1.8 |
| Martin Luther King, Jr. Blvd. from OCCURA | 1.7 |
| Alberta Street and Killingsworth Avenue | 2.2 |
| South Side of Lombard | 1.9 |
| St. Johns Town Center | 1.7 |

Source: Analysis by ED Hovee and Company LLC

Figure 6: I:L Ratios in ICURA and Expansion Areas



Blight Analysis: Existing ICURA

A recent ruling by the Oregon State Land Use Board of Appeals states that when a substantial amendment of an urban renewal plan is considered, an analysis of the physical conditions of the existing area must be completed to establish that the existing area, as a whole, is still blighted. A detailed blight analysis will be completed in the Urban Renewal Report, which will accompany the Interstate Corridor Urban Renewal Plan Amendment. This future analysis will contain information on the physical conditions of the area, including an I:L analysis, an assessment of the water, sewer, storm-water and street systems, plus other key indicators of blight. However, an initial analysis of the existing area shows the following:

Improvement to Land Ratio: As stated above, I:L is an analysis of the improvement to land ratio of properties within an area. A "healthy" I:L is established as a benchmark, and then areas are compared to that benchmark. In the existing ICURA this analysis focused on the commercial areas of the district, as shown in Table 12. All neighborhood commercial districts within the ICURA, and outside of the Interstate Avenue and Mississippi Avenue nodes shown on Figure 6, have much lower I:L ratios and would be considered blighted, in accordance with ORS 457.

Table 12: I:L Analysis of Existing ICURA Commercial Properties

| Area | I:L |
|---|-----|
| Benchmark Area | |
| Interstate Avenue node in existing ICURA | 4.1 |
| Mississippi Avenue node in existing ICURA | 5.9 |
| ICURA | |
| ICURA neighborhood commercial areas | 2.0 |

Source: Analysis by ED Hovee and Company LLC

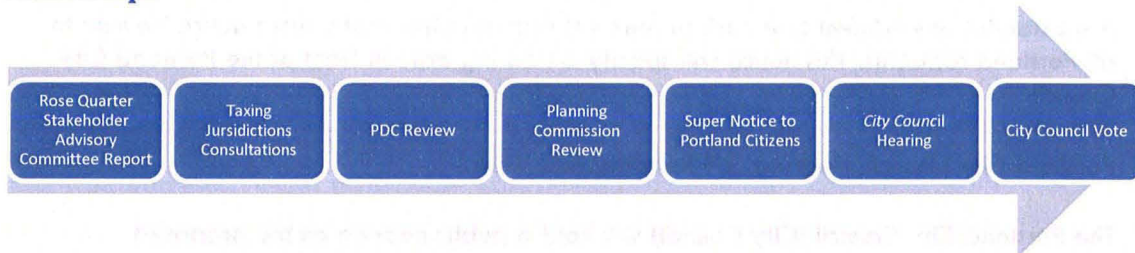
General Blight Factors Represented on Gem List: The Gem List contains the top priority projects, as identified by the ICURAC. Projects identified in an urban renewal area typically address the blight factors of the urban renewal area. In this case, and as summarized in Table 13 below, the projects and the blight factors as defined in ORS 457 are: redevelopment projects help support the economic vitality of the area and address the underutilization of property, which results in depreciated values; parks and open space projects address the blight factor of inadequate open space in the area; streetscape projects and small transportation projects improve the street system and address the blight factor of inadequate streets; improved streetscapes will provide safety for residents and will enhance the economic vitality of the area; and programs identified in the Gem List address the conditions of buildings and enhance the ability to encourage investment in the area, thereby increasing tax receipts. The programs also help improve the condition of the housing stock, curing blight.

Table 13: Gem List and Blight Categories

| Gem List | Blight Category |
|------------------------------------|--|
| Redevelopment | Depreciated values, lack of proper utilization |
| Killingsworth Station | |
| Argyle Site Redevelopment | |
| Kenton Field Redevelopment | |
| Transit Oriented Development | |
| Parks and Open Space | The existence of inadequate open space |
| Jefferson High School Plaza | |
| Unthank Park Renovation | |
| Dawson Park Renovation | |
| Humboldt Park Acquisition | |
| Bridgeton Trail | |
| Small Parks Projects | |
| Transportation | The existence of inadequate streets |
| Killingsworth Streetscape Phase II | |
| Russell Streetscape Phase II | |
| Lombard Streetscape | |
| Lombard Station Improvements | |
| Small Transportation Projects | |
| Programs | A prevalence of depreciated values, social and economic maladjustments |
| Revitalized Business Districts | |
| Quality Jobs | |
| High Quality Community Facilities | Inadequate provision for recreation facilities |
| Affordable Housing | Prevalence of depreciated values/defective design and quality of physical construction/obsolescence/deterioration/dilapidation |

Source: Elaine Howard Consulting, LLC

Next Steps



Rose Quarter Stakeholder Advisory Committee

The Rose Quarter Stakeholder Advisory Committee process will result in the creation of a Rose Quarter Development Strategy and a determination on the future of the Memorial Coliseum. By December 2010, the Rose Quarter SAC is scheduled to have a recommendation about which properties may be moving to ICURA, a recommendation as to terms for a community benefit agreement relating to the Rose Quarter area, as well as the amount of PDC and other investment. This information will be presented to the N/NE CAC for their review and recommendation.

Portland Development Commission Board Review

Both recommendations from the Rose Quarter Stakeholder Advisory Committee and the N/NE CAC will be presented to the Board of the Portland Development Commission. The PDC Board will then make a determination on whether or not to proceed with amendments to the Interstate Corridor and Oregon Convention Center Urban Renewal Area Plans.

Taxing Jurisdiction Consultations

Representatives from Multnomah County and Portland Public Schools sat on the N/NE CAC. Once final decisions are made about the scope of potential amendments, the Portland Development Commission staff will meet with affected taxing jurisdictions to review the proposed amendments and discuss the projected impacts.

Portland Development Commission Board Review

The Board of the Portland Development Commission will review the proposed amendments and vote at a public hearing to recommend forwarding amendments to the Planning Commission and City Council for approval.

Portland Planning and Sustainability Commission Review

The Portland Planning Commission (Planning Commission) review is a required step in a substantial amendment to an urban renewal plan. The role of the Planning Commission is to determine whether the proposed amendment is in compliance with the Portland Comprehensive Plan. Once they have made their determination, they will forward their recommendation to the City Council for approval. This is a public hearing.

Super Notice to all Portland Residents

A substantial amendment to an urban renewal plan requires that written notice be sent to all Portland residents. This notice will specify a hearing date in front of the Portland City Council.

Portland City Council: Hearing, 2nd Reading and Vote

The Portland City Council (City Council) will hold a public hearing on the proposed amendments. The ordinances accompanying the proposed amendments list the amendment areas, expected projects and incorporate any written comments from affected taxing jurisdictions. These amendments are approved through non-emergency ordinances where there is a hearing followed by a second reading and vote, and will take effect 30 days after approval by City Council.

Appendix C

The North Northeast Economic Development Initiative Community Advisory Committee is listed on page 6 of this report. The following participants were integral in the entire committee meeting process and the development of this North Northeast Economic Development Initiative Community Advisory Committee Report.

Portland Development Commission

Bob Alexander
Faye Brown
Byron Estes
Lisa Gramp
Stephen Green
John Jackley
Joleen Jensen-Classen
Sara King
Morgan Masterman
Lisa Norwood
Juan Carlos Ocaña-Chiu
Alyson Schwieger
Juanita Swartwood
Shawn Uhlman

Portland Housing Bureau:

Kate Allen
David Sheern
Margaret Van Vliet

Office of Management and Finance:

Eric Johansen
Patti Tigie

Mayor's office:

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JLA Involve:

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Elaine Howard
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Portland Planning and Sustainability Commission

André Baugh, Chair

Michelle Rudd, Vice Chair

Karen Gray

Don Hanson

Mike Houck

Lai-Lani Ovalles

Howard Shapiro, Vice Chair

Gary Oxman

Jill Sherman

Chris Smith

Irma Valdez

July 12, 2011

Mayor Adams and Portland City Council
Portland City Hall
1121 SW 4th Avenue
Portland OR 97204

Subject: Amended and Restated Interstate Corridor Urban Renewal Plan

Dear Mayor Adams and City Commissioners:

At a public meeting on June 28, 2011, the Portland Planning and Sustainability Commission voted unanimously in support of the proposed Amended and Restated Interstate Corridor Urban Renewal Plan as recommended in Portland Development Commission Resolution No. 6883.

In doing so, the Planning and Sustainability Commission:

1. Finds that Amended and Restated Interstate Corridor Urban Renewal Plan conforms with the adopted City of Portland Comprehensive Plan.
2. Recommends that the Portland City Council adopt the Amended and Restated Interstate Corridor Urban Renewal Plan.

The proposed Amended and Restated Interstate Corridor Urban Renewal Plan extends the boundaries of the existing plan area by encompassing areas to the west along main streets such as Martin Luther King Jr. Boulevard, and NE Alberta Street, and also key employment areas and emerging neighborhood business nodes. To the west, the amended plan area includes properties on the south side of N Lombard Street that were not included in the original boundary, and extends to the west along N Lombard into the St. Johns town center area. The expansion falls within areas for which the City has adopted plans, and will allow these areas to access economic resources needed for revitalization and development.

In considering the Amended and Restated Interstate Corridor Urban Renewal Plan, the Planning and Sustainability Commission heard compelling testimony from several key community stakeholders, including those that participated in the N/NE Economic Development Initiative process. These community members indicated that the public involvement process was inclusive and thoughtful, overcoming past perceptions about urban renewal, and believe that the proposed amendments will ultimately improve conditions for existing residents and long-time community members.

The Commission also received testimony from community members in the central northeast Portland area, including Central Northeast Neighbors, Inc., Portland International Business District, Roseway Neighborhood Association, and Rose City Park Neighborhood Association. This testimony generally



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8557481

184 773

called for a broader study to determine the need and most appropriate location for future urban renewal efforts, and asked that urban renewal tools be considered for this area to address blight and economic conditions. The Commission heard the plight of longtime residents and businesses that have waited for access. Through the lens of Equity, the PSC will measure the success for long-term residents and businesses.

The Planning and Sustainability Commission appreciates the opportunity to hear the proposed amendments and thanks you for considering our recommendations.

Sincerely,



Andre' Baugh, Chair
Portland Planning and Sustainability Commission



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**Report to the Portland Planning and
Sustainability Commission:
Amended and Restated Interstate Corridor
Urban Renewal Plan**

**June 28, 2011
Bureau of Planning and Sustainability
Portland, Oregon**



Bureau of Planning and Sustainability

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*City of Portland, Oregon
Sam Adams, Mayor • Susan Anderson, Director*



The City of Portland is committed to providing equal access to information and hearings.

If you need special accommodation, please call:
503-823-7700. (TTY 503-823-6868).

For more information about this project, please contact:

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Acknowledgments

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Nick Fish, Commissioner

Amanda Fritz, Commissioner

Randy Leonard, Commissioner

Dan Saltzman, Commissioner

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Barry Manning, Senior Planner

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Appendices

- **Appendix A:** *Amended and Restated Interstate Corridor Urban Renewal Plan: Comprehensive Plan Findings*
- **Appendix B:** *Amended and Restated Interstate Corridor Urban Renewal Plan*
- **Appendix C:** *Report on the Amended and Restated Interstate Corridor Urban Renewal Plan*

Note: The Appendices identified above were attached to this document for the purposes of presenting the proposed Amended and Restated Interstate Corridor Urban Renewal Plan to the Portland Planning and Sustainability Commission on June 28, 2011. For City Council approval on July 27, 2011, these appendices have been removed and incorporated elsewhere. Appendix A has been incorporated into the Amended and Restated Interstate Corridor Urban Renewal Plan as Exhibit E. Appendix B and Appendix C have been incorporated as Exhibit B and Exhibit C of the Ordinance, respectively.

Report to the Planning and Sustainability Commission

1. Summary

The Amended and Restated *Interstate Corridor Urban Renewal Plan* (the "plan" and "urban renewal plan") is the result of a multi-year process to determine urban renewal needs in North/Northeast Portland. The amended urban renewal plan contains changes to enlarge the boundary for the Interstate Corridor Urban Renewal Plan area and changes to the text of the plan corresponding to and supporting the boundary changes.

The proposed boundary amendment would allow PDC to access resources for programs and projects that have been identified by the community as critical to achieving the continuing goals of the *Interstate Corridor Urban Renewal Plan*, as well as implementing the policies and objectives of the *Portland Comprehensive Plan*, the *Albina Community Plan*, the *St. Johns/Lombard Plan*, and other affected neighborhood plans. These actions would help with the development of the Interstate Corridor MAX transit station areas as well as the revitalization of key areas such as main streets and employment areas in North and Northeast Portland, as well as other parts of the URA.

The amended boundary (Map 1) includes areas along NE Martin Luther King Jr. Boulevard, NE Alberta Street, and other key commercial and main street areas to the east of the existing plan area. Some of these areas are new, but portions are being moved from the existing Oregon Convention Center Urban Renewal Area. The amended boundary also includes areas along N Lombard Street extending south and west from the original plan area to the St. Johns town center which are not currently within an urban renewal area.

The Planning and Sustainability Commission is asked to review the urban renewal plan and confirm its conformance with the goals and policies of the Portland Comprehensive Plan and other adopted local plans.

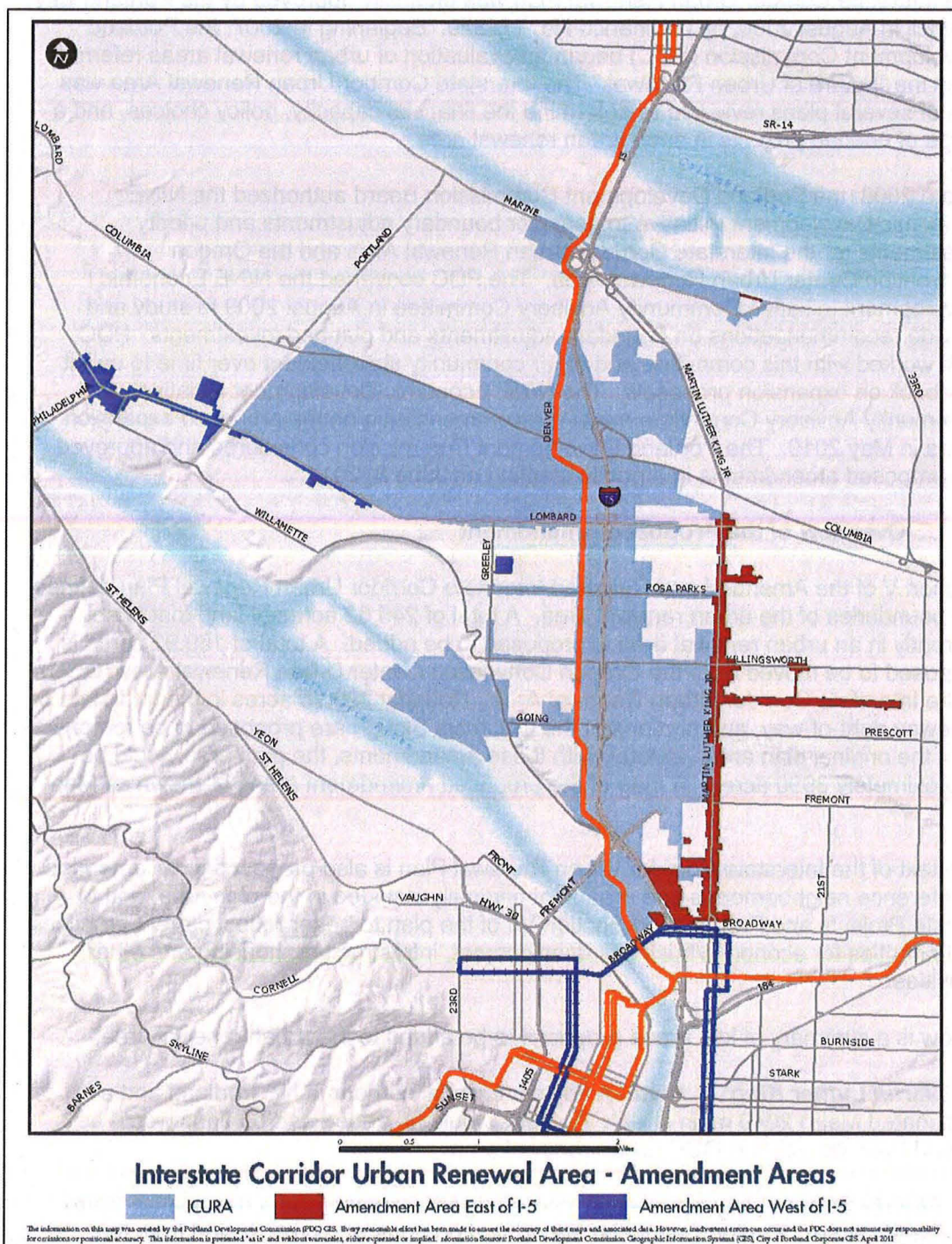
2. Recommended Planning and Sustainability Commission Action

Staff recommends the following actions:

- 1) *The Planning and Sustainability Commission send a letter to Portland City Council finding that the Amended and Restated Interstate Corridor Urban Renewal Plan conforms with the City of Portland Comprehensive Plan, and*
- 2) *The Planning and Sustainability Commission recommend that the Portland City Council adopt the proposed Amended and Restated Interstate Corridor Urban Renewal Plan, along with any other recommendations of the Commission.*

The Amended and Restated Interstate Corridor Urban Renewal Plan contains changes to the boundary (Map 1) and also to the text of the plan consistent with the boundary changes. Bureau of Planning and Sustainability staff have reviewed the proposed amendment and prepared findings demonstrating how the urban renewal plan conforms to the *Portland Comprehensive Plan* and other local plans (Appendix A). The findings meet the requirement under ORS 457.095.

**Map 1:
Interstate Corridor Urban Renewal Plan and Amendment Areas**



3. Background

The Interstate Corridor Urban Renewal Plan was originally approved by the Portland City Council in August 2000, by Ordinance No. 174829. Beginning in 2007, the Portland Development Commission (PDC) began an evaluation of urban renewal areas referred to as the "Future of Urban Renewal." The Interstate Corridor Urban Renewal Area was one of several plans reviewed to determine the financial capacity, policy choices, and a range of needed projects in each urban renewal area.

In late 2008, the Portland Development Commission Board authorized the N/NE Economic Development Initiative to consider boundary adjustments and priority investments for the Interstate Corridor Urban Renewal Area and the Oregon Convention Center Urban Renewal Area. The PDC convened the N/NE Economic Development Initiative Community Advisory Committee in August 2009 to study and provide recommendations on boundary adjustments and planned investments. PDC staff worked with this committee and other community stakeholders over time to solicit feedback on expansion proposals. The N/NE Economic Development Initiative Community Advisory Committee made a recommendation on the proposed expansion areas in May 2010. The Portland Development Commission considered and approved the proposed amendments in a public meeting on June 8, 2011.

4. Overview of the Proposed Amendment

Section V of the Amended and Restated Interstate Corridor Urban Renewal Plan defines the boundaries of the urban renewal area. A total of 245.62 acres of land that is not currently in an urban renewal area is proposed to be added. A total of 169.92 acres is proposed to be moved from the Oregon Convention Center Urban Renewal Area (OCC) to the Interstate Corridor Urban Renewal Area. Roughly 229.75 acres in the Interstate 5 Freeway right-of-way, and portions of the Columbia Slough are proposed to be removed from the original plan area. In total, with these amendments, the plan area would be approximately 3990 acres. A map of the proposed amendment areas is shown as Map 1.

The text of the Interstate Corridor Urban Renewal Plan is also proposed to be amended to reference neighborhoods and areas not originally included in the plan area, and to update Projects and Programs in Section VII of the plan to better reflect current practices and priorities for economic/business development, infrastructure, housing and other activities.

Below is a summary of key areas proposed to be added to the urban renewal area;

NE Martin Luther King Jr. Blvd. A key commercial corridor in NE Portland and a designated Metro 2040 main street. Portions would be added and portions would be moved from the existing OCC urban renewal area.

NE Alberta Street A key commercial corridor in NE Portland and a designated Metro 2040 main street. Portions would be added and portions would be moved from the existing OCC urban renewal area.

NE Killingsworth Street A key corridor and a designated Metro 2040 main street. Key nodes would be added.

NE Dekum Street A historic commercial node in NE Portland would be added.

N Lombard Street A key commercial street in North Portland, and a designated Metro 2040 main street, Lombard functions as a community main street and location for new development. The amendment would add property on the south side of Lombard from N Woolsey to the railroad cut, and along both sides of N Lombard Street to the St. Johns town center.

St. Johns Town Center A key commercial area and a designated Metro 2040 town center, St. Johns is a community focal point and location for future growth and development. The amendment would add commercial areas along N Lombard and N Ivanhoe streets.

Roosevelt High School This Portland Public School serves the North Portland peninsula area.

The Projects and Programs in Section VII are organized into the following major categories:

- Infrastructure
- Property Redevelopment
- Housing
- Business Development
- Relocation
- Planning and Administration

Section VII is proposed to be amended to specify Projects and Programs to be undertaken in the Infrastructure and Property Redevelopment categories.

5. Urban Renewal Plan Authority

Authority for the use of urban renewal was established by the Oregon Legislature and codified as Chapter 457 of the *Oregon Revised Statutes* (ORS). The statutes include criteria for the establishment of an urban renewal district, the development of eligible urban renewal areas, and the content of an urban renewal plan and urban renewal plan report.

Chapter 15, Article 1, of the Portland City Charter assigns all general powers and duties to the Portland Development Commission. The commission is designated as the body that will serve as the City's urban renewal and redevelopment agency. PDC is responsible for carrying out all urban renewal functions. Proposed urban renewal plans and urban renewal plan amendments are prepared by the Portland Development Commission staff and approved by the Portland Development Commission prior to their submission to the Portland Planning and Sustainability Commission and Portland City Council.

ORS 457 also requires that the City's Planning Commission review urban renewal plans and substantial amendments to urban renewal plans. The Planning and Sustainability

Commission's recommendations on urban renewal plans or plan amendments are submitted to the Portland City Council for consideration in their decision on the plan or on a substantial plan amendment.

On June 8, 2011, the Portland Development Commission held a public meeting on the proposed amendment to the *Interstate Corridor Urban Renewal Plan* and approved the proposed amendment by Resolution No. 6883. The *Amended and Restated Interstate Corridor Urban Renewal Plan* and the *Report on the Amended and Restated Interstate Corridor Urban Renewal*, prepared by the Portland Development Commission in accordance with ORS 457, are attached to this report as Appendix B, and Appendix C, respectively.

Portland's City Council has final review and approval authority over urban renewal plans and certain urban renewal plan amendments. In the case of a substantial amendment, which is the case here, the amendment requires a recommendation from the Planning and Sustainability Commission and approval by the City Council.

6. Relationship to the Portland Comprehensive Plan

ORS 457.095 requires determinations and findings by the governing body that the urban renewal plan is in conformance with the Comprehensive Plan. Appendix A contains findings of conformance with the Portland Comprehensive Plan, and other more specific area and neighborhood plans adopted as part of the Comprehensive Plan. The urban renewal plan is found to be consistent with these plans. Overall:

- The Plan will play a critical role in achieving the goals, policies, and objectives of the *Portland Comprehensive Plan*, the *Albina Community Plan*, the *St. Johns/Lombard Plan*, and other applicable neighborhood plans that encompass the urban renewal area.
- The Plan will provide for urban renewal projects and programs that help to implement the City of Portland's plans and policies that seek to preserve and reinforce the stability and diversity of the City's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses and insure the City's residential quality and economic vitality.
- The Plan goals and objectives support corresponding *Portland Comprehensive Plan* policies; in turn, the *Comprehensive Plan* is acknowledged by the Land Conservation and Development Commission (LCDC) as consistent with Oregon Land Use Planning Goals and Policies.
- The Plan has been formulated through a public involvement process that is consistent with the Citizen Involvement (Goal 9) and Metropolitan Coordination (Goal 1) policies of the *Comprehensive Plan*. The neighborhood and commercial area revitalization goals are consistent with city and regional goals to reinvest and redirect growth and development into existing urban areas.
- The Plan will facilitate redevelopment and public improvements that will provide a range of commercial, employment and housing opportunities in Interstate Corridor

station communities, in the St. Johns Town Center, and Metro 2040 main street areas

- The Plan also will help provide housing and employment opportunities. The creation and maintenance of a variety of housing choices for residents of all income levels is an important goal found in the Portland *Comprehensive Plan* and supporting documents. This goal is supported by projects in the Plan. Encouraging job creation is another goal that is supported by urban renewal projects.
- The Plan includes a range of anticipated transportation improvements that will help provide a range of transportation choices and enhance connectivity and will reinforce the livability of neighborhoods and the vitality of commercial areas. The Plan will facilitate the redevelopment of an area that is well served by transit, which will reduce the need for employees and customers to rely on automobile travel; and reduce air pollution and traffic congestion on the City's street system.
- The Plan also supports policies that call for providing parks and open spaces to meet recreational needs; creating a sense of connection with the natural environment; and protecting natural resources by reducing the impact of development.

7. Conclusion

The proposed *Amended and Restated Interstate Corridor Urban Renewal Plan* generally provides for the following changes:

1. Amends boundaries for the URA to include land in locations contiguous to the existing URA and remove approximately 229.75 acres in Interstate 5 right-of-way and the Columbia Slough, resulting in a new total of 3,990 acres in the URA.
2. Amends the urban renewal plan to reference areas not originally included in the plan area, and updates plan elements, including Projects and Programs in Section VII, to better reflect current practices and priorities for economic/business development, infrastructure, housing and other activities.

The ability to make such an amendment is authorized by ORS 457 and by Section XII of the urban renewal plan. The amendment provides PDC with the ability to continue to access debt resources for investment within the current and expanded Plan area boundaries in the pursuit of programs and projects which directly and indirectly generate taxes as well as meeting community needs in accordance with the Plan goals.

Findings describing the proposed amendment's conformance with Portland's *Comprehensive Plan* and other local plans are included in Appendix A.

The proposed amendment was approved by the Portland Development Commission under Resolution No. 6883 on June 8, 2011. Following review by the Portland Planning and Sustainability Commission, the amendment will be forwarded to the Portland City Council for final action.