



Bureau of Planning and Sustainability  
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## MEMO

**DATE:** March 13, 2012

**TO:** Planning and Sustainability Commission

**FROM:** John Cole, Senior Planner

**CC:** Susan Anderson, Director; Joe Zehnder, Chief Planner

**SUBJECT:** Neighborhood Prosperity Initiative Urban Renewal Areas

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### 1. Summary

The Portland Development Commission (PDC) is proposing the creation of six small urban renewal areas within select priority neighborhoods located on the eastside (see Map 1). These neighborhoods were chosen based on five criteria: capacity of existing community organizations; concentration of locally owned businesses; concentration of minority businesses; designation of commercial uses and zoning along corridors; and demographic factors related to poverty, low household incomes and declining commercial investment. The resulting proposed urban renewal areas will implement portions of the City's *Neighborhood Economic Development Strategy* which calls for supporting small scale community revitalization efforts throughout the city.

Each of these urban renewal areas will be administered by a locally formed non-profit entity with technical support provided by PDC. Through this model, decisions regarding the expenditure of tax increment revenues and any decision to undertake related business marketing efforts will reflect the priorities of the individual neighborhoods.

The Planning and Sustainability Commission is being asked to review the proposed urban renewal area plans and determine that they are consistent with the City's Comprehensive Plan. The PSC's recommendation will be forwarded to City Council for their consideration and action.



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## 2. Recommended Planning and Sustainability Commission Action

Staff recommends the following actions:

- 1) The Planning and Sustainability Commission send a letter to the Portland City Council finding that the six Neighborhood Prosperity Initiative Urban Renewal Area Plans conform with the City of Portland Comprehensive Plan, and
- 2) The Planning and Sustainability Commission recommend that the Portland City Council adopt the six proposed urban renewal area plans along with any other recommendations of the Commission.

## 3. Background

On May 25, 2011 Portland City Council adopted the City of Portland Neighborhood Economic Development Strategy, a five year plan to foster economic opportunity and to support neighborhood vitality and business success. Towards this end the City has committed to providing resources to build local capacity to achieve economic development, drive neighborhood business growth and align resources to support such neighborhood based economic development.

One program through which such resources will be brought to bear is the Neighborhood Prosperity Initiative (NPI). Under this program local non-profit organizations are being cultivated in six separate priority neighborhoods with seed funding and technical assistance provided by the PDC. Subsequent participants from these entities will be tasked with the responsibility of administering tax increment revenues derived from the proposed urban renewal areas and leading other business marketing efforts in these districts.

In October of 2011 at the commencement of the Neighborhood Prosperity Initiative, six potential urban renewal areas were identified based on demographic and economic characteristics. Community leaders were identified from each of these areas and given a challenge of assembling initial steering committees to initiate the urban renewal areas with technical and financial support provided by the PDC. All six of the initial urban renewal areas responded successfully to PDC's challenge

## 4. Overview of Proposed NPI Urban Renewal Areas

The six proposed urban renewal areas are:

- **Cully Blvd NPI:** This is an area of approximately 126 acres located on either side of Cully Boulevard between NE Fremont Street and NE Portland Highway.
- **42nd Avenue NPI:** This is an area of approximately 107 acres located on either side of NE 42nd Avenue between NE Skidmore and NE Holman Streets
- **Parkrose NPI:** This is an area of approximately 109 acres located South of NE Killingsworth Street, north of Wygant Street between NE 99th Avenue and NE 121st Place.



- **Rosewood NPI:** This is an area of approximately 106 acres located on either side of SE Stark east of SE 139th Ave to the Portland City limits and on either side of SE 160th Avenue between SE Alder and NE Glisan Streets.
- **Division-Midway NPI:** This is an area of approximately 85 acres located on either side of Division Street between SE 117th and SE 148th Avenues.
- **82<sup>nd</sup> Avenue and Division NPI:** This is an area of approximately 85 acres located on either side of Division Street between SE 82nd and 93rd Avenues Ave and on either side of SE 82nd Avenue between SE Franklin and Harrison Streets.

Each of these urban renewal areas is described more fully in the attached urban renewal plans and the attached PDC Board Report dated March 12, 2012.

## 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 general powers and duties related to urban renewal 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. The Planning and Sustainability Commission's recommendations on urban renewal plans are submitted to the Portland City Council for consideration and their decision on the plan.

On March 12, 2012, the Portland Development Commission held a public meeting on the six proposed Neighborhood Prosperity Initiative urban renewal plans and approved the proposed urban renewal areas by Resolution No. \_\_\_\_\_. The six urban renewal plans and accompanying reports prepared by the Portland Development Commission in accordance with ORS 457 are attached to this memo.

A recommendation from the Planning and Sustainability Commission and approval by the City Council is required for the City to adopt the proposed urban renewal area plans.

## 6. Relationship to Recommended Draft Portland Plan

Because these urban renewal area plans will be adopted prior to the adoption of the Portland Plan, there are no specific references to the Portland Plan within the urban renewal plans themselves. These



urban renewal area plans are however, significantly supportive of the equity framework and integrated strategies of the Portland Plan as described below:

#### Equity Framework

The Neighborhood Prosperity Initiative supports of the City’s commitment to invest in communities which have not traditionally benefitted from public investment. Through the cultivation and establishment of neighborhood non-profit organizations, the proposed urban renewal area plans will build the community and the organizational capacity of these neighborhoods to engage in shared governance.

#### Economic Prosperity and Affordability Strategy

The proposed urban renewal area plans directly support the *Improving Neighborhood Business Vitality* strategy element that seeks to strengthen (community) capacity and partnerships to foster economic opportunity throughout the City. They do so both through the establishment of neighborhood based decision making models and through the application of technical and financial resources to priority neighborhoods that have not historically received such resources in the past.

#### Healthy Connected City

Physical improvements to the business districts within the proposed urban renewal areas will promote their function and success as vibrant neighborhood commercial districts; providing jobs, services and goods that are easily accessible by public transit and alternative transportation to their surrounding neighborhoods. These proposed urban renewal areas are a significant implementation measure for the City’s Neighborhood Economic Development Strategy which together with the Portland Plan recognizes that successful neighborhood businesses are the core of vibrant neighborhoods.

#### Thriving Educated Youth

Neighborhood Prosperity Initiative investments in priority neighborhoods will help to create complete communities that support youth success, one of the goals embodied in the Portland Plan’s Thriving Educated Youth strategy. In particular, investments that promote local employment opportunities for youth and families, increased public safety, and access to healthy food and other daily needs within neighborhoods will directly contribute to the economic, academic, social and physical health of Portland’s youth.

### **7. Relationship to Portland Comprehensive Plan**

ORS 457.095 requires determinations and findings by the governing body that the proposed urban renewal area plans are in conformance with the Comprehensive Plan. Detailed legal findings of each proposed urban renewal area plan’s conformance with the Comprehensive Plan, and specific area and neighborhood plans, are attached to this memo. In general, the Neighborhood Prosperity Initiative Urban Renewal Area Plans have been found to be in conformance with the Comprehensive Plan because:

- The plans have 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. Additionally, the cultivation and establishment of local administrative entities comprised of members of the local business and residential communities will ensure that improvement projects and programs reflect the priorities of each specific district. Efforts by these local groups are expected to extend beyond the administration of tax increment revenues to other business attraction, retention and expansion programs.

- Tax increment financing revenues made available through the establishment of these urban renewal areas will be used for small business storefront improvements and other property improvements that will enhance the function and physical appearance of these in-town neighborhood business districts.
- Tax increment financing revenues may also be used to make physical improvements to the public realm of these districts in the form of lighting, landscaping and pedestrian improvements that will improve the appearance and function of these URAs in service to the surrounding neighborhoods.
- Each of these proposed URAs is served by public transit and adjacent to residential neighborhoods thereby supporting the use of alternative means of transportation as a viable option for Portlanders going to work or seeking goods and services.
- Each of the proposed urban renewal areas is specifically supportive of the relevant adopted Area and Neighborhood Plans which all express goals of promoting viable neighborhood business districts that are the source of jobs, services and goods to the surrounding neighborhoods.

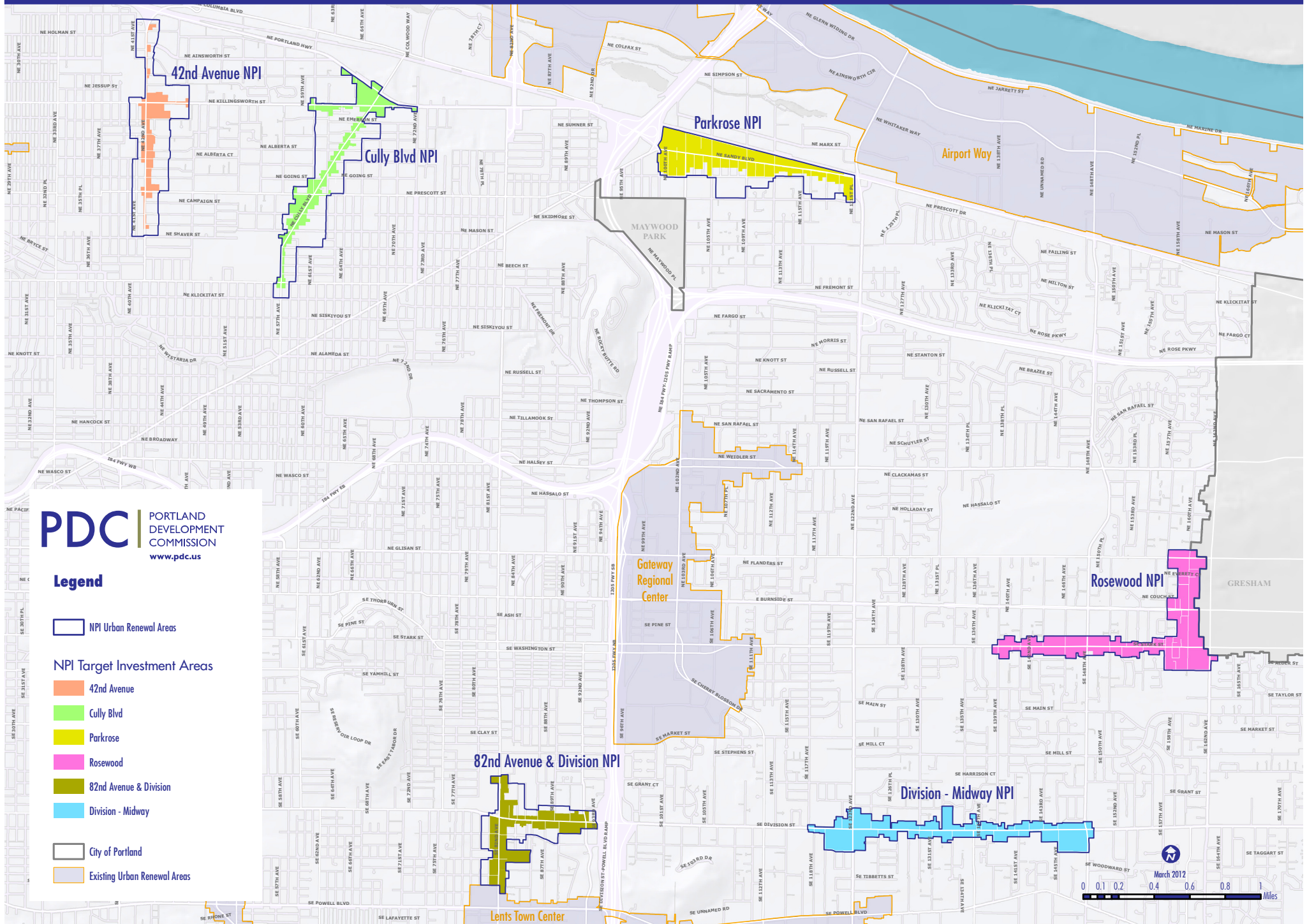
**Attachments:**

- 1) Map of Six Proposed Neighborhood Prosperity Initiative Urban Renewal Areas
- 2) Memo from PDC Chair Andrews to the PSC
- 3) PDC Board Report dated March 12, 2012
- 4) 42<sup>nd</sup> Avenue NPI Urban Renewal Plan, Report and Comprehensive Plan Findings
- 5) Cully Blvd NPI Urban Renewal Plan, Report and Comprehensive Plan Findings
- 6) Parkrose NPI Urban Renewal Plan, Report and Comprehensive Plan Findings
- 7) Rosewood NPI Urban Renewal Plan, Report and Comprehensive Plan Findings
- 8) Division - Midway NPI Urban Renewal Plan, Report and Comprehensive Plan Findings
- 9) 82<sup>nd</sup> Avenue and Division NPI Urban Renewal Plan, Report and Comprehensive Plan Findings





# NEIGHBORHOOD PROSPERITY INITIATIVE



**PDC** | PORTLAND DEVELOPMENT COMMISSION  
www.pdc.us

## Legend

NPI Urban Renewal Areas

## NPI Target Investment Areas

42nd Avenue

Cully Blvd

Parkrose

Rosewood

82nd Avenue & Division

Division - Midway

City of Portland

Existing Urban Renewal Areas





March 5, 2012

Portland Planning and Sustainability Commission  
1900 SW Fourth Avenue, Suite 7100  
Portland, Oregon 97201

J. Scott Andrews  
*Commission Chair*

**Subject: Neighborhood Prosperity Initiative Urban Renewal Area Plans**

Aneshka Dickson  
*Commissioner*

Members of the Planning and Sustainability Commission:

John C. Mohlis  
*Commissioner*

At a public meeting on March 12, 2012 the Portland Development Commission Board will consider proposals to establish six Portland neighborhood-based Urban Renewal Area Plans (Plans). These Plans are a vital component of PDC's Neighborhood Prosperity Initiative (NPI), an action of the Neighborhood Economic Development Strategy.

Steven Straus  
*Commissioner*

I fully expect the Board to approve the Plans which authorize the next steps including review by the Portland Planning and Sustainability Commission and approval from Portland City Council.

Charles A. Wilhoite  
*Commissioner*

The commercial areas and small businesses within these six districts will benefit considerably from efforts to pursue the goals of the NPI – strengthening the economic competitiveness of business districts and growing jobs through community-planned and community-implemented actions.

Sam Adams  
*Mayor*

After months of extensive public outreach, the following six districts successfully applied to become part of the NPI and will be the city's partners in building capacity to drive community-specific economic development:

Patrick Quinton  
*Executive Director*

- 42<sup>nd</sup> Avenue NPI
- Rosewood NPI
- Cully Blvd NPI
- Division – Midway NPI
- Parkrose NPI
- 82<sup>nd</sup> Avenue and Division NPI

The urban renewal area (URA) component of the NPI will provide each district with approximately \$1 million in tax increment revenues for community-identified and community-led capital improvement projects. Each of these small, innovative districts will be managed by locally-formed nonprofits and will be community-driven and directed.

222 Northwest  
Fifth Avenue  
Portland, OR  
97209-3859

Our Board is proud to be part of an urban renewal effort with such extensive community leadership and investment from Mayor Adams and Chair Cogen, our partners in this initiative.

tel: 503.823.3200

PDC is hereby forwarding the six draft NPI Urban Renewal Area Plans with supporting materials to the Planning and Sustainability Commission for review and recommendation. A City Council public hearing on ordinances approving these URAs is scheduled for April 4, 2012.

fax: 503.823.3368

TTY: 503.823.3366

Sincerely,



Scott Andrews  
Chair

Portland Development Commission





Attachment 3 to the  
Planning and Sustainability Commission  
Memo dated March 13, 2012

Attachment 3 contains:

- PDC Board Report dated March 12, 2012





# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** March 12, 2012

**TO:** Board of Commissioners

**FROM:** Patrick Quinton, Executive Director

**SUBJECT:** Report Number 11-90

Approve Six Neighborhood Urban Renewal Areas and Recommend Adoption to City Council; Approve IGA with the City of Portland; Approve IGAs with City of Portland and with Multnomah County

### **EXECUTIVE SUMMARY**

#### **BOARD ACTION REQUESTED**

Adopt Resolution No. 6924 to 6931

#### **ACTION SUMMARY**

Six neighborhood commercial corridors are proposed as new urban renewal areas. Each of these small districts will be managed by locally-formed nonprofits and will be community-driven and directed. These districts are one of the core components of the Neighborhood Economic Development Strategy and their creation will mark a significant achievement in strategy implementation.

The six districts within the Neighborhood Prosperity Initiative (NPI) are 42nd Avenue, Cully Boulevard, Parkrose, Rosewood, Division-Midway, and 82<sup>nd</sup> Avenue and Division (collectively, the NPI Districts). These NPI Districts were prioritized based on five criteria: capacity of business/community organizations; concentrations of locally-owned businesses; concentrations of minority-owned and/or serving businesses; designation of commercial zoning and commercial uses along corridors; and demographic factors of poverty, low household incomes, and declining commercial investment.

Six of the resolutions before the Board would approve each of the draft Urban Renewal Area (URA) Plans and their corresponding draft URA Technical Reports, and direct staff to seek recommendation from the Planning and Sustainability Commission and approval from the Portland City Council. The seventh resolution that is part of this item would authorize an Intergovernmental Agreement (IGA) with the City of Portland Office of Management and Finance (OMF) related to the issuance and administration of debt for the six new urban renewal areas. The eighth resolution that is part of this item would authorize IGAs with the City and with Multnomah County related to the portion of tax increment revenues to be shared from the new urban renewal areas.

As part of the Board presentation, staff will provide additional information about the overall structure of the Districts and how they fit within the context of the NPI. (See Attachment A, Project Summary)

## **PUBLIC BENEFIT**

These actions will provide funding and support to implement projects and to strengthen these business districts' economic competitiveness. Because successful neighborhood businesses are the core of vibrant neighborhoods, the actions focus services and small-scale community revitalization investments in priority neighborhoods in order to boost neighborhood business growth, to provide economic development opportunities and to improve community-wide prosperity. Work in the Districts more broadly will include capacity building, leadership training, technical analysis, and priority project implementation.

### **This action will support the following PDC goals:**

- Strong Economic Growth and Competitiveness
- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Effective Stewardship over our Resources and Operations, and Employee Investment

## **PUBLIC PARTICIPATION AND FEEDBACK**

Significant public outreach and participation has occurred in each of the proposed new Districts. On October 18, 2011, Mayor Sam Adams and Multnomah County Chair Jeff Cogen launched the NPI among nearly 100 community leaders at the Immigrant and Refugee Community Organization (IRCO), inviting six neighborhood commercial corridors to partner with PDC staff and to evaluate the feasibility and desirability of creating the Districts. On November 7, 2011, PDC staff assembled the six district community leaders, again at IRCO, to kick off the community organizing process. Here the NPI was explained in more detail, and professional facilitators assisted each community in a 90-minute break-out session to begin the process of assessing the community's interest and willingness to participate. Recognizing the tight timeline and the heavy workload, PDC staff offered Districts the opportunity to apply for a \$10,000 Community Building and Planning Grant to assist in working through this process.

On November 21, 2011, all of the Districts successfully applied for and received a \$10,000 grant to help with facilitation, outreach coordination, translation, printing, and material expenses for organizing the community around this Initiative. Community leaders formed initial Steering Committees and reached out to a broad cross section of their stakeholders to assist in this work. Every district took a slightly different approach to public participation, outreach and involvement: each NPI District created a detailed log, *in their own words*, which has been incorporated into the attachments. Attachment B summarizes the outreach in the proposed 42nd Avenue NPI District. Attachment C summarizes the outreach in the proposed Cully Boulevard NPI District. Attachment D summarizes the outreach in the proposed Parkrose NPI District. Attachment E summarizes the outreach in the proposed Rosewood NPI District. Attachment F summarizes the outreach in the proposed Division-Midway NPI District. Attachment G summarizes the outreach in the proposed 82<sup>nd</sup> Avenue and Division NPI District.

Going forward, community and public participation and outreach will be critical. PDC staff is finalizing an intensive training curriculum (see Attachment H) in which each Steering

Committee Member has agreed to participate in building the organizational structure of the “Community Non-Profit Entities” and capacity necessary to ensure success in this endeavor. With the understanding that PDC will need to meet these six districts on their own terms, PDC expects to provide ongoing training on district management and building organizational capacity. In addition, PDC staff will serve as district liaisons to provide technical assistance and guidance through the processes of non-profit organization, community economic development, and learning how to use public funds legally and appropriately.

**COMPLIANCE WITH ADOPTED PLANS AND POLICIES**

Oregon Revised Statue 457 is the basis for the actions and process followed with respect to the creation of the six Districts. The draft URA plans and technical reports provide the evidence of blight within the Districts and other information required by and in accordance with ORS 457. For example, Section C, Economic Conditions, of the URA Technical Reports describes an “Improvement Value to Land Value Ratio” analysis (I:L) that was conducted. An I:L ratio is one tool for assessing the economic health of an 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 underutilization that is an indication of blight. Below is a table of the I:L Ratio for the Districts. Based on the information in the table, the I:L ratio of commercially zoned property within the Districts is significantly lower than that of similarly zoned areas throughout the City, demonstrating underutilization.

| Area                                 | Overall I:L Ratio |
|--------------------------------------|-------------------|
| Cully Boulevard District             | 1.38:1            |
| 42 <sup>nd</sup> Avenue District     | 1.04:1            |
| Parkrose District                    | 0.94:1            |
| Rosewood District                    | 1.03:1            |
| Division-Midway District             | 1.45:1            |
| 82 <sup>nd</sup> Avenue and Division | 1.02:1            |
| Citywide <sup>1</sup>                | 2.22:1            |

\*Source: Multnomah County Office of Assessment and Taxation.

1. Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

The draft URA plans and technical reports confirm alignment with other City plans and policies, in particular, the Comprehensive Plan. In addition, the plans are significantly supportive of the equity framework and integrated strategies of the recommended draft Portland Plan. The equity framework is supported through the cultivation and establishment of neighborhood non-profit organizations; the proposed plans will build the community and the organizational capacity of these neighborhoods to engage in shared governance. The integrated strategy, Healthy Connected City, is supported because physical improvements to the business districts within the proposed NPI Districts will promote their function and success as vibrant neighborhood commercial districts; providing jobs, services and goods that are easily accessible by public transit and alternative transportation to their surrounding neighborhoods.

The actions also implement the Neighborhood Economic Development (NED) Strategy, adopted by City Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. Goals are to create thriving commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the actions will implement Objective 1 – Build Local Capacity to Achieve Economic Development Outcomes, and Objective 2 – Drive Neighborhood Business Growth.

The NED Strategy, which was developed with the assistance of community leaders, builds out Goal 3, Neighborhood and Small Business Vitality, in the City's Economic Development Strategy (EDS). The EDS was adopted by the Portland City Council in July 2009, via Resolution Number 36714.

## **FINANCIAL IMPACT**

Each of the Districts will have a maximum indebtedness of \$1,250,000. After adoption, expenditures for each District will be budgeted and appropriated. If funding is needed from the City's General Fund, it will be requested and re-appropriated as part of the annual budget process.

Additional financial assumptions that are being made for the Districts include:

1. The frozen base will be determined by the FY 2011-12 assessed value;
2. Tax increment will first be used in FY 2013-14;
3. A 8 percent administration rate;
4. An assessed value growth rate of 2.5 percent;
5. A 5 percent compression rate;
6. A 6.1 percent delinquency rate;
7. That tax increment revenue sharing to the City and to the County will be funneled back into each District through IGAs with PDC;
8. That the City and PDC enter into an IGA related to debt; and
9. That the City waives the Tax Increment Set Aside for Affordable Housing Policy within each NPI District as part of its ordinance.

Recent changes to ORS 457 require that the City and County receive a share of the tax increment revenues resulting from the creation of new urban renewal areas. Through intergovernmental agreements that PDC has substantially negotiated with both the City and the County, shared revenues otherwise due to the City and County will be granted to PDC for use in each District.

The very small amount of resources available in each District is not sufficient to support the issuance of bonds, which would traditionally have provided the revenue source for these new urban renewal areas. Instead, the City will be obligated to repay the indebtedness to PDC under the terms of a separate intergovernmental agreement between PDC and OMF.

## RISK ASSESSMENT

Approval of these urban renewal area plans and reports begins the implementation of a new, innovative model of urban renewal for PDC that is focused on priority neighborhood commercial corridors and that is managed by the local communities themselves. This approach will not be without risks.

Without clear local support and a solid community-led plan, there is a risk the innovative model for these new districts would fail to take hold. To mitigate this risk, in October 2011, due diligence began through extensive outreach, including providing funding for organizations to demonstrate and undertake visioning, plan assistance and training. By January 31, 2012, the six Districts were able to provide the following:

- A commitment for leadership training and district development;
- An acknowledgment of need for ongoing fundraising;
- A commitment by individuals of at least twenty (20) volunteer hours per month over the next five months for training, visioning and additional outreach;
- The designation or creation of the organizing entity (the Community Non-Profit Entity) with which PDC will work and that will oversee investments; and
- The demonstration that the organizing entity is collaborative, representative of business, neighborhood and community organizations, and reflects the diversity of the surrounding community.

By February 27, 2012, each District provided the following:

- A commitment for \$3,000 raised; and
- An outline of their vision, including proposed key goals, projects, activities and benchmarks that will strengthen the district. This work was embedded directly into the draft URA plans.

The projects to be implemented in the Districts are intended to be managed by the organizing entity of the Districts themselves. There is a risk to PDC in delegating this responsibility, and yet doing so is fundamental to development of the community capacity that drives the NED Strategy. To mitigate this risk, PDC staff will be approving, in advance, any proposed expenditures by the District, providing and/or contracting for extensive technical assistance, training in organizational development, and assisting with on-going capacity building. Attachment H lays out the proposed training and leadership.

Additionally, to mitigate this risk, grant agreements will be executed with the organizing entity of each of the six Districts. These agreements will include PDC oversight, clear milestones, regular reporting, funding triggers, and the right to audit. Staff is not seeking authorization of these agreements at this time. It has not yet been determined if these will be done individually, or if they would form the basis for new program guidelines. In either case, staff would expect to return to the Board for review and authorization.

There are risks related to the small amount of resources available to each of the Districts, and the ability to access debt, which was described above in the Financial Impact section. To mitigate these risks, this action delegates authority to the Executive Director to finalize negotiations and execute these intergovernmental agreements. In addition, to diversify the funding sources upon which the Community Non-Profit Entities can draw, they have been

required to demonstrate fund raising abilities and understand they will need to continue such resource development work.

## **WORK LOAD IMPACT**

Since Mayor Adams' October 2011 announcement of the NPI, a significant amount of staff time has been dedicated to outreach and organizing assistance in each of the six communities, and to completion of the draft plans and technical reports that are before the Board for action. Following Board action, staff would work to finalize these plans and reports, building on visioning in the Districts, in anticipation of consideration by the City Council.

Once adopted, a continued and sustained work load will be required to provide the on-the-ground support for the organizing entities of the Districts (the Community Non-Profit Entities), as was described in detail at the end of the Public Participation section above. Approximately 1.75 full time equivalent staff is currently estimated.

## **ALTERNATIVE ACTIONS**

The Board could request changes to or additional information regarding one or more of the six draft urban renewal area plans and reports. The Board could decline to approve and recommend to City Council one or more of the draft urban renewal area plans and reports. Addressing these actions could delay implementation and approval. Non-approval could risk the expenditure of \$60,000 in grants that have been made to the proposed Districts; non-approval could risk the commitments raised privately by the groups.

## **CONCURRENCE**

The Planning and Sustainability Commission (PSC) is expected to consider the draft URA Plans and URA Technical Reports for compliance with the Comprehensive Plan and provide a recommendation to the City Council at a public hearing on March 13, 2012.

The Portland City Council is expected to consider the final URA Plans and URA Technical Reports at a public hearing on April 4, 2012, with public vote on April 11, 2012.

The first IGA was developed in partnership with OMF; it is expected to be approved by City Council in April 2012.

The second and third IGAs were developed in partnership with OMF and Multnomah County, respectively. They are expected to be approved by the City Council and by the County Commission in April 2012.

Because of the Districts' very small size and amount of funding, the Portland Housing Bureau has agreed to recommend to City Council an exemption to the Tax Increment Set Aside for Affordable Housing Policy for each of the Districts. Authorization for this action would be included as part of the ordinance before City Council in April.



In early March, the PDC Deputy Director of Government Relations and Public Affairs sent draft URA Plan documents and the schedule of authorizing actions to all overlapping taxing jurisdictions, and extended an official offer to consult and confer on the matter in accordance with Oregon Revised Statutes 457.085(5).

Support from the organizing entities of the six Districts was described in the public participation section above. In addition, the NED Leadership Group has been updated on the NPI and the six proposed Districts at its meetings in January and February 2012.

## BACKGROUND

The NED Strategy is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. Given Portland's unique demographic and geographic challenges and areas of opportunity, the Strategy focuses on communities of color and priority neighborhoods. A job creation and equity lens will guide every action, investment, and program.

One of the NED strategy's key elements is the NPI – the creation of up to six small, innovative urban renewal areas, focused on neighborhood commercial areas that will be managed by the local communities themselves. The following six communities successfully applied to enter the initiative:

1. NE 42nd Avenue
2. Cully Boulevard
3. Parkrose
4. Rosewood
5. SE Division Street (117th – 148th Avenues), now known as "Division-Midway"
6. 82nd Avenue and SE Division Street

The goal of the NPI is to strengthen neighborhood business districts' economic competitiveness through community-planned and community-implemented actions and projects. Specifically, NPI districts will focus on:

- growing more jobs and increasing commerce
- strengthening existing businesses
- increasing small business tenancy, and
- enhancing the vitality of the business district.

Neighborhood support and ownership is critical, which is why the process started with community organization of a broad cross-section of people representing the area's business community, residents, property owners, district organizations, and community groups. Everyone with a stake in the district and its future should be involved in preparing a plan that best meets the economic development needs of each District.

The NPI is similar in many respects to the City's Main Street Program. For example, the management of the district will occur at a local level. PDC's role will be to support the Districts in their management of the district through seed funding, technical assistance, and overall support. The Districts were offered local management, capital improvement projects, and on-the-ground support from PDC.

Local Management: It has been proven that community economic development is most successful when there is a paid staff person that is focused on moving the community's vision forward. In July 2012, PDC anticipates providing six grants between \$15,000 – \$30,000 to match annual community fundraising to hire local district managers and get the work off the ground.

Capital Improvement Projects: Each of the selected NPI areas will become small URAs administered by the local NPI district. URAs generate revenue through tax increment financing, or TIF, which will provide NPI districts with funding for capital improvement projects such as: improvements to business exteriors and interiors, street furniture, trash cans, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements.

It is anticipated funding from the URAs will begin to be available in February 2014, with approximately \$50,000 available for projects in the first year. Each district's investment of TIF funds will be guided by a community-developed action plan and implemented consistent with statutory requirements.

On-the-Ground Support: PDC will work with community leaders in March 2012 to begin orientation and training for the work ahead. We anticipate that this will involve a mix of: business district management basics, leadership development, organizational development, and fundraising training. This organizational capacity building and creation of strong leaders at a local level is imperative to a successful community-driven process. Training and support will continue once Districts begin operation in July 2012.

For more detailed information about the NPI, please visit [www.pdc.us/npi](http://www.pdc.us/npi)

**ATTACHMENTS:**

- A. Project Summary
- B. Community Outreach Summary, Map, and Characteristics of the Proposed 42nd Avenue NPI District
- C. Community Outreach Summary, Map, and Characteristics of the Proposed Cully Boulevard NPI District
- D. Community Outreach Summary, Map, and Characteristics of the Proposed Parkrose NPI District
- E. Community Outreach Summary, Map, and Characteristics of the Proposed Rosewood NPI District
- F. Community Outreach Summary, Map, and Characteristics of the Proposed Division-Midway NPI District
- G. Community Outreach Summary, Map, and Characteristics of the Proposed 82<sup>nd</sup> Avenue and Division NPI District
- H. Training and Leadership Curriculum for the NPI districts

## PROJECT SUMMARY

- Project Name:** Neighborhood Prosperity Initiative (NPI)
- Description:** The NPI implements the community-driven, self-help economic development approach identified in the Neighborhood Economic Development Strategy. The NPI builds on the Main Street® model and as such, aims to strengthen the economic competitiveness of targeted neighborhood business districts and to position the small businesses within them for economic success.
- Locations:**
1. 42<sup>nd</sup> Avenue
  2. Cully Boulevard
  3. Parkrose
  4. Rosewood
  5. Division-Midway (SE Division Street, from 117<sup>th</sup> to 148<sup>th</sup> Avenues)
  6. 82<sup>nd</sup> Avenue and Division
- URA:** The actions will result in six (6) new, small-scale neighborhood URAs
- Current Phase:** Approval of Draft URA Plans and Reports; Recommendation to City Council
- Next Milestone:** Finalization of URA Plans and Reports; Adoption by City Council
- Completion Target:** Spring 2012
- Outcome:** Creation of a new, innovative model of urban renewal that is focused on priority neighborhood commercial corridors and is managed by the local communities.
- Site/Project Map:** To follow in Attachments B to G

## **Community Outreach Summary, Map, and Characteristics of the Proposed 42nd Avenue NPI District**

### **Steering Committee**

|                 |                  |
|-----------------|------------------|
| Carolyn Mistell | Eli Spevak       |
| David McKenzie  | Bob Granger      |
| Joan Winchester | Clarence Larkins |
| Anne Rothert    | Michael DeMarco  |

### **Area Description**

NE 42nd Avenue is a neighborhood serving street. The area has numerous small businesses, including minority-owned/serving businesses. There is great momentum in this district for community building as a result of the collaboration created to respond to the Main Street application last year.

This area has a history of varying uses, including agricultural, industrial and commercial. The built environment is a reflection of this history, with a broad range of building types. The area lacks cohesive design and pedestrian amenities. The commercial district has some neighborhood-serving businesses, but is without some essential services. 42<sup>nd</sup> Avenue is the nearest commercial area to an ethnically, racially, linguistically, and economically diverse population.

It is home to several institutions/schools: St. Charles Church, Meek ProTech High School, Portland Community College, Alameda Montessori, the Ivy School, Hacienda CDC, Native American Youth and Family Center, Concordia University, Trinity Lutheran Church and School, and the Church of Jesus Christ of Latter-Day Saints.

Please note, the Area Map shown below identifies the urban renewal area boundary, where tax increment revenues will be collected. The investment area boundary, which predominantly includes commercially zoned property, is the area in which investments are targeted.

**Business association:** 42nd Avenue Business Association

**Neighborhood Districts:** Beaumont-Wilshire, Concordia, and Cully. Also the boundary of two neighborhood coalitions: Central Northeast Neighbors and Northeast Coalition of Neighborhoods.

### **Outreach Activity**

The goal of outreach from the period of December 2011 through January of 2012 was to inform all members of the 42nd Avenue community of the NPI and its details, to engage representatives across the full diversity of the community in the initiative process, and to collaboratively decide whether to participate in the initiative.

To accomplish this goal, the organizing committee utilized a two-pronged strategy that focused on both broad outreach to inform all area denizens of the NPI and to invite them to participate, as well as deep outreach that targeted key stakeholder groups. Among these key stakeholders are area businesses, community based organizations and institutions, and members of historically underrepresented and vulnerable populations.

The outreach process was and continues to be iterative. All respondents and initiatives participants are encouraged to identify other stakeholders who have not yet been included, and to provide input that might improve the NPI process.

## Outreach Methods

### 1. Targeted outreach:

- Businesses:
  - Nearly every business owner in the 42nd Avenue district received a visit from the Project Coordinator or another member of the organizing committee.
    - Businesspeople were invited to participate in the initiative to whatever extent they pleased.
    - Many business owners received a follow-up visit.
    - A Spanish-language interpreter was utilized to help inform non-English speaking business owners.
  - The Project Coordinator attended the 42nd Avenue Business Association Holiday Social, as well as an association general meeting.
    - Information about the initiative was disseminated with a presentation and written materials. Businesspeople were given the opportunity to ask questions and raise concerns.
- Organizations & Institutions:
  - All organizations and institutions operating in and around the district were contacted and consulted, including:  
The Ivy School, St. Charles Church, Trinity Lutheran Church, Rigler School, DePaul treatment Centers, Portland Community College, Portland Public Schools, Rigler School, the National Association of Letter Carriers, the Ainsworth Street Collective, the Beaumont-Wilshire Neighborhood Association, the Concordia Neighborhood Association, the Cully Association of Neighbors, Hacienda Community Development Corporation, Verde, Native American Youth and Family Center, Concordia University, Straight Path Inc., the 42nd Avenue Business Association, Central Northeast Neighbors and Northeast Coalition of Neighborhoods.
  - The Project Coordinator and members of the organizing committee either attended standing meetings for many of these organizations and institutions, or set up independent meetings:
    - Neighborhood association meetings (Beaumont-Wilshire, Concordia, Cully)
    - Ainsworth Street Collective steering committee meeting.
    - Independent meetings with Hacienda CDC, Native American Youth and Family Center, Straight Path, Inc.
- Historically underrepresented populations:
  - Organizing committee members worked to include members of underrepresented populations through existing avenues and partnerships, in addition to door-to-door outreach.
    - Through both Portland Community College's English as a Second Language program and St. Charles Church's Spanish language services, non-English speakers were encouraged to participate in the NPI process.
    - Additionally, organizing committee members reached out to organizations unaffiliated with the district, such as Neighborhood House and the Latino Network, for insights into reaching non-English speakers.
  - Stakeholder organizations, such as Hacienda CDC and Native American Youth and Family Center were encouraged to lend insights into reaching underrepresented populations.

- ➔ Members from all of these stakeholder groups participated in a stakeholder meeting. This group is intended to grow over time.

2. Broad outreach:

- Postcards: Community members living or conducting business within the proposed URA received postcard inviting them to participate in the NPI process by attending a community meeting, contacting the project coordinator, or providing input at the project website. These postcards contained information in both English and Spanish. Roughly 900 postcards were mailed.
- Pamphlets: English- and Spanish-language pamphlets detailing the NPI were provided to all people inquiring about the initiative. These pamphlets were distributed to all targeted stakeholders and also made available in both hardcopy and PDF file for the general public.
- Posters: English- and Spanish-language posters were placed strategically throughout the district. These posters invited community members to participate in the NPI process by attending a community meeting, contacting the project coordinator, or providing input at the project website.
- Door hangers: Organizing committee members distributed door hangers containing information similar to that found on the postcards and posters to addresses just outside of the proposed URA (those not receiving postcards). The door hangers were in both English and Spanish.
- Website: A project website was created to provide details about the 42nd Avenue NPI. The website provides technical information, updates, events and a live feedback form. Additionally, people can contact the initiative organizers directly through the website.
- Email: Invitations were distributed to community members via email. Recipients were encouraged to share the email with other members of the community and to visit the project website for more information and to provide feedback. Community members were also invited to a kickoff event to learn about the NPI and to lend their input to the process.

3. Kickoff event:

- A community event was held on the 25th of January. The purpose of this event was to inform people about the NPI, to solicit their input about the direction of the district, to encourage them to participate in an ongoing manner and to achieve consensus about continuing with the process.
- Attendance for this event exceeded 150 community members.
- Food, entertainment and door prizes were provided free of charge.
- Childcare and language services were also provided free of charge to those who RSVP'd.
- After a brief informational session, attendees engaged in guided discussion about the district in small breakout groups. The results of these discussions were shared with the larger group at the end of the evening.
- The outputs of this process were recorded and will be applied to the vision and action plan outline for the 42nd Avenue NPI.

### **Future Plans for Outreach**

Though the outreach effort was successful in reaching and engaging a large number of people, there is still work to be done to involve underrepresented people. These will require the nurture of relationships over a longer period of time. Specifically, initiative organizers will need to make stronger inroads with members of the Somali and Korean communities. Several area residents are of Somali descent, and a number of property and business owners are members of the Korean community. Additionally, though there was some representation from the Spanish-





## **Community Outreach Summary, Map, and Characteristics of the Proposed Cully Boulevard NPI District**

### **Steering Committee**

Merri Compton  
Doug Holcomb  
Evans Martin  
Laura Young

Howard Kenton  
Rey España

### **Area Description**

- Neighborhood residents desire neighborhood revitalization without displacement of their diverse population, to stimulate economic revitalization, more workforce development programs, and linkages between the business community and the local workforce.
- We cherish and celebrate our neighborhood's diversity and endeavor to shape a district that is not only reflective of that diversity but provides a framework in which that diversity can thrive.
- Cully Neighborhood area population, including the number of children, is increasing at a rate greater than the City overall. It is a multi-cultural and multilingual area; one out of five residents speaks Spanish; many Native Americans, Asians, and African Americans as well as a number of Somali families live in this area. The study area's diversity is expanding more quickly than that of the city's overall population. Cully has attracted significant new populations, and has become a center of community-based development. Cully is now experiencing an influx of young families who bring a new sense of vitality.
- We aim to shape a vibrant international business district that is welcoming to everyone who lives, works, or visits our neighborhood by involving them in the process of enhancing the district
- There are several organizations that support residents of this area and beyond. Some of the most involved organizations are Hacienda CDC, Verde, Ecumenical Ministries of Oregon, The Northeast Emergency Food Program and Native American Youth and Family Center. These organizations have been involved with the community for a long time and have had a significant positive impact upon the livability, social and economic opportunities for Cully neighbors and beyond. The goals of the NPI complement those of the existing organization's ongoing efforts to increase economic opportunity and enhance the livability of the neighborhood.

Please note, the Area Map shown below identifies the urban renewal area boundary, where tax increment revenues will be collected. The investment area boundary, which predominantly includes commercially zoned property, is the area in which investments are targeted.

**Business association:** Portland International District

**Neighborhood Districts:** Cully

## **Outreach Activity through January 31, 2012**

### **Methods**

- Website in English and Spanish
- Direct mail: 1947 bilingual post cards (English & Spanish) (every address in the area)
- 550 Flyers to Harvey Scott School (every student received a bilingual flyer)
- 550 Flyers to Rigler School (every student received a bilingual flyer)
- emails via Cully Association of Neighbors list
  - Central Northeast Neighbors list
  - Cully Neighbors Google Group list
  - Cully Community Market list
  - Cully Blvd Alliance list (90+ people and counting)
  - BPS's Cully Main Street list

### **Investment Area Outreach**

- Door to door info packet delivery to residences. Spoke with some residents.
- Business outreach-info packet delivery and regular ongoing follow up outreach with all businesses to discuss any questions about the program
- 3 separate visits to all Latino businesses with interpreter
- Delivery of Spanish Language information packets and regular ongoing follow-up to answer questions

### **Hosted Meetings**

- November 17, 2011, Meeting at Central Northeast Neighbors to inform community about the NPI and to get permission to move forward with the NPI on behalf of the community. 27 neighbors attended.
- January 26, 2012, Meeting at Grace Presbyterian Church to kick off the NPI and to get feedback from the community about the proposed district. Most of the neighbors in attendance were new to the project and had not been to other meetings. 73 neighbors attended.

### **NAYA, Hacienda & Verde**

- Emailed and had meetings with Nathan Teske, the Community and Economic Director at Hacienda CDC, relating to the Cully Blvd NPI. Also spoke with Kelsey Cardwell from Hacienda CDC under the AmeriCorps VISTA program. We discussed the concept and vision outline of the Cully Blvd NPI, and how the Cully Blvd NPI could benefit Hacienda CDC community members and Hacienda CDC.
- Emailed and had meetings with Donita Fry, the Portland Youth and Elders Council Coordinator at the Native American Youth and Family Center and a resident of Cully, and CJ Williams, the Life Skills and Micro-Enterprise Coach at the NAYA Family Center, separately over the Cully Blvd NPI. We discussed the concept and vision outline, and how the Cully Blvd NPI could benefit NAYA Family Center community members and the NAYA Family Center. Spoke frequently with Rey España, the Director of Community Development at the NAYA Family Center and a committee member of the Cully Blvd NPI, during the last three months regarding the Cully Blvd NPI and how it could be a positive entity to the NAYA Family Center community.
- Emailed and called Alan Hipolito, Executive Director at Verde, in outreach efforts for the Cully Blvd NPI.
- Rey España took on lead for the Cully Blvd NPI as the outreach contact for the NAYA Family Center, Hacienda CDC, and Verde because of his established relationships and

frequent contact with those organizations. Offered my continued assistance in coalition building.

**Attended Meetings & presented about the NPI**

- Cully Association of Neighbors, 30+ minute presentation and question session. 5 minutes spent on the 42<sup>nd</sup> Ave NPI as a way of introducing the Cully Blvd NPI through 42nd Ave's history with the Main Street Program process last year
- Grace Presbyterian Church, 15 minute presentation and answer session about the Cully Blvd NPI
- Scott PTA Meeting, Parent ambassador attended and distributed flyers about the Cully NPI

**Cully NPI Individual Meetings**

- Dr. Gutierrez, principal of Harvey Scott School
- Kristie Currin and TJ Fuller of Rigler School
- Ray España of NAYA
- Debbie Bischoff of BPS

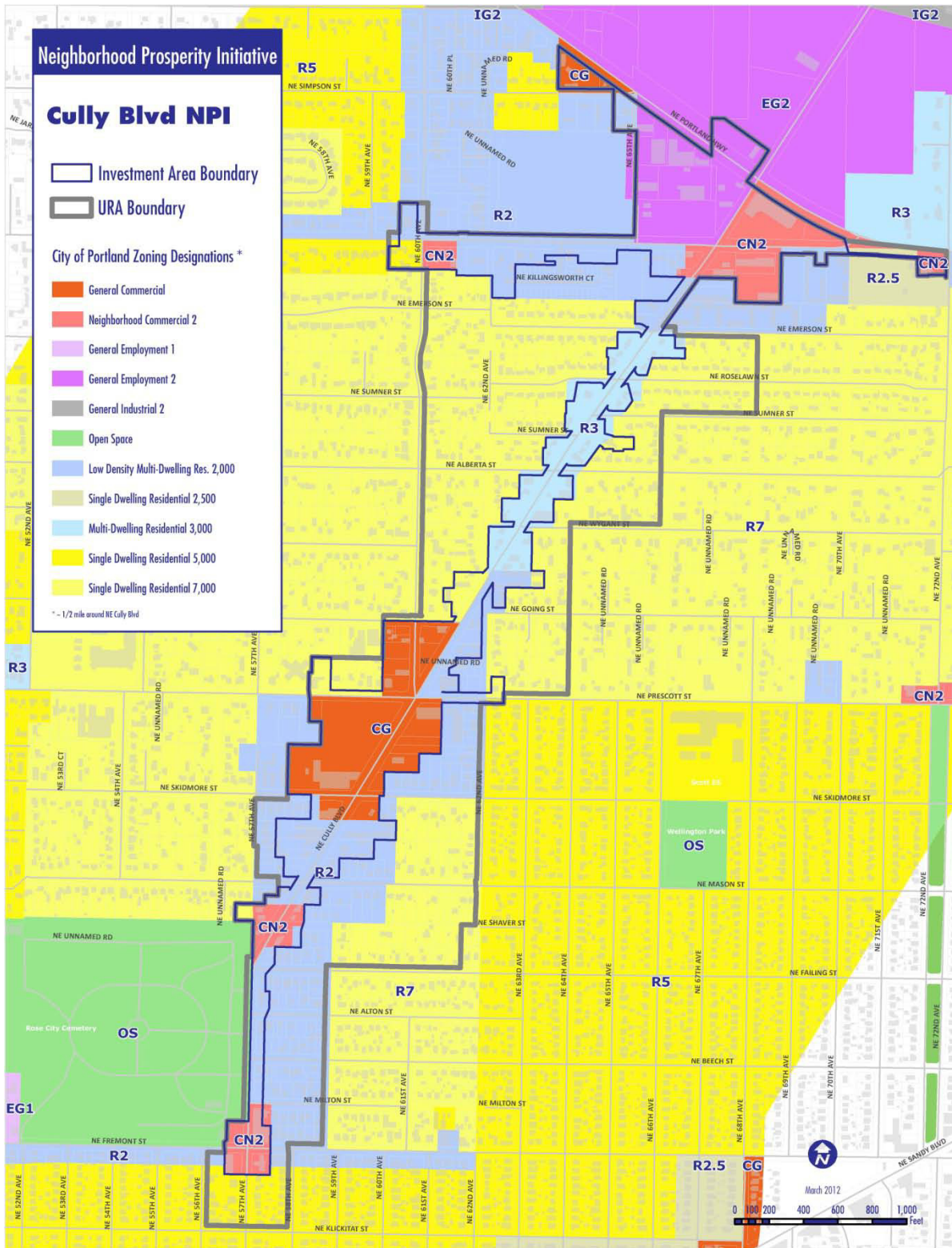
Residents of the neighborhood through other neighbors who know each other. We gave info packets to neighbors and asked them to speak to others and distribute the info packets to interested folks. This has been very helpful, even if the distribution has not been as wide as we would have liked.

Organizers also had a couple of folks over and gone to a friend's house to discuss the NPI. Most of these contacts are women with have infants who would have not been able to make the meeting. The total number reached here was 6.

Additionally we are pursuing a Somali contact with strong ties to the Somali community in this informal way. We are also pursuing leaders of the Latino community in this way as well. This process has just begun and we are hopeful that it will lead to success.

We have very comprehensive outreach planned for the next month and beyond. There is a history of distrust that must be overcome but we feel that we are making great strides towards breaking down the barriers. It will take time to cultivate these relationships and we are committed to the process.

### Area Map



## **Community Outreach Summary, Map, and Characteristics of the Proposed Parkrose NPI District**

### **Steering Committee**

|                 |                      |
|-----------------|----------------------|
| Colleen Gifford | Luke Shepard         |
| Joe Rossi       | Marcy Emerson Peters |
| Amelia Salvador | Mary Walker          |
| Loretta Stites  | Judy Kennedy         |

### **Area Description**

Sandy Boulevard is a major arterial thoroughfare surrounded by industrial land to the north and residential to the south. Visible underutilized properties and blight. Streetscape improvements completed in mid-2000's. In the past, PDC has offered General Fund Storefront Improvement Grants to businesses in this corridor.

Please note, the Area Map shown below identifies the urban renewal area boundary, where tax increment revenues will be collected. The investment area boundary, which predominantly includes commercially zoned property, is the area in which investments are targeted.

**Business associations:** Parkrose and Columbia Corridor Association

**Neighborhood Districts:** Parkrose

### **Outreach Activity from December to February**

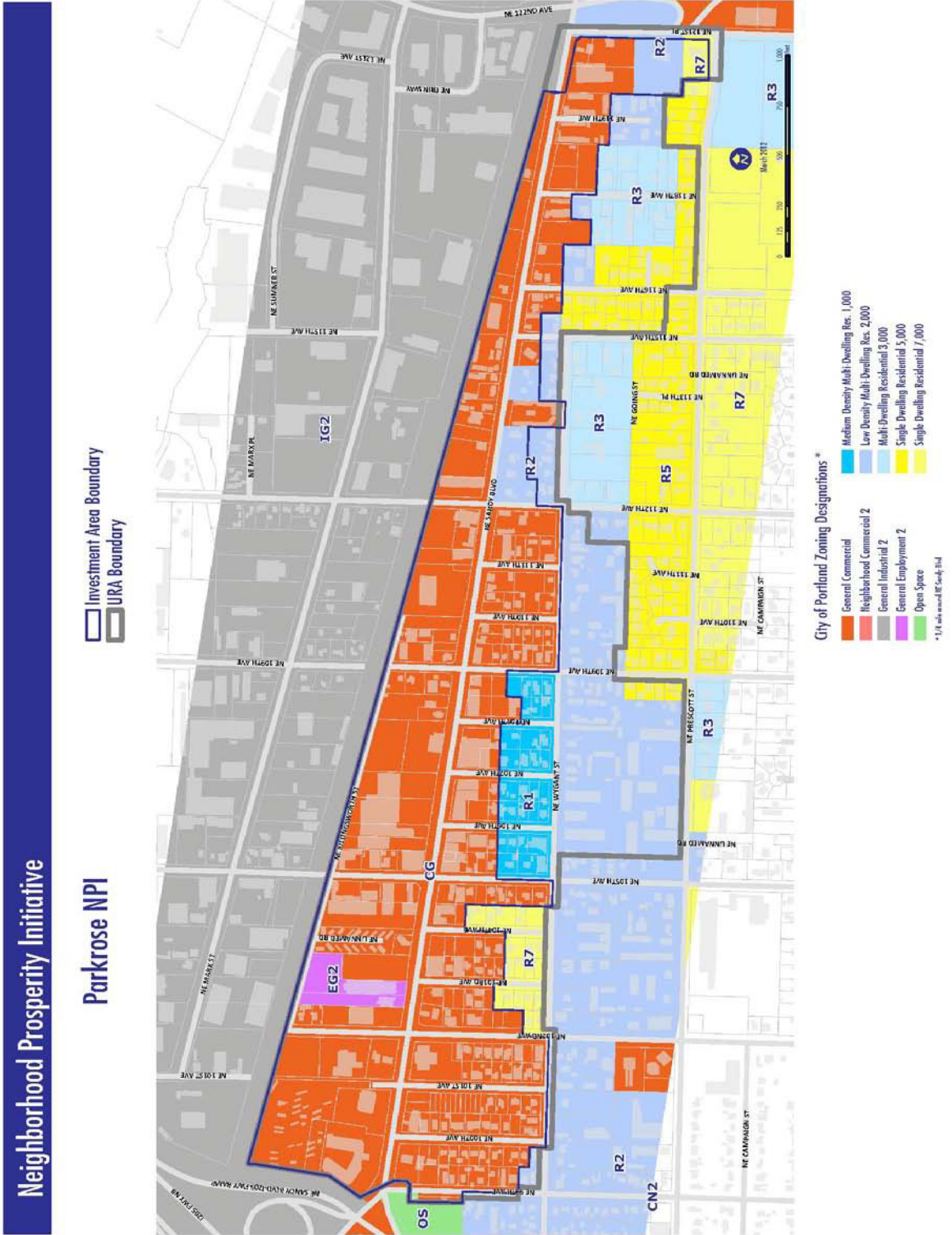
- Started building the database and entering information
- Called St. Rita's and set up basement for January Meetings
- Met with PDC to discuss the grant and have questions answered
- Preparation for Meeting/ Emails to PDC to get list of business and residents in district
- Project Timeline draft and second draft of expenses
- Wrap up grant Application and send out, sent copy to grant group and project ideas to all NPI group, faxed and had Wayne sign cover page
- DROPPED OFF 25 FLYERS, UPDATED DATABASE WITH ALL COLLECTED INFORMATION
- Changed Business flyer for the schools, sent request to Parkrose for a flyer distribution
- Requested additional informational flyer from Dana; had conversation with Dana about how things are going
- Sent email with business flyer to NPI distribution group with update of activity
- Called multiple churches and left vm's to call, updated database with names received from Mary Walker
- Spoke to Carol at High School; she suggested we bring 20 flyers for office and 2 community boards and some for Sun
- School table total of 20
- Spoke to Teri at Prescott; they only want 3 but they will put something in their newsletter that goes to parents
- Spoke to Tracy White at Russell; they only need 2, sent her a copy of the flyer that they will try and get in their Newsletter between now and January.
- Spoke to Karen at Sacramento and sent the flyer to Rebecca Smillie to put information in the newsletter, they only want 5 copies

- Called and left a vm for Susan Copper to call regarding flyers Shaver
- Spoke to Deacon Marla emailed flyer and will be dropping off 20 more for a Friday gathering this weekend.
- St. Matthews Episcopal Church they will also put in newsletter
- Carter and I delivered in person 50 flyers to Businesses on Sandy
- Updated database with information from yesterday
- Contacted Luke Dorf who owns 11401 NE Sandy Apartments and businesses CEO Howard Spanbock
- Delivered to all 6 schools today
- Delivered to remaining businesses on Sandy
- Updated database from today
- Delivered to St. Ritas and signed papers for site
- Delivered to side street areas 10
- Setup meeting for Dec 27<sup>th</sup>
- Sent reminder email about tonight's meeting/looked up phone numbers for our database/printed
- Printed flyers 75, 12/6/2011
- Meeting to setup agenda for January 10th meeting
- Worked with Joe Rossi and Carter to finalize agenda/created distribution list of emails received and sent out
- Reminder emails for January 10th meeting
- Started making reminder phone calls
- Continued to make reminder phone calls
- Went to Reina Shiel home and explained the translation duties for January Meetings
- Worked with Joe Rossi on finalizing food issue/ picked up easel and pens from Staples/made more calls
- Asked Judy Kennedy to call Parkrose Business group to remind them of meeting and asked her to be note taker
- For the meeting/returned calls and gave longer explanation to get interest in coming
- Created sign in sheet for tonight's meeting/ made 60 copies of agenda/went to Staples to have 10 11x17 sheets
- Continued to make reminder phone calls/update database/Created 60 flyer to hand out with larger map
- Sent emails and called to remind people of tonight's meeting, created agenda and printed 25 copies
- Sent emails and called to remind people of 24th meeting, created agenda and emailed
- Contacted Dana about a smaller printout of the zoned map
- Contacted Denise Smoke from BofA and talked to her about NPI, emailed her information, contacted Kevin Xu
- Setup appointment for next Thursday at 4:00pm to talk about NPI need Cantonese Translator
- Called and reminded people of tonight's meeting, called and setup mtg 1/31 for Platinum Angela 11am
- Setup dessert from Neumann's picking up at 5pm, updated database with additional information
- Printed 25 agenda's for tonight and 25 Training of Steering Committee docs,
- Emailed Dana for Cantonese Translator, Dana will bring new zoned map, Talked to Justin Douglas about using GUR info for tonight's meeting
- Changed and printed 25 pledge letters to distribute at tonight's meeting
- Called Sean Cruz invited him to attend tonight he said he does have interest in the steering committee

- Updated database, created minutes from last night's meeting and distributed printed and signed forms for translator for next week's meeting at Good World
- Faxed, Spoke to Joe Danna and received pledge for \$250 from Elmer's, sent email to everyone about the pledge, called and left vm for Judy Kennedy to confirm commitment to steering committee,
- Called St. Rita's and thanked them for the use of the room for our three meetings in January, printed one copy of the Mainstreet 70 pages
- Started working on letter of interest and filling out the information to have turned in by 5pm, 1-31
- Attended Venture Portland Business District Managers lunch meeting
- Prepared forms and sent emails and confirmed map to Dana. Faxed final document Printed new map, 20 pledge letter forms, Parkrose Report 70, minutes from 24th, Info pages on NPI 6 pages
- Met with Angela from Black Platinum, took pledge letter and she will think about it and get back to us
- Walked area and started taking pictures that we will use to help with visioning.
- Received email from Joe who like to use a template for reporting fund raising
- Received verbal pledge from Bob Brown's tires for \$100, sent out emails with updates and invitation to Mayor meeting on 7<sup>th</sup>
- Received email from Tim Curran with sneak peek of Mid County Memo
- Received email from Jiffy Lube they want to be removed from email distribution, sent email asking if they do not want to participate at all, would they be interested in meeting one on one? Waiting for reply.
- Emailed Tim thanking him for his article, emailed Joe in response to template, Judy called yesterday and I called and left vm
- Nice day, going back to take more pictures for visioning



Area Map



## **Community Outreach Summary, Map, and Characteristics of the Proposed Rosewood NPI District**

### **Steering Committee**

|                      |                   |
|----------------------|-------------------|
| Thompson Morrison    | Milton Lopez      |
| Shea Marshman        | Pat Gold          |
| Robert Barzler       | Rex Hollingsworth |
| John Scruggs         | Moe Farhoud       |
| James Lockaby        | Kelly Pauli       |
| Florella Featherston | Jerome Funchess   |
| Michelle Phillips    | Manuel Morales    |

### **Area Description**

Mayor arterial characterized by small storefronts, predominantly locally-owned, many of these are established businesses that have been in the community even before annexation to the City of Portland. Many businesses are minority-owned and managed and minority-serving. In addition, there is a diverse population of residents in this area. There are two major commercial nodes at Stark/162nd and Stark/148th, with the Stark corridor between being mainly dense multi-family dwellings. MAX transit stations at Burnside/148th and Burnside/162nd are an important element in the community, allowing for easy travel into and out of both Portland and Gresham. Although these stations are not commercially developed, they do contribute to walking traffic to and from commercial nodes on Stark/148th and Stark/162nd.

In response to the public safety of this area, The Rosewood Initiative is working with the community to implement appropriate community and economic development in partnership with agencies in Portland, Gresham and Multnomah County. The Rosewood Initiative has been working to create self help model of community development including economic development.

Please note, the Area Map shown below identifies the urban renewal area boundary, where tax increment revenues will be collected. The investment area boundary, which predominantly includes commercially zoned property, is the area in which investments are targeted.

### **Outreach Activity**

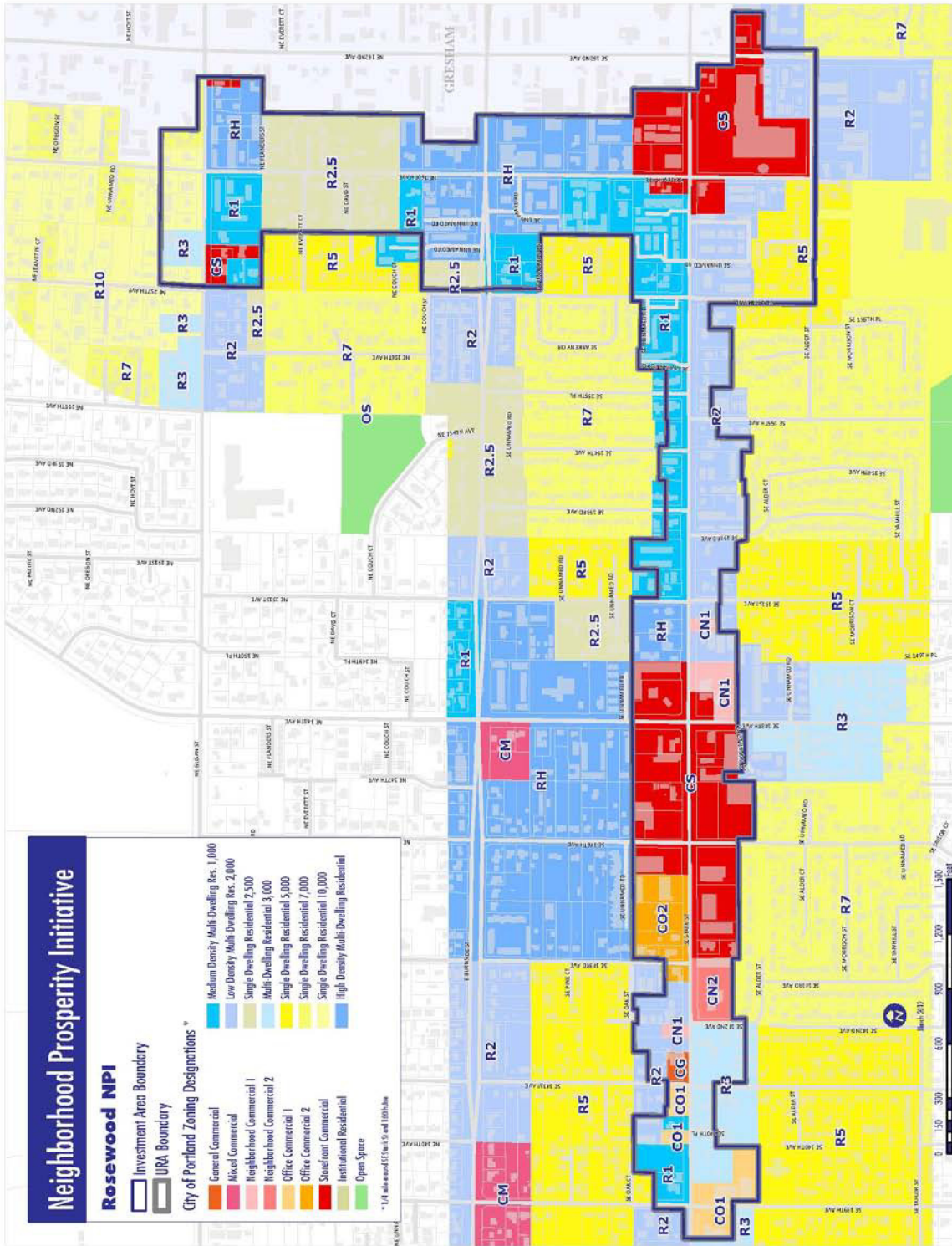
Rosewood NPI activities and involvement:

- December 2, 2011 – Rosewood board meeting with community leaders, announced NPI project and timeline. Meeting attended by 4 Rosewood board members, 10 community members, and 6 Portland State restorative justice students.
- December 8, 2011 – Rosewood community visioning presentation of Portland State architecture ideas on physical improvements to Rosewood district. Informal discussion on moving forward with these ideas in NPI. Attended by approximately 50 community members and partners.
- December 16, 2011 – Rosewood board meeting attended by local residents and business owners, discussion of NPI project and involvement in steering committee. Attended by 5 community members, all interested in joining NPI steering committee.
- December 17, 2011 – Rosewood Rummage Sale to raise funds for Rosewood, 7 community volunteers planned and implemented event.
- January 2, 2012 – Meet with Rosewood board treasurer to discuss finances of NPI organizing grant.
- January 6, 2012 – Rosewood NPI boundary meeting with Rosewood board and community leaders, 13 people in total. Discussion of expanding Rosewood boundaries

to SE 139<sup>th</sup> and Stark. Set date of January 25 for first community visioning workshop for NPI.

- January 10, 2012 – Rosewood staff meeting with Heather Hoell and Justin Zeulner from Venture Portland about Rosewood's NPI and resources for building the business district.
- January 12, 2012 – Rosewood staff meeting with Atha Mansoori, economic policy advisor for Mayor Adams, to discuss Rosewood's NPI district, bringing jobs to the community and other resources for helping Rosewood increase economic competitiveness.
- January 13, 2012 – Rosewood NPI steering committee meeting and vote on Rosewood district boundaries with Rosewood board and community leaders, 10 people in total. Discussion on land uses along Stark from SE 139<sup>th</sup> to SE 162<sup>nd</sup>.
- January 18, 2012 – Rosewood community safety meeting, attended by 23 community members, police officers, business and property owners, and non-profit organizations. Discussion on how crime is affecting our neighborhood businesses and residents; 76 reports \$3,000-4,000 less theft per month than one year ago. We credit our work and added police presence in the area.
- January 25, 2012 – Rosewood NPI visioning workshop! (expected attendance 15 – 20 people).

Area Map



## **Community Outreach Summary, Map, and Characteristics of the Proposed Division-Midway NPI District**

### **Steering Committee**

|               |                |
|---------------|----------------|
| Bill Dayton   | Carla Piluso   |
| Lori Boisen   | Samantha Hagen |
| Dave Edwards  | Kim Seacord    |
| Tammi Hawkins | Walter Wesley  |
| Tom Lewis     | Lorelei Young  |

### **Area Description**

Division is a major commuter arterial in a striving business district characterized by small, locally-owned businesses in outer SE Portland, which serves medium to low income residents with a large multi-cultural population of renters and homeowners. Extending from 117<sup>th</sup> to 148<sup>th</sup> Avenues, the commercial district is home to David Douglas School District, the largest school district with the highest high school graduation rate in Multnomah County.

One business and four neighborhood associations serve the Midway commercial district with many multi-generational families who have both lived and worked in the neighborhood for many years. Many Midway residents and students use public transit to reach the inner core of Portland for jobs, education opportunities, business services and shopping. Pedestrian and bicycle traffic is also high along the commercial arterial. Midway is not without promise. Just beyond the Portland and Gresham city limits lies the threshold to the Mt Hood National Forest where enjoying the outdoors begins. The commercial arterial serves as a major connection between an urban environment and the wonders of nature. Future streetscape and storefront improvements will be designed to revitalize Midway and give it the identity it needs.

Please note, the Area Map shown below identifies the urban renewal area boundary, where tax increment revenues will be collected. The investment area boundary, which predominantly includes commercially zoned property, is the area in which investments are targeted.

**Business association:** Midway and Gateway

**Neighborhood Districts:** Hazelwood, Mill Park, Centennial and Powellhurst-Gilbert

### **Outreach Activity**

**Flyers** (#, purpose, who were they delivered): 3,000 SE Division Street NPI brochures and 3000 SE Division Street NPI Community meeting flyers were distributed by hand to nearby residents, businesses, neighborhood association meetings, the library, Multnomah County Health clinic, 5 of Human Solutions multi-family properties in the target area to reach 250 households, and the Midway and Gateway Business Associations. These documents were also electronically sent to 3 neighborhood association email lists, to the Midway and Gateway Business Association email lists, to the East Portland Neighborhood office and to the East Portland Action Plan members and to the East Portland Action Plan Economic Development subcommittee.

**Translation activities/ documents.** Community Meeting flyers were provided in Spanish, Vietnamese, Russian and English.

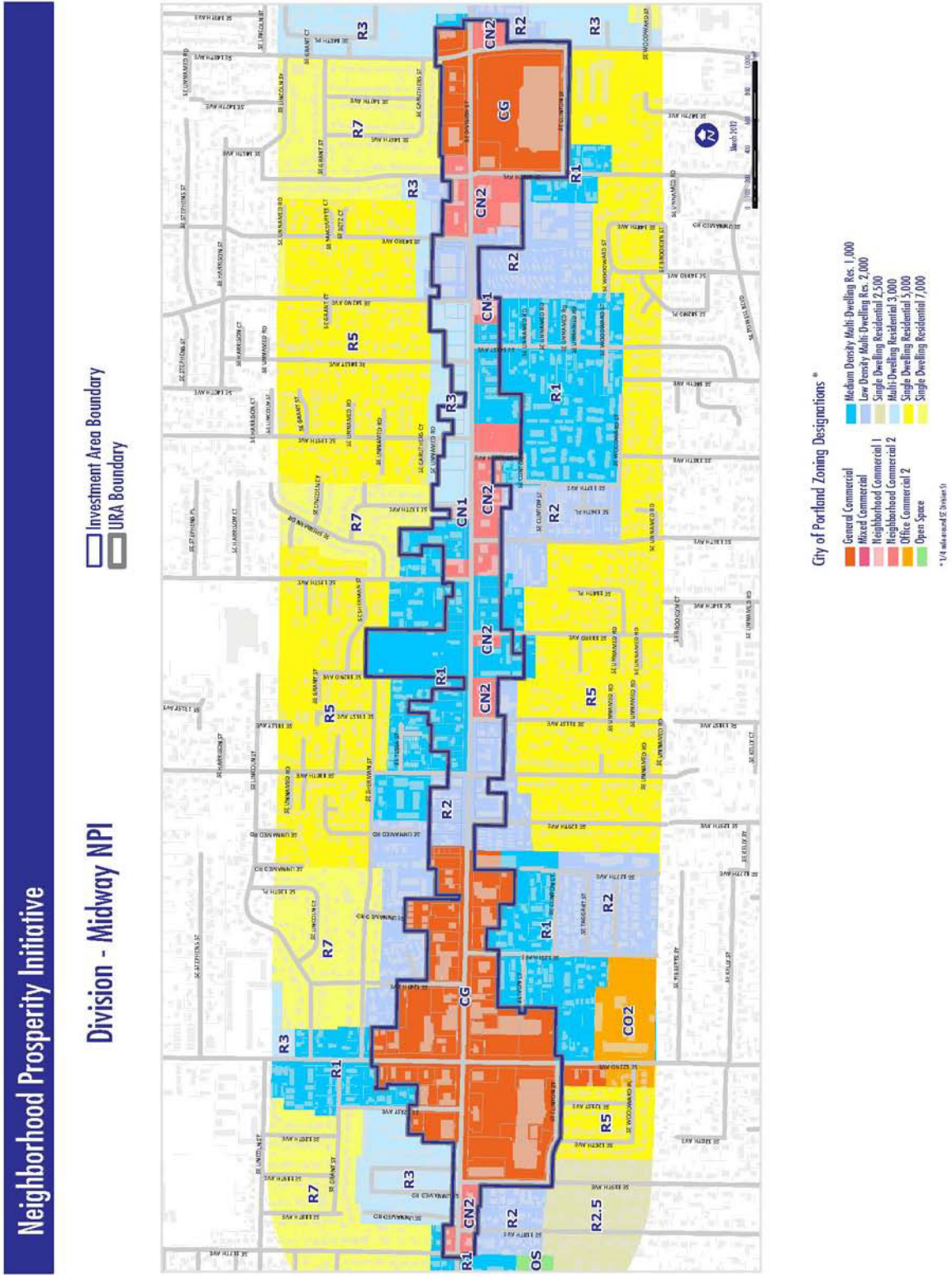
**Meetings/numbers of people and who appeared, and outcomes of each outreach event**

- 8 organizing committee meetings have been held with attendance of 6 to 14 people at each meeting.
- One community meeting has been held with 22 attendees.
- An additional small community meeting at a Human Solutions property was held with 12 people in attendance.

The outcomes of these meetings were information about the NPI program; determination and community support of the SE Division Street NPI Boundaries; support for the Steering Committee to move forward with the letter of interest and the commitment of 10 volunteers to serve on the SE Division Street NPI steering committee in the future.



Area Map



**Community Outreach Summary, Map, and Characteristics  
 of the Proposed 82nd Avenue and Division NPI District**

**Steering Committee**

|              |              |
|--------------|--------------|
| Nancy Chapin | Charles Hui  |
| Don Howard   | Nanette Tran |
| Dan Cogan    | Jenny Lee    |
| Hai Nguyen   | Fritz Hirsch |

**Area Description**

The district is composed of two major arterials (82<sup>nd</sup> Avenue and SE Division Street), lined with small storefronts and major, long-standing businesses and property owners. Most establishments are locally owned retail and food services providing a rich tapestry of multi-cultural businesses.

Please note, the Area Map shown below identifies the urban renewal area boundary, where tax increment revenues will be collected. The investment area boundary, which predominantly includes commercially zoned property, is the area in which investments are targeted.

**Business association:** 82<sup>nd</sup> Avenue

**Neighborhood Districts:** Montavilla, South Tabor and Powellhurst-Gilbert

**Team meetings, attendees and the agendas for each:**

| Date/Day         | Activity                    | Agenda                                                                     | Attending                                                                 |
|------------------|-----------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------|
| 12/6/12          | Team meeting                | Introductions, Name, Town Hall dates, PR draft                             | Don Howard, Charles Hui & Roslyn Hui, Nancy Chapin, Nanette Tran, Bridget |
| 12/14/11         | Team meeting                | PR, Tagline, Budget planning, resources & materials                        |                                                                           |
| 12/15/11         | 82BA meeting                | Intros, Est. Treasurer & bank signers, Save the Date postcard for TH mtgs. | 82ARBA Members                                                            |
| 12/22/11         | Team meeting                | Print, online outreach materials, Survey, Pledge, Future NPI               | Dan, Nancy, Dana, Anthony, Don, Bridget                                   |
| 12/27 & 12/28/11 | Flyer to business           | Walkabout                                                                  | Bridget & Allah                                                           |
| 12/28/11         | Team meeting                | Budget, Outreach plan, surveys, Town Hall plans                            | Hai, Dan, Anthony, Bridget                                                |
| 1/5/12           | Team meeting                | Expenses, Outreach plan, Town Hall agendas                                 | Dan, Hai, Nancy, Anthony, Bridget                                         |
| 1/9/12           | Powell Gilbert              | Dropped fliers                                                             | Neighborhood Assn.                                                        |
| 1/10/12          | Flyer dist. to neighborhood | Hand delivered to 2,000 doors                                              | Advertise in the Bag                                                      |



| Date/Day | Activity           | Agenda                                                   | Attending                            |
|----------|--------------------|----------------------------------------------------------|--------------------------------------|
| 1/12/12  | Team meeting       | Budget review, Face-face outreach                        | Bridget, Anthony, Hai (Don called)   |
| 1/19/12  | Team meeting       | Budget review, Funding options, more outreach, TH agenda | Hai, Anthony, Justin, Nancy, Bridget |
| 1/19/12  | S Tabor NA Meeting | Dropped fliers                                           |                                      |
| 1/19/12  | 82BA meeting       | Team/Sponsor report                                      | 82ARBA Members                       |
| 1/26/12  | Team meeting       | TH Agenda, NPI report, MNA Wkshop                        |                                      |
| 1/31/12  | NPI Report         |                                                          |                                      |

**1. How many community meetings did you conduct with stakeholders? Briefly describe these meetings (Date, Location, Meeting Purpose, Number of Attendees, and what was decided):**

Our first Town Hall\* meeting was for the Business Community held at Wong King's right after work. We asked business owners to listen and learn about the project. After Introductions and explanation about our version of the NPI, we engaged attendees in a brainstorming session on what could be improved in the area. The short list included focusing on safety, lighting and garbage cans. We allowed for time for businesses to network with each other.

| Date/Day | Activity            | Agenda                                             | Attending                   |
|----------|---------------------|----------------------------------------------------|-----------------------------|
| 1/10/12  | Business Town Hall  | Intros, Info, Support requests, Surveys            | 20 attendees, list attached |
| 1/14/11  | Residents Town Hall | Intros, Info, Support requests, Surveys, Visioning | 19 attendees, list attached |
| 1/30/12  | Town Hall - All     | Visioning, Support                                 | list attached               |

The second Town Hall meeting\* elicited more visions for the district including:

- No crossing at Slavic Church - need more crosswalks
- 82nd Ave is physical barrier
- 82nd & Powell - high pedestrian activity
- Not many pedestrians except Senior Center area on Powell
- Seniors walk to bakeries, regular chess games, grocery shopping
- Need more overhead street lights (that work)
- Garbage cans at bus stops
- Restaurants provided food just across the street from PCC SE Center.

\* Complete notes of all Town Hall meetings are available

**2. Describe the outreach activities you conducted in your NPI district (i.e. door-to-door campaign, social media, house parties, holiday events). Approximately how many people do you estimate you reached through each major outreach effort?**

Once our outreach flyer was finished, we hand delivered over 150 fliers to area businesses collecting contact information for 85 business owners in our NPI area. We also hand-delivered 2,000 fliers to the residents in surrounding neighborhoods. Stacks of fliers were distributed to all the area businesses that agreed to be a point of distribution. We attended as many Neighborhood Associations as possible. We also spent time at area businesses where Seniors

and students congregate (King's Bakery & PCC SE Center) collecting survey responses one on one.

In the table listed below we list all of our outreach materials for both online and in print. All of our outreach materials have been translated into Chinese, Thai, and Russian & Spanish.

|          |                                |                                              |                                                                                                                                                                                                 |
|----------|--------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12/17/11 | Web page developed             | Where West & East Meet Website live          | <a href="http://www.82ndavenue.org">http://www.82ndavenue.org</a>                                                                                                                               |
| 12/17/11 | Town Hall Evite                | EventBrite & Survey Monkey                   |                                                                                                                                                                                                 |
| 12/18/11 | Facebook page                  | Live, invitation sent                        | <a href="https://www.facebook.com/pages/82nd-Avenue-of-Roses-Business-Association/265432436846399">https://www.facebook.com/pages/82nd-Avenue-of-Roses-Business-Association/265432436846399</a> |
| 12/18/11 | Flier & info sheet             | Completed Eng. version flier                 |                                                                                                                                                                                                 |
| 12/18/11 | Pledge request letter & form   | Completed Eng. version flier                 |                                                                                                                                                                                                 |
| 12/21/11 | Visioning survey               | Draft completed                              |                                                                                                                                                                                                 |
| 12/21/11 | Pledge form                    | Translations complete                        |                                                                                                                                                                                                 |
| 12/21/11 | Survey online                  | Live, invitation sent to Team & Participants | Survey Monkey                                                                                                                                                                                   |
| 12/15/11 | Translate surveys              | Translations completed                       |                                                                                                                                                                                                 |
| 12/20/11 | Outreach emails to 82BA        | Survey link                                  | <a href="http://www.82ndavenue.org/wherewemeet/speakout.html">http://www.82ndavenue.org/wherewemeet/speakout.html</a>                                                                           |
| 12/23/11 | Draft eNews                    | Subscription invitation                      | Constant Contact template                                                                                                                                                                       |
| 12/28/11 | Outreach email to all NPI bizs | Survey & Subscribe links                     |                                                                                                                                                                                                 |

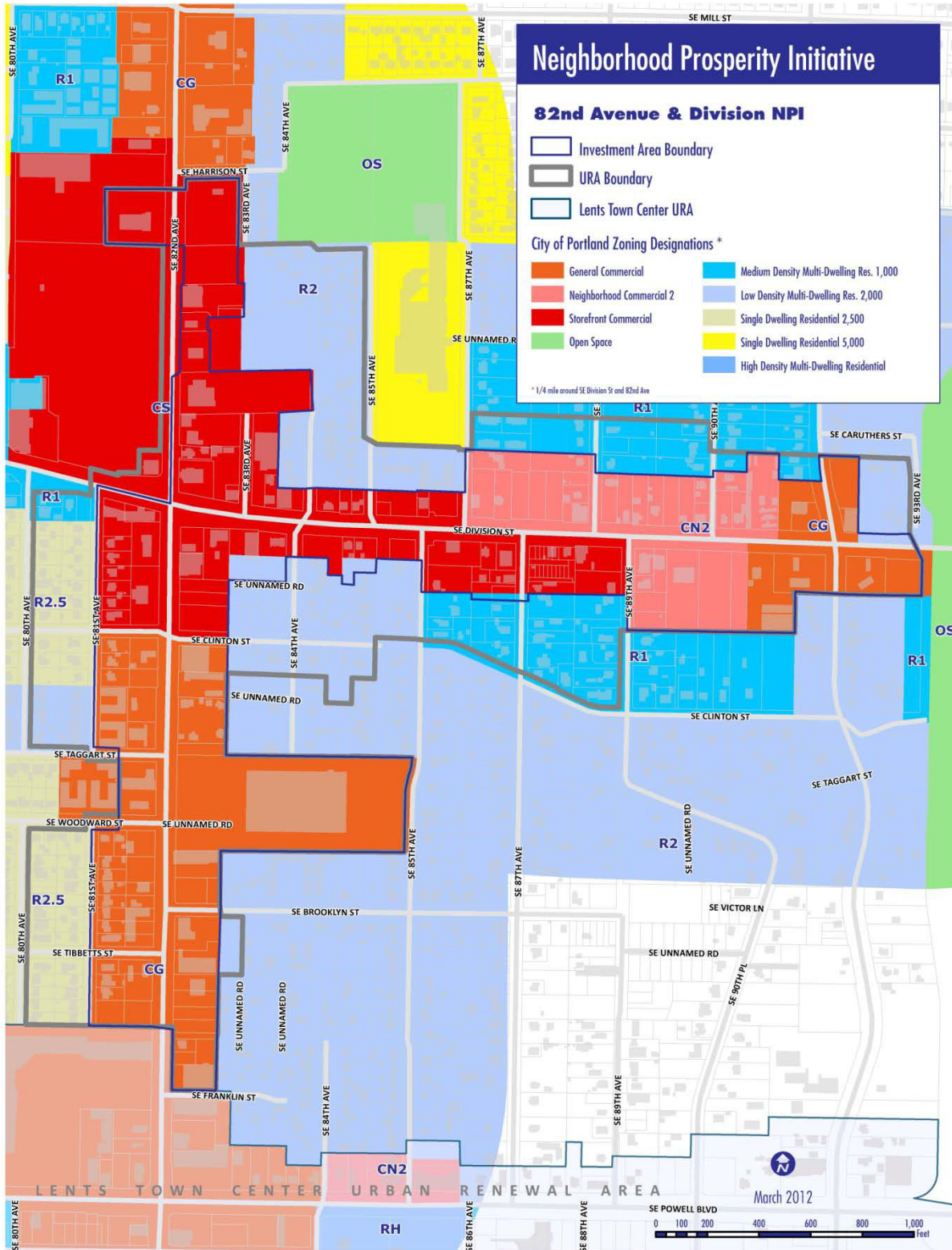
**3. What do you feel were the major successes resulting from this grant?**

- One of the most important successes resulting from this grant was that it brought the whole neighborhood closer since everyone has common goal to make this district a better for all. Even though we all either do business or live in the neighborhood, we seldom get together or see each other. With the project going on, we personally got to meet a lot of people that we would have not met otherwise.
- We added to the district's mailing list with current contact information and talked one-on-one with every business owner or manager in the NPI district.
- We have started to communicate with people online, with social media and emails.
- It was good to have a paid outreach person, an invaluable asset considering the time requirements.

**4. Are there lessons learned? Things you would do differently in the future?**

The main thing we would do differently is start earlier and not try to do outreach during the Christmas and New Year's holidays. Chinese New Year was in January this year, adding to the string of holiday distractions. It would be great to have shared tools and resources from the other NPI groups from the beginning and throughout the program.

Area Map



**Training and Leadership Curriculum  
for the Neighborhood Prosperity Initiative  
Steering Committee Members**

**Training Outline  
March - June 2012**

In order to help community members get a better understanding of the training expectation for those participating on the steering committee for the Neighborhood Prosperity Initiative, here is an outline of the training PDC anticipates providing to assist community members early on in the formation of the organization process. This may not be the complete list of training offered, but the general expectation is that we understand that there are best practices around the formation of non-profit entities, as well as community economic development and would like to provide tools that can help you feel successful in this process. The current thought is that two to three trainings a month will be provided and with tasks directly related to your district that will need to be completed after each training, making up the 20 hours a month commitment from each steering committee member. If you see something missing for this training, that you think would be helpful, please feel free to give us feedback and we will look into incorporating your needs into the training. Again, we look forward to working with you on creating a successful, effective organization that can help steer the economic vitality of your district.

**I. Unit 1 Organizational Structure**

- A. Board Membership – What to expect
  - 1. Job Description of board members
  - 2. Commitment of board members
  - 3. District Manager – role / relationship with board
- B. Making decisions with in your organization
- C. What is your mission and vision of the organization
- D. Outreach / Engagement
- E. Leadership/Communication/Managing Conflict
- F. Fundraising 101

**II. Unit 2 District Management**

- A. Business Development Basics
- B. Built Environment - making your district more appealing
- C. Promotions / Events – raising visibility of your district
- D. Safety

**III. Unit 3 Ongoing work**

- A. Preparing your district kickoff
- B. Collecting Baseline Data of District
- C. Final Decision on organization entity
  - 1. Possible How to Clinic – re: Oregon Non-Profit Status /Federal Tax Exempt Status

NOTE: This is a outline of possible training, and is subject to change

Attachment 4 to the  
Planning and Sustainability Commission  
Memo dated March 13, 2012

Attachment 4 contains:

- Draft 42nd Avenue NPI Urban Renewal Plan
- Draft Report Accompanying the 42nd Avenue NPI Urban Renewal Plan
- Comprehensive Plan Findings for the 42nd Avenue NPI Urban Renewal Plan



Draft  
42<sup>nd</sup> Avenue  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012

DRAFT



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## I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

|             |                          |
|-------------|--------------------------|
| 42nd Avenue | Rosewood                 |
| Cully Blvd  | Division – Midway        |
| Parkrose    | 82nd Avenue and Division |

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This 42<sup>nd</sup> Avenue NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the 42<sup>nd</sup> Avenue NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

*The 42nd Avenue NPI District will be a welcoming, safe and walkable commercial district that nurtures a diverse population with affordable goods and services. The district will be distinctive for its vibrancy, with attractive storefronts, an interesting streetscape, and destinations where people can gather. The physical environment will foster stronger connections amongst community members and*

*with nature, while also supporting a prosperous, inclusive and community-focused 42nd Avenue.*

## II. 42<sup>nd</sup> Avenue NPI District Map and Legal Description

The District shown in Figure 1 below contains 136.2 acres, including public right-of-way. There are 555 tax lots within the District, totaling 107.1 acres. The District overlaps portions of the following neighborhood and business associations:

- Cully Neighborhood Association
- Concordia Neighborhood Association
- Beaumont-Wilshire Neighborhood Association
- 42<sup>nd</sup> Avenue Business Association

### A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

### B. Proposed Land Uses

The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

| Comprehensive Plan Designation | Acreage      | % of Total  |
|--------------------------------|--------------|-------------|
| General Commercial             | 15.9         | 15%         |
| Neighborhood Commercial        | 3.3          | 3%          |
| Office Commercial              | 0.5          | <1%         |
| Residential 1,000              | 0.8          | 1%          |
| Residential 2,000              | 20.2         | 19%         |
| Residential 2,500              | 0.1          | <1%         |
| Residential 3,000              | 1.1          | 1%          |
| Residential 5,000              | 58.1         | 54%         |
| Residential 7,000              | 7.2          | 7%          |
| <b>Total</b>                   | <b>107.1</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability



### **III. Urban Renewal Projects**

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section IX, Procedures for Amendments to the Plan.

#### **A. Projects**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

### **IV. Public Buildings**

The Projects may include public buildings as follows:

The Portland Community College Workforce Training Center at 5600 NE 42<sup>nd</sup> Avenue is host to numerous economic development and employment programs that serve the District’s population. It is located at the District’s largest intersection. Additionally, the site is host to the Cully Community Market, which provides affordable produce to area residents. The large PCC parking lot that abuts the intersection of 42<sup>nd</sup> Avenue and Killingsworth is a target for increased activity for both the Cully Community Market and economically beneficial infill development, such as new buildings with pedestrian-friendly, street-facing storefronts. Facilities enhancements and aesthetic improvements to the site will facilitate these goals which would benefit the District by increasing the use of an underutilized property.

### **V. Relationship to Local Plans and Objectives**

#### **A. Portland Comprehensive Plan**

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

## **B. City of Portland Economic Development and Neighborhood Economic Development Strategies**

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
  - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
  - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
  - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
  - A. Connect Traded Sector and Neighborhood Work
  - B. Seed Investments to Implement Neighborhood Economic Development Plans
  - C. Expand Citywide Financial Tools for Neighborhood Businesses

## **VI. Relocation Policy**

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

## **VII. Property Acquisition and Disposition Policies**

No property acquisition or disposition is anticipated in this District.

## **VIII. Plan Financing**

### **A. General Description of the Proposed Financing Methods**

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

### **B. Tax Increment Financing**

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

## **IX. Procedures for Amendments to the Plan**

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

### **A. Substantial Amendments**

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.



## **B. Council-Approved Amendments**

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

## **C. Minor Amendments**

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

## **X. Other Provisions**

### **A. Non-Discrimination**

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

### **B. Agreements to Implement This Plan**

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

### **C. Duration of Urban Renewal Plan**

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

### **D. Validity**

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.



Draft  
Report Accompanying the  
42<sup>nd</sup> Avenue  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012



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## I. Introduction

This Technical Report accompanying the 42<sup>nd</sup> Avenue Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the 42<sup>nd</sup> Avenue Neighborhood Prosperity Initiative Urban Renewal Plan (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 City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

## II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

### A. Physical Conditions

#### 1. Land Use and Zoning

The 42<sup>nd</sup> Avenue Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 136.2 acres, including public right-of-way. There are 555 tax lots within the District, totaling 107.1 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

| Property Class | Acreage      | % of Total  |
|----------------|--------------|-------------|
| Miscellaneous  | 0.2          | <1%         |
| Residential    | 75.0         | 70%         |
| Commercial     | 21.0         | 20%         |
| Industrial     | 0.2          | <1%         |
| Multi-Family   | 10.6         | 10%         |
| <b>Total</b>   | <b>107.1</b> | <b>100%</b> |

\*Source: Multnomah County Office of Assessment and Taxation

Figure 1. District Boundary and Zoning Map

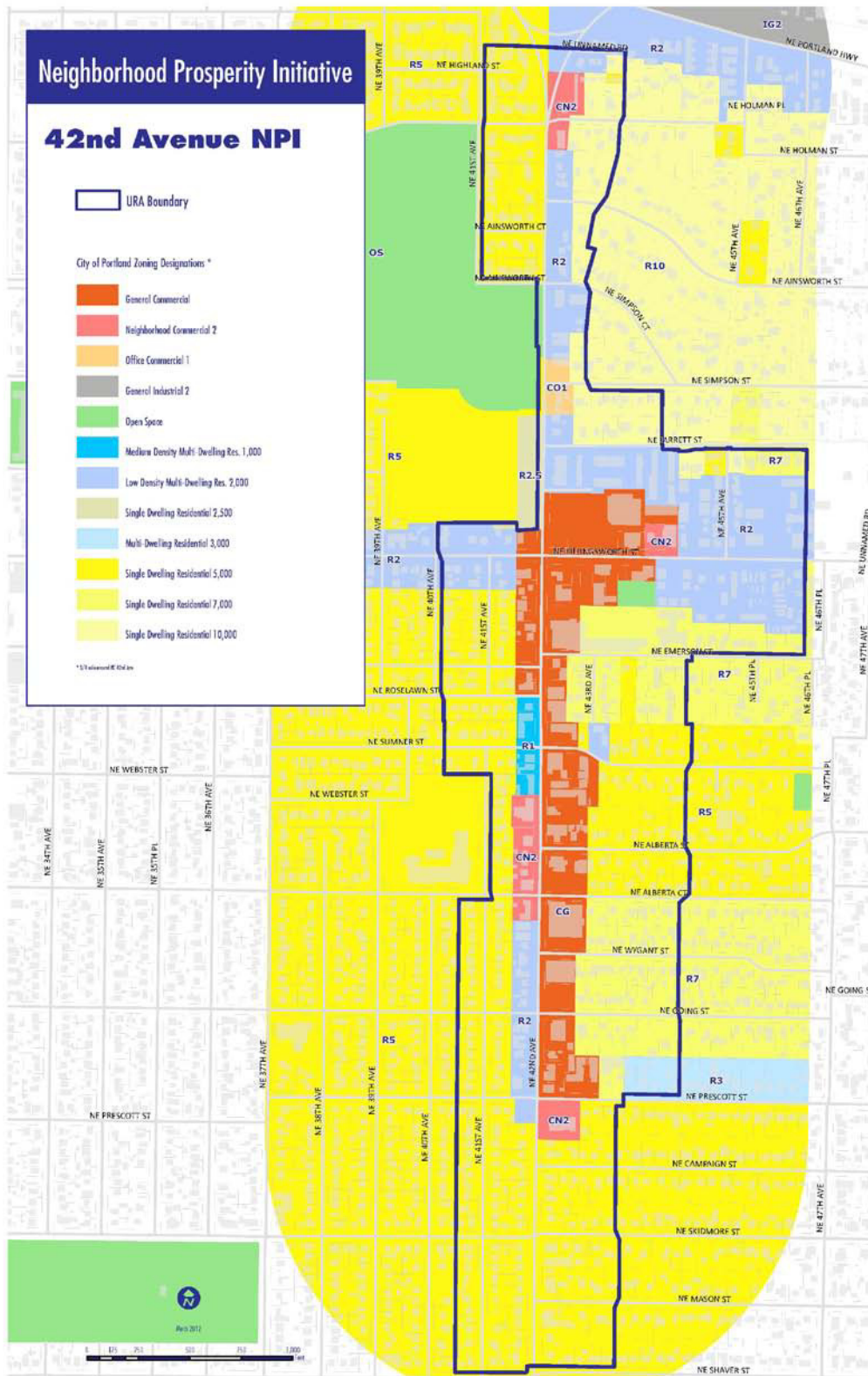




Table 2. Existing Zoning of District

| Zoning Designation        | Acreage      | % of Total  |
|---------------------------|--------------|-------------|
| General Commercial        | 15.9         | 15%         |
| Neighborhood Commercial 2 | 3.1          | 3%          |
| Office Commercial 1       | 0.5          | <1%         |
| Residential 1,000         | 0.8          | 1%          |
| Residential 2,000         | 20.2         | 19%         |
| Residential 2,500         | 0.1          | <1%         |
| Residential 3,000         | 1.1          | 1%          |
| Residential 5,000         | 42.4         | 40%         |
| Residential 7,000         | 16.2         | 15%         |
| Residential 10,000        | 6.8          | 6%          |
| <b>Total</b>              | <b>107.1</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

## B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District significantly overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 5,014. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

| Race                                       | % of Total |
|--------------------------------------------|------------|
| White                                      | 65%        |
| Black or African American                  | 14%        |
| American Indian and Alaska Native          | 1%         |
| Asian                                      | 7%         |
| Native Hawaiian and Other Pacific Islander | <1%        |
| Other                                      | 7%         |
| Two or More Races                          | 5%         |
| Ethnicity                                  | % of Total |
| Hispanic                                   | 13%        |

\*Source: 2010 Business Analyst

## C. Economic Conditions

### 1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$81,011,867. This does not include utility value which will be determined by the County Assessor upon District approval.

### 2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. 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, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

| Area                                 | Overall I:L Ratio |
|--------------------------------------|-------------------|
| 42 <sup>nd</sup> Avenue NPI District | 1.04:1            |
| Citywide <sup>1</sup>                | 2.22:1            |

\*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

## D. Expected Impact on Municipal Services

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

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to 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.

Projects and programs in the District 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.

<sup>1</sup> Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

### **III. Reasons for Selection of each Urban Renewal Area in the Plan**

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

### **IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

### **V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs**

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

### **VI. Anticipated Completion Date for Each Project**

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

## VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

| Fiscal Year Ending June 30                        | 2013-14         | 2014-15         | 2015-16          | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          | 2021-22         |
|---------------------------------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>REVENUES</b>                                   |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| Tax Increment to Raise (before Compression)       | \$73,389        | \$93,010        | \$122,251        | \$151,623        | \$125,000        | \$125,000        | \$125,000        | \$125,000        | \$82,781        |
| Less Compression                                  | (3,669)         | (4,651)         | (6,113)          | (7,581)          | (6,250)          | (6,250)          | (6,250)          | (6,250)          | (4,139)         |
| Tax Increment Imposed (after Compression)         | 69,720          | 88,360          | 116,139          | 144,042          | 118,750          | 118,750          | 118,750          | 118,750          | 78,642          |
| Less Adjustments for Discounts & Delinquencies    | (4,253)         | (5,390)         | (7,084)          | (8,787)          | (7,244)          | (7,244)          | (7,244)          | (7,244)          | (4,797)         |
| <b>NET TAX INCREMENT REVENUES</b>                 | <b>\$65,467</b> | <b>\$82,970</b> | <b>\$109,054</b> | <b>\$135,256</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$73,845</b> |
| Shared Tax Revenues to Raise (before Compression) | \$0             | \$9,220         | \$14,082         | \$19,047         | \$52,422         | \$72,905         | \$94,264         | \$116,272        | \$0             |
| Less Compression                                  | 0               | (461)           | (704)            | (952)            | (2,621)          | (3,645)          | (4,713)          | (5,814)          | 0               |
| Shared Revenues Imposed (after Compression)       | 0               | 8,759           | 13,378           | 18,094           | 49,800           | 69,260           | 89,551           | 110,459          | 0               |
| Less Adjustments for Discounts & Delinquencies    | 0               | (534)           | (816)            | (1,104)          | (3,038)          | (4,225)          | (5,463)          | (6,738)          | 0               |
| <b>NET SHARED TAX REVENUES</b>                    | <b>\$0</b>      | <b>\$8,225</b>  | <b>\$12,562</b>  | <b>\$16,991</b>  | <b>\$46,763</b>  | <b>\$65,035</b>  | <b>\$84,088</b>  | <b>\$103,721</b> | <b>\$0</b>      |
| <b>TOTAL REVENUES</b>                             | <b>\$65,467</b> | <b>\$91,195</b> | <b>\$121,616</b> | <b>\$152,246</b> | <b>\$158,269</b> | <b>\$176,542</b> | <b>\$195,594</b> | <b>\$215,227</b> | <b>\$73,845</b> |
| <b>INDEBTEDNESS</b>                               |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| <b>DEBT ISSUED</b>                                | <b>\$65,467</b> | <b>\$91,195</b> | <b>\$121,616</b> | <b>\$152,246</b> | <b>\$158,269</b> | <b>\$176,542</b> | <b>\$195,594</b> | <b>\$215,227</b> | <b>\$73,845</b> |

## VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

| Fiscal Year Ending June 30                              | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             | 2020-21              | 2021-22              |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Projected Assessed Value Growth</b>                  |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Frozen Base                                             | \$ 81,011,867       | \$ 81,011,867       | \$ 81,011,867       | \$ 81,011,867       | \$ 81,011,867       | \$ 81,011,867       | \$ 81,011,867       | \$ 81,011,867        | \$ 81,011,867        |
| Incremental Assessed Value                              | 4,101,226           | 6,229,053           | 8,410,076           | 10,645,625          | 12,937,062          | 15,285,785          | 17,693,226          | 20,160,854           | 22,690,172           |
| <b>Total Assessed Value</b>                             | <b>\$85,113,093</b> | <b>\$87,240,920</b> | <b>\$89,421,943</b> | <b>\$91,657,492</b> | <b>\$93,948,929</b> | <b>\$96,297,652</b> | <b>\$98,705,093</b> | <b>\$101,172,721</b> | <b>\$103,702,039</b> |
| Total AV Growth                                         |                     | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%                | 2.50%                |
| Incremental AV Growth                                   |                     | 51.88%              | 35.01%              | 26.58%              | 21.52%              | 18.15%              | 15.75%              | 13.95%               | 12.55%               |
| <b>Consolidated Tax Rate</b>                            | <b>17.8944</b>      | <b>17.9022</b>      | <b>17.8954</b>      | <b>17.8162</b>      | <b>17.7042</b>      | <b>17.5737</b>      | <b>17.5414</b>      | <b>17.5403</b>       | <b>17.5391</b>       |
| <b>Revenues Generated on Incremental Assessed Value</b> |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Amount to Urban Renewal Area                            | 73,389              | 93,010              | 122,251             | 151,623             | 125,000             | 125,000             | 125,000             | 125,000              | 82,781               |
| Amount to Taxing Jurisdictions                          |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| City Permanent Rate                                     | -                   | 4,731               | 7,225               | 9,773               | 26,897              | 37,407              | 48,366              | 59,658               | 82,250               |
| County Permanent Rate                                   | -                   | 4,489               | 6,857               | 9,274               | 25,524              | 35,498              | 45,898              | 56,614               | 78,053               |
| Other Levies                                            | -                   | 9,283               | 14,168              | 18,994              | 51,619              | 70,722              | 91,100              | 112,355              | 154,881              |
|                                                         | -                   | 18,503              | 28,250              | 38,041              | 104,040             | 143,628             | 185,364             | 228,627              | 315,184              |
| <b>Total Revenues</b>                                   | <b>\$73,389</b>     | <b>\$111,514</b>    | <b>\$150,502</b>    | <b>\$189,665</b>    | <b>\$229,040</b>    | <b>\$268,628</b>    | <b>\$310,364</b>    | <b>\$353,627</b>     | <b>\$397,965</b>     |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Tax Increment to Raise (before Compression)             | \$73,389            | \$93,010            | \$122,251           | \$151,623           | \$125,000           | \$125,000           | \$125,000           | \$125,000            | \$82,781             |
| Less Compression                                        | (3,669)             | (4,651)             | (6,113)             | (7,581)             | (6,250)             | (6,250)             | (6,250)             | (6,250)              | (4,139)              |
| Tax Increment Imposed (after Compression)               | <b>\$69,720</b>     | <b>\$88,360</b>     | <b>\$116,139</b>    | <b>\$144,042</b>    | <b>\$118,750</b>    | <b>\$118,750</b>    | <b>\$118,750</b>    | <b>\$118,750</b>     | <b>\$78,642</b>      |
| <b>Shared Revenues to Urban Renewal Area</b>            |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Less Compression                                        | 0                   | (461)               | (704)               | (952)               | (2,621)             | (3,645)             | (4,713)             | (5,814)              | 0                    |
| Tax Increment Imposed (after Compression)               | <b>\$0</b>          | <b>\$8,759</b>      | <b>\$13,378</b>     | <b>\$18,094</b>     | <b>\$49,800</b>     | <b>\$69,260</b>     | <b>\$89,551</b>     | <b>\$110,459</b>     | <b>\$0</b>           |
| Total Revenues to Urban Renewal Areas                   | <b>\$69,720</b>     | <b>\$97,119</b>     | <b>\$129,517</b>    | <b>\$162,137</b>    | <b>\$168,550</b>    | <b>\$188,010</b>    | <b>\$208,301</b>    | <b>\$229,209</b>     | <b>\$78,642</b>      |

## IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

| <b>Tax Increment Revenues Foregone 2014-2022</b> | <b>Total</b> | <b>Present Value to 2014</b> |
|--------------------------------------------------|--------------|------------------------------|
| <b>Permanent Rates</b>                           |              |                              |
| City                                             | \$264,478    | \$189,333                    |
| County                                           | 250,980      | 179,670                      |
| Metro                                            | 5,582        | 3,996                        |
| Port                                             | 4,051        | 2,900                        |
| E Mult Soil                                      | 5,778        | 4,137                        |
| PPS                                              | 275,879      | 197,494                      |
| PCC                                              | 16,341       | 11,698                       |
| Mult ESD                                         | 26,442       | 18,929                       |

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

| <b>Shared Revenues 2014-2021</b> | <b>Total</b> | <b>Present Value to 2014</b> |
|----------------------------------|--------------|------------------------------|
| <b>Permanent Rates</b>           |              |                              |
| City                             | \$194,058    | \$126,431                    |
| County                           | 184,154      | 128,377                      |
| Metro                            | 4,096        | 2,855                        |
| Port                             | 2,972        | 2,072                        |
| E Mult Soil                      | 4,240        | 2,956                        |
| PPS                              | 202,423      | 141,113                      |
| PCC                              | 11,990       | 8,359                        |
| Mult ESD                         | 19,402       | 13,525                       |

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

| <b>Tax Increment Revenues Fully Regained - 2023</b> | <b>Amount (nominal)</b> | <b>Present Value to 2014</b> |
|-----------------------------------------------------|-------------------------|------------------------------|
| <b>Permanent Rates</b>                              |                         |                              |
| City                                                | \$32,622                | \$16,583                     |
| County                                              | 30,957                  | 15,737                       |
| Metro                                               | 689                     | 350                          |
| Port                                                | 500                     | 254                          |
| E Mult Soil                                         | 713                     | 362                          |
| PPS                                                 | 34,028                  | 17,298                       |
| PCC                                                 | 2,016                   | 1,025                        |
| Mult ESD                                            | 3,261                   | 1,658                        |

## **X. Relocation Report**

There are no businesses or residents to be relocated.

## **XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas**

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 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

|                                                                             | <b>Frozen Base<br/>Assessed Value</b> | <b>Acres</b>    |
|-----------------------------------------------------------------------------|---------------------------------------|-----------------|
| <b>Total City of Portland<sup>2</sup></b>                                   | <b>\$ 43,634,351,239</b>              | <b>92,768.0</b> |
| <b>Existing Urban Renewal Areas:</b>                                        |                                       |                 |
| Airport Way                                                                 | \$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 <sup>3</sup>                                            | \$1,290,430,925                       | 3,990.0         |
| Lents Town Center                                                           | \$736,224,033                         | 2,846.3         |
| North Macadam                                                               | \$192,609,397                         | 401.9           |
| Oregon Convention Center <sup>4</sup>                                       | \$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           |
| <b>Total Existing Urban Renewal Areas</b>                                   | <b>\$4,499,489,216</b>                | <b>12,336.5</b> |
| <b>% City in Existing Urban Renewal Areas</b>                               | <b>10.3%</b>                          | <b>13.3%</b>    |
| <b>Proposed Neighborhood Prosperity Initiative<br/>Urban Renewal Areas:</b> |                                       |                 |
| 42nd Avenue                                                                 | \$81,011,867                          | 136.2           |
| Cully Blvd                                                                  | \$81,000,273                          | 164.6           |
| Parkrose                                                                    | \$80,493,774                          | 142.6           |
| Rosewood                                                                    | \$78,774,383                          | 135.6           |
| Division – Midway                                                           | \$80,201,117                          | 115.9           |
| 82nd Avenue and Division                                                    | \$81,523,638                          | 108.8           |
| <b>Total Proposed Urban Renewal Areas</b>                                   | <b>\$483,005,052</b>                  | <b>803.7</b>    |
| <b>Combined Total - Existing and Proposed</b>                               | <b>\$4,982,494,268</b>                | <b>13,140.2</b> |
| <b>% City in Existing and Proposed Urban Renewal<br/>Areas</b>              | <b>11.4%</b>                          | <b>14.2%</b>    |

<sup>2</sup> Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

<sup>3</sup> Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

<sup>4</sup> Frozen base value represents 11/12 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 20th Amendment.



City of Portland Comprehensive Plan  
Findings of Conformance



## Introduction

The NE 42<sup>nd</sup> Avenue NPI Urban Renewal Area is one of six such districts created through the Neighborhood Prosperity Initiative (NPI), a partnership between the City of Portland and the Portland Development Commission as an implementation measure of the City's Neighborhood Economic Development (NED) Strategy. These districts build upon the Main Street<sup>®</sup> model based on community driven economic development further identified in the NED strategy. They will build local capacity to achieve economic development outcomes, drive neighborhood business growth and coordinate resources in support of neighborhood economic development. One component of the URA is the creation of neighborhood based administrative entities drawn from local area business and residential neighborhood representatives. These local entities will administer the distribution and expenditure of tax increment revenues collected within the urban renewal areas on physical improvements such as storefront improvements, building rehabilitation and improvements to the public realm such as sidewalk, lighting and landscaping improvements that will improve the appearance and function of neighborhood commercial centers within the districts.

Neighborhood Prosperity Initiative districts will function as urban renewal areas under state statute. This document is intended to meet the statutory requirements for land use planning consistency under ORS 457.095(3) by demonstrating conformance of the 42nd Avenue Urban Renewal Area with the Portland Comprehensive Plan and pertinent supportive neighborhood and area plans.

The following legal findings of fact will document the 42nd Avenue Urban Renewal Area's conformance with the City of Portland's Comprehensive Plan and all relevant supporting neighborhood and area plans.

## 42nd Avenue NPI Urban Renewal Area Findings on Portland's Comprehensive Plan Goals

The Portland Comprehensive Plan was adopted by the Portland City Council on October 16, 1980, and was acknowledged as being conformance with the statewide planning goals by the Land Conservation and Development Commission on May 1, 1981. It has been updated and acknowledged for continuing conformance to the statewide planning goals through successive periodic reviews. The first and most recent periodic review was completed in January 2000. The City is currently undergoing its second Comprehensive Plan Periodic Review update which is expected to be completed by the end of 2013.

Comprehensive plans describe a variety of public goals that are to be achieved over the long term. These goals are usually complimentary but there are times when one comprehensive plan provision can only be advanced at the expense of another; or when one provision is funded while others must wait. In determining whether the 42nd Avenue Urban Renewal Area (URA) conforms with Portland's Comprehensive Plan, the city must sometimes choose between competing public goals. To do this the city will apply the following definition of "conform".

1. On balance, the purposes of the Comprehensive Plan are advanced as a whole; and
2. Future compliance with the Comprehensive Plan is not precluded

The 42nd Avenue URA was prepared in conformity with the Portland Comprehensive Plan and is consistent with the following relevant Comprehensive Plan policies:

**Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The 42nd Avenue URA supports this goal because:

- These findings demonstrate that the 42nd Avenue URA is consistent with the City of Portland Comprehensive Plan which was acknowledged by the State of Oregon as consistent with statewide planning goals. The 42nd Avenue URA will provide tax increment revenues for physical improvements to an in-town neighborhood commercial area. This is supportive of the regional goals contained in Metro's Urban Growth Management Functional Plan which call for developing a compact urban form with a focus on investment in transit oriented communities, main streets and town centers. The 42nd Avenue URA is also specifically supportive of the following Metropolitan Coordination Policy.

**Policy 1.4, Intergovernmental Coordination**, requires continuous participation in intergovernmental affairs with public agencies to coordinate metropolitan planning and project development and maximize the efficient use of public funds.

- The 42nd Avenue URA is consistent with this policy because all overlapping taxing jurisdictions were notified of the proposal, provided with draft authorizing documents and given the opportunity to comment. These jurisdictions include school districts, Metro and Multnomah County. Any comments received will be addressed during the City Council approval process in April 2012.

**Goal 2, Urban Development**, calls for maintaining Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The 42nd Avenue URA supports this goal because:

- The 42nd Avenue URA will facilitate the redevelopment of the area with a more robust mixture of commercial uses that will provide more employment opportunities than currently exist as well as a more attractive environment for the surrounding residential neighborhood. Specifically, the amendment is supportive of the following policies:

**Policy 2.1 Population Growth** calls for allowing for population growth within the existing city boundary by providing land use opportunities that will accommodate the projected increase in city households.

- The 42nd Avenue URA will promote the redevelopment of the URA to better serve the needs of the surrounding Cully and Concordia neighborhoods by improving the physical condition of the existing structures and public realm within the URA and encouraging the location of additional neighborhood serving businesses (and jobs) that will meet the needs of the surrounding residents.

**Policy 2.2 Urban Diversity** calls for promoting a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population.

- The 42nd Avenue URA will promote the expansion of existing businesses and the development of new business within the URA. This area is racially and ethnically diverse and includes a broad range of age and income levels. According to 2010 Business Analyst data 34.6% of the population within ¼ mile of the 42nd Avenue URA are classified as minority. This is significantly higher than the 25.5% city wide minority population from the same data set. New investment may provide for rehabilitation of existing structures, development of new structures and increased investment in public amenities that will enhance this area's attractiveness to the surrounding neighborhoods.

**Policy 2.12 Transit Corridors** calls for providing a mixture of activities along major transit routes, Major Transit Priority Streets, Transit Access Streets, and main streets to support the use of transit.

- Killingsworth Street is a *Major Transit Priority Street* while both 42<sup>nd</sup> Avenue and Prescott Street are classified as *Transit Access Streets* according to the Transportation Element of the City's Comprehensive Plan. This URA is currently served by both the Trimet #75 and #72 bus lines. The 42nd Avenue URA will provide resources for physical improvements to the initiative area that will increase the attractiveness of this area to a wide variety of activities.

**Policy 2.13 Auto-Oriented Commercial Development** Allow auto-oriented development to locate on streets designated as Major City Traffic Streets by the Transportation Element. Also allow neighborhood level auto-oriented commercial development to locate on District Collector Streets or Neighborhood Collector Streets near neighborhood areas where allowed densities will not support development oriented to transit or pedestrians. Where neighborhood commercial uses are located on designated transit streets, support pedestrian movement and the use of transit by locating buildings and their entrances conveniently to transit users, pedestrians, and bicyclists and providing on-site pedestrian circulation to adjacent streets and development.

- Killingsworth Street is a *District Collector* while both 42<sup>nd</sup> Avenue and Prescott Street are classified as *Neighborhood Collector Streets* according to the Transportation Element of the City's Comprehensive Plan. Development within the 42nd Avenue URA will be subject to the current CG General Commercial Zone District Standards along Killingsworth Street and most of NE 42<sup>nd</sup> Avenue. Development standards applied within this zone allow for auto oriented activities while requiring physical development that is supportive of an enhanced pedestrian environment. Tax increment revenues made available through the 42<sup>nd</sup> Ave URA may be applied to pedestrian improvements to enhance the pedestrian and bicycle experience within the URA and connections to the surrounding residential neighborhoods.

**Policy 2.19 Infill and Redevelopment** calls for encouraging infill and redevelopment as a way to implement the Livable City growth principles and accommodate expected increases in population and employment. Encourage infill and redevelopment in the Central City, at transit stations, along main streets, and as neighborhood infill in existing residential, commercial and industrial areas.

**Policy 2.20 Utilization of Vacant Land** calls for providing for full utilization of existing vacant land except in those areas designated as open space.

- The NE 42<sup>nd</sup> Ave. URA supports policy 2.19 and 2.20 by making revenues directly available for enhancements to existing commercial and public property. Such investment will make the

remainder of this existing commercial area more attractive for private redevelopment efforts including investment in existing vacant or underutilized properties.

**Policy 2.22 Mixed Use** calls for a mechanism that will allow for the continuation and enhancement of areas of mixed use character where such areas act as buffers and where opportunities exist for creation of nodes or centers of mixed commercial, light industrial and apartment development.

- The 42nd Avenue URA includes: commercially zoned property (CN2 and CG), multi-dwelling residentially zoned property (R1, R2) and single family zoned property (R5 and R7). The 42nd Avenue URA supports policy 2.22 by making funds available for commercial enhancements within an existing mixed use area.

**Policy 2.26 Albina Community Plan** calls for promoting the economic vitality, historic character and livability of inner north and inner northeast Portland.

- The 42nd Avenue URA is located along the northeastern boundary of the Albina Community Plan Area. Pertinent sections of the Albina Community Plan include, but are not limited to:
  - Policy D: Economic Development which calls for activity to foster development of distinct well anchored commercial centers that serve the needs of the community and attract shoppers from across the region, and
  - Policy E: Transit Supportive Land Use which emphasizes commercial development along transit corridors designed to be supportive of pedestrian uses: as well as proposed programs to provide technical development and capital assistance to foster start-up businesses and expansion of existing businesses.
- The 42nd Avenue URA is consistent with the Albina Community Plan because it will direct capital investment to the physical improvement of the 42<sup>nd</sup> Avenue URA so that it will reach its potential for meeting the Albina Plan criteria as a transit served commercial center.

**Goal 3, Neighborhoods**, calls for the preservation and reinforcement of 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 42nd Avenue URA supports this goal by encouraging reinvestment in two of the public's largest capital assets, the existing building stock and commercial properties served by existing levels of urban infrastructure. The 42nd Avenue URA will contribute to the health and vitality of the Cully and Concordia neighborhoods by improving NE 42<sup>nd</sup> Avenue as a neighborhood commercial hub serving the surrounding residential neighborhoods. More specifically the 42nd Avenue URA supports the following Policies:

**Policy 3.1 Physical Conditions** calls for providing and coordinating programs to prevent the deterioration of existing structures and public facilities.

- By design, the URA supports this policy by making available tax increment revenues within district boundaries. These funds will be directed to building repairs and upgrades and public realm enhancements that will not only prevent the deterioration of existing structures and public facilities but contribute to their improvement over time.

**Policy 3.2 Social Conditions** calls for providing and coordinating programs to promote neighborhood interest, concern and security and to minimize the social impact of land use decisions.

- In addition to administering tax increment revenues which by law must be spent on physical improvements to the business area, the local administrative entities formed as part of the Neighborhood Prosperity Initiatives will serve as local forums for the identification and promotion of programs of local interest. Such programs may include other non-TIF supported economic development activities such as local marketing and branding activities as well as other business attraction, retention and community building efforts as may be defined by the local administrative entities.

**Policy 3.5 Neighborhood Involvement** calls for providing for the active involvement of neighborhoods residents and businesses in decisions affecting their neighborhood through the promotion of business and neighborhood associations. Provide information to neighborhood and business associations which allows them to monitor the impact of the Comprehensive Plan and to report their findings annually to the Planning Commission.

- The 42<sup>nd</sup> Avenue URA will be administered by a neighborhood based administrative entity comprised of business owners and tenants of the URA as well as residents from the surrounding residential neighborhoods. Deliberations of the administrative entity will be in conformance with all Oregon public meetings laws and City of Portland administrative rules regarding meeting notification and public participation.

**Policy 3.8 Albina Community Plan Neighborhoods** calls for including neighborhood plans developed as part of the Albina Community Plan. Neighborhood plans developed as part of the Albina Community Plan are those for Arbor Lodge, Boise, Concordia, Eliot, Humboldt, Irvington, Kenton, King, Piedmont, Sabin and Woodlawn.

- The 42<sup>nd</sup> Avenue URA includes portions of the Concordia neighborhood. Establishment of the 42<sup>nd</sup> Avenue URA will provide funding for private commercial property rehabilitation and public realm improvements that will be consistent with the Concordia Neighborhood Plan including but not limited to Policy 3, Economic Revitalization; Policy 6, Create a Safe and Attractive Neighborhood and Policy 7, Design all of which call for reinvestment in the 42<sup>nd</sup> Avenue commercial corridor.

**Goal 5, Economic Development**, calls for the promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the city. The 42<sup>nd</sup> Avenue URA is consistent with this goal because:

- The 42<sup>nd</sup> Avenue URA will provide funds for economic development projects including, but not limited to storefront improvement grants and commercial revitalization projects. The URA is specifically supportive of the following policies:

**Policy 5.1 Urban Development and Revitalization** calls for encouraging investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

- The 42<sup>nd</sup> Avenue URA directly supports this policy by providing tax increment revenues that can leverage private investment in the 42<sup>nd</sup> Avenue URA.

**Policy 5.2 Business Development** calls for sustaining and supporting business development activities to retain, expand and recruit businesses.

- The 42nd Avenue URA will enable additional funding for economic development projects and programs including storefront improvement grants and loans, business retention and recruitment programs.

**Policy 5.3 Community-Based Economic Development** calls for supporting community based economic development initiatives consistent with the Comprehensive Plan and compatible with neighborhood livability.

- The 42nd Avenue URA supports this policy through the creation of a 42<sup>nd</sup> Avenue URA administrative entity comprised of local business and residential interests that will evaluate specific improvement requests and direct tax increment revenues towards revitalization projects and business retention/attraction programs that are consistent with neighborhood priorities.

**Policy 5.6 Area Character and Identity within Designated Commercial Areas** calls for promoting and enhancing the special character and identity of Portland's designated commercial areas.

**Policy 5.7 Business Environment within Designated Commercial Areas** calls for promoting a business environment within designated commercial areas that is conducive to the formation, retention and expansion of commercial businesses.

- The 42nd Avenue URA is directly supportive of Policies 5.6 and 5.7 in that it will create a local administrative entity empowered to distribute tax increment revenues for commercial property rehabilitation and enhancements to the public realm within the 42nd Avenue URA as well as programs directed at business attraction, retention and growth.

**Goal 7, Energy**, calls for promotion of a sustainable energy future by increasing energy efficiency in all sectors of the city. The 42nd Avenue URA supports this goal because:

- The 42nd Avenue URA will reinvigorate the NE 42<sup>nd</sup> Avenue commercial district as a neighborhood destination providing daily goods and services to the surrounding residential neighborhoods at a scale that promotes active transportation and reduces the need of Portlanders to rely on an automobile for their daily needs. More specifically the 42nd Avenue URA is supportive of the following policies:

**Policy 7.4 Energy Efficiency through Land Use Regulations** calls for the City to promote residential, commercial, industrial, and transportation energy efficiencies and the use of renewable resources.

- The 42nd Avenue URA supports this policy through its encouragement of reinvestment of an in-town commercial node providing goods and services to a surrounding residential neighborhood. Such proximity of goods and services to the surrounding neighborhoods reduces the need for auto trips and encourages the use of active transportation options.



**Policy 7.5 Energy Efficiency in Commercial and Industrial Facilities** calls for the City to encourage energy efficiency in existing commercial building and institutions by facilitating utility, local, state, and federal financial and technical assistance.

- Funds made available through the 42nd Avenue URA may be used for energy efficiency upgrades to existing commercial structures within the NE 42<sup>nd</sup> Ave URA and leverage additional public or private energy efficiency funding thereby supporting this policy.

**Goal 9, Citizen Involvement**, calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process, and the implementation, review, and amendment of the Comprehensive Plan. This project followed the process and requirements specified in Chapter 33.740, Legislative Procedure. The 42nd Avenue URA is supportive of this goal because:

- Residents, business owners, property owners and other stakeholders of the 42nd Avenue URA and surrounding neighborhood were publicly invited to form their own neighborhood based decision making body with technical and financial support provided by the Portland Development Commission and the City of Portland. The URA project is supportive of the following policy:

**Policy 9.1 Citizen Involvement Coordination** encourages citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public.

- On October 18, 2011, Mayor Sam Adams launched the NPI among nearly 100 community leaders at the Immigrant and Refugee Community Organization (IRCO), inviting six neighborhood commercial corridors in East and Northeast Portland to partner with PDC staff and to evaluate the feasibility and desirability of creating URAs.
- On November 7, 2011, PDC staff assembled the six district community groups back to IRCO to kick-off the community organizing process.
- On November 21, 2011, all of the districts successfully applied for and received a \$10,000 grant to help with facilitation, outreach coordination, translation, printing, and material expenses to help do the work of organizing the community around this Initiative.
- Community leaders formed an initial Steering Committee for the 42nd Avenue URA to provide local direction for the application of tax increment revenues towards community-identified capital improvements.
- The PDC maintained a project website with background documents and meeting summaries available for downloading.
- The 42nd Avenue URA authorizing documentation was posted to the project website as Adobe Acrobat files available for downloading prior to the PDC Board of Commissioners public hearing on March 12, 2012.
- Notice of the March 12, 2012 Portland Develop Commission public hearing to approve the 42nd Avenue URA was published in the Oregonian and online.
- Notice of the March 13, 2012 City of Portland Planning and Sustainability Commission public hearing to consider the 42nd Avenue URA was published in the Oregonian on 3/9/12 and online.

- Notice of the April 4, 2012 Portland City Council public hearing to approve the 42nd Avenue URA was mailed to all owners of real property within the City of Portland in mid-March 2012.

The 42nd Avenue URA initial steering committee also engaged in extensive public outreach activities. These outreach activities are documented in Appendix B of the March 12, 2012 Report to the PDC Board of Commissioners included as attachment \_\_\_ to the Portland City Council Report.

**Goal 12, Urban Design**, calls for enhancing Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations. The 42nd Avenue URA supports this goal by:

- allowing investment of tax increment revenues in existing commercial buildings to preserve and enhance existing historic design elements while supporting improvements and new commercial development that will reinforce and enhance the URA's character and function. More specifically the URA will support the following policies:

**Policy 12.1 Portland's Character**, calls for enhancing and extending Portland's attractive identity. Build on design elements, features and themes identified with the city. Recognize and extend the use of city themes that establish a basis of a shared identity reinforcing the individual's sense of participation in a larger community.

- The 42nd Avenue URA includes a number of existing commercial buildings and converted residential structures that begin to define the character of the area and can help guide the physical appearance for new development and redevelopment activities.

**Policy 12.2 Enhancing Variety** calls for promoting the development of areas of special identity and urban character with the City's residential, commercial and industrial areas having attractive identities that enhance the urbanity of the City.

- Investment made possible through the 42nd Avenue URA may be used to improve the appearance and function of both private commercial buildings along the existing NE 42<sup>nd</sup> Avenue commercial area and the public realm including improvements that will enhance the pedestrian experience and connections with the surrounding residential neighborhoods.

**Policy 12.4 Provide for Pedestrians** calls for recognizing that auto, transit and bicycle users are pedestrians at either end of every trip and the Portland's citizens and visitors experience the city as pedestrians. Provide for a pleasant, rich and diverse experience for pedestrians. Ensure that those travelling on foot have comfortable, safe and attractive pathways that connect Portland's neighborhoods, parks, water features, transit facilities, commercial districts employment centers and attractions.

**Policy 12.5 Promote the Arts** calls for the City to humanize the City through promotion of the arts and excellence in design. Encourage the placement of art at locations that are visible to the public. Expand Portland's collection of Public Art. Punctuate the community with works of art used to emphasize focal points mark transitional locations, celebrate public buildings and enhance the City's sidewalks, open spaces, plazas and parks.

- The 42nd Avenue URA supports Policy 12.4 and 12.5. Tax increment revenues made available through the NE 42<sup>nd</sup> Ave URA may be used for functional pedestrian improvements and for other projects that will improve the public realm such as improved lighting, public art and landscape improvements.

**Policy 12.6 Preserve Neighborhoods** calls for preserving and supporting the qualities of individual neighborhoods that help to make and to respect and strengthen values in new development projects that implement this comprehensive plan.

- Tax increment revenues made available through the 42nd Avenue URA will be administered by an administrative entity comprised of local business interests and residential neighborhood representatives. Improvement projects identified through this neighborhood based decision making model will reflect the priorities and desires expressed by current neighborhood residents and businesses.

### Findings for the Cully and Concordia Neighborhood Plans

#### Cully Neighborhood Plan

The Cully Neighborhood Plan was adopted by the City Council on December 18<sup>th</sup> 1991. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 165071. The proposed 42nd Avenue URA is supportive of the following Neighborhood Plan Policies:

#### 1. Neighborhood Identity

**Policy 1A Image** seeks to develop a strong neighborhood identity that creates a sense of place for residents of the neighborhood and unifies residential, commercial and industrial interests into a cooperative force for mutual improvement.

- The 42nd Avenue URA will promote this policy by providing tax increment revenues for storefront improvements and right-of-way enhancements. These efforts to beautify and increase the visibility of this commercial area are consistent with the objectives supporting this Policy. The creation of a local administrative entity comprised of business and residential interests will also serve to promote the "cooperative force for mutual improvement" described in the policy.

#### 2. Neighborhood Livability and Safety

**Policy 2A Livability and Communication** seeks to develop the communication, cooperation and commitment necessary among residential, commercial and industrial neighbors to nurture and sustain a vibrant, safe, diverse and stable community.

- Creation of a local entity to administer the expenditure of tax increment revenues supports this policy by providing a forum for existing businesses, together with local residential interests to develop a unified plan for attracting neighborhood oriented businesses to the area.

**Policy 2B Urban Character and Historic Preservation** seeks to maintain and improve the quality and historic character of the neighborhood's existing physical environment while attracting compatible development.

- The 42nd Avenue URA supports this policy through the provision of tax increment revenues for building remodeling and attracting new construction consistent with the goals of a quality physical environment.

**Policy 2C Safety** seeks to make the neighborhood safer and more cohesive through active involvement in crime prevention.

- Tax increment revenues through the 42nd Avenue URA may be used to improve lighting and implement other environmental design strategies to improve the safety of this commercial district as determined by the local administrative entity.

#### 4. Land Use and Recreation

**Policy 4B Commercial and Industrial Uses** seeks to maintain and encourage commercial and industrial uses which serve the neighborhood and provide stable employment.

- Creation of the 42nd Avenue URA may encourage new businesses to locate within this area by providing funding for individual business/building improvements and or by improving the public realm within which these businesses operate.

#### 6. Transportation

**Policy 6C Pedestrians, Bicycle Routes and Local Streets** seeks to improve sidewalks and bicycle paths to provide a safe transportation route.

- Tax increment revenues available through the 42nd Avenue URA may be used to fund such sidewalk and bikeway improvements within the commercial area as determined by the local administrative entity.

#### 7. Business and Industry

**Policy 7A: Support Businesses** seeks to improve the neighborhood as a location for business while enhancing it as a place to live and work.

- The 42nd Avenue URA specifically supports this policy by providing funding for such items as storefront improvements, parking area renovation and pedestrian enhancements that will improve the appearance of this area.

#### Concordia Neighborhood Plan

The Concordia Neighborhood Plan was adopted by the City Council October 1993. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 166786 and

later readopted through Ordinance 167054. The proposed 42nd Avenue URA is supportive of the following Neighborhood Plan Policies:

**Policy A: Community Values and Involvement** seeks to strengthen the bonds of community shared by the areas diverse population of residents, businesses and service providers and to make the Concordia neighborhood an attractive and safe neighborhood.

- The local administrative entity created to direct the distribution of tax increment revenues can support Policy A by providing a forum for neighborhood deliberations and platform from which community improvement efforts are launched.

**Policy 1: Transportation** seeks to strengthen and diversify Concordia Neighborhood's transportation system and networks.

- Tax increment revenues available through the 42nd Avenue URA may be used to improve sidewalks, bus stops and bicycle facilities within the area in support of this policy.

**Policy 3: Economic Revitalization** seeks to foster a business climate in the neighborhood that is attractive to investors and business. It specifically calls for the investment of public resources to rehabilitate commercial area rights-of-way and stimulate private sector reinvestment within targeted local revitalization areas.

- The 42nd Avenue URA is specifically supportive of this goal by providing a funding mechanism through tax increment revenues for business improvements and business development within this area. Funds provided through the URA may be used to leverage additional private investment within the area.

**Policy 7: Design** seeks to reinforce the identity and character of the Concordia Neighborhood including through the revitalization of 42<sup>nd</sup> Avenue.

- Tax increment revenues available through the 42nd Avenue URA can be used for storefront renovations, pedestrian realm and parking area improvements and other physical development/redevelopment activity directly supportive of this policy.
-



Attachment 5 to the  
Planning and Sustainability Commission  
Memo dated March 13, 2012

Attachment 5 contains:

- Draft Cully Blvd NPI Urban Renewal Plan
- Draft Report Accompanying the Cully Blvd NPI Urban Renewal Plan
- Comprehensive Plan Findings for the Cully Blvd NPI Urban Renewal Plan





Draft  
Cully Blvd  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on

April 4 and April 11, 2012

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## I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

|             |                          |
|-------------|--------------------------|
| 42nd Avenue | Rosewood                 |
| Cully Blvd  | Division – Midway        |
| Parkrose    | 82nd Avenue and Division |

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This Cully Blvd NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the Cully Blvd NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

*Symbolizing the heart of the historic Cully neighborhood, Portland’s vibrant and eclectic Cully Boulevard Multicultural Business District is committed to serve and respond to the hopes and dreams of its diverse population. In our shared vision, we see community-rooted businesses established and prospering. The Cully Boulevard scene is framed by a tapestry of colors, perspectives and experiences, alive with the sights and sounds of a community that is connected and balanced in its social, cultural and economic diversity. From the view of the Columbia*

*Wetlands to Mount Saint Helens, the land is alive with native plants and trees thriving in clean air and water. Shoppers from far and wide gather at their favorite destinations. Pedestrians walk, roll and stroll and cyclers ride, all happy, healthy and safe. Elders, children, grandchildren, friends and families thrive and care for one another. Cully neighbors welcome visitors warmly and share their voices and cultures with pride. Cully has become a community that celebrates the many opportunities to learn, to serve, to work and to build a shared future. It is a community where stories of personal, family and business success and prosperity are common. The Cully neighborhood is a living mosaic, contributing vital sustenance, restoring and strengthening our interrelatedness and providing opportunity for all. Cully is a place known for its welcoming spirit. There is room for all of us; to find a residence, to settle down, to start a business, or to retire in the family home. With Cully Boulevard at the heart of this community, the Cully Boulevard Alliance exists to promote and foster opportunity for economic prosperity that cultivates diversity, nurtures community, and empowers the neighborhood.*

## **II. Cully Blvd NPI District Map and Legal Description**

The District shown in Figure 1 below contains 164.6 acres, including public right-of-way. There are 619 tax lots within the District, totaling 126.1 acres. The District overlaps portions of the following neighborhood and business associations:

- Cully Neighborhood Association
- Roseway Neighborhood Association
- Rose City Park Neighborhood Association
- Portland International Business District

### **A. Legal Description**

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

## B. Proposed Land Uses

The City of Portland's Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

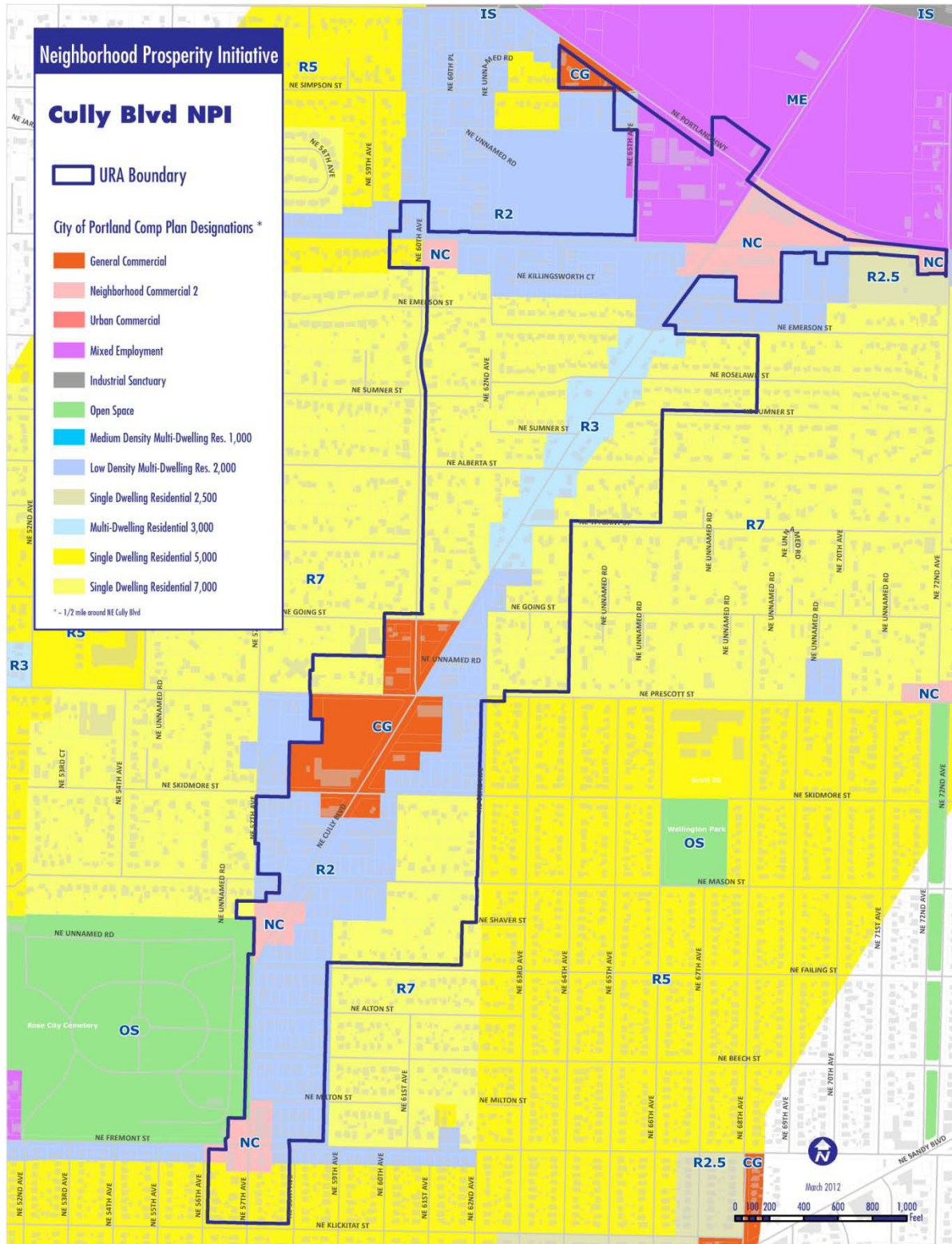
Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

| Comprehensive Plan Designation | Acreage      | % of Total  |
|--------------------------------|--------------|-------------|
| General Commercial             | 10.7         | 9%          |
| Neighborhood Commercial        | 8.0          | 6%          |
| Mixed Employment               | 8.4          | 7%          |
| Residential 2,000              | 32.2         | 26%         |
| Residential 3,000              | 6.1          | 5%          |
| Residential 5,000              | 3.6          | 3%          |
| Residential 7,000              | 57.0         | 45%         |
| <b>Total</b>                   | <b>126.1</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

Figure 1. District Boundary and Comprehensive Plan Map





### **III. Urban Renewal Projects**

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

#### **A. Projects**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

### **IV. Relationship to Local Plans and Objectives**

#### **A. Portland Comprehensive Plan**

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

#### **B. City of Portland Economic Development and Neighborhood Economic Development Strategies**

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
  - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
  - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
  - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
  - A. Connect Traded Sector and Neighborhood Work
  - B. Seed Investments to Implement Neighborhood Economic Development Plans
  - C. Expand Citywide Financial Tools for Neighborhood Businesses

## **V. Relocation Policy**

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

## **VI. Property Acquisition and Disposition Policies**

No property acquisition or disposition is anticipated in this District.

## **VII. Plan Financing**

### **A. General Description of the Proposed Financing Methods**

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

### **B. Tax Increment Financing**

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

## **VIII. Procedures for Amendments to the Plan**

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

### **A. Substantial Amendments**

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

### **B. Council-Approved Amendments**

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

### **C. Minor amendments**

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

## **IX. Other Provisions**

### **A. Non-Discrimination**

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

**B. Agreements to Implement This Plan**

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

**C. Duration of Urban Renewal Plan**

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

**D. Validity**

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

DRAFT

Draft  
Report Accompanying the  
Cully Blvd  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012



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## I. Introduction

This Technical Report accompanying the Cully Blvd Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the Cully Blvd Neighborhood Prosperity Initiative Urban Renewal Plan (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 City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

## II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

### A. Physical Conditions

#### 1. Land Use and Zoning

The Cully Blvd Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 164.6 acres, including public right-of-way. There are 619 tax lots within the District, totaling 126.1 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

| Property Class | Acreage      | % of Total  |
|----------------|--------------|-------------|
| Miscellaneous  | 0.3          | <1%         |
| Residential    | 87.2         | 69%         |
| Commercial     | 25.1         | 20%         |
| Industrial     | 6.6          | 5%          |
| Multi-Family   | 6.9          | 5%          |
| <b>Total</b>   | <b>126.1</b> | <b>100%</b> |

\*Source: Multnomah County Office of Assessment and Taxation

Figure 1. District Boundary and Zoning Map

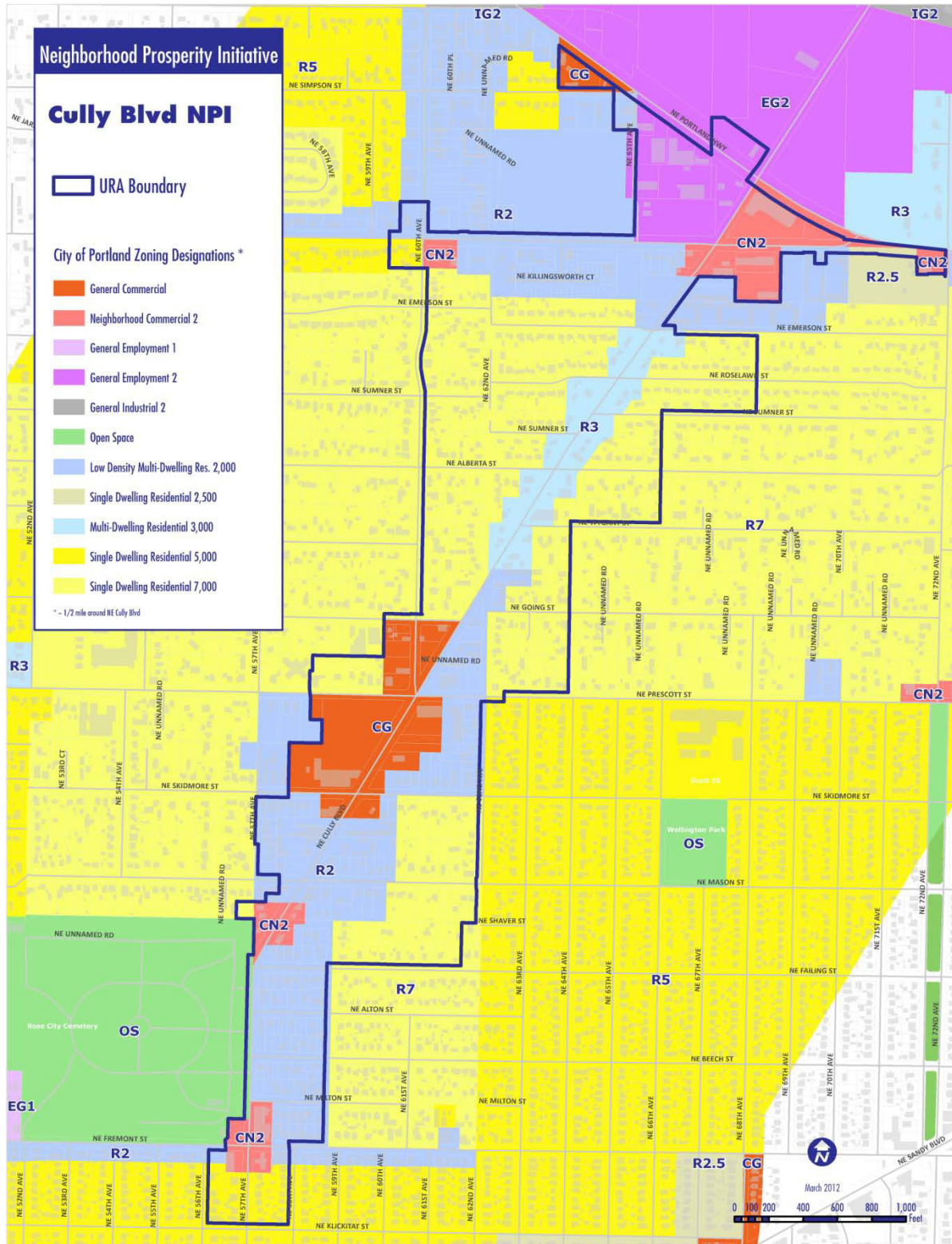


Table 2. Existing Zoning of District

| Zoning Designation        | Acreage      | % of Total  |
|---------------------------|--------------|-------------|
| General Commercial        | 10.7         | 9%          |
| Neighborhood Commercial 2 | 7.8          | 6%          |
| General Employment 2      | 8.4          | 7%          |
| Residential 2,000         | 32.4         | 26%         |
| Residential 3,000         | 6.1          | 5%          |
| Residential 5,000         | 3.6          | 3%          |
| Residential 7,000         | 57.0         | 45%         |
| <b>Total</b>              | <b>126.1</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

## B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District significantly overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 7,607. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

| Race                                       | % of Total |
|--------------------------------------------|------------|
| White                                      | 58%        |
| Black or African American                  | 7%         |
| American Indian and Alaska Native          | 1%         |
| Asian                                      | 7%         |
| Native Hawaiian and Other Pacific Islander | 1%         |
| Other                                      | 20%        |
| Two or More Races                          | 5%         |
| Ethnicity                                  | % of Total |
| Hispanic                                   | 29%        |

\*Source: 2010 Business Analyst

## C. Economic Conditions

### 1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$81,000,273. This does not include utility value which will be determined by the County Assessor upon District approval.

### 2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. 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, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

| Area                    | Overall I:L Ratio |
|-------------------------|-------------------|
| Cully Blvd NPI District | 1.38:1            |
| Citywide <sup>1</sup>   | 2.22:1            |

\*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

## D. Expected Impact on Municipal Services

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

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to 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.

Projects and programs in the District 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.

<sup>1</sup> Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

### **III. Reasons for Selection of each Urban Renewal Area in the Plan**

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

### **IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

### **V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs**

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

### **VI. Anticipated Completion Date for Each Project**

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

## VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

| Fiscal Year Ending June 30                        | 2013-14         | 2014-15         | 2015-16          | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          | 2021-22         |
|---------------------------------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>REVENUES</b>                                   |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| Tax Increment to Raise (before Compression)       | \$73,378        | \$92,998        | \$122,235        | \$151,603        | \$125,000        | \$125,000        | \$125,000        | \$125,000        | \$82,933        |
| Less Compression                                  | (3,669)         | (4,650)         | (6,112)          | (7,580)          | (6,250)          | (6,250)          | (6,250)          | (6,250)          | (4,147)         |
| Tax Increment Imposed (after Compression)         | 69,710          | 88,348          | 116,123          | 144,023          | 118,750          | 118,750          | 118,750          | 118,750          | 78,786          |
| Less Adjustments for Discounts & Delinquencies    | (4,252)         | (5,389)         | (7,084)          | (8,785)          | (7,244)          | (7,244)          | (7,244)          | (7,244)          | (4,806)         |
| <b>NET TAX INCREMENT REVENUES</b>                 | <b>\$65,457</b> | <b>\$82,959</b> | <b>\$109,040</b> | <b>\$135,238</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$73,980</b> |
| Shared Tax Revenues to Raise (before Compression) | \$0             | \$9,218         | \$14,079         | \$19,043         | \$52,405         | \$72,886         | \$94,241         | \$116,246        | \$0             |
| Less Compression                                  | 0               | (461)           | (704)            | (952)            | (2,620)          | (3,644)          | (4,712)          | (5,812)          | 0               |
| Shared Revenues Imposed (after Compression)       | 0               | 8,757           | 13,375           | 18,091           | 49,785           | 69,242           | 89,529           | 110,434          | 0               |
| Less Adjustments for Discounts & Delinquencies    | 0               | (534)           | (816)            | (1,104)          | (3,037)          | (4,224)          | (5,461)          | (6,736)          | 0               |
| <b>NET SHARED TAX REVENUES</b>                    | <b>\$0</b>      | <b>\$8,223</b>  | <b>\$12,560</b>  | <b>\$16,988</b>  | <b>\$46,748</b>  | <b>\$65,018</b>  | <b>\$84,068</b>  | <b>\$103,698</b> | <b>\$0</b>      |
| <b>TOTAL REVENUES</b>                             | <b>\$65,457</b> | <b>\$91,182</b> | <b>\$121,599</b> | <b>\$152,225</b> | <b>\$158,254</b> | <b>\$176,524</b> | <b>\$195,574</b> | <b>\$215,204</b> | <b>\$73,980</b> |
| <b>INDEBTEDNESS</b>                               |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| <b>DEBT ISSUED</b>                                | <b>\$65,457</b> | <b>\$91,182</b> | <b>\$121,599</b> | <b>\$152,225</b> | <b>\$158,254</b> | <b>\$176,524</b> | <b>\$195,574</b> | <b>\$215,204</b> | <b>\$73,980</b> |

## VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

| Fiscal Year Ending June 30                              | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             | 2020-21              | 2021-22              |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Projected Assessed Value Growth</b>                  |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Frozen Base                                             | \$ 81,000,273       | \$ 81,000,273       | \$ 81,000,273       | \$ 81,000,273       | \$ 81,000,273       | \$ 81,000,273       | \$ 81,000,273       | \$ 81,000,273        | \$ 81,000,273        |
| Incremental Assessed Value                              | 4,100,639           | 6,228,162           | 8,408,872           | 10,644,101          | 12,935,210          | 15,283,598          | 17,690,694          | 20,157,969           | 22,686,925           |
| <b>Total Assessed Value</b>                             | <b>\$85,100,912</b> | <b>\$87,228,435</b> | <b>\$89,409,145</b> | <b>\$91,644,374</b> | <b>\$93,935,483</b> | <b>\$96,283,871</b> | <b>\$98,690,967</b> | <b>\$101,158,242</b> | <b>\$103,687,198</b> |
| Total AV Growth                                         |                     | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%                | 2.50%                |
| Incremental AV Growth                                   |                     | 51.88%              | 35.01%              | 26.58%              | 21.52%              | 18.15%              | 15.75%              | 13.95%               | 12.55%               |
| <b>Consolidated Tax Rate</b>                            | 17.8944             | 17.9022             | 17.8954             | 17.8162             | 17.7042             | 17.5737             | 17.5414             | 17.5403              | 17.5391              |
| <b>Revenues Generated on Incremental Assessed Value</b> |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Amount to Urban Renewal Area                            | 73,378              | 92,998              | 122,235             | 151,603             | 125,000             | 125,000             | 125,000             | 125,000              | 82,933               |
| Amount to Taxing Jurisdictions                          |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| City Permanent Rate                                     | -                   | 4,730               | 7,224               | 9,771               | 26,889              | 37,397              | 48,355              | 59,645               | 82,196               |
| County Permanent Rate                                   | -                   | 4,488               | 6,855               | 9,272               | 25,516              | 35,489              | 45,887              | 56,601               | 78,001               |
| Other Levies                                            | -                   | 9,281               | 14,166              | 18,991              | 51,603              | 70,703              | 91,078              | 112,330              | 154,779              |
| <b>Total Revenues</b>                                   | <b>\$73,378</b>     | <b>\$111,498</b>    | <b>\$150,480</b>    | <b>\$189,637</b>    | <b>\$229,008</b>    | <b>\$268,589</b>    | <b>\$310,320</b>    | <b>\$353,577</b>     | <b>\$397,908</b>     |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Tax Increment to Raise (before Compression)             | \$73,378            | \$92,998            | \$122,235           | \$151,603           | \$125,000           | \$125,000           | \$125,000           | \$125,000            | \$82,933             |
| Less Compression                                        | (3,669)             | (4,650)             | (6,112)             | (7,580)             | (6,250)             | (6,250)             | (6,250)             | (6,250)              | (4,147)              |
| Tax Increment Imposed (after Compression)               | \$69,710            | \$88,348            | \$116,123           | \$144,023           | \$118,750           | \$118,750           | \$118,750           | \$118,750            | \$78,786             |
| <b>Shared Revenues to Urban Renewal Area</b>            |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Less Compression                                        | 0                   | (461)               | (704)               | (952)               | (2,620)             | (3,644)             | (4,712)             | (5,812)              | 0                    |
| Tax Increment Imposed (after Compression)               | \$0                 | \$8,757             | \$13,375            | \$18,091            | \$49,785            | \$69,242            | \$89,529            | \$110,434            | \$0                  |
| <b>Total Revenues to Urban Renewal Areas</b>            | <b>\$69,710</b>     | <b>\$97,106</b>     | <b>\$129,499</b>    | <b>\$162,114</b>    | <b>\$168,535</b>    | <b>\$187,992</b>    | <b>\$208,279</b>    | <b>\$229,184</b>     | <b>\$78,786</b>      |

## IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

| Tax Increment Revenues Foregone 2014-2022 | Total     | Present Value to 2014 |
|-------------------------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>                    |           |                       |
| City                                      | \$264,503 | \$189,342             |
| County                                    | 251,003   | 179,678               |
| Metro                                     | 5,582     | 3,996                 |
| Port                                      | 4,051     | 2,900                 |
| E Mult Soil                               | 5,779     | 4,137                 |
| PPS                                       | 275,904   | 197,504               |
| PCC                                       | 16,343    | 11,699                |
| Mult ESD                                  | 26,444    | 18,930                |

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

| Shared Revenues 2014-2021 | Total     | Present Value to 2014 |
|---------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>    |           |                       |
| City                      | \$194,011 | \$126,400             |
| County                    | 184,109   | 128,345               |
| Metro                     | 4,095     | 2,854                 |
| Port                      | 2,971     | 2,071                 |
| E Mult Soil               | 4,239     | 2,955                 |
| PPS                       | 202,374   | 141,078               |
| PCC                       | 11,987    | 8,357                 |
| Mult ESD                  | 19,397    | 13,522                |



Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

| Tax Increment Revenues Fully Regained - 2023 | Amount (nominal) | Present Value to 2014 |
|----------------------------------------------|------------------|-----------------------|
| <b>Permanent Rates</b>                       |                  |                       |
| City                                         | \$32,622         | \$16,583              |
| County                                       | 30,957           | 15,737                |
| Metro                                        | 689              | 350                   |
| Port                                         | 500              | 254                   |
| E Mult Soil                                  | 713              | 362                   |
| PPS                                          | 34,028           | 17,298                |
| PCC                                          | 2,016            | 1,025                 |
| Mult ESD                                     | 3,261            | 1,658                 |

## X. Relocation Report

There are no businesses or residents to be relocated.

## XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

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 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

|                                                                             | <b>Frozen Base<br/>Assessed Value</b> | <b>Acres</b>    |
|-----------------------------------------------------------------------------|---------------------------------------|-----------------|
| <b>Total City of Portland<sup>2</sup></b>                                   | <b>\$ 43,634,351,239</b>              | <b>92,768.0</b> |
| <b>Existing Urban Renewal Areas:</b>                                        |                                       |                 |
| Airport Way                                                                 | \$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 <sup>3</sup>                                            | \$1,290,430,925                       | 3,990.0         |
| Lents Town Center                                                           | \$736,224,033                         | 2,846.3         |
| North Macadam                                                               | \$192,609,397                         | 401.9           |
| Oregon Convention Center <sup>4</sup>                                       | \$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           |
| <b>Total Existing Urban Renewal Areas</b>                                   | <b>\$4,499,489,216</b>                | <b>12,336.5</b> |
| <b>% City in Existing Urban Renewal Areas</b>                               | <b>10.3%</b>                          | <b>13.3%</b>    |
| <b>Proposed Neighborhood Prosperity Initiative<br/>Urban Renewal Areas:</b> |                                       |                 |
| 42nd Avenue                                                                 | \$81,011,867                          | 136.2           |
| Cully Blvd                                                                  | \$81,000,273                          | 164.6           |
| Parkrose                                                                    | \$80,493,774                          | 142.6           |
| Rosewood                                                                    | \$78,774,383                          | 135.6           |
| Division – Midway                                                           | \$80,201,117                          | 115.9           |
| 82nd Avenue and Division                                                    | \$81,523,638                          | 108.8           |
| <b>Total Proposed Urban Renewal Areas</b>                                   | <b>\$483,005,052</b>                  | <b>803.7</b>    |
| <b>Combined Total - Existing and Proposed</b>                               | <b>\$4,982,494,268</b>                | <b>13,140.2</b> |
| <b>% City in Existing and Proposed Urban Renewal<br/>Areas</b>              | <b>11.4%</b>                          | <b>14.2%</b>    |

<sup>2</sup> Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

<sup>3</sup> Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

<sup>4</sup> Frozen base value represents 11/12 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 20th Amendment.

City of Portland Comprehensive Plan  
Findings of Conformance



## Introduction

The Cully Blvd NPI Urban Renewal Area (URA) is one of six such districts created through the Neighborhood Prosperity Initiative (NPI), a partnership between the City of Portland and the Portland Development Commission as an implementation measure of the City's Neighborhood Economic Development (NED) Strategy. These districts build upon the Main Street<sup>®</sup> model based on community driven economic development further identified in the NED strategy. They will build local capacity to achieve economic development outcomes, drive neighborhood business growth and coordinate resources in support of neighborhood economic development. One component of the URA is the creation of neighborhood based administrative entities drawn from local area business and residential neighborhood representatives. These local entities will administer the distribution and expenditure of tax increment revenue collected within the urban renewal areas on physical improvements to business properties such as storefront improvements, building rehabilitation and improvements to the public realm such as sidewalk, landscaping and lighting improvements that will improve the appearance and function of select neighborhood commercial centers or corridors.

Neighborhood Prosperity Initiative districts will function as urban renewal areas under state statute. This document is intended to meet the statutory requirements for land use planning consistency under ORS 457.095(3) by demonstrating conformance of the Cully Blvd Urban Renewal Area with the Portland Comprehensive Plan and pertinent supportive neighborhood and area plans.

The following legal findings of fact will document the Cully Blvd Urban Renewal Area's conformance with the City of Portland's Comprehensive Plan and all relevant supporting neighborhood and area plans.

## Cully Blvd NPI Urban Renewal Area Findings on Portland's Comprehensive Plan Goals

The Portland Comprehensive Plan was adopted by the Portland City Council on October 16, 1980, and was acknowledged as being conformance with the statewide planning goals by the Land Conservation and Development Commission on May 1, 1981. It has been updated and acknowledged for continuing conformance to the statewide planning goals through successive periodic reviews. The first and most recent periodic review was completed in January 2000. The City is currently undergoing its second Comprehensive Plan Periodic Review update which is expected to be completed by the end of 2013.

Comprehensive plans describe a variety of public goals that are to be achieved over the long term. These goals are usually complimentary but there are times when one comprehensive plan provision can only be advanced at the expense of another; or when one provision is funded while others must wait. In determining whether the Cully Blvd URA conforms with Portland's Comprehensive Plan, the city must sometimes choose between competing public goals. To do this the city will apply the following definition of "conform".

1. On balance, the purposes of the Comprehensive Plan are advanced as a whole; and
2. Future compliance with the Comprehensive Plan is not precluded

The Cully Blvd URA was prepared in conformity with the Portland Comprehensive Plan and is consistent with the following relevant Comprehensive Plan policies:

**Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The Cully Blvd URA supports this goal because:

- These findings demonstrate that the Cully Blvd URA is consistent with the City of Portland Comprehensive Plan which was acknowledged by the State of Oregon as consistent with statewide planning goals. The Cully Blvd URA will provide tax increment revenues for physical improvements to an in-town neighborhood commercial area. This is supportive of the regional goals contained in Metro's Urban Growth Management Functional Plan which call for developing a compact urban form with a focus on investment in transit oriented communities, main streets and town centers. The Cully Blvd URA is also specifically supportive of the following Metropolitan Coordination Policy.

**Policy 1.4, Intergovernmental Coordination**, requires continuous participation in intergovernmental affairs with public agencies to coordinate metropolitan planning and project development and maximize the efficient use of public funds.

- The Cully Blvd URA is consistent with this policy because all overlapping taxing jurisdictions were notified of the proposal, provided with draft authorizing documents and given an opportunity to comment. These jurisdictions include school districts, Metro and Multnomah County. Any comments received will be addressed during the City Council approval process in April 2012.

**Goal 2, Urban Development**, calls for maintaining Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The Cully Blvd URA supports this goal because:

- The Cully Blvd URA will facilitate the redevelopment of the Cully Blvd URA Area with a more robust mixture of commercial uses that will provide more employment opportunities than currently exist as well as a more attractive environment for the surrounding residential neighborhood. Specifically, the amendment is supportive of the following policies:

**Policy 2.1 Population Growth** calls for allowing for population growth within the existing city boundary by providing land use opportunities that will accommodate the projected increase in city households.

- The Cully Blvd URA will promote the redevelopment of the Cully Blvd URA area to better serve the needs of the surrounding Cully neighborhood by improving the physical condition of the existing structures and public realm within the district and encouraging the location of additional neighborhood serving businesses (and jobs) that will meet the needs of the surrounding residents.

**Policy 2.2 Urban Diversity** calls for promoting a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population.

- The Cully Blvd URA will promote the expansion of existing businesses and the development of new business within the Cully Blvd URA area. This area is racially and ethnically diverse and includes a broad range of age and income levels. According to 2010 Business Analyst data 41.6% of the population within ¼ mile of the Cully Blvd URA are classified as minority. This is significantly higher than the 25.5% city wide minority population from the same data set. New investment may provide for rehabilitation of existing structures, development of new structures and increased investment in public amenities that will enhance this area's attractiveness to the surrounding neighborhoods.

**Policy 2.12 Transit Corridors** calls for providing a mixture of activities along major transit routes, Major Transit Priority Streets, Transit Access Streets, and main streets to support the use of transit

- Within the URA both NE Portland Highway and NE 60<sup>th</sup> Avenue are classified as *Community Transit Streets*. Killingsworth Street is a *Major Transit Priority Street* while both Cully Blvd and Prescott Street are classified as *Transit Access Streets* according to the Transportation Element of the City's Comprehensive Plan. This URA area is currently served by both the Trimet #72 and #74 bus lines. The Cully Blvd URA will provide resources for physical improvements to the URA area. These will increase the attractiveness of this area to a wide variety of activities and users including transit riders.

**Policy 2.13 Auto-Oriented Commercial Development** Allow auto-oriented development to locate on streets designated as Major City Traffic Streets by the Transportation Element. Also allow neighborhood level auto-oriented commercial development to locate on District Collector Streets or Neighborhood Collector Streets near neighborhood areas where allowed densities will not support development oriented to transit or pedestrians. Where neighborhood commercial uses are located on designated transit streets, support pedestrian movement and the use of transit by locating buildings and their entrances conveniently to transit users, pedestrians, and bicyclists and providing on-site pedestrian circulation to adjacent streets and development.

- NE Portland Highway is classified as a *Regional City Traffic Street* and Killingsworth Street a *District Collector* while both Cully Blvd and Prescott Street are classified as *Neighborhood Collector Streets* according to the Transportation Element of the City's Comprehensive Plan. Commercial development within the Cully Blvd URA area will be subject to the city's CN2, Neighborhood Commercial, CG General Commercial and EG2 General Employment Zone District Standards. Development standards applied within these zones allow for auto oriented activities while requiring physical development that is supportive of an enhanced pedestrian environment particularly along Cully Boulevard. Tax increment revenues made available through the Cully Blvd URA may be applied to pedestrian improvements to enhance the pedestrian and bicycle experience within the district and connections to the surrounding residential neighborhoods.

**Policy 2.19 Infill and Redevelopment** calls for encouraging infill and redevelopment as a way to implement the Livable City growth principles and accommodate expected increases in population and employment. Encourage infill and redevelopment in the Central City, at transit stations, along main streets, and as neighborhood infill in existing residential, commercial and industrial areas.

**Policy 2.20 Utilization of Vacant Land** calls for providing for full utilization of existing vacant land except in those areas designated as open space.

- The Cully Blvd URA supports policy 2.19 and 2.20 by making funds directly available for enhancements to existing commercial and public property. Such investment will make the remainder of this existing commercial area more attractive for private redevelopment efforts including investment in existing vacant or underutilized properties.

**Policy 2.22 Mixed Use** calls for a mechanism that will allow for the continuation and enhancement of areas of mixed use character where such areas act as buffers and where opportunities exist for creation of nodes or centers of mixed commercial, light industrial and apartment development.

- The Cully Blvd URA includes commercially zoned property (EG2, CN2 and CG); multi-dwelling residentially zoned property (R1, R2, R3) and single family property zoned R5 and R7. The Cully Blvd URA supports policy 2.22 by making funds available for commercial enhancements within the district that can provide jobs, services and goods to the surrounding neighborhood.

**Goal 3, Neighborhoods**, calls for the preservation and reinforcement of 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 Cully Blvd URA supports this goal by encouraging reinvestment in two of the public's largest capital assets, the existing building stock and commercial properties served by existing levels of urban infrastructure. The Cully Blvd URA will contribute to the health and vitality of the Cully neighborhood by improving the Cully Blvd URA as a neighborhood commercial hub serving the surrounding residential neighborhoods. More specifically the Cully Blvd URA supports the following Policies:

**Policy 3.1 Physical Conditions** calls for providing and coordinating programs to prevent the deterioration of existing structures and public facilities.

- By design, the URA supports this policy by making available tax increment revenues within district boundaries. These funds will be directed to building repairs and upgrades and public realm enhancements that will not only prevent the deterioration of existing structures and public facilities but contribute to their improvement over time.

**Policy 3.2 Social Conditions** calls for providing and coordinating programs to promote neighborhood interest, concern and security and to minimize the social impact of land use decisions.

- In addition to administering tax increment revenues, which by law must be spent on physical improvements to the business area, the local administrative entity formed as part of the urban renewal area will serve as a local forum for the identification and promotion of programs of local interest. Such programs may include economic development activities such as local marketing and branding activities as well as other business attraction, retention and community building efforts as may be defined by the local administrative entity.

**Policy 3.5 Neighborhood Involvement** calls for providing for the active involvement of neighborhoods residents and businesses in decisions affecting their neighborhood through the promotion of business and neighborhood associations. Provide information to neighborhood and business associations which allows them to monitor the impact of the Comprehensive Plan and to report their findings annually to the Planning Commission.



- The Cully Blvd URA will be administered by a neighborhood based administrative entity comprised of business owners and tenants of the URA as well as residents from the surrounding residential neighborhoods. Deliberations of the administrative entity will be in conformance with all Oregon public meetings laws and City of Portland administrative rules regarding meeting notification and public participation.

**Goal 5, Economic Development**, calls for the promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the city. The Cully Blvd URA is consistent with this goal because:

- The Cully Blvd URA will provide funds for economic development projects including, but not limited to, storefront improvement grants and commercial revitalization projects. The URA is specifically supportive of the following policies:

**Policy 5.1 Urban Development and Revitalization** calls for encouraging investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

- The Cully Blvd URA directly supports this policy by providing tax increment revenues that can leverage private investment in the Cully Blvd URA.

**Policy 5.2 Business Development** calls for sustaining and supporting business development activities to retain, expand and recruit businesses.

- The Cully Blvd URA will enable additional funding for economic development projects and programs including storefront improvement grants and loans, business retention and recruitment programs.

**Policy 5.3 Community-Based Economic Development** calls for supporting community based economic development initiatives consistent with the Comprehensive Plan and compatible with neighborhood livability.

- The Cully Blvd URA supports this policy through the creation of a Cully Blvd URA administrative entity comprised of local business and residential interests that will evaluate specific improvement requests and direct tax increment revenues towards revitalization projects and business retention/attraction programs that are consistent with neighborhood priorities.

**Policy 5.6 Area Character and Identity within Designated Commercial Areas** calls for promoting and enhancing the special character and identity of Portland's designated commercial areas.

**Policy 5.7 Business Environment within Designated Commercial Areas** calls for promoting a business environment within designated commercial areas that is conducive to the formation, retention and expansion of commercial businesses.

- The Cully Blvd URA is directly supportive of Policies 5.6 and 5.7 in that it will create a local administrative entity empowered to distribute URA revenues for commercial property rehabilitation and enhancements to the public realm within the Cully commercial URA as well as non-URA revenue towards programs directed at business attraction, retention and growth.

**Goal 7, Energy**, calls for promotion of a sustainable energy future by increasing energy efficiency in all sectors of the city. The Cully Blvd URA supports this goal because:

- The Cully Blvd URA will reinvigorate the Cully Boulevard commercial area as a neighborhood destination providing daily goods and services to the surrounding residential neighborhoods at a scale that promotes active transportation and reduces the need of Portlanders to rely on an automobile for their daily needs. More specifically the Cully Blvd URA is supportive of the following policies:

**Policy 7.4 Energy Efficiency through Land Use Regulations** calls for the City to promote residential, commercial, industrial, and transportation energy efficiencies and the use of renewable resources.

- The Cully Blvd URA supports this policy through its encouragement of reinvestment in an in-town commercial node providing goods and services to a surrounding residential neighborhood. Such proximity of goods and services to the surrounding neighborhoods reduces the need for auto trips and encourages the use of active transportation options.

**Policy 7.5 Energy Efficiency in Commercial and Industrial Facilities** calls for the City to encourage energy efficiency in existing commercial building and institutions by facilitating utility, local, state, and federal financial and technical assistance.

- Funds made available through the Cully Blvd URA may be used for energy efficiency upgrades to existing commercial structures within the Cully Blvd URA and leverage additional public or private energy efficiency funding thereby supporting this policy.

**Goal 9, Citizen Involvement**, calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process, and the implementation, review, and amendment of the Comprehensive Plan. This project followed the process and requirements specified in Chapter 33.740, Legislative Procedure. The Cully Blvd URA is supportive of this goal because:

- Residents, business owners, property owners and other stakeholders of the Cully Blvd URA and surrounding neighborhood were publicly invited to form their own neighborhood based decision making body with technical and financial support provided by the Portland Development Commission and the City of Portland. The URA project is supportive of the following policy

**Policy 9.1 Citizen Involvement Coordination** encourages citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public.

- On October 18, 2011, Mayor Sam Adams launched the NPI among nearly 100 community leaders at the Immigrant and Refugee Community Organization (IRCO), inviting six neighborhood commercial corridors in East and Northeast Portland to partner with PDC staff and to evaluate the feasibility and desirability of creating URAs.
- On November 7, 2011, PDC staff assembled the six district community groups back to IRCO to kick-off the community organizing process.

- On November 21, 2011, all of the districts successfully applied for and received a \$10,000 grant to help with facilitation, outreach coordination, translation, printing, and material expenses to help do the work of organizing the community around this Initiative.
- Community leaders formed an initial Steering Committee for the Cully Blvd URA to provide local direction for the application of tax increment revenues towards community-identified capital improvements.
- The PDC maintained a project website with background documents and meeting summaries available for downloading.
- The Cully Blvd URA authorizing documentation was posted to the project website as Adobe Acrobat files available for downloading prior to the PDC Board of Commissioners public hearing on March 12, 2012.
- Notice of the March 12, 2012 Portland Develop Commission public hearing to approve the Cully Blvd URA was published in the Oregonian and online.
- Notice of the March 13, 2012 City of Portland Planning and Sustainability Commission public hearing to consider the Cully Blvd URA was published in the Oregonian on 3/9/12 and online.
- Notice of the April 4, 2012 Portland City Council public hearing to approve the Cully BLVD URA was mailed to all owners of real property within the City of Portland in mid-March 2012.

The Cully Blvd URA initial steering committee also engaged in extensive public outreach activities. These outreach activities are documented in Appendix C of the March 12, 2012 Report to the PDC Board of Commissioners included as attachment \_\_\_\_ to the Portland City Council Report.

**Goal 12, Urban Design**, calls for enhancing Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations. The Cully Blvd URA supports this goal by:

- Allowing investment of tax increment revenues in existing commercial buildings to preserve and enhance existing historic design elements while supporting improvements and new commercial development that will reinforce and enhance the URA's character and function. More specifically the URA will support the following policies:

**Policy 12.2 Enhancing Variety** calls for promoting the development of areas of special identity and urban character with the City's residential, commercial and industrial areas having attractive identities that enhance the urbanity of the City.

- Investment made possible through the Cully Blvd URA may be used to improve the appearance and function of both private commercial buildings within the existing Cully commercial area and the public realm including improvements that will enhance the pedestrian experience and connections with the surrounding residential neighborhoods.

**Policy 12.4 Provide for Pedestrians** calls for recognizing that auto, transit and bicycle users are pedestrians at either end of every trip and the Portland's citizens and visitors experience the city as pedestrians. Provide for a pleasant, rich and diverse experience for pedestrians. Ensure that those travelling on foot have comfortable, safe and attractive pathways that connect Portland's neighborhoods, parks, water features, transit facilities, commercial districts employment centers and attractions.

**Policy 12.5 Promote the Arts** calls for the City to humanize the City through promotion of the arts and excellence in design. Encourage the placement of art at locations that are visible to the public. Expand Portland's collection of Public Art. Punctuate the community with works of art used to emphasize focal points mark transitional locations, celebrate public buildings and enhance the City's sidewalks, open spaces, plazas and parks.

- The Cully Blvd URA supports Policy 12.4 and 12.5 because tax increment revenues made available through the Cully Blvd URA area may be used for functional pedestrian improvements and for other projects that will improve the public realm such as public art and lighting landscape improvements.

**Policy 12.6 Preserve Neighborhoods** calls for preserving and supporting the qualities of individual neighborhoods that help to make and to respect and strengthen values in new development projects that implement this comprehensive plan.

- Tax increment revenues made available through the Cully Blvd URA area will be overseen by an administrative entity comprised of local business interests and residential neighborhood representatives. Improvement projects identified through this neighborhood based decision making model will reflect the priorities and desires expressed by current neighborhood residents and businesses.

## Findings for the Cully Neighborhood Plan

### Cully Neighborhood Plan

The Cully Neighborhood Plan was adopted by the City Council on December 18<sup>th</sup> 1991. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 1164922. The proposed Cully Blvd Urban Renewal Area is supportive of the following Neighborhood Plan Policies:

#### 1. Neighborhood Identity

**Policy 1A Image** seeks to develop a strong neighborhood identity that creates a sense of place for residents of the neighborhood and unifies residential, commercial and industrial interests into a cooperative force for mutual improvement.

- The Cully Blvd URA will promote this policy by providing revenues for storefront improvements and right-of-way enhancements. These efforts to beautify and increase the visibility of this commercial area are consistent with the objectives supporting this Policy. The creation of a local administrative entity comprised of business and residential interests will also serve to promote the "cooperative force for mutual improvement" described in the policy.

#### 2. Neighborhood Livability and Safety

**Policy 2A Livability and Communication** seeks to develop the communication, cooperation and commitment necessary among residential, commercial and industrial neighbors to nurture and sustain a vibrant, safe, diverse and stable community

- Creation of a local administrative entity supports this policy by providing a forum for existing businesses, together with local residential interests to develop a unified plan for attracting neighborhood oriented businesses to the area.

**Policy 2B Urban Character and Historic Preservation** seeks to maintain and improve the quality and historic character of the neighborhood's existing physical environment while attracting compatible development.

- The Cully Blvd URA supports this policy through the provision of revenues for remodeling and new construction consistent with the goals of a quality physical environment.

**Policy 2C Safety** seeks to make the neighborhood safer and more cohesive through active involvement in crime prevention.

- Revenues created through the Cully Blvd URA may be used to improve lighting and implement other environmental design strategies to improve the safety of this commercial district as determined by the local administrative entity.

#### 4. Land Use and Recreation

**Policy 4B Commercial and Industrial Uses** seeks to maintain and encourage commercial and industrial uses which serve the neighborhood and provide stable employment.

- Creation of the Cully Blvd URA may encourage new businesses to locate within this area by providing funding for individual business/building improvements and or by improving the public realm within which these businesses operate. The local administrative entity may increase recruitment activity and other programs that increase the visibility of this district to potential business operators.

#### 6. Transportation

**Policy 6C Pedestrians, Bicycle Routes and Local Streets** seeks to improve sidewalks and bicycle paths to provide a safe transportation route.

- Revenues available through the Cully Blvd URA may be used to fund such sidewalk improvements within the commercial area as determined by the local administrative entity.

#### 7. Business and Industry

**Policy 7A Support Businesses** seeks to improve the neighborhood as a location for business while enhancing it as a place to live and work.

- The Cully Blvd URA specifically supports this policy by providing revenues for such items as storefront improvements, parking area renovation and pedestrian enhancements that will improve the appearance of this area.



Attachment 6 to the  
Planning and Sustainability Commission  
Memo dated March 13, 2012

Attachment 6 contains:

- Draft Parkrose NPI Urban Renewal Plan
- Draft Report Accompanying the Parkrose NPI Urban Renewal Plan
- Comprehensive Plan Findings for the Parkrose NPI Urban Renewal Plan





Draft  
Parkrose  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on

April 4 and April 11, 2012

DRAFT

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## I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

|             |                          |
|-------------|--------------------------|
| 42nd Avenue | Rosewood                 |
| Cully Blvd  | Division – Midway        |
| Parkrose    | 82nd Avenue and Division |

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This Parkrose NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the Parkrose NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

*Our vision for the future of the Parkrose Business District (and surrounding neighborhood) is for it to become a destination location, our neighbors’ first choice for goods and services, and also an attraction for the wider community.*

*Diverse businesses, plentiful parking and eye-catching, well-maintained buildings and sidewalks invite residents and the general public to choose Parkrose for business.*

*Well-lit, safe and easy to maneuver thoroughfares year round encourage customers to support local merchants. Working in partnership with the community, the Parkrose NPI District is an ongoing, effective change agent with a vision for the betterment of Parkrose.*

## II. Parkrose NPI District Map and Legal Description

The District shown in Figure 1 below contains 142.6 acres, including public right-of-way. There are 386 tax lots within the District, totaling 109.9 acres. The District overlaps portions of the following neighborhood and business associations:

- Parkrose Neighborhood Association
- Columbia Corridor Association
- Parkrose Business Association

### A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

### B. Proposed Land Uses

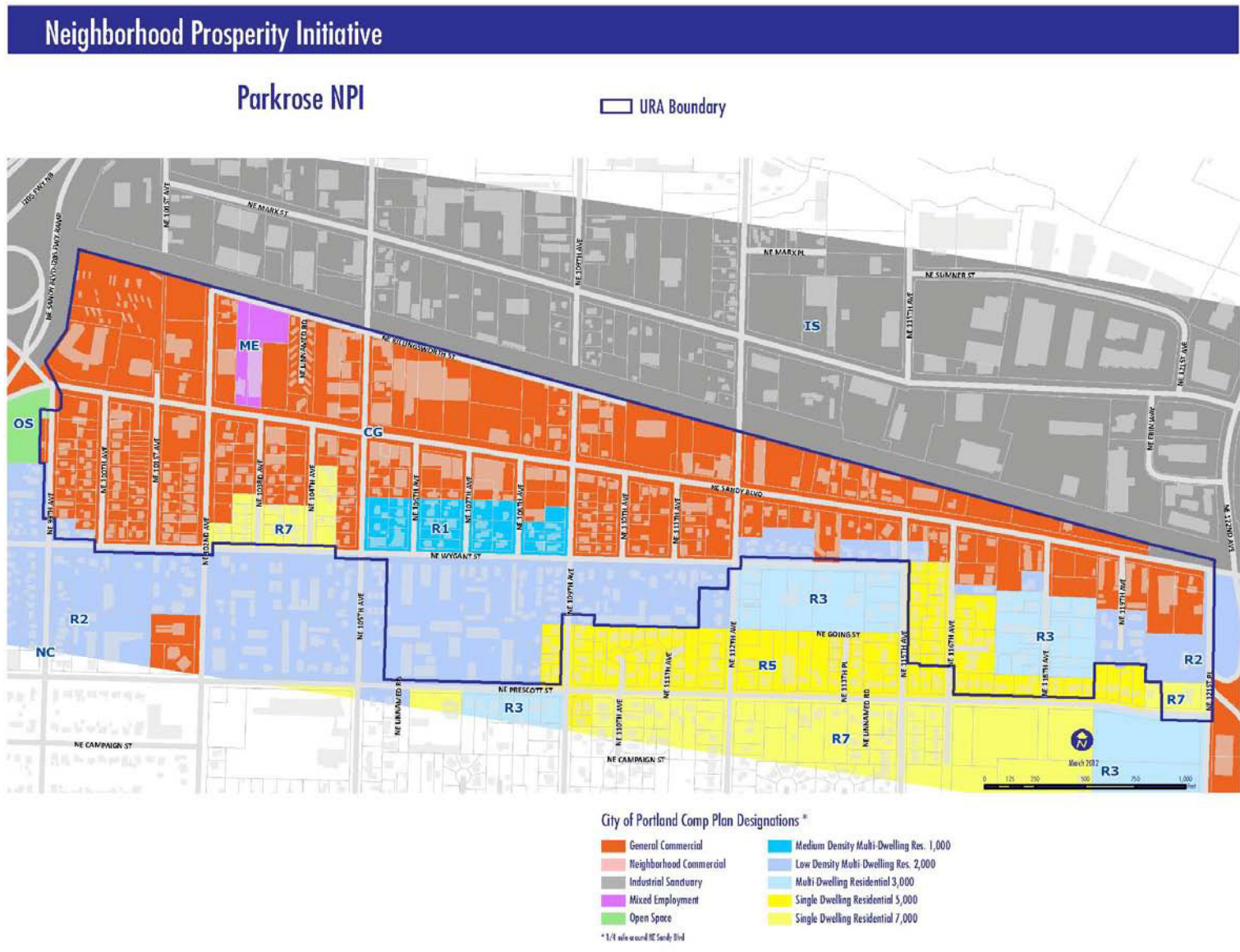
The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern. Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

| Comprehensive Plan Designation | Acreage      | % of Total  |
|--------------------------------|--------------|-------------|
| General Commercial             | 68.2         | 62%         |
| Mixed Employment               | 2.0          | 2%          |
| Residential 1,000              | 4.3          | 4%          |
| Residential 2,000              | 21.7         | 20%         |
| Residential 3,000              | 4.2          | 4%          |
| Residential 5,000              | 6.1          | 6%          |
| Residential 7,000              | 3.2          | 3%          |
| <b>Total</b>                   | <b>109.9</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

Figure 1. District Boundary and Comprehensive Plan Map



### **III. Urban Renewal Projects**

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

#### **A. Projects**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

### **IV. Relationship to Local Plans and Objectives**

#### **A. Portland Comprehensive Plan**

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

#### **B. City of Portland Economic Development and Neighborhood Economic Development Strategies**

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
  - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving



commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
  - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
  - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
  - A. Connect Traded Sector and Neighborhood Work
  - B. Seed Investments to Implement Neighborhood Economic Development Plans
  - C. Expand Citywide Financial Tools for Neighborhood Businesses

## **V. Relocation Policy**

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

## **VI. Property Acquisition and Disposition Policies**

No property acquisition or disposition is anticipated in this District.

## **VII. Plan Financing**

### **A. General Description of the Proposed Financing Methods**

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

### **B. Tax Increment Financing**

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

## **VIII. Procedures for Amendments to the Plan**

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

### **A. Substantial Amendments**

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

### **B. Council-Approved Amendments**

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

### **C. Minor amendments**

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

## **IX. Other Provisions**

### **A. Non-Discrimination**

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

### **B. Agreements to Implement This Plan**

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

### **C. Duration of Urban Renewal Plan**

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

### **D. Validity**

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.



Draft  
Report Accompanying the  
Parkrose  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012



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## I. Introduction

This Technical Report accompanying the Parkrose Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the Parkrose Neighborhood Prosperity Initiative Urban Renewal Plan (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 City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

## II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

### A. Physical Conditions

#### 1. Land Use and Zoning

The Parkrose Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 142.6 acres, including public right-of-way. There are 386 tax lots within the District, totaling 109.9 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

| Property Class | Acreage      | % of Total  |
|----------------|--------------|-------------|
| Miscellaneous  | 2.7          | 2%          |
| Residential    | 38.2         | 35%         |
| Commercial     | 49.6         | 45%         |
| Multi-Family   | 19.4         | 18%         |
| <b>Total</b>   | <b>109.9</b> | <b>100%</b> |

\*Source: Multnomah County Office of Assessment and Taxation

Figure 1. District Boundary and Zoning Map

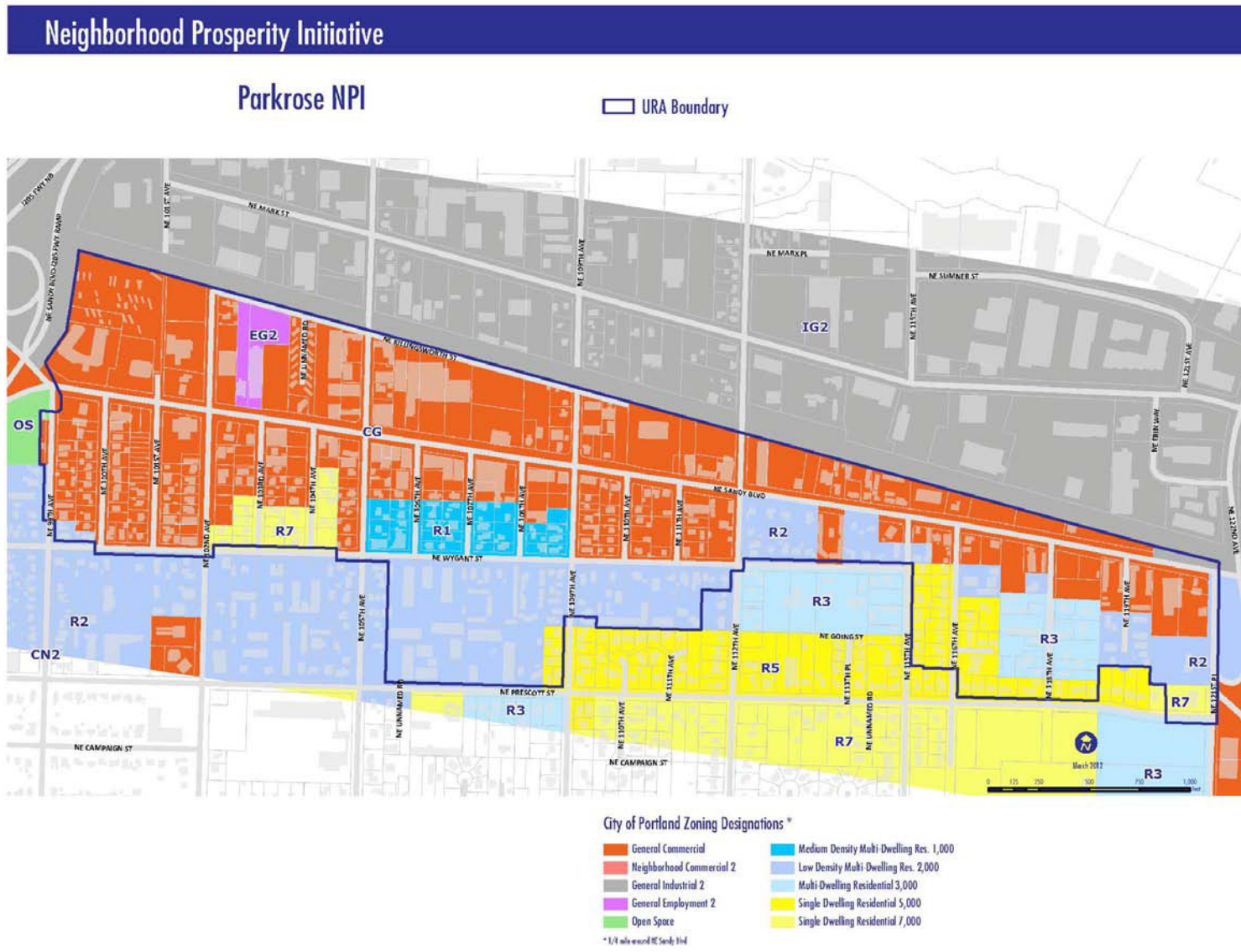


Table 2. Existing Zoning of District

| Zoning Designation   | Acreage      | % of Total  |
|----------------------|--------------|-------------|
| General Commercial   | 66.2         | 60%         |
| General Employment 2 | 2.0          | 2%          |
| Residential 1,000    | 4.3          | 4%          |
| Residential 2,000    | 23.7         | 22%         |
| Residential 3,000    | 4.2          | 4%          |
| Residential 5,000    | 6.1          | 6%          |
| Residential 7,000    | 3.2          | 3%          |
| <b>Total</b>         | <b>109.9</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

## B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District significantly overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 2,963. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

| Race                                       | % of Total |
|--------------------------------------------|------------|
| White                                      | 64%        |
| Black or African American                  | 9%         |
| American Indian and Alaska Native          | 1%         |
| Asian                                      | 9%         |
| Native Hawaiian and Other Pacific Islander | 1%         |
| Other                                      | 10%        |
| Two or More Races                          | 6%         |
| Ethnicity                                  | % of Total |
| Hispanic                                   | 17%        |

\*Source: 2010 Business Analyst

## C. Economic Conditions

### 1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$80,493,774. This does not include utility value which will be determined by the County Assessor upon District approval.

### 2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. 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, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

| Area                  | Overall I:L Ratio |
|-----------------------|-------------------|
| Parkrose NPI District | 0.94:1            |
| Citywide <sup>1</sup> | 2.22:1            |

\*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

## D. Expected Impact on Municipal Services

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

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to 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.

Projects and programs in the District 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.

<sup>1</sup> Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

### **III. Reasons for Selection of each Urban Renewal Area in the Plan**

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

### **IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

### **V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs**

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

### **VI. Anticipated Completion Date for Each Project**

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

## VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

| Fiscal Year Ending June 30                        | 2013-14         | 2014-15         | 2015-16          | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          | 2021-22         |
|---------------------------------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>REVENUES</b>                                   |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| Tax Increment to Raise (before Compression)       | \$73,506        | \$93,410        | \$122,772        | \$152,280        | \$125,000        | \$125,000        | \$125,000        | \$125,000        | \$80,903        |
| Less Compression                                  | (3,675)         | (4,671)         | (6,139)          | (7,614)          | (6,250)          | (6,250)          | (6,250)          | (6,250)          | (4,045)         |
| Tax Increment Imposed (after Compression)         | 69,831          | 88,740          | 116,634          | 144,666          | 118,750          | 118,750          | 118,750          | 118,750          | 76,858          |
| Less Adjustments for Discounts & Delinquencies    | (4,260)         | (5,413)         | (7,115)          | (8,825)          | (7,244)          | (7,244)          | (7,244)          | (7,244)          | (4,688)         |
| <b>NET TAX INCREMENT REVENUES</b>                 | <b>\$65,571</b> | <b>\$83,327</b> | <b>\$109,519</b> | <b>\$135,841</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$72,169</b> |
| Shared Tax Revenues to Raise (before Compression) | \$0             | \$9,183         | \$14,013         | \$18,946         | \$52,376         | \$73,186         | \$94,412         | \$116,279        | \$0             |
| Less Compression                                  | 0               | (459)           | (701)            | (947)            | (2,619)          | (3,659)          | (4,721)          | (5,814)          | 0               |
| Shared Revenues Imposed (after Compression)       | 0               | 8,724           | 13,313           | 17,999           | 49,757           | 69,527           | 89,691           | 110,465          | 0               |
| Less Adjustments for Discounts & Delinquencies    | 0               | (532)           | (812)            | (1,098)          | (3,035)          | (4,241)          | (5,471)          | (6,738)          | 0               |
| <b>NET SHARED TAX REVENUES</b>                    | <b>\$0</b>      | <b>\$8,192</b>  | <b>\$12,501</b>  | <b>\$16,901</b>  | <b>\$46,722</b>  | <b>\$65,286</b>  | <b>\$84,220</b>  | <b>\$103,727</b> | <b>\$0</b>      |
| <b>TOTAL REVENUES</b>                             | <b>\$65,571</b> | <b>\$91,518</b> | <b>\$122,020</b> | <b>\$152,742</b> | <b>\$158,228</b> | <b>\$176,792</b> | <b>\$195,726</b> | <b>\$215,233</b> | <b>\$72,169</b> |
| <b>INDEBTEDNESS</b>                               |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| <b>DEBT ISSUED</b>                                | <b>\$65,571</b> | <b>\$91,518</b> | <b>\$122,020</b> | <b>\$152,742</b> | <b>\$158,228</b> | <b>\$176,792</b> | <b>\$195,726</b> | <b>\$215,233</b> | <b>\$72,169</b> |

## VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

| Fiscal Year Ending June 30                              | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             | 2020-21              | 2021-22              |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Projected Assessed Value Growth</b>                  |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Frozen Base                                             | \$80,493,774        | \$80,493,774        | \$80,493,774        | \$80,493,774        | \$80,493,774        | \$80,493,774        | \$80,493,774        | \$80,493,774         | \$80,493,774         |
| Incremental Assessed Value                              | 4,074,997           | 6,189,217           | 8,356,291           | 10,577,543          | 12,854,326          | 15,188,028          | 17,580,073          | 20,031,920           | 22,545,062           |
| <b>Total Assessed Value</b>                             | <b>\$84,568,771</b> | <b>\$86,682,991</b> | <b>\$88,850,065</b> | <b>\$91,071,317</b> | <b>\$93,348,100</b> | <b>\$95,681,802</b> | <b>\$98,073,847</b> | <b>\$100,525,694</b> | <b>\$103,038,836</b> |
| Total AV Growth                                         |                     | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%                | 2.50%                |
| Incremental AV Growth                                   |                     | 51.88%              | 35.01%              | 26.58%              | 21.52%              | 18.15%              | 15.75%              | 13.95%               | 12.55%               |
| <b>Consolidated Tax Rate</b>                            | <b>18.0384</b>      | <b>18.1036</b>      | <b>18.0937</b>      | <b>18.0136</b>      | <b>17.9009</b>      | <b>17.8989</b>      | <b>17.8666</b>      | <b>17.8655</b>       | <b>17.8643</b>       |
| <b>Revenues Generated on Incremental Assessed Value</b> |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Amount to Urban Renewal Area                            | 73,506              | 93,410              | 122,772             | 152,280             | 125,000             | 125,000             | 125,000             | 125,000              | 80,903               |
| Amount to Taxing Jurisdictions                          |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| City Permanent Rate                                     | -                   | 4,712               | 7,190               | 9,721               | 26,874              | 37,551              | 48,442              | 59,662               | 82,461               |
| County Permanent Rate                                   | -                   | 4,471               | 6,823               | 9,225               | 25,502              | 35,635              | 45,970              | 56,617               | 78,252               |
| Other Levies                                            | -                   | 9,454               | 14,411              | 19,313              | 52,728              | 73,663              | 94,685              | 116,601              | 161,136              |
| <b>Total Revenues</b>                                   | <b>\$73,506</b>     | <b>\$112,047</b>    | <b>\$151,196</b>    | <b>\$190,540</b>    | <b>\$230,104</b>    | <b>\$271,849</b>    | <b>\$314,096</b>    | <b>\$357,880</b>     | <b>\$402,752</b>     |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Tax Increment to Raise (before Compression)             | \$73,506            | \$93,410            | \$122,772           | \$152,280           | \$125,000           | \$125,000           | \$125,000           | \$125,000            | \$80,903             |
| Less Compression                                        | (3,675)             | (4,671)             | (6,139)             | (7,614)             | (6,250)             | (6,250)             | (6,250)             | (6,250)              | (4,045)              |
| <b>Tax Increment Imposed (after Compression)</b>        | <b>\$69,831</b>     | <b>\$88,740</b>     | <b>\$116,634</b>    | <b>\$144,666</b>    | <b>\$118,750</b>    | <b>\$118,750</b>    | <b>\$118,750</b>    | <b>\$118,750</b>     | <b>\$76,858</b>      |
| <b>Shared Revenues to Urban Renewal Area</b>            |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Less Compression                                        | 0                   | (459)               | (701)               | (947)               | (2,619)             | (3,659)             | (4,721)             | (5,814)              | 0                    |
| <b>Tax Increment Imposed (after Compression)</b>        | <b>\$0</b>          | <b>\$8,724</b>      | <b>\$13,313</b>     | <b>\$17,999</b>     | <b>\$49,757</b>     | <b>\$69,527</b>     | <b>\$89,691</b>     | <b>\$110,465</b>     | <b>\$0</b>           |
| <b>Total Revenues to Urban Renewal Areas</b>            | <b>\$69,831</b>     | <b>\$97,464</b>     | <b>\$129,946</b>    | <b>\$162,665</b>    | <b>\$168,507</b>    | <b>\$188,277</b>    | <b>\$208,441</b>    | <b>\$229,215</b>     | <b>\$76,858</b>      |

## IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

| Tax Increment Revenues Foregone 2014-2022 | Total     | Present Value to 2014 |
|-------------------------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>                    |           |                       |
| City                                      | \$260,715 | \$186,869             |
| County                                    | 247,409   | 177,332               |
| Metro                                     | 5,503     | 3,944                 |
| Port                                      | 3,993     | 2,862                 |
| E Mult Soil                               | 5,696     | 4,083                 |
| Parkrose                                  | 278,579   | 199,673               |
| Mt. Hood                                  | 28,008    | 20,075                |
| Mult ESD                                  | 26,066    | 18,683                |

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

| Shared Revenues 2014-2021 | Total     | Present Value to 2014 |
|---------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>    |           |                       |
| City                      | \$194,152 | \$126,475             |
| County                    | 184,243   | 128,421               |
| Metro                     | 4,098     | 2,856                 |
| Port                      | 2,974     | 2,073                 |
| E Mult Soil               | 4,242     | 2,957                 |
| Parkrose                  | 207,455   | 144,600               |
| Mt. Hood                  | 20,857    | 14,538                |
| Mult ESD                  | 19,411    | 13,530                |



Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

| Tax Increment Revenues Fully Regained - 2023 | Amount (nominal) | Present Value to 2014 |
|----------------------------------------------|------------------|-----------------------|
| <b>Permanent Rates</b>                       |                  |                       |
| City                                         | \$32,028         | \$16,281              |
| County                                       | 30,393           | 15,451                |
| Metro                                        | 676              | 344                   |
| Port                                         | 491              | 249                   |
| E Mult Soil                                  | 700              | 356                   |
| Parkrose                                     | 34,223           | 17,397                |
| Mt. Hood                                     | 3,441            | 1,749                 |
| Mult ESD                                     | 3,202            | 1,628                 |

## X. Relocation Report

There are no businesses or residents to be relocated.

## XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

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 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

|                                                                             | <b>Frozen Base<br/>Assessed Value</b> | <b>Acres</b>    |
|-----------------------------------------------------------------------------|---------------------------------------|-----------------|
| <b>Total City of Portland<sup>2</sup></b>                                   | <b>\$ 43,634,351,239</b>              | <b>92,768.0</b> |
| <b>Existing Urban Renewal Areas:</b>                                        |                                       |                 |
| Airport Way                                                                 | \$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 <sup>3</sup>                                            | \$1,290,430,925                       | 3,990.0         |
| Lents Town Center                                                           | \$736,224,033                         | 2,846.3         |
| North Macadam                                                               | \$192,609,397                         | 401.9           |
| Oregon Convention Center <sup>4</sup>                                       | \$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           |
| <b>Total Existing Urban Renewal Areas</b>                                   | <b>\$4,499,489,216</b>                | <b>12,336.5</b> |
| <b>% City in Existing Urban Renewal Areas</b>                               | <b>10.3%</b>                          | <b>13.3%</b>    |
| <b>Proposed Neighborhood Prosperity Initiative<br/>Urban Renewal Areas:</b> |                                       |                 |
| 42nd Avenue                                                                 | \$81,011,867                          | 136.2           |
| Cully Blvd                                                                  | \$81,000,273                          | 164.6           |
| Parkrose                                                                    | \$80,493,774                          | 142.6           |
| Rosewood                                                                    | \$78,774,383                          | 135.6           |
| Division – Midway                                                           | \$80,201,117                          | 115.9           |
| 82nd Avenue and Division                                                    | \$81,523,638                          | 108.8           |
| <b>Total Proposed Urban Renewal Areas</b>                                   | <b>\$483,005,052</b>                  | <b>803.7</b>    |
| <b>Combined Total - Existing and Proposed</b>                               | <b>\$4,982,494,268</b>                | <b>13,140.2</b> |
| <b>% City in Existing and Proposed Urban Renewal<br/>Areas</b>              | <b>11.4%</b>                          | <b>14.2%</b>    |

<sup>2</sup> Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

<sup>3</sup> Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

<sup>4</sup> Frozen base value represents 11/12 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 20th Amendment.

# City of Portland Comprehensive Plan Findings of Conformance



## Introduction

The Parkrose NPI Urban Renewal Area (URA) area is one of six such areas created through a partnership between the City of Portland and the Portland Development Commission as an implementation measure of the City's Neighborhood Economic Development (NED) Strategy. These initiative areas build upon the Main Street® model of community driven economic development further identified in the NED strategy. They will build local capacity to achieve economic development outcomes, drive neighborhood business growth and coordinate resources in support of neighborhood economic development. One component of these initiatives is the creation of neighborhood based administrative entities drawn from local area business and residential neighborhood representatives. These local entities will strengthen community organizational capacity and serve to create and administer neighborhood economic plans. These local entities will administer the distribution and expenditure of tax increment financing collected within the initiative areas on physical improvements to business properties such as storefront improvements, building rehabilitation and improvements to the public realm such as sidewalk improvements or public plazas that will improve the appearance and function of select neighborhood commercial centers.

Neighborhood Prosperity Initiative areas will function as urban renewal areas under state statute. This document is intended to meet the statutory requirements for land use planning consistency under ORS 457.095(3) by demonstrating conformance of the Parkrose URA with the Portland Comprehensive Plan and pertinent supportive neighborhood and area plans.

The following legal findings of fact will document the Parkrose Urban Renewal Area's conformance with the City of Portland's Comprehensive Plan and all relevant supporting neighborhood and area plans.

## Parkrose NPI Urban Renewal Area (URA) Findings on Portland's Comprehensive Plan Goals

The Portland Comprehensive Plan was adopted by the Portland City Council on October 16, 1980, and was acknowledged as being in conformance with the statewide planning goals by the Land Conservation and Development Commission on May 1, 1981. It has been updated and acknowledged for continuing conformance to the statewide planning goals through successive periodic reviews. The first and most recent periodic review was completed in January 2000. The City is currently undergoing its second Comprehensive Plan Periodic Review update which is expected to be completed by the end of 2013.

Comprehensive plans describe a variety of public goals that are to be achieved over the long term. These goals are usually complimentary but there are times when one comprehensive plan provision can only be advanced at the expense of another; or when one provision is funded while others must wait. In determining whether the Parkrose URA conforms with Portland's Comprehensive Plan, the city must sometimes choose between competing public goals. To do this the city will apply the following definition of "conform".

1. On balance, the purposes of the Comprehensive Plan are advanced as a whole; and
2. Future compliance with the Comprehensive Plan is not precluded

The Parkrose URA was prepared in conformity with the Portland Comprehensive Plan and is consistent with the following relevant Comprehensive Plan policies:

**Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The Parkrose URA supports this goal because:

- These findings demonstrate that the Parkrose URA is consistent with the City of Portland Comprehensive Plan which was acknowledged by the State of Oregon as consistent with statewide planning goals. The Parkrose URA which will provide tax increment revenues for physical improvements to an in-town neighborhood commercial area is supportive of the regional goals contained in Metro's Urban Growth Management Functional Plan which call for developing a compact urban form with a focus on investment in transit oriented communities, main streets and town centers. The Parkrose URA is also specifically supportive of the following Metropolitan Coordination Policy.

**Policy 1.4, Intergovernmental Coordination**, requires continuous participation in intergovernmental affairs with public agencies to coordinate metropolitan planning and project development and maximize the efficient use of public funds.

- The Parkrose URA is consistent with this policy because all overlapping taxing jurisdictions were notified of the proposal, provided with draft authorizing documents and given an opportunity to comment. These jurisdictions include school districts, Metro and Multnomah County. Any comments received will be addressed during the City Council approval process in April 2012.

**Goal 2, Urban Development**, calls for maintaining Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The Parkrose URA supports this goal because:

- The Parkrose URA will facilitate the redevelopment of this area with a more robust mixture of commercial uses that will provide more employment opportunities than currently exist as well as a more attractive environment for the adjoining residential and industrial neighborhoods. Specifically, the amendment is supportive of the following policies:

**Policy 2.1 Population Growth** calls for allowing for population growth within the existing city boundary by providing land use opportunities that will accommodate the projected increase in city households.

- The Parkrose URA will promote the redevelopment of the Parkrose URA area to better serve the needs of the surrounding Parkrose neighborhood by improving the physical condition of the existing structures and public realm within the URA and encouraging the location of additional neighborhood serving businesses (and jobs) that will meet the needs of the surrounding residents.

**Policy 2.2 Urban Diversity** calls for promoting a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population.

- The Parkrose URA will promote the expansion of existing businesses and the development of new business within the area. This area is racially and ethnically diverse and includes a broad range of age and income levels. According to 2010 Business Analyst data 36.1% of the

population within ¼ mile of the Cully URA are classified as minority. This is significantly higher than the 25.5% city wide minority population from the same data set. New investment may provide for rehabilitation of existing structures, and increased investment in public amenities that will enhance this area's attractiveness to the surrounding neighborhoods.

**Policy 2.12 Transit Corridors** calls for providing a mixture of activities along major transit routes, Major Transit Priority Streets, Transit Access Streets, and main streets to support the use of transit

- Sandy Boulevard classified as both a *Major Transit Priority Street* and a *Transit Access Street* within this URA area. NE 102<sup>nd</sup> Avenue is also classified as a *Major Transit Priority Street* while Prescott Street and 121<sup>st</sup> Place within the proposed URA area are both classified as *Transit Access Streets*. Lastly, NE 105<sup>th</sup> Avenue is classified as a *Community Transit Street*, all according to the Transportation Element of the City's Comprehensive Plan. This URA is currently served by both the Trimet #12 and #71 bus lines. The Parkrose URA will promote the development of a community based administrative entity and provide resources for physical improvements to the initiative area that will increase the attractiveness of this area to a wide variety of activities and transit users.

**Policy 2.13 Auto-Oriented Commercial Development** Allow auto-oriented development to locate on streets designated as Major City Traffic Streets by the Transportation Element. Also allow neighborhood level auto-oriented commercial development to locate on District Collector Streets or Neighborhood Collector Streets near neighborhood areas where allowed densities will not support development oriented to transit or pedestrians. Where neighborhood commercial uses are located on designated transit streets, support pedestrian movement and the use of transit by locating buildings and their entrances conveniently to transit users, pedestrians, and bicyclists and providing on-site pedestrian circulation to adjacent streets and development.

- NE 121<sup>st</sup> Place, Prescott St., 112<sup>th</sup> Ave and 105<sup>th</sup> Ave within the URA area are all classified as *Neighborhood Collector Streets*; while both Sandy BLVD and 102<sup>nd</sup> Ave are classified as *Major City Traffic Streets* according to the Transportation Element of the City's Comprehensive Plan. Commercial development within the Parkrose URA area will be subject primarily to the current CG General Commercial District Standards with a smaller area zoned EG2 General Employment. Under the CG General Commercial zoning designation auto-accommodating development is allowed. However, physical development that is supportive of an enhanced pedestrian environment is required. Additional financial resources made available through the Parkrose URA may be applied to pedestrian improvements to enhance the transit, pedestrian and bicycle experience within the renewal area and to connections with the adjoining residential and industrial neighborhoods.

**Policy 2.19 Infill and Redevelopment** calls for encouraging infill and redevelopment as a way to implement the Livable City growth principles and accommodate expected increases in population and employment. Encourage infill and redevelopment in the Central City, at transit stations, along main streets, and as neighborhood infill in existing residential, commercial and industrial areas.

- The Parkrose URA supports this policy by making funds available for enhancements to existing commercial property and new infill development along the Parkrose corridor, an existing in-town commercial corridor.

**Policy 2.20 Utilization of Vacant Land** calls for providing for full utilization of existing vacant land except in those areas designated as open space.

- The Parkrose URA supports this policy by making revenues available for investment that supports the redevelopment of underutilized properties such as surface parking lots along the Parkrose corridors.

**Policy 2.22 Mixed Use** calls for a mechanism that will allow for the continuation and enhancement of areas of mixed use character where such areas act as buffers and where opportunities exist for creation of nodes or centers of mixed commercial, light industrial and apartment development.

- The Parkrose URA area includes employment zoned property (EG2); commercially zoned property (CG); multi-dwelling residentially zoned property (R1, R2 and R3); and single family neighborhoods zoned R7 and R5. Industrial land zoned IG2 abuts the proposed URA on the north side.. The Parkrose URA supports policy 2.22 by making funds available for funding commercial enhancements within this mixed use urban renewal area.

**Goal 3, Neighborhoods**, calls for the preservation and reinforcement of 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 Parkrose URA supports this goal by encouraging reinvestment in two of the public's largest capital assets, the existing building stock and commercial properties served by existing levels of urban infrastructure. The Parkrose URA will contribute to the health and vitality of the larger Parkrose neighborhood by improving the Parkrose URA area as a neighborhood commercial corridor serving the surrounding residential neighborhoods. More specifically the Parkrose URA supports the following policies:

**Policy 3.1 Physical Conditions** calls for providing and coordinating programs to prevent the deterioration of existing structures and public facilities.

- The URA supports this policy by making available tax increment revenues within district boundaries. These revenues will be directed to building repairs and upgrades and physical public realm enhancements that will not only prevent the deterioration of existing structures and public facilities but contribute to their improvement over time.

**Policy 3.2 Social Conditions** calls for providing and coordinating programs to promote neighborhood interest, concern and security and to minimize the social impact of land use decisions.

- In addition to administering tax increment revenues which by law must be spent on physical improvements to the business area, the local administrative entities formed as part of the urban renewal areas will serve as local forums for the identification and promotion of programs of local interest. Although these activities will not be eligible for TIF funding such programs may include economic development activities as well as other business attraction, retention and community building efforts as may be defined by the local administrative entities.

**Policy 3.5 Neighborhood Involvement** calls for providing for the active involvement of neighborhoods residents and businesses in decisions affecting their neighborhood through the promotion of business and neighborhood associations. Provide information to neighborhood and



business associations which allows them to monitor the impact of the Comprehensive Plan and to report their findings annually to the Planning Commission.

- The Parkrose URA will be administered by a neighborhood based administrative entity comprised of business owners and tenants of the URA area as well as residents from the surrounding residential neighborhoods. Deliberations of the administrative entity will be in conformance with all Oregon public meetings laws and City of Portland administrative rules regarding meeting notification and public participation.

**Goal 5, Economic Development**, calls for the promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the city. The Parkrose URA is consistent with this goal because:

- The Parkrose URA will provide revenues for economic development projects including, but not limited to, storefront improvement grants and commercial revitalization projects. The URA is specifically supportive of the following policies:

**Policy 5.1 Urban Development and Revitalization** calls for encouraging investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

- The Parkrose URA directly supports this policy by providing tax increment funds that can leverage private investment in the Parkrose URA area.

**Policy 5.2 Business Development** calls for sustaining and supporting business development activities to retain, expand and recruit businesses.

**Policy 5.3 Community-Based Economic Development** calls for supporting community based economic development initiatives consistent with the Comprehensive Plan and compatible with neighborhood livability.

- The Parkrose URA supports policies 5.2 and 5.3 through the creation of a Parkrose URA administrative entity comprised of local business and residential interests. This group will evaluate specific requests for tax increment revenues to support physical improvements to business properties and the public realm. Additionally the administrative entity may pursue other redevelopment projects and business retention/attraction programs that are consistent with neighborhood priorities that will not use tax increment financing.

**Policy 5.6 Area Character and Identity within Designated Commercial Areas** calls for promoting and enhancing the special character and identity of Portland's designated commercial areas.

**Policy 5.7 Business Environment within Designated Commercial Areas** calls for promoting a business environment within designated commercial areas that is conducive to the formation, retention and expansion of commercial businesses.

- The Parkrose URA is directly supportive of Policies 5.6 and 5.7 above in that it will create a local administrative entity empowered to distribute TIF revenues for commercial property rehabilitation and enhancements to the public realm within the Parkrose commercial URA. This

group may also develop and use non TIF resources to initiate other programs directed at business attraction, retention and growth.

**Goal 7, Energy**, calls for promotion of a sustainable energy future by increasing energy efficiency in all sectors of the city. The Parkrose URA supports this goal because:

- The Parkrose URA will reinvigorate the Parkrose commercial area as a neighborhood destination providing daily goods and services to the surrounding residential and industrial neighborhoods at a scale that promotes active transportation and reduces the need of Portlanders to rely on an automobile for their daily needs. More specifically the Parkrose URA is supportive of the following policies:

**Policy 7.4 Energy Efficiency through Land Use Regulations** calls for the City to promote residential, commercial, industrial, and transportation energy efficiencies and the use of renewable resources.

- The Parkrose URA supports this policy through its encouragement of reinvestment of an in-town commercial corridor providing goods and services to the adjoining residential and industrial neighborhoods. Such proximity of goods and services to the adjoining neighborhoods reduces the need for auto trips and encourages the use of transit and active transportation options.

**Policy 7.5 Energy Efficiency in Commercial and Industrial Facilities** calls for the City to encourage energy efficiency in existing commercial building and institutions by facilitating utility, local, state, and federal financial and technical assistance.

- Funds made available through the Parkrose URA may be used for energy efficiency upgrades to existing commercial structures within the Parkrose URA area and leverage additional public or private energy efficiency funding thereby supporting this policy.

**Goal 9, Citizen Involvement**, calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process, and the implementation, review, and amendment of the Comprehensive Plan. This project followed the process and requirements specified in Chapter 33.740, Legislative Procedure. The Parkrose URA is supportive of this goal because:

- Members of the Parkrose URA administrative entity were invited to form their own neighborhood based decision making body with technical and financial support provided by the Portland Development Commission and the City of Portland. The Parkrose URA project is supportive of the following policy:

**Policy 9.1 Citizen Involvement Coordination** encourages citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public.

- On October 18, 2011, Mayor Sam Adams launched the NPI among nearly 100 community leaders at the Immigrant and Refugee Community Organization (IRCO), inviting six neighborhood commercial corridors in East and Northeast Portland to partner with PDC staff and to evaluate the feasibility and desirability of creating URAs.

- On November 7, 2011, PDC staff assembled the six district community groups back to IRCO to kick-off the community organizing process.
- On November 21, 2011, all of the districts successfully applied for and received a \$10,000 grant to help with facilitation, outreach coordination, translation, printing, and material expenses to help do the work of organizing the community around this Initiative.
- Community leaders formed an initial Steering Committee for the Parkrose URA to provide local direction for the application of tax increment revenues towards community-identified capital improvements.
- The PDC maintained a project website with background documents and meeting summaries available for downloading.
- The Parkrose URA authorizing documentation was posted to the project website as Adobe Acrobat files available for downloading prior to the PDC Board of Commissioners public hearing on March 12, 2012.
- Notice of the March 12, 2012 Portland Develop Commission public hearing to approve the Parkrose URA was published in the Oregonian and online.
- Notice of the March 13, 2012 City of Portland Planning and Sustainability Commission public hearing to consider the Parkrose URA was published in the Oregonian on 3/9/12 and online.
- Notice of the April 4, 2012 Portland City Council public hearing to approve the Parkrose URA was mailed to all owners of real property within the City of Portland in mid-March 2012.

The Parkrose URA initial steering committee also engaged in extensive public outreach activities. These outreach activities are documented in Appendix C of the March 12, 2012 Report to the PDC Board of Commissioners included as attachment \_\_\_ to the Portland City Council Report.

**Goal 12, Urban Design**, calls for enhancing Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations. The Parkrose URA supports this goal by:

- Allowing investment of tax increment revenues in existing commercial buildings to preserve and enhance existing positive design elements while supporting physical improvements that will enhance the URA area's character and function. More specifically the URA will support the following policies:

**Policy 12.2 Enhancing Variety** calls for promoting the development of areas of special identity and urban character with the City's residential, commercial and industrial areas having attractive identities that enhance the urbanity of the City.

- Investment made possible through the Parkrose URA may be used to improve the appearance and function of both private commercial buildings along the existing Killingsworth and NE Sandy BLVD commercial corridors and to enhance the pedestrian experience and connections with the adjoining residential and industrial neighborhoods.

**Policy 12.4 Provide for Pedestrians** calls for recognizing that auto, transit and bicycle users are pedestrians at either end of every trip and the Portland's citizens and visitors experience the city as pedestrians. Provide for a pleasant, rich and diverse experience for pedestrians. Ensure that those travelling on foot have comfortable, safe and attractive pathways that connect Portland's neighborhoods, parks, water features, transit facilities, commercial districts employment centers and attractions.

**Policy 12.5 Promote the Arts** calls for the City to humanize the City through promotion of the arts and excellence in design. Encourage the placement of art at locations that are visible to the public. Expand Portland's collection of Public Art. Punctuate the community with works of art used to emphasize focal points mark transitional locations, celebrate public buildings and enhance the City's sidewalks, open spaces, plazas and parks.

- The Parkrose URA supports Policy 12.4 and 12.5 because tax increment revenues made available through the URA area may be used for functional pedestrian improvements and for other projects that will improve the public realm such as pedestrian plazas, public art and landscape improvements.

**Policy 12.6 Preserve Neighborhoods** calls for preserving and supporting the qualities of individual neighborhoods that help to make and to respect and strengthen values in new development projects that implement this comprehensive plan.

- Expenditure of TIF funds made available through the Parkrose URA area will be overseen by an administrative entity comprised of local business interests and residential neighborhood representatives. Improvement projects identified through this neighborhood based decision making model will reflect the priorities and desires expressed by current neighborhood residents and businesses.

### Findings for the Cully Parkrose Community Plan

#### Cully Parkrose Community Plan

The Cully Parkrose Community Plan was adopted by the City Council on August 27, 1986. The policies of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 158942. The proposed Parkrose Urban renewal area is supportive of the Cully Parkrose Community Plan including, but not limited to following Community Plan Policies:

**Policy 2 Arrangement of Land Uses** which states among other things that commercial enterprises providing consumer goods and services to the community should be encouraged in the Parkrose Business District, an area roughly coincidental with the boundary of the Parkrose Urban Renewal Area.

- Creation of the Parkrose URA may encourage new businesses to locate within this area by providing funding for individual business/building improvements and or by improving the public realm within which these businesses operate. The local administrative entity may also increase recruitment activity and other programs that increase the visibility of this district to potential business operators.

**Policy 6 Citizen Involvement** which declares that local citizen involvement is important in the land use decision making process and call for involvement of local residential and business community input in such deliberations

- Creation of an URA local administrative entity supports this policy by providing a forum for existing businesses, together with local residential interests to develop a unified plan for attracting neighborhood oriented businesses to the area.

Attachment 7 to the  
Planning and Sustainability Commission  
Memo dated March 13, 2012

Attachment 7 contains:

- Draft Rosewood NPI Urban Renewal Plan
- Draft Report Accompanying the Rosewood NPI Urban Renewal Plan
- Comprehensive Plan Findings for the Rosewood NPI Urban Renewal Plan



Draft  
Rosewood  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012

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## I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

|             |                          |
|-------------|--------------------------|
| 42nd Avenue | Rosewood                 |
| Cully Blvd  | Division – Midway        |
| Parkrose    | 82nd Avenue and Division |

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This Rosewood NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the Rosewood NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

*We are building a safe, healthy, respectful, vibrant and inclusive community that brings prosperity to everyone in Rosewood. Empowered community members drive meaningful and appropriate change in partnership with agencies across Portland, Gresham and Multnomah County jurisdictions. Residents and businesses are connected to one another and to resources that help achieve shared goals. We utilize strengths in the community to build a positive image and future for Rosewood.*

*This is a neighborhood where people want to live and local businesses thrive with community support. It is safe to walk at all times of the day and night. The major commercial centers at SE 162<sup>nd</sup> and Stark and SE 148<sup>th</sup> and Stark are economically vibrant and convenient by a variety of modes of transportation. There are good connections from these commercial centers to MAX Light Rail on Burnside as well as walking and biking accessibility for local residents. Cohesive design elements tie the district together and create a beautiful environment that people take pride in. Mentorships and apprenticeships focus on empowering vulnerable community members, especially youth, people of color, immigrants, New Portlanders, people with disabilities and people in poverty. Residents and businesses celebrate the rich cultural diversity and history of Rosewood, attracting long-term residents, businesses and visitors alike.*

## **II. Rosewood NPI District Map and Legal Description**

The District shown in Figure 1 below contains 135.6 acres, including public right-of-way. There are 264 tax lots within the District, totaling 106.7 acres. The District overlaps portions of the following neighborhood and business associations:

- Wilkes Neighborhood Association
- Hazelwood Neighborhood Association
- Glenfair Neighborhood Association
- Centennial Neighborhood Association
- Gateway Area Business Association

### **A. Legal Description**

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

## B. Proposed Land Uses

The City of Portland's Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

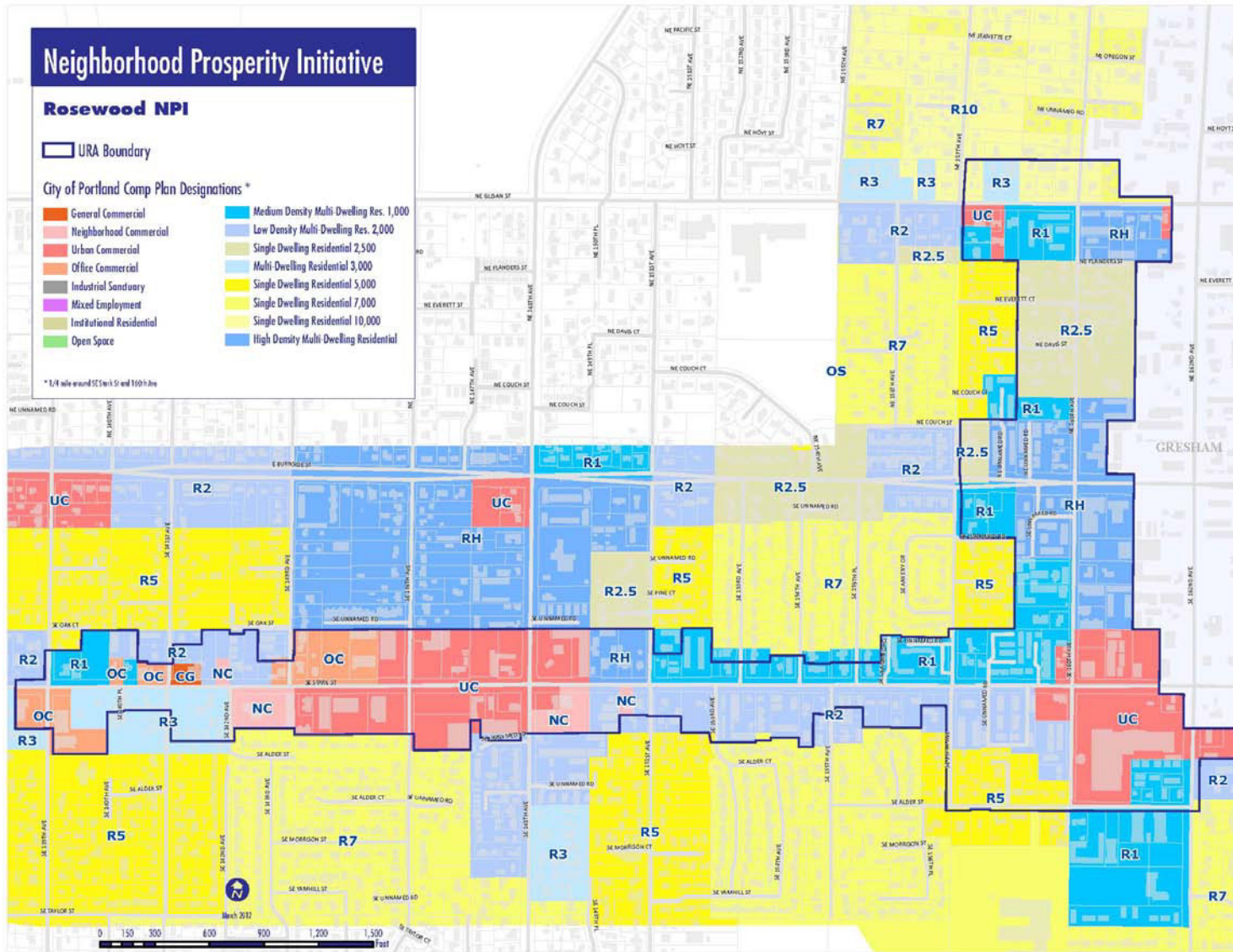
Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

| Comprehensive Plan Designation | Acreage      | % of Total  |
|--------------------------------|--------------|-------------|
| General Commercial             | 0.3          | <1%         |
| Neighborhood Commercial        | 3.1          | 3%          |
| Office Commercial              | 5.6          | 5%          |
| Urban Commercial               | 25.4         | 24%         |
| Residential 1,000              | 20.0         | 19%         |
| Residential 2,000              | 14.9         | 14%         |
| Residential 2,500              | 10.1         | 9%          |
| Residential 3,000              | 4.2          | 4%          |
| Residential 5,000              | 3.0          | 3%          |
| Residential 7,000              | 0.5          | 1%          |
| Residential 10,000             | 2.3          | 2%          |
| High Density Residential       | 17.3         | 16%         |
| <b>Total</b>                   | <b>106.7</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

Figure 1. District Boundary and Comprehensive Plan Map



### **III. Urban Renewal Projects**

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

#### **A. Projects**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

### **IV. Relationship to Local Plans and Objectives**

#### **A. Portland Comprehensive Plan**

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

#### **B. City of Portland Economic Development and Neighborhood Economic Development Strategies**

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
  - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving

commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
  - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
  - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
  - A. Connect Traded Sector and Neighborhood Work
  - B. Seed Investments to Implement Neighborhood Economic Development Plans
  - C. Expand Citywide Financial Tools for Neighborhood Businesses

## **V. Relocation Policy**

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

## **VI. Property Acquisition and Disposition Policies**

No property acquisition or disposition is anticipated in this District.

## **VII. Plan Financing**

### **A. General Description of the Proposed Financing Methods**

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

### **B. Tax Increment Financing**

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.



## **VIII. Procedures for Amendments to the Plan**

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

### **A. Substantial Amendments**

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

### **B. Council-Approved Amendments**

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

### **C. Minor amendments**

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

## **IX. Other Provisions**

### **A. Non-Discrimination**

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

**B. Agreements to Implement This Plan**

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

**C. Duration of Urban Renewal Plan**

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

**D. Validity**

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

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Draft  
Report Accompanying the  
Rosewood  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012



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## I. Introduction

This Technical Report accompanying the Rosewood Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the Rosewood Neighborhood Prosperity Initiative Urban Renewal Plan (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 City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

## II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

### A. Physical Conditions

#### 1. Land Use and Zoning

The Rosewood Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 135.6 acres, including public right-of-way. There are 264 tax lots within the District, totaling 106.7 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

| Property Class | Acreage      | % of Total  |
|----------------|--------------|-------------|
| Residential    | 33.5         | 31%         |
| Commercial     | 36.4         | 34%         |
| Industrial     | 0.5          | <1%         |
| Multi-Family   | 36.3         | 34%         |
| <b>Total</b>   | <b>106.7</b> | <b>100%</b> |

\*Source: Multnomah County Office of Assessment and Taxation

Figure 1. District Boundary and Zoning Map

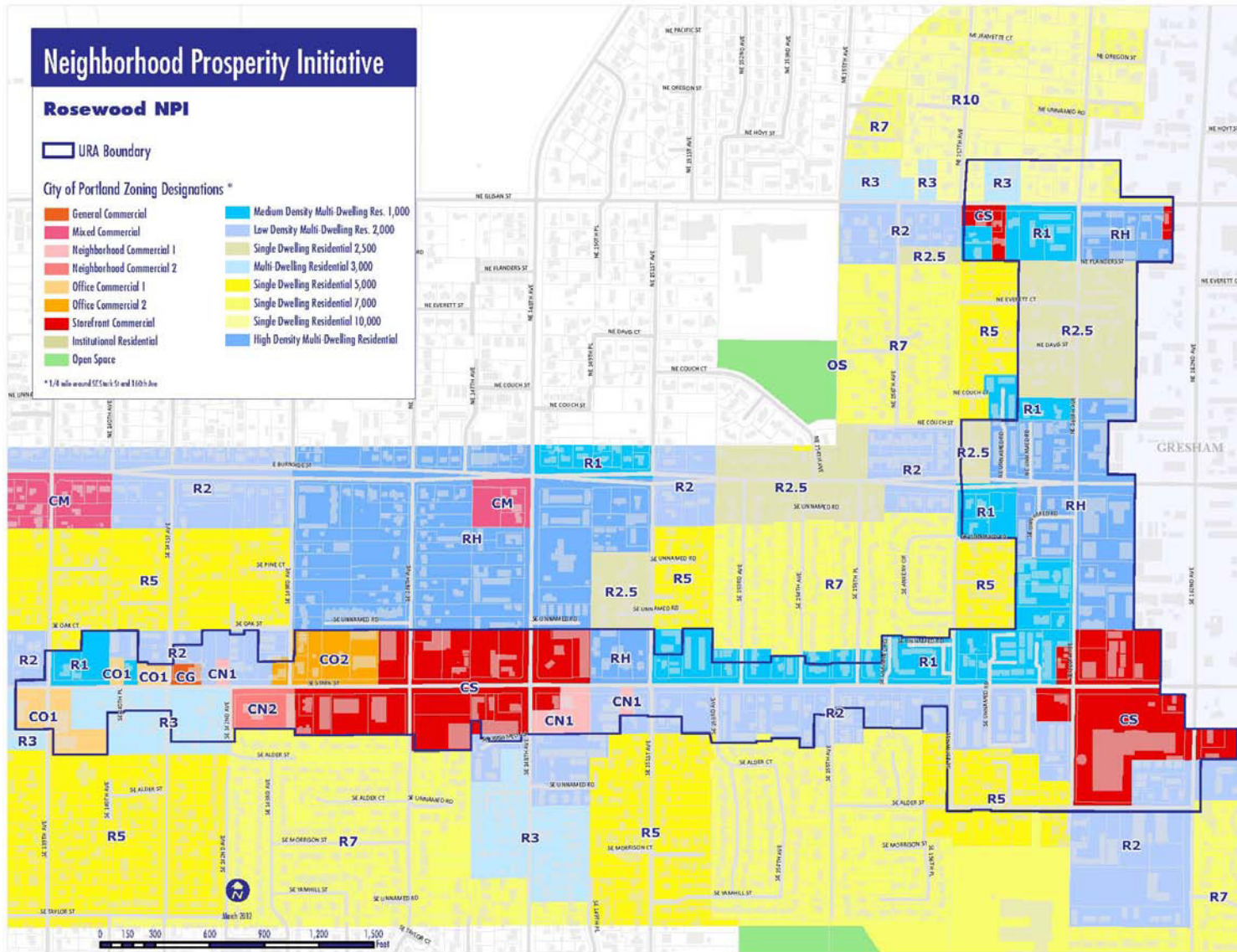




Table 2. Existing Zoning of District

| Zoning Designation        | Acreage      | % of Total  |
|---------------------------|--------------|-------------|
| General Commercial        | 0.3          | <1%         |
| Neighborhood Commercial 1 | 1.7          | 2%          |
| Neighborhood Commercial 2 | 1.4          | 1%          |
| Office Commercial 1       | 2.5          | 2%          |
| Office Commercial 2       | 3.0          | 3%          |
| Storefront Commercial     | 25.4         | 24%         |
| Residential 1,000         | 18.5         | 17%         |
| Residential 2,000         | 16.4         | 15%         |
| Residential 2,500         | 10.1         | 9%          |
| Residential 3,000         | 4.2          | 4%          |
| Residential 5,000         | 3.0          | 3%          |
| Residential 7,000         | 0.5          | 1%          |
| Residential 10,000        | 2.3          | 2%          |
| High Density Residential  | 17.3         | 16%         |
| <b>Total</b>              | <b>106.7</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

## B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District completely overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 10,221. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

| Race                                       | % of Total |
|--------------------------------------------|------------|
| White                                      | 67%        |
| Black or African American                  | 4%         |
| American Indian and Alaska Native          | 1%         |
| Asian                                      | 7%         |
| Native Hawaiian and Other Pacific Islander | <1%        |
| Other                                      | 15%        |
| Two or More Races                          | 6%         |
| Ethnicity                                  | % of Total |
| Hispanic                                   | 24%        |

\*Source: 2010 Business Analyst

## C. Economic Conditions

### 1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$78,774,383. This does not include utility value which will be determined by the County Assessor upon District approval.

### 2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. 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, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

| Area                  | Overall I:L Ratio |
|-----------------------|-------------------|
| Rosewood NPI District | 1.03:1            |
| Citywide <sup>1</sup> | 2.22:1            |

\*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

## D. Expected Impact on Municipal Services

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

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to 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.

Projects and programs in the District 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.

<sup>1</sup> Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

### **III. Reasons for Selection of each Urban Renewal Area in the Plan**

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

### **IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

### **V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs**

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

### **VI. Anticipated Completion Date for Each Project**

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

## VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

| Fiscal Year Ending June 30                        | 2013-14         | 2014-15         | 2015-16          | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          | 2021-22         |
|---------------------------------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>REVENUES</b>                                   |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| Tax Increment to Raise (before Compression)       | \$75,500        | \$95,631        | \$123,855        | \$153,667        | \$125,000        | \$125,000        | \$125,000        | \$125,000        | \$81,872        |
| Less Compression                                  | (3,775)         | (4,782)         | (6,193)          | (7,683)          | (6,250)          | (6,250)          | (6,250)          | (6,250)          | (4,094)         |
| Tax Increment Imposed (after Compression)         | 71,725          | 90,849          | 117,662          | 145,984          | 118,750          | 118,750          | 118,750          | 118,750          | 77,778          |
| Less Adjustments for Discounts & Delinquencies    | (4,375)         | (5,542)         | (7,177)          | (8,905)          | (7,244)          | (7,244)          | (7,244)          | (7,244)          | (4,744)         |
| <b>NET TAX INCREMENT REVENUES</b>                 | <b>\$67,350</b> | <b>\$85,307</b> | <b>\$110,485</b> | <b>\$137,079</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$73,034</b> |
| Shared Tax Revenues to Raise (before Compression) | \$0             | \$9,103         | \$13,757         | \$18,585         | \$51,858         | \$72,226         | \$93,003         | \$112,209        | \$0             |
| Less Compression                                  | 0               | (455)           | (688)            | (929)            | (2,593)          | (3,611)          | (4,650)          | (5,610)          | 0               |
| Shared Revenues Imposed (after Compression)       | 0               | 8,648           | 13,069           | 17,656           | 49,265           | 68,615           | 88,353           | 106,599          | 0               |
| Less Adjustments for Discounts & Delinquencies    | 0               | (528)           | (797)            | (1,077)          | (3,005)          | (4,185)          | (5,390)          | (6,503)          | 0               |
| <b>NET SHARED TAX REVENUES</b>                    | <b>\$0</b>      | <b>\$8,121</b>  | <b>\$12,272</b>  | <b>\$16,579</b>  | <b>\$46,260</b>  | <b>\$64,429</b>  | <b>\$82,963</b>  | <b>\$100,096</b> | <b>\$0</b>      |
| <b>TOTAL REVENUES</b>                             | <b>\$67,350</b> | <b>\$93,428</b> | <b>\$122,757</b> | <b>\$153,658</b> | <b>\$157,766</b> | <b>\$175,935</b> | <b>\$194,470</b> | <b>\$211,603</b> | <b>\$73,034</b> |
| <b>INDEBTEDNESS</b>                               |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| <b>DEBT ISSUED</b>                                | <b>\$67,350</b> | <b>\$93,428</b> | <b>\$122,757</b> | <b>\$153,658</b> | <b>\$157,766</b> | <b>\$175,935</b> | <b>\$194,470</b> | <b>\$211,603</b> | <b>\$73,034</b> |

## VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

| Fiscal Year Ending June 30                              | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             | 2020-21             | 2021-22              |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| <b>Projected Assessed Value Growth</b>                  |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Frozen Base                                             | \$78,774,383        | \$78,774,383        | \$78,774,383        | \$78,774,383        | \$78,774,383        | \$78,774,383        | \$78,774,383        | \$78,774,383        | \$78,774,383         |
| Incremental Assessed Value                              | 3,987,953           | 6,057,012           | 8,177,796           | 10,351,601          | 12,579,750          | 14,863,604          | 17,204,553          | 19,604,027          | 22,063,487           |
| <b>Total Assessed Value</b>                             | <b>\$82,762,336</b> | <b>\$84,831,395</b> | <b>\$86,952,179</b> | <b>\$89,125,984</b> | <b>\$91,354,133</b> | <b>\$93,637,987</b> | <b>\$95,978,936</b> | <b>\$98,378,410</b> | <b>\$100,837,870</b> |
| Total AV Growth                                         |                     | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%                |
| Incremental AV Growth                                   |                     | 51.88%              | 35.01%              | 26.58%              | 21.52%              | 18.15%              | 15.75%              | 13.95%              | 12.55%               |
| <b>Consolidated Tax Rate</b>                            | <b>18.9320</b>      | <b>18.9875</b>      | <b>18.6652</b>      | <b>18.5855</b>      | <b>18.4738</b>      | <b>18.4723</b>      | <b>18.4402</b>      | <b>17.7934</b>      | <b>17.5069</b>       |
| <b>Revenues Generated on Incremental Assessed Value</b> |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Amount to Urban Renewal Area                            | 75,500              | 95,631              | 123,855             | 153,667             | 125,000             | 125,000             | 125,000             | 125,000             | 81,872               |
| Amount to Taxing Jurisdictions                          |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| City Permanent Rate                                     | -                   | 4,671               | 7,059               | 9,536               | 26,608              | 37,059              | 47,719              | 57,574              | 79,580               |
| County Permanent Rate                                   | -                   | 4,432               | 6,698               | 9,049               | 25,250              | 35,167              | 45,284              | 54,635              | 75,518               |
| Other Levies                                            | -                   | 10,274              | 15,028              | 20,137              | 55,538              | 77,339              | 99,252              | 111,613             | 149,293              |
|                                                         | -                   | 19,377              | 28,785              | 38,722              | 107,396             | 149,565             | 192,255             | 223,822             | 304,391              |
| <b>Total Revenues</b>                                   | <b>\$75,500</b>     | <b>\$115,008</b>    | <b>\$152,640</b>    | <b>\$192,390</b>    | <b>\$232,396</b>    | <b>\$274,565</b>    | <b>\$317,255</b>    | <b>\$348,822</b>    | <b>\$386,263</b>     |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Tax Increment to Raise (before Compression)             | \$75,500            | \$95,631            | \$123,855           | \$153,667           | \$125,000           | \$125,000           | \$125,000           | \$125,000           | \$81,872             |
| Less Compression                                        | (3,775)             | (4,782)             | (6,193)             | (7,683)             | (6,250)             | (6,250)             | (6,250)             | (6,250)             | (4,094)              |
| Tax Increment Imposed (after Compression)               | \$71,725            | \$90,849            | \$117,662           | \$145,984           | \$118,750           | \$118,750           | \$118,750           | \$118,750           | \$77,778             |
| <b>Shared Revenues to Urban Renewal Area</b>            |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Less Compression                                        | 0                   | (455)               | (688)               | (929)               | (2,593)             | (3,611)             | (4,650)             | (5,610)             | 0                    |
| Tax Increment Imposed (after Compression)               | \$0                 | \$8,648             | \$13,069            | \$17,656            | \$49,265            | \$68,615            | \$88,353            | \$106,599           | \$0                  |
| <b>Total Revenues to Urban Renewal Area</b>             | <b>\$71,725</b>     | <b>\$99,497</b>     | <b>\$130,731</b>    | <b>\$163,640</b>    | <b>\$168,015</b>    | <b>\$187,365</b>    | <b>\$207,103</b>    | <b>\$225,349</b>    | <b>\$77,778</b>      |

## IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

| Tax Increment Revenues Foregone 2014-2022 | Total     | Present Value to 2014 |
|-------------------------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>                    |           |                       |
| City                                      | \$256,045 | \$183,252             |
| County                                    | 242,977   | 173,900               |
| Metro                                     | 5,404     | 3,868                 |
| Port                                      | 3,922     | 2,807                 |
| E Mult Soil                               | 5,594     | 4,004                 |
| Reynolds                                  | 187,234   | 134,004               |
| Mt. Hood                                  | 27,507    | 19,687                |
| Mult ESD                                  | 25,599    | 23,243                |
| Centennial                                | 66,358    | 47,493                |

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

| Shared Revenues 2014-2021 | Total     | Present Value to 2014 |
|---------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>    |           |                       |
| City                      | \$190,225 | \$124,007             |
| County                    | 180,517   | 125,916               |
| Metro                     | 4,015     | 2,800                 |
| Port                      | 2,913     | 2,032                 |
| E Mult Soil               | 4,156     | \$2,899               |
| Reynolds                  | 139,103   | 97,028                |
| Mt. Hood                  | 20,436    | 14,254                |
| Mult ESD                  | 19,018    | 13,266                |
| Centennial                | 49,300    | 34,388                |

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

| Tax Increment Revenues Fully Regained - 2023 | Amount (nominal) | Present Value to 2014 |
|----------------------------------------------|------------------|-----------------------|
| <b>Permanent Rates</b>                       |                  |                       |
| City                                         | \$32,682         | \$16,614              |
| County                                       | 31,014           | 15,766                |
| Metro                                        | 690              | 351                   |
| Port                                         | 501              | 254                   |
| E Mult Soil                                  | 714              | 363                   |
| Reynolds                                     | 23,899           | 12,149                |
| Mt. Hood                                     | 3,511            | 1,785                 |
| Mult ESD                                     | 3,268            | 1,661                 |
| Centennial                                   | 8,470            | 4,306                 |

## X. Relocation Report

There are no businesses or residents to be relocated.

## XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

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 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

|                                                                             | <b>Frozen Base<br/>Assessed Value</b> | <b>Acres</b>    |
|-----------------------------------------------------------------------------|---------------------------------------|-----------------|
| <b>Total City of Portland<sup>2</sup></b>                                   | <b>\$ 43,634,351,239</b>              | <b>92,768.0</b> |
| <b>Existing Urban Renewal Areas:</b>                                        |                                       |                 |
| Airport Way                                                                 | \$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 <sup>3</sup>                                            | \$1,290,430,925                       | 3,990.0         |
| Lents Town Center                                                           | \$736,224,033                         | 2,846.3         |
| North Macadam                                                               | \$192,609,397                         | 401.9           |
| Oregon Convention Center <sup>4</sup>                                       | \$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           |
| <b>Total Existing Urban Renewal Areas</b>                                   | <b>\$4,499,489,216</b>                | <b>12,336.5</b> |
| <b>% City in Existing Urban Renewal Areas</b>                               | <b>10.3%</b>                          | <b>13.3%</b>    |
| <b>Proposed Neighborhood Prosperity Initiative<br/>Urban Renewal Areas:</b> |                                       |                 |
| 42nd Avenue                                                                 | \$81,011,867                          | 136.2           |
| Cully Blvd                                                                  | \$81,000,273                          | 164.6           |
| Parkrose                                                                    | \$80,493,774                          | 142.6           |
| Rosewood                                                                    | \$78,774,383                          | 135.6           |
| Division – Midway                                                           | \$80,201,117                          | 115.9           |
| 82nd Avenue and Division                                                    | \$81,523,638                          | 108.8           |
| <b>Total Proposed Urban Renewal Areas</b>                                   | <b>\$483,005,052</b>                  | <b>803.7</b>    |
| <b>Combined Total - Existing and Proposed</b>                               | <b>\$4,982,494,268</b>                | <b>13,140.2</b> |
| <b>% City in Existing and Proposed Urban Renewal<br/>Areas</b>              | <b>11.4%</b>                          | <b>14.2%</b>    |

<sup>2</sup> Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

<sup>3</sup> Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

<sup>4</sup> Frozen base value represents 11/12 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 20th Amendment.



City of Portland Comprehensive Plan  
Findings of Conformance



## Introduction

The Rosewood NPI Urban Renewal Area (URA) area is one of six such areas created through a partnership between the City of Portland and the Portland Development Commission as an implementation measure of the City's Neighborhood Economic Development (NED) Strategy. These initiative areas build upon the Main Street<sup>®</sup> model of community driven economic development further identified in the NED strategy. They will build local capacity to achieve economic development outcomes, drive neighborhood business growth and coordinate resources in support of neighborhood economic development. One component of these initiatives is the creation of neighborhood based administrative entities drawn from local area business and residential neighborhood representatives. These local entities will administer the distribution and expenditure of tax increment financing collected within the initiative areas on physical improvements to business properties such as storefront improvements, building rehabilitation and improvements to the public realm such as sidewalk, lighting and landscaping improvements that will improve the appearance and function of neighborhood commercial centers within select neighborhoods.

Neighborhood Prosperity Initiative areas will function as urban renewal areas under state statute. This document is intended to meet the statutory requirements for land use planning consistency under ORS 457.095(3) by demonstrating conformance of the Rosewood URA with the Portland Comprehensive Plan and pertinent supportive neighborhood and area plans.

The following legal findings of fact will document the Rosewood Urban renewal area's conformance with the City of Portland's Comprehensive Plan and all relevant supporting neighborhood and area plans.

## Rosewood NPI Urban Renewal Area (URA) Findings on Portland's Comprehensive Plan Goals

The Portland Comprehensive Plan was adopted by the Portland City Council on October 16, 1980, and was acknowledged as being in conformance with the statewide planning goals by the Land Conservation and Development Commission on May 1, 1981. It has been updated and acknowledged for continuing conformance to the statewide planning goals through successive periodic reviews. The first and most recent periodic review was completed in January 2000. The City is currently undergoing its second Comprehensive Plan Periodic Review update which is expected to be completed by the end of 2013.

Comprehensive plans describe a variety of public goals that are to be achieved over the long term. These goals are usually complimentary but there are times when one comprehensive plan provision can only be advanced at the expense of another; or when one provision is funded while others must wait. In determining whether the Rosewood URA conforms with Portland's Comprehensive Plan, the city must sometimes choose between competing public goals. To do this the city will apply the following definition of "conform".

1. On balance, the purposes of the Comprehensive Plan are advanced as a whole; and
2. Future compliance with the Comprehensive Plan is not precluded

The Rosewood URA was prepared in conformity with the Portland Comprehensive Plan and is consistent with the following relevant Comprehensive Plan policies:

**Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The Rosewood URA supports this goal because:

- These findings demonstrate that the Rosewood URA is consistent with the City of Portland Comprehensive Plan which was acknowledged by the State of Oregon as consistent with statewide planning goals. The Rosewood URA which will provide tax increment revenues for physical improvements to an in-town neighborhood commercial area is supportive of the regional goals contained in Metro's Urban Growth Management Functional Plan which call for developing a compact urban form with a focus on investment in transit oriented communities, main streets and town centers. The Rosewood URA is also specifically supportive of the following Metropolitan Coordination Policy.

**Policy 1.4, Intergovernmental Coordination**, requires continuous participation in intergovernmental affairs with public agencies to coordinate metropolitan planning and project development and maximize the efficient use of public funds.

- The Rosewood URA is consistent with this policy because all overlapping taxing jurisdictions were notified of the proposal, provided with draft authorizing documents and given an opportunity to comment. These jurisdictions include school districts, Metro and Multnomah County. Any comments received will be addressed during the City Council approval process in April 2012.

**Goal 2, Urban Development**, calls for maintaining Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The Rosewood URA supports this goal because:

- The Rosewood URA will facilitate the redevelopment of the URA with a more robust mixture of commercial uses that will provide more employment opportunities than currently exist as well as a more attractive environment for the surrounding residential neighborhood. Specifically, the amendment is supportive of the following policies:

**Policy 2.1 Population Growth** calls for allowing for population growth within the existing city boundary by providing land use opportunities that will accommodate the projected increase in city households.

- The Rosewood URA will promote the redevelopment of the Rosewood URA area to better serve the needs of the surrounding Centennial, Glenfair and Wilkes neighborhoods by improving the physical condition of the existing structures and public realm within the URA and encouraging the location of additional neighborhood serving businesses (and jobs) that will meet the needs of the surrounding residents.

**Policy 2.2 Urban Diversity** calls for promoting a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population.

- The Rosewood URA will promote the expansion of existing businesses and the development of new business within the area. This area is racially and ethnically diverse and includes a broad range of age and income levels. According to 2010 Business Analyst data 33% of the population within ¼ mile of the Cully URA are classified as minority. This is significantly higher than the

25.5% city wide minority population from the same data set. New investment may provide for rehabilitation of existing structures, and increased investment in public amenities that will enhance this area's attractiveness to the surrounding neighborhoods.

**Policy 2.12 Transit Corridors** calls for providing a mixture of activities along major transit routes, Major Transit Priority Streets, Transit Access Streets, and main streets to support the use of transit

- Within the Rosewood URA, Burnside St. is classified as a *Regional Transitway/Major Transit Priority Street*; Ne Glisan is a *Community Transit Street*; and both Stark St. and NE 148<sup>th</sup> Ave are classified as *Transit Access Streets* according to the Transportation Element of the City's Comprehensive Plan This URA is currently served by the Trimet #20, #25 and #77 bus lines as well as the Blue Line Max Light Rail. The Rosewood URA will promote the development of a community based administrative entity and provide resources for physical improvements to the urban renewal area that will increase the attractiveness of this area to a wide variety of activities and transit riders.

**Policy 2.13 Auto-Oriented Commercial Development** Allow auto-oriented development to locate on streets designated as Major City Traffic Streets by the Transportation Element. Also allow neighborhood level auto-oriented commercial development to locate on District Collector Streets or Neighborhood Collector Streets near neighborhood areas where allowed densities will not support development oriented to transit or pedestrians. Where neighborhood commercial uses are located on designated transit streets, support pedestrian movement and the use of transit by locating buildings and their entrances conveniently to transit users, pedestrians, and bicyclists and providing on-site pedestrian circulation to adjacent streets and development.

- Within the Rosewood URA, Burnside St and 139<sup>th</sup> Ave are classified as a *Neighborhood Collector Streets*; Ne Glisan is both a *District and Neighborhood Collector Street*; Stark St. is classified as *Major City Traffic Street* and 148<sup>th</sup> Avenue is considered a *District Collector Street* according to the Transportation Element of the City's Comprehensive Plan. Commercial development within the Rosewood URA area will be subject to the current CG General Commercial, CN2 and CN1 Neighborhood Commercial District Standards, CS Storefront Commercial and the CO1 and CO2 Office Commercial zoning district development standards. The CG General Commercial CN1 and CN2 Neighborhood zoning designations allow for auto-accommodating development. In all of the listed zones, physical development that is supportive of an enhanced pedestrian environment is required. Additional financial resources made available through the Rosewood URA may be applied to pedestrian improvements to enhance the transit, pedestrian and bicycle experience within the urban renewal area and to connections with the adjoining residential neighborhoods.

**Policy 2.19 Infill and Redevelopment** calls for encouraging infill and redevelopment as a way to implement the Livable City growth principles and accommodate expected increases in population and employment. Encourage infill and redevelopment in the Central City, at transit stations, along main streets, and as neighborhood infill in existing residential, commercial and industrial areas.

**Policy 2.20 Utilization of Vacant Land** calls for providing for full utilization of existing vacant land except in those areas designated as open space.

- The Rosewood URA supports policy 2.19 and 2.20 by making funds directly available for enhancements to existing commercial and public property. Such investment will make the remainder of this existing commercial area more attractive for private redevelopment efforts including investment in existing vacant or underutilized properties.

**Policy 2.22 Mixed Use** calls for a mechanism that will allow for the continuation and enhancement of areas of mixed use character where such areas act as buffers and where opportunities exist for creation of nodes or centers of mixed commercial, light industrial and apartment development.

- The Rosewood URA includes commercially zoned property (CN1, CN2 and CG); multi-dwelling residentially zoned property (R1, R2 and R3); and single family neighborhoods zoned R7 and R5. The Rosewood URA supports policy 2.22 by making funds available for commercial enhancements within this mixed use urban renewal area area.

**Policy 2.27 Outer Southeast Community Plan** calls for promoting the economic vitality, diverse residential character, environmental quality, and livability of Outer Southeast Portland by including the Outer Southeast Community Plan as part of this Comprehensive Plan.

- The Rosewood Urban Renewal Area is located within the Outer Southeast Community Plan Area. Pertinent sections of the Outer Southeast Community Plan include, but are not limited to:
  - Economic Development Policy which calls for improving the vitality of outer southeast business districts and employment centers
  - Urban Design Policy which seeks to foster a sense of place and identity for the outer southeast community plan area by reinforcing existing character-giving elements and encouraging the emergence of new envisioned character.

as well as more geographically targeted policies of the Suburban Neighborhood and Mixed Era Neighborhood Subareas. These subareas promote the redevelopment of this stretch of Division Street to conveniently serve the daily commercial needs of an increasing density of residential uses mixed within and adjoining this transit served commercial area.

The Rosewood URA is consistent with the Outer Southeast Community Plan because it will: cause the creation of a community based administrative entity to initiate and oversee district improvements; and it will direct capital investment and technical expertise to the improvement of the Rosewood URA so that it will reach its potential as a mixed use commercial corridor as described in the Outer Southeast Community Plan.

**Goal 3, Neighborhoods**, calls for the preservation and reinforcement of 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 Rosewood URA supports this goal by encouraging reinvestment in two of the public's largest capital assets, the existing building stock and commercial properties served by existing levels of urban infrastructure. The Rosewood URA will contribute to the health and vitality of the Centennial, Glenfair and Wilkes neighborhoods by improving Rosewood as a neighborhood commercial corridor serving the surrounding residential neighborhoods. More specifically the Rosewood URA supports the following Policies:

**Policy 3.1 Physical Conditions** calls for providing and coordinating programs to prevent the deterioration of existing structures and public facilities.

- By design, the URA supports this policy by making available tax increment revenues within district boundaries. These revenues will be directed to building repairs and upgrades and physical public realm enhancements that will not only prevent the deterioration of existing structures and public facilities but contribute to their improvement over time.

**Policy 3.2 Social Conditions** calls for providing and coordinating programs to promote neighborhood interest, concern and security and to minimize the social impact of land use decisions.

- In addition to administering tax increment revenues which by law must be spent on physical improvements to the business area, the local administrative entities formed as part of the Urban renewal areas will serve as local forums for the identification and promotion of other programs of local interest. Although these activities will not be eligible for TIF funding such programs may include economic development activities as well as other business recruitment, retention and community building efforts as may be defined by the local administrative entities.

**Policy 3.5 Neighborhood Involvement** calls for providing for the active involvement of neighborhoods residents and businesses in decisions affecting their neighborhood through the promotion of business and neighborhood associations. Provide information to neighborhood and business associations which allows them to monitor the impact of the Comprehensive Plan and to report their findings annually to the Planning Commission.

- The Rosewood URA will be administered by a neighborhood based administrative entity comprised of business owners and tenants of the URA area as well as residents from the surrounding residential neighborhoods. Deliberations of the administrative entity will be in conformance with all Oregon public meetings laws and City of Portland administrative rules regarding meeting notification and public participation.

**Goal 5, Economic Development**, calls for the promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the city. The Rosewood URA is consistent with this goal because:

- The Rosewood URA will provide funds for economic development projects including, but not limited to, storefront improvement grants and commercial revitalization projects. The URA is specifically supportive of the following policies:

**Policy 5.1 Urban Development and Revitalization** calls for encouraging investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

- The Rosewood URA directly supports this policy by providing tax increment revenues that can leverage private investment in the Rosewood URA area.

**Policy 5.2 Business Development** calls for sustaining and supporting business development activities to retain, expand and recruit businesses.

**Policy 5.3 Community-Based Economic Development** calls for supporting community based economic development initiatives consistent with the Comprehensive Plan and compatible with neighborhood livability.

- The Rosewood URA supports policies 5.2 and 5.3 through the creation of a Rosewood URA administrative entity comprised of local business and residential interests. This group will evaluate specific requests for tax increment revenues to support physical improvements to business properties and the public realm. Additionally the administrative entity may pursue redevelopment projects and business retention/attraction programs that are consistent with neighborhood priorities that will not use tax increment financing.

**Policy 5.6 Area Character and Identity within Designated Commercial Areas** calls for promoting and enhancing the special character and identity of Portland's designated commercial areas.

**Policy 5.7 Business Environment within Designated Commercial Areas** calls for promoting a business environment within designated commercial areas that is conducive to the formation, retention and expansion of commercial businesses.

- The Rosewood URA is directly supportive of Policies 5.6 and 5.7 above in that it will create a local administrative entity empowered to collect and distribute TIF revenues for commercial property rehabilitation and enhancements to the public realm within the Rosewood commercial URA. This group may also develop and use non TIF resources to initiate programs directed at business attraction, retention and growth.

**Goal 7, Energy**, calls for promotion of a sustainable energy future by increasing energy efficiency in all sectors of the city. The Rosewood URA supports this goal because:

- The Rosewood URA will reinvigorate the Rosewood commercial area as a neighborhood destination providing daily goods and services to the surrounding residential neighborhoods at a scale that promotes active transportation and reduces the need of Portlanders to rely on an automobile for their daily needs. More specifically the Rosewood URA is supportive of the following policies:

**Policy 7.4 Energy Efficiency through Land Use Regulations** calls for the City to promote residential, commercial, industrial, and transportation energy efficiencies and the use of renewable resources.

- The Rosewood URA supports this policy through its encouragement of reinvestment of an in-town commercial corridor providing goods and services to a surrounding residential neighborhood. Such proximity of goods and services to the surrounding neighborhoods reduces the need for auto trips and encourages the use of transit and active transportation options.

**Policy 7.5 Energy Efficiency in Commercial and Industrial Facilities** calls for the City to encourage energy efficiency in existing commercial building and institutions by facilitating utility, local, state, and federal financial and technical assistance.

- Funds made available through the Rosewood URA may be used for energy efficiency upgrades to existing commercial structures within the Rosewood URA and leverage additional public or private energy efficiency funding thereby supporting this policy.



**Goal 9, Citizen Involvement**, calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process, and in the implementation, review, and amendment of the Comprehensive Plan. This project followed the process and requirements specified in Chapter 33.740, Legislative Procedure. The Rosewood URA is supportive of this goal because:

- Members of the Rosewood URA administrative entity were invited to form their own neighborhood based decision making body with technical and financial support provided by the Portland Development Commission and the City of Portland. The URA project is supportive of the following policy:

**Policy 9.1 Citizen Involvement Coordination** encourages citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public.

- On October 18, 2011, Mayor Sam Adams launched the NPI among nearly 100 community leaders at the Immigrant and Refugee Community Organization (IRCO), inviting six neighborhood commercial corridors in East and Northeast Portland to partner with PDC staff and to evaluate the feasibility and desirability of creating URAs.
- On November 7, 2011, PDC staff assembled the six district community groups back to IRCO to kick-off the community organizing process.
- On November 21, 2011, all of the districts successfully applied for and received a \$10,000 grant to help with facilitation, outreach coordination, translation, printing, and material expenses to help do the work of organizing the community around this Initiative.
- Community leaders formed an initial Steering Committee for the Rosewood URA to provide local direction for the application of tax increment revenues towards community-identified capital improvements.
- The PDC maintained a project website with background documents and meeting summaries available for downloading.
- The Rosewood URA authorizing documentation was posted to the project website as Adobe Acrobat files available for downloading prior to the PDC Board of Commissioners public hearing on March 12, 2012.
- Notice of the March 12, 2012 Portland Develop Commission public hearing to approve the Rosewood URA was published in the Oregonian and online.
- Notice of the March 13, 2012 City of Portland Planning and Sustainability Commission public hearing to consider the Rosewood URA was published in the Oregonian on 3/9/12 and online.
- Notice of the April 4, 2012 Portland City Council public hearing to approve the Cully URA was mailed to all owners of real property within the City of Portland in mid-March 2012.

The Rosewood URA initial steering committee also engaged in extensive public outreach activities. These outreach activities are documented in Appendix E of the March 12, 2012 Report to the PDC Board of Commissioners included as attachment \_\_\_\_ to the Portland City Council Report.

**Goal 12, Urban Design**, calls for enhancing Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private

developments and public improvements for future generations. The Rosewood URA supports this goal by:

- Allowing investment of tax increment revenues in existing commercial buildings to preserve and enhance existing positive design elements while supporting improvements that will enhance the URA area's character and function. More specifically the URA will support the following policies:

**Policy 12.2 Enhancing Variety** calls for promoting the development of areas of special identity and urban character with the City's residential, commercial and industrial areas having attractive identities that enhance the urbanity of the City.

- Investment made possible through the Rosewood URA may be used to improve the appearance and function of both private commercial buildings along the existing Rosewood commercial corridor and public realm improvements that will enhance the pedestrian experience and connections with the surrounding residential neighborhoods.

**Policy 12.4 Provide for Pedestrians** calls for recognizing that auto, transit and bicycle users are pedestrians at either end of every trip and the Portland's citizens and visitors experience the city as pedestrians. Provide for a pleasant, rich and diverse experience for pedestrians. Ensure that those travelling on foot have comfortable, safe and attractive pathways that connect Portland's neighborhoods, parks, water features, transit facilities, commercial districts employment centers and attractions.

**Policy 12.5 Promote the Arts** calls for the City to humanize the City through promotion of the arts and excellence in design. Encourage the placement of art at locations that are visible to the public. Expand Portland's collection of Public Art. Punctuate the community with works of art used to emphasize focal points mark transitional locations, celebrate public buildings and enhance the City's sidewalks, open spaces, plazas and parks.

- The Rosewood URA is supportive of Policy 12.4 and 12.5 because tax increment revenues made available through the Rosewood URA area may be used for functional pedestrian improvements and for other projects that will improve the public realm such as public art, lighting and landscape improvements.

**Policy 12.6 Preserve Neighborhoods** calls for preserving and supporting the qualities of individual neighborhoods that help to make and to respect and strengthen values in new development projects that implement this comprehensive plan.

- Expenditure of TIF revenues made available through the Rosewood URA area will be overseen by an administrative entity comprised of local business interests and residential neighborhood representatives. Improvement projects identified through this neighborhood based decision making model will reflect the priorities and desires expressed by current neighborhood residents and businesses.

## Findings for the Centennial Neighborhood and Wilkes Community / Rockwood Corridor Plans

### Centennial Neighborhood Plan

The Centennial Neighborhood Plan was adopted by the City Council on January 31, 1996. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 169763. The proposed Rosewood Urban renewal area is supportive of the following Neighborhood Plan Policies:

**Policy 1: Business Development** seeks to encourage and support businesses which enhance the neighborhoods

- The Rosewood URA is specifically supportive of this policy by providing a funding mechanism through Tax Increment Financing for business improvements within this area. Revenues provided through the URA may be used to leverage additional private investment within the area while other non-TIF resources may be sought and used by the local administrative entity to fund business improvement and marketing programs.

**Policy 2: Community Design and Livability** seeks to enhance Centennial's livability by protecting, maintaining and improving the quality and suburban character of the physical environment.

- This URA is supportive of this policy by providing funding for functional and aesthetic enhancements to the Rosewood URA, a transit served neighborhood commercial corridor which adjoins the Centennial Neighborhood to its south.

#### **Wilkes Community and Rockwood Corridor Plan**

The Wilkes Community and Rockwood Corridor Plan was adopted by the City Council on October 22, 1987. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 160174. The proposed Rosewood Urban renewal area is supportive of the Wilkes Community and Rockwood Corridor Plan including, but not limited to, the following policies:

**Policy 3 Citizen Involvement asserts** the importance of local community input into the land use, transportation and economic planning process.

- The Rosewood URA is directly supportive of this policy through its formation of a local administrative entity, comprised of business and residential interests from the Rosewood community to direct TIF revenues and initiate other non-TIF programs that are identified through a local community deliberation.

**Policy 6 Business and Industry** seeks to maintain a healthy and viable environment for new and existing businesses.

**Policy 7 Community Investments** encourages continued investment in the area and new community resources.

**Policy 15 Redevelopment** seeks to upgrade the appearance of commercial properties.

**Policy 18 Alternative Modes of Transportation encourages the development of pedestrian bicycle and transit amenities**

- The Rosewood URA is directly supportive of these policies (above) by making TIF revenues available for commercial property renovation and expansion. Additionally, TIF revenues may be used for pedestrian, bicycle and transit related improvements. Such improvements will make this corridor a more attractive area to do business for existing and potential enterprise, and a more useable neighborhood commercial resource.
-

Attachment 8 to the  
Planning and Sustainability Commission  
Memo dated March 13, 2012

Attachment 8 contains:

- Draft Division - Midway NPI Urban Renewal Plan
- Draft Report Accompanying the Division - Midway NPI Urban Renewal Plan
- Comprehensive Plan Findings for the Division - Midway NPI Urban Renewal Plan



Draft  
Division – Midway  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012

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## I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

|             |                          |
|-------------|--------------------------|
| 42nd Avenue | Rosewood                 |
| Cully Blvd  | Division – Midway        |
| Parkrose    | 82nd Avenue and Division |

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This Division – Midway NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the Division – Midway NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

*In the year 2025...the Division-Midway NPI District is the center of community life for southeast Portland with neighborhood shopping, community gathering places and thriving businesses. Two large, quality grocers anchor both ends of the district. Family centered restaurants and shops, affordable locally owned stores and a wide range of international businesses add a unique flair. Businesses offer a fresh and friendly look with unified signage, warm lighting, open doors and store windows that sparkle, welcoming neighbors and visitors alike. SE Division Street is safe*

*and easy to get around on foot, bike or car with crosswalks, trees and lighting that invites people to slow down, enjoy the street life and shop the fine variety of goods and services that are so easily accessible to all. The Division-Midway NPI District is a lively multicultural district where neighbors and businesses take pride in a spirit of community and caring.*

## II. Division – Midway NPI District Map and Legal Description

The District shown in Figure 1 below contains 115.9 acres, including public right-of-way. There are 160 tax lots within the District, totaling 85.8 acres. The District overlaps portions of the following neighborhood and business associations:

- Hazelwood Neighborhood Association
- Mill Park Neighborhood Association
- Centennial Neighborhood Association
- Powellhurst-Gilbert Neighborhood Association
- Gateway Area Business Association
- Midway Business Association

### A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

### B. Proposed Land Uses

The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

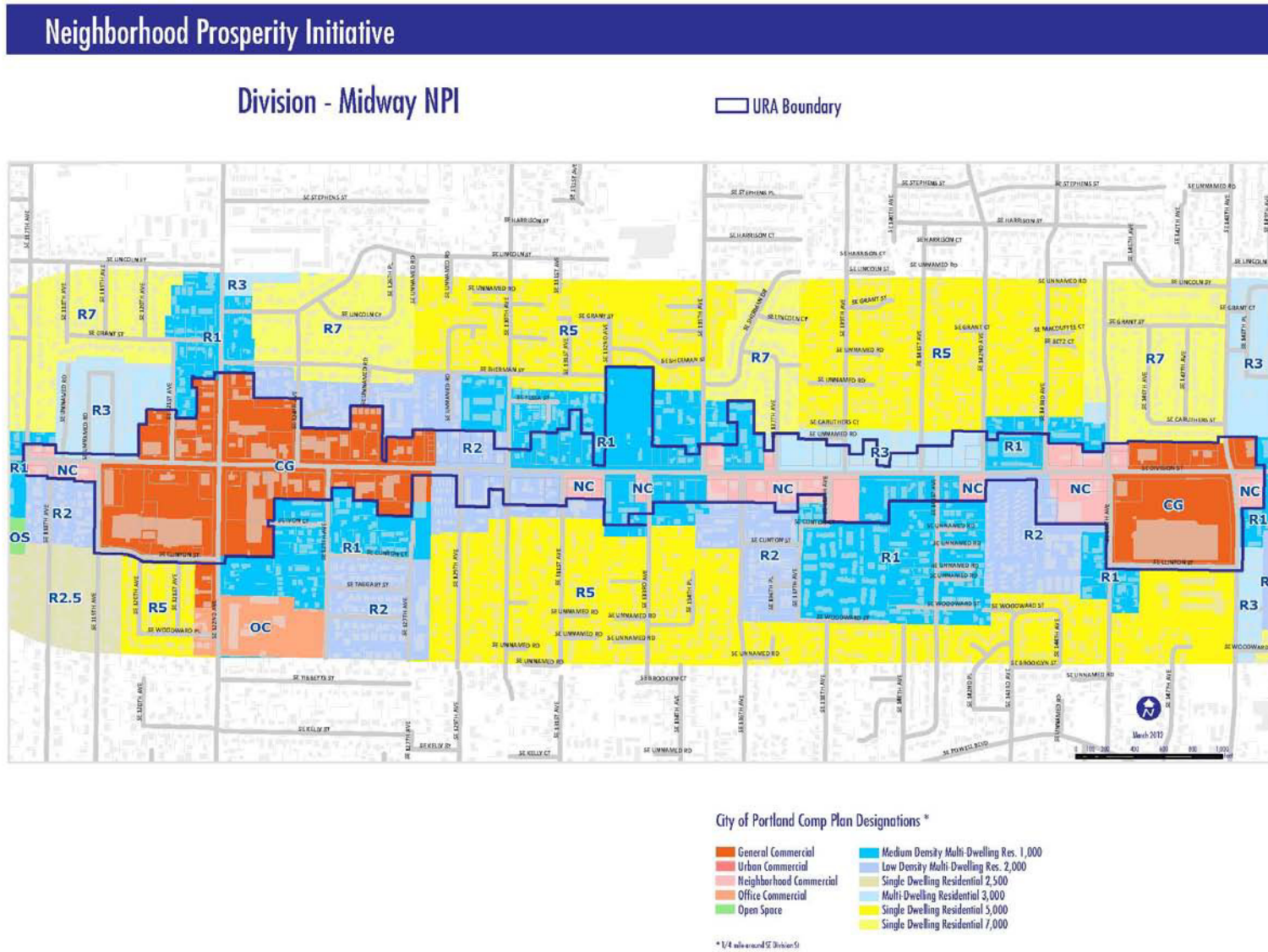
Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

| Comprehensive Plan Designation | Acreage     | % of Total  |
|--------------------------------|-------------|-------------|
| General Commercial             | 45.4        | 53%         |
| Neighborhood Commercial        | 11.9        | 14%         |
| Residential 1,000              | 18.4        | 21%         |
| Residential 2,000              | 5.8         | 7%          |
| Residential 3,000              | 4.4         | 5%          |
| <b>Total</b>                   | <b>85.8</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

Figure 1. District Boundary and Comprehensive Plan Map



### **III. Urban Renewal Projects**

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

#### **A. Projects**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

### **IV. Relationship to Local Plans and Objectives**

#### **A. Portland Comprehensive Plan**

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

#### **B. City of Portland Economic Development and Neighborhood Economic Development Strategies**

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
  - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving

commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
  - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
  - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
  - A. Connect Traded Sector and Neighborhood Work
  - B. Seed Investments to Implement Neighborhood Economic Development Plans
  - C. Expand Citywide Financial Tools for Neighborhood Businesses

## **V. Relocation Policy**

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

## **VI. Property Acquisition and Disposition Policies**

No property acquisition or disposition is anticipated in this District.

## **VII. Plan Financing**

### **A. General Description of the Proposed Financing Methods**

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

### **B. Tax Increment Financing**

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

## **VIII. Procedures for Amendments to the Plan**

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

### **A. Substantial Amendments**

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

### **B. Council-Approved Amendments**

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

### **C. Minor amendments**

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

## **IX. Other Provisions**

### **A. Non-Discrimination**

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.



**B. Agreements to Implement This Plan**

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

**C. Duration of Urban Renewal Plan**

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

**D. Validity**

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

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Draft  
Report Accompanying the  
Division – Midway  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012



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## I. Introduction

This Technical Report accompanying the Division – Midway Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the Division – Midway Neighborhood Prosperity Initiative Urban Renewal Plan (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 City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

## II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

### A. Physical Conditions

#### 1. Land Use and Zoning

The Division – Midway Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 115.9 acres, including public right-of-way. There are 160 tax lots within the District, totaling 85.8 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

| Property Class | Acreage     | % of Total  |
|----------------|-------------|-------------|
| Miscellaneous  | 1.2         | 1%          |
| Residential    | 8.6         | 10%         |
| Commercial     | 63.0        | 73%         |
| Multi-Family   | 12.9        | 15%         |
| N/A            | 0.1         | <1%         |
| <b>Total</b>   | <b>85.8</b> | <b>100%</b> |

\*Source: Multnomah County Office of Assessment and Taxation

Figure 1. District Boundary and Zoning Map

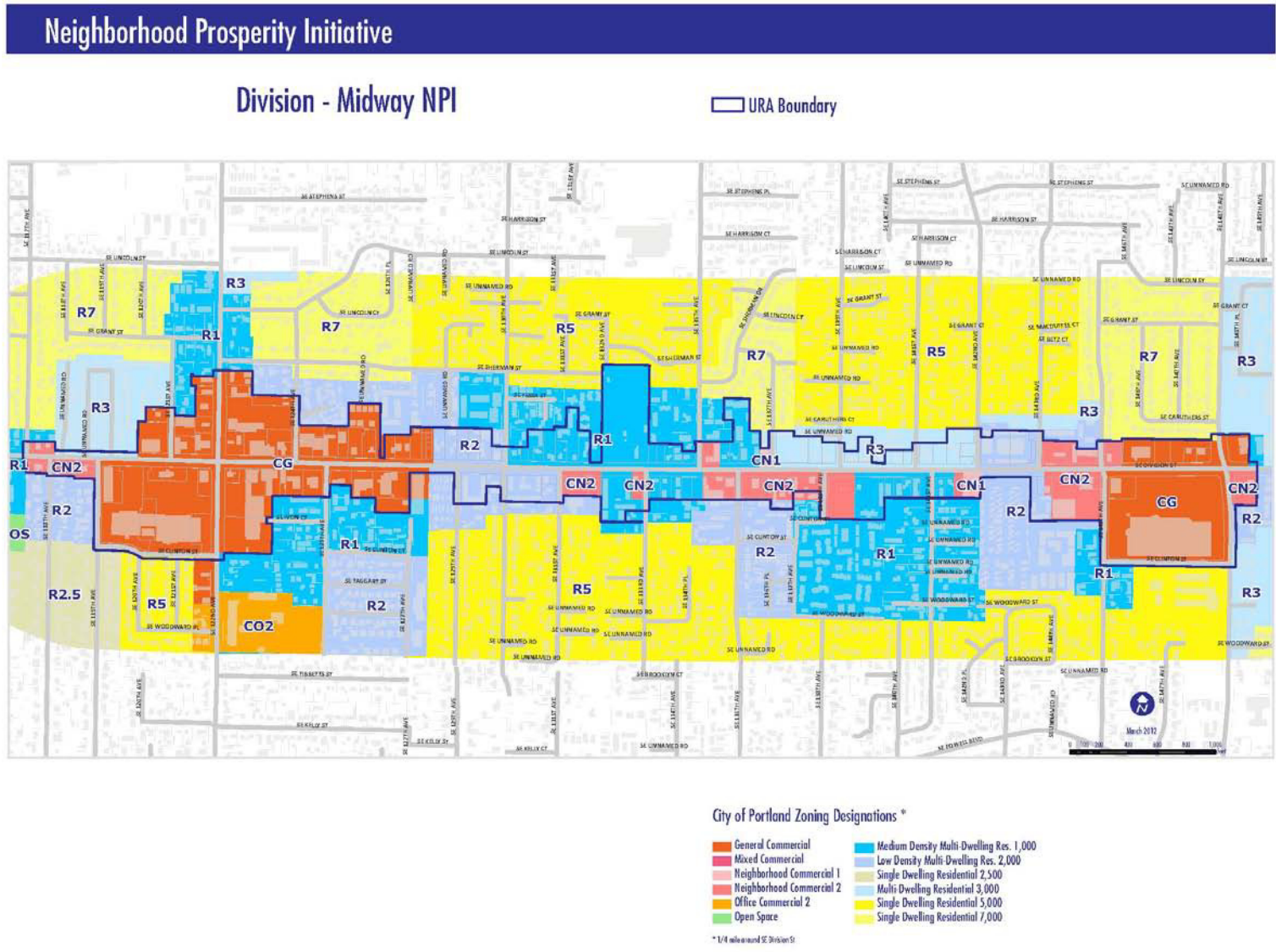




Table 2. Existing Zoning of District

| Zoning Designation        | Acreage     | % of Total  |
|---------------------------|-------------|-------------|
| General Commercial        | 45.4        | 53%         |
| Neighborhood Commercial 1 | 0.6         | 1%          |
| Neighborhood Commercial 2 | 11.3        | 13%         |
| Residential 1,000         | 16.5        | 19%         |
| Residential 2,000         | 7.7         | 9%          |
| Residential 3,000         | 4.4         | 5%          |
| <b>Total</b>              | <b>85.8</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

### B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District completely overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 11,365. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

| Race                                       | % of Total |
|--------------------------------------------|------------|
| White                                      | 72%        |
| Black or African American                  | 4%         |
| American Indian and Alaska Native          | 1%         |
| Asian                                      | 8%         |
| Native Hawaiian and Other Pacific Islander | <1%        |
| Other                                      | 10%        |
| Two or More Races                          | 5%         |
| Ethnicity                                  | % of Total |
| Hispanic                                   | 18%        |

\*Source: 2010 Business Analyst

## C. Economic Conditions

### 1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$80,201,117. This does not include utility value which will be determined by the County Assessor upon District approval.

### 2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. 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, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

| Area                           | Overall I:L Ratio |
|--------------------------------|-------------------|
| Division – Midway NPI District | 1.45:1            |
| Citywide <sup>1</sup>          | 2.22:1            |

\*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

## D. Expected Impact on Municipal Services

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

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to 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.

Projects and programs in the District 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.

<sup>1</sup> Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

### **III. Reasons for Selection of each Urban Renewal Area in the Plan**

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

### **IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

### **V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs**

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

### **VI. Anticipated Completion Date for Each Project**

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

## VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

| Fiscal Year Ending June 30                        | 2013-14         | 2014-15         | 2015-16          | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          | 2021-22         |
|---------------------------------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>REVENUES</b>                                   |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| Tax Increment to Raise (before Compression)       | \$77,144        | \$97,587        | \$128,438        | \$125,000        | \$125,000        | \$125,000        | \$125,000        | \$125,000        | \$69,843        |
| Less Compression                                  | (3,857)         | (4,879)         | (6,422)          | (6,250)          | (6,250)          | (6,250)          | (6,250)          | (6,250)          | (3,492)         |
| Tax Increment Imposed (after Compression)         | 73,287          | 92,708          | 122,016          | 118,750          | 118,750          | 118,750          | 118,750          | 118,750          | 66,351          |
| Less Adjustments for Discounts & Delinquencies    | (4,470)         | (5,655)         | (7,443)          | (7,244)          | (7,244)          | (7,244)          | (7,244)          | (7,244)          | (4,047)         |
| <b>NET TAX INCREMENT REVENUES</b>                 | <b>\$68,816</b> | <b>\$87,053</b> | <b>\$114,573</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$62,303</b> |
| Shared Tax Revenues to Raise (before Compression) | \$0             | \$9,368         | \$14,182         | \$35,307         | \$55,213         | \$75,973         | \$97,157         | \$116,056        | \$0             |
| Less Compression                                  | -               | (468)           | (709)            | (1,765)          | (2,761)          | (3,799)          | (4,858)          | (5,803)          | -               |
| Shared Revenues Imposed (after Compression)       | -               | 8,899           | 13,473           | 33,542           | 52,452           | 72,174           | 92,299           | 110,253          | -               |
| Less Adjustments for Discounts & Delinquencies    | -               | (543)           | (822)            | (2,046)          | (3,200)          | (4,403)          | (5,630)          | (6,725)          | -               |
| <b>NET SHARED TAX REVENUES</b>                    | <b>\$0</b>      | <b>\$8,356</b>  | <b>\$12,651</b>  | <b>\$31,495</b>  | <b>\$49,253</b>  | <b>\$67,771</b>  | <b>\$86,669</b>  | <b>\$103,528</b> | <b>\$0</b>      |
| <b>TOTAL REVENUES</b>                             | <b>\$68,816</b> | <b>\$95,409</b> | <b>\$127,224</b> | <b>\$143,002</b> | <b>\$160,759</b> | <b>\$179,278</b> | <b>\$198,175</b> | <b>\$215,034</b> | <b>\$62,303</b> |
| <b>INDEBTEDNESS</b>                               |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| <b>DEBT ISSUED</b>                                | <b>\$68,816</b> | <b>\$95,409</b> | <b>\$127,224</b> | <b>\$143,002</b> | <b>\$160,759</b> | <b>\$179,278</b> | <b>\$198,175</b> | <b>\$215,034</b> | <b>\$62,303</b> |

## VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

| Fiscal Year Ending June 30                              | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             | 2020-21              | 2021-22              |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Projected Assessed Value Growth</b>                  |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Frozen Base                                             | \$ 80,201,117       | \$ 80,201,117       | \$ 80,201,117       | \$ 80,201,117       | \$ 80,201,117       | \$ 80,201,117       | \$ 80,201,117       | \$ 80,201,117        | \$ 80,201,117        |
| Incremental Assessed Value                              | 4,060,182           | 6,166,714           | 8,325,910           | 10,539,085          | 12,807,591          | 15,132,808          | 17,516,156          | 19,959,088           | 22,463,093           |
| <b>Total Assessed Value</b>                             | <b>\$84,261,299</b> | <b>\$86,367,831</b> | <b>\$88,527,027</b> | <b>\$90,740,202</b> | <b>\$93,008,708</b> | <b>\$95,333,925</b> | <b>\$97,717,273</b> | <b>\$100,160,205</b> | <b>\$102,664,210</b> |
| Total AV Growth                                         |                     | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%                | 2.50%                |
| Incremental AV Growth                                   |                     | 51.88%              | 35.01%              | 26.58%              | 21.52%              | 18.15%              | 15.75%              | 13.95%               | 12.55%               |
| <b>Consolidated Tax Rate</b>                            | 19.0001             | 19.0728             | 19.0671             | 18.9938             | 18.8877             | 18.8934             | 18.8690             | 17.9884              | 17.6447              |
| <b>Revenues Generated on Incremental Assessed Value</b> |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Amount to Urban Renewal Area                            | 77,144              | 97,587              | 128,438             | 125,000             | 125,000             | 125,000             | 125,000             | 125,000              | 69,843               |
| Amount to Taxing Jurisdictions                          |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| City Permanent Rate                                     | -                   | 4,806               | 7,276               | 18,116              | 28,329              | 38,981              | 49,851              | 59,548               | 84,697               |
| County Permanent Rate                                   | -                   | 4,561               | 6,905               | 17,191              | 26,884              | 36,992              | 47,306              | 56,508               | 80,374               |
| Other Levies                                            | -                   | 10,661              | 16,131              | 39,870              | 61,693              | 84,937              | 108,356             | 117,976              | 161,442              |
| <b>Total Revenues</b>                                   | <b>\$77,144</b>     | <b>\$117,617</b>    | <b>\$158,751</b>    | <b>\$200,177</b>    | <b>\$241,906</b>    | <b>\$285,910</b>    | <b>\$330,512</b>    | <b>\$359,032</b>     | <b>\$396,355</b>     |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Tax Increment to Raise (before Compression)             | \$77,144            | \$97,587            | \$128,438           | \$125,000           | \$125,000           | \$125,000           | \$125,000           | \$125,000            | \$69,843             |
| Less Compression                                        | (3,857)             | (4,879)             | (6,422)             | (6,250)             | (6,250)             | (6,250)             | (6,250)             | (6,250)              | (3,492)              |
| Tax Increment Imposed (after Compression)               | \$73,287            | \$92,708            | \$122,016           | \$118,750           | \$118,750           | \$118,750           | \$118,750           | \$118,750            | \$66,351             |
| <b>Shared Revenues to Urban Renewal Area</b>            |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Less Compression                                        | 0                   | \$9,368             | \$14,182            | \$35,307            | \$55,213            | \$75,973            | \$97,157            | \$116,056            | \$0                  |
| Tax Increment Imposed (after Compression)               | \$0                 | \$8,899             | \$13,473            | \$33,542            | \$52,452            | \$72,174            | \$92,299            | \$110,253            | \$0                  |
| <b>Total Revenues to Urban Renewal Area</b>             | <b>\$73,287</b>     | <b>\$101,607</b>    | <b>\$135,489</b>    | <b>\$152,292</b>    | <b>\$171,202</b>    | <b>\$190,924</b>    | <b>\$211,049</b>    | <b>\$229,003</b>     | <b>\$66,351</b>      |

## IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

| Tax Increment Revenues Foregone 2014-2022 | Total     | Present Value to 2014 |
|-------------------------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>                    |           |                       |
| City                                      | \$243,771 | \$174,992             |
| County                                    | 231,329   | 166,061               |
| Metro                                     | 5,145     | 3,693                 |
| Port                                      | 3,734     | 2,680                 |
| E Mult Soil                               | 5,326     | 3,823                 |
| David Douglas                             | 172,966   | 124,165               |
| Mt. Hood                                  | 26,188    | 18,799                |
| Mult ESD                                  | 24,372    | 17,495                |
| Centennial                                | 75,812    | 54,422                |

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

| Shared Revenues 2014-2021 | Total     | Present Value to 2014 |
|---------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>    |           |                       |
| City                      | \$206,907 | \$135,833             |
| County                    | 196,347   | 137,924               |
| Metro                     | 4,367     | 3,068                 |
| Port                      | 3,169     | 2,226                 |
| E Mult Soil               | 4,521     | 3,175                 |
| David Douglas             | 146,810   | 103,126               |
| Mt. Hood                  | 22,228    | 15,614                |
| Mult ESD                  | 20,686    | 14,531                |
| Centennial                | 64,348    | 45,201                |

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

| Tax Increment Revenues Fully Regained - 2023 | Amount (nominal) | Present Value to 2014 |
|----------------------------------------------|------------------|-----------------------|
| <b>Permanent Rates</b>                       |                  |                       |
| City                                         | \$32,427         | \$16,484              |
| County                                       | 30,772           | 15,643                |
| Metro                                        | 684              | 348                   |
| Port                                         | 497              | 252                   |
| E Mult Soil                                  | 708              | 360                   |
| David Douglas                                | 23,008           | 11,696                |
| Mt. Hood                                     | 3,484            | 1,771                 |
| Mult ESD                                     | 3,242            | 1,648                 |
| Centennial                                   | 10,085           | 5,127                 |

## X. Relocation Report

There are no businesses or residents to be relocated.

## XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

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 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

|                                                                             | <b>Frozen Base<br/>Assessed Value</b> | <b>Acres</b>    |
|-----------------------------------------------------------------------------|---------------------------------------|-----------------|
| <b>Total City of Portland<sup>2</sup></b>                                   | <b>\$ 43,634,351,239</b>              | <b>92,768.0</b> |
| <b>Existing Urban Renewal Areas:</b>                                        |                                       |                 |
| Airport Way                                                                 | \$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 <sup>3</sup>                                            | \$1,290,430,925                       | 3,990.0         |
| Lents Town Center                                                           | \$736,224,033                         | 2,846.3         |
| North Macadam                                                               | \$192,609,397                         | 401.9           |
| Oregon Convention Center <sup>4</sup>                                       | \$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           |
| <b>Total Existing Urban Renewal Areas</b>                                   | <b>\$4,499,489,216</b>                | <b>12,336.5</b> |
| <b>% City in Existing Urban Renewal Areas</b>                               | <b>10.3%</b>                          | <b>13.3%</b>    |
| <b>Proposed Neighborhood Prosperity Initiative<br/>Urban Renewal Areas:</b> |                                       |                 |
| 42nd Avenue                                                                 | \$81,011,867                          | 136.2           |
| Cully Blvd                                                                  | \$81,000,273                          | 164.6           |
| Parkrose                                                                    | \$80,493,774                          | 142.6           |
| Rosewood                                                                    | \$78,774,383                          | 135.6           |
| Division – Midway                                                           | \$80,201,117                          | 115.9           |
| 82nd Avenue and Division                                                    | \$81,523,638                          | 108.8           |
| <b>Total Proposed Urban Renewal Areas</b>                                   | <b>\$483,005,052</b>                  | <b>803.7</b>    |
| <b>Combined Total - Existing and Proposed</b>                               | <b>\$4,982,494,268</b>                | <b>13,140.2</b> |
| <b>% City in Existing and Proposed Urban Renewal<br/>Areas</b>              | <b>11.4%</b>                          | <b>14.2%</b>    |

<sup>2</sup> Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

<sup>3</sup> Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

<sup>4</sup> Frozen base value represents 11/12 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 20th Amendment.



City of Portland Comprehensive Plan  
Findings of Conformance



## Introduction

The Division-Midway NPI Urban Renewal Area (URA) is one of six such areas created through a partnership between the City of Portland and the Portland Development Commission as an implementation measure of the City's Neighborhood Economic Development (NED) Strategy. These initiative areas build upon the Main Street<sup>®</sup> model of community driven economic development further identified in the NED strategy. They will build local capacity to achieve economic development outcomes, drive neighborhood business growth and coordinate resources in support of neighborhood economic development. One component of these initiatives is the creation of neighborhood based administrative entities drawn from local area business and residential neighborhood representatives. These local entities will administer the distribution and expenditure of tax increment financing collected within the initiative areas on physical improvements to business properties such as storefront improvements or building rehabilitation and improvements to the public realm such as sidewalk, lighting and landscaping improvements that will improve the appearance and function of select neighborhood commercial centers and corridors.

Neighborhood Prosperity Initiative districts will function as urban renewal areas under state statute. This document is intended to meet the statutory requirements for land use planning consistency under ORS 457.095(3) by demonstrating conformance of the Division-Midway Urban Renewal Area with the Portland Comprehensive Plan and pertinent supportive neighborhood and area plans.

The following legal findings of fact will document the Division-Midway Urban Renewal Area's conformance with the City of Portland's Comprehensive Plan and all relevant supporting neighborhood and area plans.

## Division-Midway NPI Urban Renewal Area (URA) Findings on Portland's Comprehensive Plan Goals

The Portland Comprehensive Plan was adopted by the Portland City Council on October 16, 1980, and was acknowledged as being in conformance with the statewide planning goals by the Land Conservation and Development Commission on May 1, 1981. It has been updated and acknowledged for continuing conformance to the statewide planning goals through successive periodic reviews. The first and most recent periodic review was completed in January 2000. The City is currently undergoing its second Comprehensive Plan Periodic Review update which is expected to be completed by the end of 2013.

Comprehensive plans describe a variety of public goals that are to be achieved over the long term. These goals are usually complimentary but there are times when one comprehensive plan provision can only be advanced at the expense of another; or when one provision is funded while others must wait. In determining whether the SE Division St/117th -148th Ave URA conforms with Portland's Comprehensive Plan, the city must sometimes choose between competing public goals. To do this the city will apply the following definition of "conform".

1. On balance, the purposes of the Comprehensive Plan are advanced as a whole; and
2. Future compliance with the Comprehensive Plan is not precluded

The SE Division-Midway URA was prepared in conformity with the Portland Comprehensive Plan and is consistent with the following relevant Comprehensive Plan policies:

**Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The Division-Midway URA supports this goal because:

- These findings demonstrate that the Division-Midway URA is consistent with the City of Portland Comprehensive Plan which was acknowledged by the State of Oregon as consistent with statewide planning goals. The Division-Midway URA will provide tax increment revenues for physical improvements to an in-town neighborhood commercial area. This is supportive of the regional goals contained in Metro's Urban Growth Management Functional Plan which call for developing a compact urban form with a focus on investment in transit oriented communities, main streets and town centers. The Division-Midway URA is also specifically supportive of the following Metropolitan Coordination Policy.

**Policy 1.4, Intergovernmental Coordination**, requires continuous participation in intergovernmental affairs with public agencies to coordinate metropolitan planning and project development and maximize the efficient use of public funds.

- The Division-Midway URA is consistent with this policy because all overlapping taxing jurisdictions were notified of the proposal, provided with draft authorizing documents and given the opportunity to comment. These jurisdictions include school districts, Metro and Multnomah County. Any comments received will be addressed during the City Council approval process in April 2012.

**Goal 2, Urban Development**, calls for maintaining Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The Division-Midway URA supports this goal because:

- The Division-Midway URA will facilitate the redevelopment of the URA Area with a more robust mixture of commercial uses that will provide more employment opportunities than currently exist as well as a more attractive environment for the surrounding residential neighborhood. Specifically, the amendment is supportive of the following policies:

**Policy 2.1 Population Growth** calls for allowing for population growth within the existing city boundary by providing land use opportunities that will accommodate the projected increase in city households.

- The Division-Midway URA will promote the redevelopment of the Division-Midway URA area to better serve the needs of the surrounding Hazelwood, Mill Park, Powellhurst-Gilbert and Centennial neighborhoods by improving the physical condition of the existing structures and public realm within the URA and encouraging the location of additional neighborhood serving businesses (and jobs) that will meet the needs of the surrounding residents.

**Policy 2.2 Urban Diversity** calls for promoting a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population.

- The Division-Midway URA will promote the expansion of existing businesses and the development of new business within the URA. This area is racially and ethnically diverse and includes a broad range of age and income levels. According to 2010 Business Analyst data 27.9% of the population within ¼ mile of the Division-Midway URA are classified as minority. This is

higher than the 25.5% city wide minority population from the same data set. New investment may provide for rehabilitation of existing structures, and increased investment in public amenities that will enhance this area's attractiveness to the surrounding neighborhoods.

**Policy 2.12 Transit Corridors** calls for providing a mixture of activities along major transit routes, Major Transit Priority Streets, Transit Access Streets, and main streets to support the use of transit

- SE Division Street is classified as a *Major Transit Priority Streets* while 122<sup>nd</sup> and 148<sup>th</sup> Avenues within the proposed URA area are classified as *Transit Access Streets* according to the Transportation Element of the City's Comprehensive Plan. This URA area is currently served by both the Trimet #4 and #71 bus lines. The Division-Midway URA will promote the development of a community based administrative entity and provide resources for physical improvements to the initiative area that will increase the attractiveness of this area to a wide variety of activities and transit users.

**Policy 2.13 Auto-Oriented Commercial Development** Allow auto-oriented development to locate on streets designated as Major City Traffic Streets by the Transportation Element. Also allow neighborhood level auto-oriented commercial development to locate on District Collector Streets or Neighborhood Collector Streets near neighborhood areas where allowed densities will not support development oriented to transit or pedestrians. Where neighborhood commercial uses are located on designated transit streets, support pedestrian movement and the use of transit by locating buildings and their entrances conveniently to transit users, pedestrians, and bicyclists and providing on-site pedestrian circulation to adjacent streets and development.

- Division Street is a *District Collector* within the URA area. 122<sup>nd</sup> Avenue is classified as a *Major City Traffic Street* while 130<sup>th</sup>, 136<sup>th</sup>, 139<sup>th</sup> and 148<sup>th</sup> Avenues are classified as a *Neighborhood Collector Streets* according to the Transportation Element of the City's Comprehensive Plan. Commercial development within the Division-Midway URA area will be subject to the current CG General Commercial, CN2 and CN1 Neighborhood Commercial District Standards. Under these zoning designations development auto-accommodating development is allowed. In all of the listed zones however physical development that is supportive of an enhanced pedestrian environment is required. Additional financial resources made available through the Division-Midway URA may be applied to pedestrian improvements to enhance the transit, pedestrian and bicycle experience within the URA and connections to the adjoining residential neighborhoods.

**Policy 2.19 Infill and Redevelopment** calls for encouraging infill and redevelopment as a way to implement the Livable City growth principles and accommodate expected increases in population and employment. Encourage infill and redevelopment in the Central City, at transit stations, along main streets, and as neighborhood infill in existing residential, commercial and industrial areas.

**Policy 2.20 Utilization of Vacant Land** calls for providing for full utilization of existing vacant land except in those areas designated as open space.

- The Division-Midway URA supports policy 2.19 and 2.20 by making funds directly available for enhancements to existing commercial and public property. Such investment will make the remainder of this existing commercial area more attractive for private redevelopment efforts including investment in existing vacant or underutilized properties.

**Policy 2.22 Mixed Use** calls for a mechanism that will allow for the continuation and enhancement of areas of mixed use character where such areas act as buffers and where opportunities exist for creation of nodes or centers of mixed commercial, light industrial and apartment development.

- The Division-Midway URA area includes: commercially zoned property (CN1, CN2 and CG); multi-dwelling residentially zoned property (R1, R2 and R3) and single family neighborhoods zoned R7 and R5. The Division-Midway URA supports policy 2.22 by making revenues available for funding commercial enhancements within this mixed use urban renewal area.

**Policy 2.27 Outer Southeast Community Plan** calls for promoting the economic vitality, diverse residential character, environmental quality, and livability of Outer Southeast Portland by including the Outer Southeast Community Plan as part of this Comprehensive Plan.

- The Division-Midway Urban Renewal Area is located within the Outer Southeast Community Plan Area. Pertinent sections of the Outer Southeast Community Plan include, but are not limited to:
  - Economic Development Policy which calls for improving the vitality of outer southeast business districts and employment centers
  - Urban Design Policy which seeks to foster a sense of place and identity for the outer southeast community plan area by reinforcing existing character-giving elements and encouraging the emergence of new envisioned character,

as well as more geographically targeted policies of the Suburban Neighborhood and Mixed Era Neighborhood Subareas. These subareas promote the redevelopment of this stretch of Division Street to conveniently serve the daily commercial needs of an increasing density of residential uses mixed within and adjoining this transit served commercial area.

- The Division-Midway URA is consistent with the Outer Southeast Community Plan because it will: cause the creation of a community based administrative entity to initiate and oversee district improvements and it will direct capital investment and technical expertise to the improvement of the Division-Midway URA. These actions will assist this area reach its potential as a mixed use commercial corridor described in the Outer Southeast Community Plan.

**Goal 3, Neighborhoods**, calls for the preservation and reinforcement of 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 Division-Midway URA supports this goal by encouraging reinvestment in two of the public's largest capital assets, the existing building stock and commercial properties served by existing levels of urban infrastructure. The Division-Midway URA will contribute to the health and vitality of the Hazelwood, Mill Park, Powellhurst-Gilbert and Centennial neighborhoods by improving SE Division St /117th -148th Ave as a neighborhood commercial corridor serving the surrounding residential neighborhoods. More specifically the Division-Midway URA supports the following policies:

**Policy 3.1 Physical Conditions** calls for providing and coordinating programs to prevent the deterioration of existing structures and public facilities.

- By design, the URA supports this policy by making available tax increment revenues within district boundaries. These revenues will be directed to building repairs and upgrades and physical public realm enhancements that will not only prevent the deterioration of existing structures and public facilities but contribute to their improvement over time.

**Policy 3.2 Social Conditions** calls for providing and coordinating programs to promote neighborhood interest, concern and security and to minimize the social impact of land use decisions.

- In addition to administering tax increment revenues which by law must be spent on physical improvements to the business area, the local administrative entities formed as part of the Urban Renewal Areas will serve as local forums for the identification and promotion of programs of local interest. Although these activities will not be eligible for TIF funding such programs may include economic development activities as well as other business attraction, retention and community building efforts as may be defined by the local administrative entities.

**Policy 3.5 Neighborhood Involvement** calls for providing for the active involvement of neighborhoods residents and businesses in decisions affecting their neighborhood through the promotion of business and neighborhood associations. Provide information to neighborhood and business associations which allows them to monitor the impact of the Comprehensive Plan and to report their findings annually to the Planning Commission.

- The Division-Midway URA will be administered by a neighborhood based administrative entity comprised of business owners and tenants of the URA as well as residents from the surrounding residential neighborhoods. Deliberations of the administrative entity will be in conformance with all Oregon public meetings laws and City of Portland administrative rules regarding meeting notification and public participation.

**Policy 3.9 Outer Southeast Community Neighborhoods and Business Plan** calls for including neighborhood plans developed as part of the Outer Southeast Community Neighborhood and Business Plan. These include Centennial, Foster-Powell, Hazelwood, Lents, Mt. Scott-Arleta, Mill Park, Montavilla, Outer Southeast Business Coalition, Pleasant Valley, Powellhurst-Gilbert and South Tabor.

- The Division-Midway URA area includes portions of the Hazelwood, Mill Park, Powellhurst-Gilbert and Centennial Neighborhood plans. Establishment of the URA is supportive of these neighborhood plans (as described more fully later in these findings) in that it will provide funding to support economic development and physical improvements to existing commercial centers within these neighborhoods.

**Goal 5, Economic Development**, calls for the promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the city. The Division-Midway URA is consistent with this goal because:

- The Division-Midway URA will provide revenues for economic development projects including, but not limited to, storefront improvement grants and commercial revitalization projects. The URA is specifically supportive of the following policies:

**Policy 5.1 Urban Development and Revitalization** calls for encouraging investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

- The Division-Midway URA directly supports this policy by providing tax increment revenues that can leverage private investment in the Division-Midway URA area.

**Policy 5.2 Business Development** calls for sustaining and supporting business development activities to retain, expand and recruit businesses.

**Policy 5.3 Community-Based Economic Development** calls for supporting community based economic development initiatives consistent with the Comprehensive Plan and compatible with neighborhood livability.

- The Division-Midway URA supports policies 5.2 and 5.3 through the creation of a Division-Midway URA administrative entity comprised of local business and residential interests. This group will evaluate specific requests for tax increment revenues to support physical improvements to business properties and the public realm. Additionally the administrative entity may pursue redevelopment projects and business retention/attraction programs that are consistent with neighborhood priorities that will not use tax increment revenues.

**Policy 5.6 Area Character and Identity within Designated Commercial Areas** calls for promoting and enhancing the special character and identity of Portland's designated commercial areas.

**Policy 5.7 Business Environment within Designated Commercial Areas** calls for promoting a business environment within designated commercial areas that is conducive to the formation, retention and expansion of commercial businesses.

- The Division-Midway URA is directly supportive of Policies 5.6 and 5.7 above in that it will create a local administrative entity empowered to distribute TIF revenues for commercial property rehabilitation and enhancements to the public realm within the SE Division St /117th -148th Ave commercial area. This group may also develop and use non TIF resources to initiate programs directed at business attraction, retention and growth.

**Goal 7, Energy**, calls for promotion of a sustainable energy future by increasing energy efficiency in all sectors of the city. The Division-Midway URA supports this goal because:

- The Division-Midway URA will help reinvigorate the Division-Midway commercial corridor as a neighborhood destination providing daily goods and services to the surrounding residential neighborhoods at a scale that promotes active transportation and reduces the need of Portlanders to rely on an automobile for their daily needs. More specifically the Division-Midway URA is supportive of the following policies:

**Policy 7.4 Energy Efficiency through Land Use Regulations** calls for the City to promote residential, commercial, industrial, and transportation energy efficiencies and the use of renewable resources.

- The Division-Midway URA supports this policy through its encouragement of reinvestment in an in-town commercial corridor providing goods and services to a surrounding residential



neighborhood. Such proximity of goods and services to the surrounding neighborhoods reduces the need for auto trips and encourages the use of transit and active transportation options.

**Policy 7.5 Energy Efficiency in Commercial and Industrial Facilities** calls for the City to encourage energy efficiency in existing commercial building and institutions by facilitating utility, local, state, and federal financial and technical assistance.

- Revenues made available through the Division-Midway URA may be used for energy efficiency upgrades to existing commercial structures within the URA area and leverage additional public or private energy efficiency funding thereby supporting this policy.

**Goal 9, Citizen Involvement**, calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process, and the implementation, review, and amendment of the Comprehensive Plan. This project followed the process and requirements specified in Chapter 33.740, Legislative Procedure. The Division-Midway URA is supportive of this goal because:

- Members of the Division-Midway URA administrative entity were invited to form their own neighborhood based decision making body with technical and financial support provided by the Portland Development Commission and the City of Portland. The URA project is supportive of the following policy:

**Policy 9.1 Citizen Involvement Coordination** encourages citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public.

- On October 18, 2011, Mayor Sam Adams launched the NPI among nearly 100 community leaders at the Immigrant and Refugee Community Organization (IRCO), inviting six neighborhood commercial corridors in East and Northeast Portland to partner with PDC staff and to evaluate the feasibility and desirability of creating URAs.
- On November 7, 2011, PDC staff assembled the six district community groups back to IRCO to kick-off the community organizing process.
- On November 21, 2011, all of the districts successfully applied for and received a \$10,000 grant to help with facilitation, outreach coordination, translation, printing, and material expenses to help do the work of organizing the community around this Initiative.
- Community leaders formed an initial Steering Committee for the Division-Midway URA to provide local direction for the application of tax increment revenues towards community-identified capital improvements.
- The PDC maintained a project website with background documents and meeting summaries available for downloading.
- The Division-Midway URA authorizing documentation was posted to the project website as Adobe Acrobat files available for downloading prior to the PDC Board of Commissioners public hearing on March 12, 2012.
- Notice of the March 12, 2012 Portland Develop Commission public hearing to approve the Division-Midway URA was published in the Oregonian and online.

- Notice of the March 13, 2012 City of Portland Planning and Sustainability Commission public hearing to consider the Division-Midway URA was published in the Oregonian on 3/9/12 and online.
- Notice of the April 4, 2012 Portland City Council public hearing to approve the Division-Midway URA was mailed to all owners of real property within the City of Portland in mid-March 2012.

The Division-Midway URA initial steering committee also engaged in extensive public outreach activities. These outreach activities are documented in Appendix F of the March 12, 2012 Report to the PDC Board of Commissioners included as attachment \_\_\_ to the Portland City Council Report.

**Goal 12, Urban Design**, calls for enhancing Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations. The Division-Midway URA supports this goal by:

- Allowing investment of tax increment revenues in existing commercial buildings to preserve and enhance existing positive design elements while supporting improvements and new commercial development that will enhance the URA area's character and function. More specifically the URA will support the following policies:

**Policy 12.2 Enhancing Variety** calls for promoting the development of areas of special identity and urban character with the City's residential, commercial and industrial areas having attractive identities that enhance the urbanity of the City.

- Investment made possible through the Division-Midway URA may be used to improve the appearance and function of both private commercial buildings along the existing SE Division St /117th -148th Ave commercial corridor and the public realm, including improvements that will enhance the pedestrian experience and connections with the surrounding residential neighborhoods.

**Policy 12.4 Provide for Pedestrians** calls for recognizing that auto, transit and bicycle users are pedestrians at either end of every trip and the Portland's citizens and visitors experience the city as pedestrians. Provide for a pleasant, rich and diverse experience for pedestrians. Ensure that those travelling on foot have comfortable, safe and attractive pathways that connect Portland's neighborhoods, parks, water features, transit facilities, commercial districts employment centers and attractions.

**Policy 12.5 Promote the Arts** calls for the City to humanize the City through promotion of the arts and excellence in design. Encourage the placement of art at locations that are visible to the public. Expand Portland's collection of Public Art. Punctuate the community with works of art used to emphasize focal points mark transitional locations, celebrate public buildings and enhance the City's sidewalks, open spaces, plazas and parks.

- Both Policy 12.4 and 12.5 are supported by the proposed URA in that tax increment revenues made available through the Division-Midway URA area may be used for functional pedestrian improvements and for other projects that will improve the public realm such as public art, lighting and landscape improvements.

**Policy 12.6 Preserve Neighborhoods** calls for preserving and supporting the qualities of individual neighborhoods that help to make and to respect and strengthen values in new development projects that implement this comprehensive plan.

- Expenditure of TIF revenues made available through the Division-Midway URA area will be overseen by an administrative entity comprised of local business interests and residential neighborhood representatives. Improvement projects identified through this neighborhood based decision making model will reflect the priorities and desires expressed by current neighborhood residents and businesses.

### Findings for the Hazelwood, Mill Park, Powellhurst-Gilbert and Centennial Neighborhood Plans

#### Hazelwood Neighborhood Plan

The Hazelwood Neighborhood Plan was adopted by the City Council on January 31<sup>st</sup> 1996. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 169763. The proposed Division-Midway Urban Renewal Area is supportive of the following Neighborhood Plan Policy:

**Policy 2 Economic Development** seeks to preserve and enhance the commercial viability of businesses within Hazelwood by stimulating business growth, investment and a high level of livability.

- The Division-Midway URA is directly supportive of this policy by making TIF revenues available for commercial property renovation and expansion, making this corridor a more attractive area to do business for existing and potential enterprise. Outside of TIF funding the local administrative entity may seek additional resources to develop and implement a marketing plan for this district to increase community awareness of the district to both potential customers and businesses.

#### Mill Park Neighborhood Plan

The Mill Park Neighborhood Plan was adopted by the City Council on January 31<sup>st</sup> 1996. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 169763. The proposed Division-Midway Urban Renewal Area is supportive of the following Neighborhood Plan Policy:

**Policy 2 Transportation** seeks to reduce reliance upon the automobile transportation by visitors and residents of Mill Park.

- The SE Division-Midway URA supports this policy both by providing revenues for the enhancement of existing businesses and attraction of additional new businesses to this commercial corridor along the south end of Mill Park neighborhood, and providing funding that may be used to improve the active transportation infrastructure available within the district.

**Policy 4 Economic Development** seeks to attract businesses to the Mill Park neighborhood which will help to promote a sense of co-operation between them and the neighborhood residents.

- The Division-Midway URA is directly supportive of this policy by making TIF revenues available for commercial property construction renovation and expansion, making this corridor a more attractive area to do business for existing and potential enterprise. Outside of TIF funding, the local administrative entity may seek additional resources to develop and implement a marketing plan for this district to increase community awareness of the district to both potential customers and businesses.

### **Powellhurst-Gilbert Neighborhood Plan**

The Powellhurst-Gilbert Neighborhood Plan was adopted by the City Council on January 1, 1996. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 169763. The proposed Division-Midway Urban Renewal Area is supportive of the following Neighborhood Plan Policies:

**Policy 1 Transportation** seeks to ensure that the neighborhood is accessible by a variety of transport modes including walking, bicycling, public transport, auto and truck traffic while reducing noise pollution and safety hazards.

- Tax increment funding available through the Division-Midway URA may be used to improve sidewalks, bus stops and bicycle facilities within the area in support of this policy.

**Policy 6 Economic Development** seeks to improve, support and create businesses that enhance the neighborhood and provide needed goods and services.

- The Division-Midway URA is specifically supportive of this policy by providing a funding mechanism through tax increment financing for business improvements and business development within this area. Revenues provided through the URA may be used to leverage additional private investment within the area while non-TIF resources may be sought and used by the local administrative entity to fund other business improvement and marketing programs.

### **Centennial Neighborhood Plan**

The Centennial Neighborhood Plan was adopted by the City Council on January 31, 1996. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 169763. The proposed Division-Midway Urban Renewal Area is supportive of the following Neighborhood Plan Policies:

**Policy 1 Business Development** seeks to encourage and support businesses which enhance the neighborhoods

- The Division-Midway URA is specifically supportive of this policy by providing a funding mechanism through tax increment financing for business improvements and business development within this area. Revenues provided through the URA may be used to leverage additional private investment within the area while non-TIF resources may be sought and used by the local administrative entity to fund other business improvement and marketing programs.

**Policy 2 Community Design and Livability** seeks to enhance Centennial's livability by protecting, maintaining and improving the quality and suburban character of the physical environment.

- This URA is supportive of this policy by providing funding for functional and aesthetic enhancements to the Division St/ 117<sup>th</sup> -148<sup>th</sup> Ave commercial district, a transit served neighborhood commercial corridor which bisects the Centennial neighborhood.
-



Attachment 9 to the  
Planning and Sustainability Commission  
Memo dated March 13, 2012

Attachment 9 contains:

- Draft 82<sup>nd</sup> Avenue and Division NPI Urban Renewal Plan
- Draft Report Accompanying the 82<sup>nd</sup> Avenue and Division NPI Urban Renewal Plan
- Comprehensive Plan Findings for the 82<sup>nd</sup> Avenue and Division NPI Urban Renewal Plan





Draft

82nd Avenue and Division  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012

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## I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

|             |                          |
|-------------|--------------------------|
| 42nd Avenue | Rosewood                 |
| Cully Blvd  | Division – Midway        |
| Parkrose    | 82nd Avenue and Division |

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This 82<sup>nd</sup> Avenue and Division NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the 82<sup>nd</sup> Avenue and Division NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

*By 2025, the 82nd Avenue and Division NPI District is a safe business district where a cohesive business community welcomes residents and visitors to experience the rich tapestry of cultural heritages in a must-see destination location. This multi-cultural district is recognized with distinctive color, style and activities, and will be a vibrant economic district supporting the needs of its residents. The district features safe, walk-able areas rich with many different cultural establishments serving food & drink, arts, entertainment and gathering places that foster a*

*sense of ethnic diversity. The 82nd Avenue and Division NPI District is identified as a distinct regional cultural district using consistent signage, lighting, calming traffic, physical improvements and signature events focusing on our many different cultures.*

## II. 82<sup>nd</sup> Avenue and Division NPI District Map and Legal Description

The District shown in Figure 1 below contains 108.8 acres, including public right-of-way. There are 358 tax lots within the District, totaling 85.0 acres. The District overlaps portions of the following neighborhood and business associations:

- Montavilla Neighborhood Association
- South Tabor Neighborhood Association
- Powellhurst-Gilbert Neighborhood Association
- 82<sup>nd</sup> Avenue Business Association

### A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

### B. Proposed Land Uses

The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

| Comprehensive Plan Designation | Acreage     | % of Total  |
|--------------------------------|-------------|-------------|
| General Commercial             | 23.1        | 27%         |
| Neighborhood Commercial        | 9.2         | 11%         |
| Urban Commercial               | 19.3        | 23%         |
| Residential 1,000              | 9.5         | 11%         |
| Residential 2,000              | 11.9        | 14%         |
| Residential 2,500              | 6.5         | 8%          |
| Institutional Residential      | 5.5         | 6%          |
| <b>Total</b>                   | <b>85.0</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability



### **III. Urban Renewal Projects**

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

#### **A. Projects**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects").

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

### **IV. Relationship to Local Plans and Objectives**

#### **A. Portland Comprehensive Plan**

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

#### **B. City of Portland Economic Development and Neighborhood Economic Development Strategies**

The Five-Year Economic Development Strategy (the "Strategy") was adopted by the Portland City Council ("Council") on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
  - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:



- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
  - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
  - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
  - A. Connect Traded Sector and Neighborhood Work
  - B. Seed Investments to Implement Neighborhood Economic Development Plans
  - C. Expand Citywide Financial Tools for Neighborhood Businesses

## **V. Relocation Policy**

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

## **VI. Property Acquisition and Disposition Policies**

No property acquisition or disposition is anticipated in this District.

## **VII. Plan Financing**

### **A. General Description of the Proposed Financing Methods**

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

### **B. Tax Increment Financing**

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

## **VIII. Procedures for Amendments to the Plan**

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

### **A. Substantial Amendments**

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

### **B. Council-Approved Amendments**

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

### **C. Minor amendments**

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

## **IX. Other Provisions**

### **A. Non-Discrimination**

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

**B. Agreements to Implement This Plan**

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

**C. Duration of Urban Renewal Plan**

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

**D. Validity**

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

DRAFT



Draft  
Report Accompanying the  
82nd Avenue and Division  
Neighborhood Prosperity Initiative  
Urban Renewal Plan

Proposed for Submission to City Council on  
April 4 and April 11, 2012



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## I. Introduction

This Technical Report accompanying the 82<sup>nd</sup> Avenue and Division Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the 82<sup>nd</sup> Avenue and Division Neighborhood Prosperity Initiative Urban Renewal Plan (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 City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

## II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

### A. Physical Conditions

#### 1. Land Use and Zoning

The 82<sup>nd</sup> Avenue and Division Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 108.8 acres, including public right-of-way. There are 358 tax lots within the District, totaling 85.0 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

| Property Class | Acreage     | % of Total  |
|----------------|-------------|-------------|
| Residential    | 35.9        | 42%         |
| Commercial     | 43.5        | 51%         |
| Multi-Family   | 5.6         | 7%          |
| N/A            | 0.1         | <1%         |
| <b>Total</b>   | <b>85.0</b> | <b>100%</b> |

\*Source: Multnomah County Office of Assessment and Taxation

Figure 1. District Boundary and Zoning Map

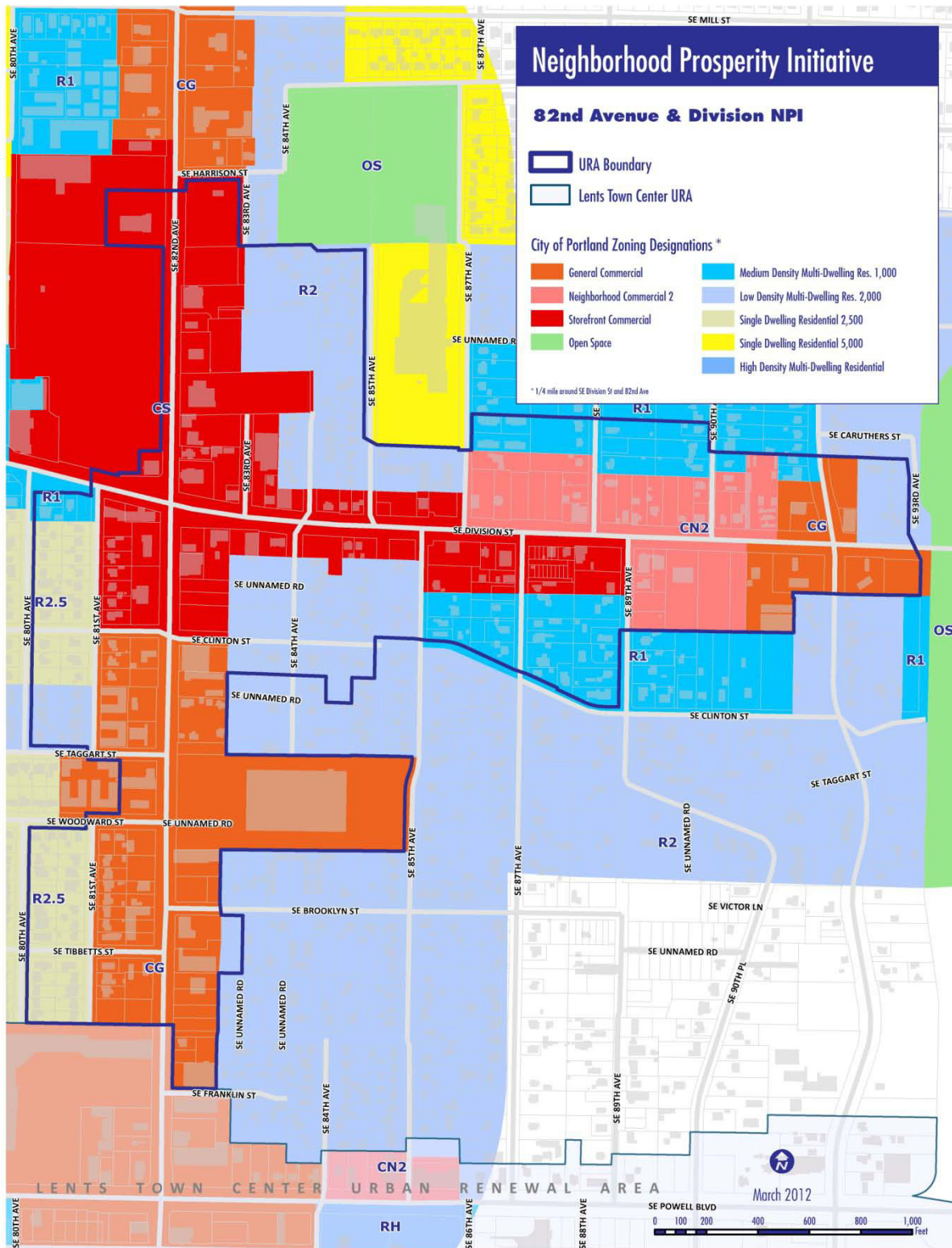


Table 2. Existing Zoning of District

| Zoning Designation        | Acreage     | % of Total  |
|---------------------------|-------------|-------------|
| General Commercial        | 23.1        | 27%         |
| Neighborhood Commercial 2 | 9.2         | 11%         |
| Storefront Commercial     | 19.3        | 23%         |
| Residential 1,000         | 9.5         | 11%         |
| Residential 2,000         | 17.3        | 20%         |
| Residential 2,500         | 6.5         | 8%          |
| <b>Total</b>              | <b>85.0</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

## B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District significantly overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 5,199. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

| Race                                       | % of Total |
|--------------------------------------------|------------|
| White                                      | 65%        |
| Black or African American                  | 3%         |
| American Indian and Alaska Native          | 1%         |
| Asian                                      | 19%        |
| Native Hawaiian and Other Pacific Islander | <1%        |
| Other                                      | 6%         |
| Two or More Races                          | 5%         |
| Ethnicity                                  | % of Total |
| Hispanic                                   | 13%        |

\*Source: 2010 Business Analyst

## C. Economic Conditions

### 1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$81,523,638. This does not include utility value which will be determined by the County Assessor upon District approval.

### 2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. 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, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

| Area                                              | Overall I:L Ratio |
|---------------------------------------------------|-------------------|
| 82 <sup>nd</sup> Avenue and Division NPI District | 1.02:1            |
| Citywide <sup>1</sup>                             | 2.22:1            |

\*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

## D. Expected Impact on Municipal Services

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

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to 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.

Projects and programs in the District 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.

<sup>1</sup> Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

### **III. Reasons for Selection of each Urban Renewal Area in the Plan**

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

### **IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area**

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

### **V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs**

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

### **VI. Anticipated Completion Date for Each Project**

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

## VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

| Fiscal Year Ending June 30                        | 2013-14         | 2014-15         | 2015-16          | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          | 2021-22         |
|---------------------------------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>REVENUES</b>                                   |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| Tax Increment to Raise (before Compression)       | \$74,079        | \$93,812        | \$123,334        | \$152,993        | \$125,000        | \$125,000        | \$125,000        | \$125,000        | \$74,011        |
| Less Compression                                  | (3,704)         | (4,691)         | (6,167)          | (7,650)          | (6,250)          | (6,250)          | (6,250)          | (6,250)          | (3,701)         |
| Tax Increment Imposed (after Compression)         | 70,375          | 89,121          | 117,168          | 145,343          | 118,750          | 118,750          | 118,750          | 118,750          | 70,311          |
| Less Adjustments for Discounts & Delinquencies    | (4,293)         | (5,436)         | (7,147)          | (8,866)          | (7,244)          | (7,244)          | (7,244)          | (7,244)          | (4,289)         |
| <b>NET TAX INCREMENT REVENUES</b>                 | <b>\$66,082</b> | <b>\$83,685</b> | <b>\$110,020</b> | <b>\$136,477</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$111,506</b> | <b>\$66,022</b> |
| Shared Tax Revenues to Raise (before Compression) | \$0             | \$9,323         | \$14,216         | \$19,212         | \$53,360         | \$74,004         | \$95,501         | \$117,422        | \$0             |
| Less Compression                                  | -               | (466)           | (711)            | (961)            | (2,668)          | (3,700)          | (4,775)          | (5,871)          | -               |
| Shared Revenues Imposed (after Compression)       | -               | 8,857           | 13,505           | 18,252           | 50,692           | 70,304           | 90,726           | 111,551          | -               |
| Less Adjustments for Discounts & Delinquencies    | -               | (540)           | (824)            | (1,113)          | (3,092)          | (4,289)          | (5,534)          | (6,805)          | -               |
| <b>NET SHARED TAX REVENUES</b>                    | <b>\$0</b>      | <b>\$8,316</b>  | <b>\$12,681</b>  | <b>\$17,138</b>  | <b>\$47,600</b>  | <b>\$66,015</b>  | <b>\$85,192</b>  | <b>\$104,746</b> | <b>\$0</b>      |
| <b>TOTAL REVENUES</b>                             | <b>\$66,082</b> | <b>\$92,001</b> | <b>\$122,702</b> | <b>\$153,616</b> | <b>\$159,106</b> | <b>\$177,521</b> | <b>\$196,698</b> | <b>\$216,252</b> | <b>\$66,022</b> |
| <b>INDEBTEDNESS</b>                               |                 |                 |                  |                  |                  |                  |                  |                  |                 |
| <b>DEBT ISSUED</b>                                | <b>\$66,082</b> | <b>\$92,001</b> | <b>\$122,702</b> | <b>\$153,616</b> | <b>\$159,106</b> | <b>\$177,521</b> | <b>\$196,698</b> | <b>\$216,252</b> | <b>\$66,022</b> |

## VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

| Fiscal Year Ending June 30                              | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             | 2020-21              | 2021-22              |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Projected Assessed Value Growth</b>                  |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Frozen Base                                             | \$ 81,523,638       | \$ 81,523,638       | \$ 81,523,638       | \$ 81,523,638       | \$ 81,523,638       | \$ 81,523,638       | \$ 81,523,638       | \$ 81,523,638        | \$ 81,523,638        |
| Incremental Assessed Value                              | 4,127,134           | 6,268,403           | 8,463,205           | 10,712,876          | 13,018,788          | 15,382,349          | 17,804,999          | 20,288,215           | 22,833,511           |
| <b>Total Assessed Value</b>                             | <b>\$85,650,772</b> | <b>\$87,792,041</b> | <b>\$89,986,843</b> | <b>\$92,236,514</b> | <b>\$94,542,426</b> | <b>\$96,905,987</b> | <b>\$99,328,637</b> | <b>\$101,811,853</b> | <b>\$104,357,149</b> |
| Total AV Growth                                         |                     | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%               | 2.50%                | 2.50%                |
| Incremental AV Growth                                   |                     | 51.88%              | 35.01%              | 26.58%              | 21.52%              | 18.15%              | 15.75%              | 13.95%               | 12.55%               |
| <b>Consolidated Tax Rate</b>                            | <b>17.9492</b>      | <b>17.9603</b>      | <b>17.9537</b>      | <b>17.8748</b>      | <b>17.7633</b>      | <b>17.6396</b>      | <b>17.6079</b>      | <b>17.5440</b>       | <b>17.5428</b>       |
| <b>Revenues Generated on Incremental Assessed Value</b> |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Amount to Urban Renewal Area                            | 74,079              | 93,812              | 123,334             | 152,993             | 125,000             | 125,000             | 125,000             | 125,000              | 74,011               |
| Amount to Taxing Jurisdictions                          |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| City Permanent Rate                                     | -                   | 4,783               | 7,294               | 9,858               | 27,379              | 37,971              | 49,001              | 60,248               | 85,199               |
| County Permanent Rate                                   | -                   | 4,539               | 6,922               | 9,355               | 25,981              | 36,033              | 46,500              | 57,173               | 80,851               |
| Other Levies                                            | -                   | 9,448               | 14,396              | 19,285              | 52,897              | 72,335              | 93,008              | 113,515              | 160,503              |
| <b>Total Revenues</b>                                   | <b>\$74,079</b>     | <b>\$112,582</b>    | <b>\$151,946</b>    | <b>\$191,491</b>    | <b>\$231,257</b>    | <b>\$271,338</b>    | <b>\$313,509</b>    | <b>\$355,936</b>     | <b>\$400,564</b>     |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Tax Increment to Raise (before Compression)             | \$74,079            | \$93,812            | \$123,334           | \$152,993           | \$125,000           | \$125,000           | \$125,000           | \$125,000            | \$74,011             |
| Less Compression                                        | (3,704)             | (4,691)             | (6,167)             | (7,650)             | (6,250)             | (6,250)             | (6,250)             | (6,250)              | (3,701)              |
| <b>Tax Increment Imposed (after Compression)</b>        | <b>\$70,375</b>     | <b>\$89,121</b>     | <b>\$117,168</b>    | <b>\$145,343</b>    | <b>\$118,750</b>    | <b>\$118,750</b>    | <b>\$118,750</b>    | <b>\$118,750</b>     | <b>\$70,311</b>      |
| <b>Shared Revenues to Urban Renewal Area</b>            |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Less Compression                                        | 0                   | (466)               | (711)               | (961)               | (2,668)             | (3,700)             | (4,775)             | (5,871)              | 0                    |
| <b>Tax Increment Imposed (after Compression)</b>        | <b>\$0</b>          | <b>\$8,857</b>      | <b>\$13,505</b>     | <b>\$18,252</b>     | <b>\$50,692</b>     | <b>\$70,304</b>     | <b>\$90,726</b>     | <b>\$111,551</b>     | <b>\$0</b>           |
| <b>Total Revenues to Urban Renewal Area</b>             | <b>\$70,375</b>     | <b>\$97,978</b>     | <b>\$130,673</b>    | <b>\$163,595</b>    | <b>\$169,442</b>    | <b>\$189,054</b>    | <b>\$209,476</b>    | <b>\$230,301</b>     | <b>\$70,311</b>      |

## IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

| Tax Increment Revenues Foregone 2014-2022 | Total     | Present Value to 2014 |
|-------------------------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>                    |           |                       |
| City                                      | \$262,470 | \$188,382             |
| County                                    | 249,074   | 178,768               |
| Metro                                     | 5,540     | 3,976                 |
| Port                                      | 4,020     | 2,885                 |
| E Mult Soil                               | 5,735     | 4,116                 |
| PPS                                       | 260,095   | 186,678               |
| PCC                                       | 15,406    | 11,058                |
| Mult ESD                                  | 26,241    | 18,834                |
| David Douglas                             | 13,302    | 9,548                 |
| Mt. Hood                                  | 1,410     | 1,012                 |

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

| Shared Revenues 2014-2021 | Total     | Present Value to 2014 |
|---------------------------|-----------|-----------------------|
| <b>Permanent Rates</b>    |           |                       |
| City                      | \$196,534 | \$128,055             |
| County                    | 186,503   | 121,520               |
| Metro                     | 4,148     | 2,703                 |
| Port                      | 3,010     | 1,961                 |
| E Mult Soil               | 4,294     | 2,798                 |
| PPS                       | 194,756   | 126,896               |
| PCC                       | 11,536    | 7,517                 |
| Mult ESD                  | 19,649    | 12,803                |
| David Douglas             | 9,961     | 6,490                 |
| Mt. Hood                  | 1,056     | 688                   |



Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

| Tax Increment Revenues Fully Regained - 2023 | Amount (nominal) | Present Value to 2014 |
|----------------------------------------------|------------------|-----------------------|
| <b>Permanent Rates</b>                       |                  |                       |
| City                                         | \$32,615         | \$16,580              |
| County                                       | 30,951           | 15,734                |
| Metro                                        | 688              | 350                   |
| Port                                         | 500              | 254                   |
| E Mult Soil                                  | 713              | 362                   |
| PPS                                          | 32,320           | 16,430                |
| PCC                                          | 1,914            | 973                   |
| Mult ESD                                     | 3,261            | 1,658                 |
| David Douglas                                | 1,653            | 840                   |
| Mt. Hood                                     | 175              | 89                    |

## X. Relocation Report

There are no businesses or residents to be relocated.

## XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

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 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

|                                                                             | <b>Frozen Base<br/>Assessed Value</b> | <b>Acres</b>    |
|-----------------------------------------------------------------------------|---------------------------------------|-----------------|
| <b>Total City of Portland<sup>2</sup></b>                                   | <b>\$ 43,634,351,239</b>              | <b>92,768.0</b> |
| <b>Existing Urban Renewal Areas:</b>                                        |                                       |                 |
| Airport Way                                                                 | \$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 <sup>3</sup>                                            | \$1,290,430,925                       | 3,990.0         |
| Lents Town Center                                                           | \$736,224,033                         | 2,846.3         |
| North Macadam                                                               | \$192,609,397                         | 401.9           |
| Oregon Convention Center <sup>4</sup>                                       | \$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           |
| <b>Total Existing Urban Renewal Areas</b>                                   | <b>\$4,499,489,216</b>                | <b>12,336.5</b> |
| <b>% City in Existing Urban Renewal Areas</b>                               | <b>10.3%</b>                          | <b>13.3%</b>    |
| <b>Proposed Neighborhood Prosperity Initiative<br/>Urban Renewal Areas:</b> |                                       |                 |
| 42nd Avenue                                                                 | \$81,011,867                          | 136.2           |
| Cully Blvd                                                                  | \$81,000,273                          | 164.6           |
| Parkrose                                                                    | \$80,493,774                          | 142.6           |
| Rosewood                                                                    | \$78,774,383                          | 135.6           |
| Division – Midway                                                           | \$80,201,117                          | 115.9           |
| 82nd Avenue and Division                                                    | \$81,523,638                          | 108.8           |
| <b>Total Proposed Urban Renewal Areas</b>                                   | <b>\$483,005,052</b>                  | <b>803.7</b>    |
| <b>Combined Total - Existing and Proposed</b>                               | <b>\$4,982,494,268</b>                | <b>13,140.2</b> |
| <b>% City in Existing and Proposed Urban Renewal<br/>Areas</b>              | <b>11.4%</b>                          | <b>14.2%</b>    |

<sup>2</sup> Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

<sup>3</sup> Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

<sup>4</sup> Frozen base value represents 11/12 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 20th Amendment.

City of Portland Comprehensive Plan  
Findings of Conformance



## Introduction

The 82nd Avenue and Division NPI Urban Renewal Area (URA) is one of six such districts created through the Neighborhood Prosperity Initiative (NPI), a partnership between the City of Portland and the Portland Development Commission as an implementation measure of the City's Neighborhood Economic Development (NED) Strategy. These districts build upon the Main Street<sup>®</sup> model of community driven economic development further identified in the NED strategy. They will build local capacity to achieve economic development outcomes, drive neighborhood business growth and coordinate resources in support of neighborhood economic development. One component of the URA is the creation of neighborhood based administrative entities drawn from local area business and residential neighborhood representatives. These local entities will administer the distribution and expenditure of tax increment revenues collected within the URAs on physical improvements to business properties such as storefront improvements, building rehabilitation and improvements to the public realm such as sidewalk, lighting and landscaping improvements that will improve the appearance and function of neighborhood commercial centers within the districts.

Neighborhood Prosperity Initiative districts will function as urban renewal areas under state statute. This document is intended to meet the statutory requirements for land use planning consistency under ORS 457.095(3) by demonstrating conformance of the 82nd Avenue and Division Urban Renewal Area with the Portland Comprehensive Plan and pertinent supportive neighborhood and area plans.

The following legal findings of fact will document the 82nd Avenue and Division Urban Renewal Area's conformance with the City of Portland's Comprehensive Plan and all relevant supporting neighborhood and area plans.

## 82nd Avenue and Division NPI Urban Renewal Area (URA) Findings on Portland's Comprehensive Plan Goals

The Portland Comprehensive Plan was adopted by the Portland City Council on October 16, 1980, and was acknowledged as being in conformance with the statewide planning goals by the Land Conservation and Development Commission on May 1, 1981. It has been updated and acknowledged for continuing conformance to the statewide planning goals through successive periodic reviews. The first and most recent periodic review was completed in January 2000. The City is currently undergoing its second Comprehensive Plan Periodic Review update which is expected to be completed by the end of 2013.

Comprehensive plans describe a variety of public goals that are to be achieved over the long term. These goals are usually complimentary but there are times when one comprehensive plan provision can only be advanced at the expense of another; or when one provision is funded while others must wait. In determining whether the 82nd Avenue and Division URA conforms with Portland's Comprehensive Plan, the city must sometimes choose between competing public goals. To do this the city will apply the following definition of "conform".

1. On balance, the purposes of the Comprehensive Plan are advanced as a whole; and
2. Future compliance with the Comprehensive Plan is not precluded

The 82nd Avenue and Division URA was prepared in conformity with the Portland Comprehensive Plan and is consistent with the following relevant Comprehensive Plan policies:

**Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The 82nd Avenue and Division URA supports this goal because:

- These findings demonstrate that the 82nd Avenue and Division URA is consistent with the City of Portland Comprehensive Plan which was acknowledged by the State of Oregon as consistent with statewide planning goals. The 82nd Avenue and Division URA which will provide tax increment revenues for physical improvements to an in-town neighborhood commercial area. This is supportive of the regional goals contained in Metro's Urban Growth Management Functional Plan which call for developing a compact urban form with a focus on investment in transit oriented communities, main streets and town centers. The 82nd Avenue and Division URA is also specifically supportive of the following Metropolitan Coordination Policy.

**Policy 1.4, Intergovernmental Coordination**, requires continuous participation in intergovernmental affairs with public agencies to coordinate metropolitan planning and project development and maximize the efficient use of public funds.

- The 82nd Avenue and Division URA is consistent with this policy because all overlapping taxing jurisdictions were notified of the proposal, provided with draft authorizing documents and given an opportunity to comment. These jurisdictions include school districts, Metro and Multnomah County. Any comments received will be addressed during the City Council approval process in April 2012.

**Goal 2, Urban Development**, calls for maintaining Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The 82nd Avenue and Division URA supports this goal because:

- The 82nd Avenue and Division URA will facilitate the redevelopment of the URA with a more robust mixture of commercial uses that will provide more employment opportunities than currently exist as well as a more attractive environment for the surrounding residential neighborhood. Specifically, the amendment is supportive of the following policies:

**Policy 2.1 Population Growth** calls for allowing for population growth within the existing city boundary by providing land use opportunities that will accommodate the projected increase in city households.

- The 82nd Avenue and Division URA will promote the redevelopment of the SE Division and 82nd Avenue corridors to better serve the needs of the surrounding Montavilla, Powellhurst-Gilbert and South Tabor neighborhoods by improving the physical condition of the existing structures and public realm within the URA and encouraging the location of additional neighborhood serving businesses (and jobs) that will meet the needs of the surrounding residents.

**Policy 2.2 Urban Diversity** calls for promoting a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population.

- The 82nd Avenue and Division URA will promote the expansion of existing businesses and the development of new business within the 82nd Avenue and Division URA. According to 2010 Business Analyst data 34.7% of the population within ¼ mile of the 82nd Avenue and Division

URA are classified as minority. This is significantly higher than the 25.5% city wide minority population from the same data set. New investment may provide for rehabilitation of existing structures, development of new structures and increased investment in public amenities that will enhance this area's attractiveness to the surrounding neighborhoods.

- **Policy 2.12 Transit Corridors** calls for providing a mixture of activities along major transit routes, Major Transit Priority Streets, Transit Access Streets, and main streets to support the use of transit

- Both Division Street and SE 82<sup>nd</sup> Avenue are *Major Transit Priority Streets* while 92<sup>nd</sup> Avenue within the proposed URA is classified as *Transit Access Streets* according to the Transportation Element of the City's Comprehensive Plan. This URA is currently served by both the Trimet #4 and #72 bus lines. The 82nd Avenue and Division URA will promote the development of a community based administrative entity and provide resources for physical improvements to the initiative area that will increase the attractiveness of this area to a wide variety of activities.

**Policy 2.13 Auto-Oriented Commercial Development** Allow auto-oriented development to locate on streets designated as Major City Traffic Streets by the Transportation Element. Also allow neighborhood level auto-oriented commercial development to locate on District Collector Streets or Neighborhood Collector Streets near neighborhood areas where allowed densities will not support development oriented to transit or pedestrians. Where neighborhood commercial uses are located on designated transit streets, support pedestrian movement and the use of transit by locating buildings and their entrances conveniently to transit users, pedestrians, and bicyclists and providing on-site pedestrian circulation to adjacent streets and development.

- Division Street is both a *District Collector* and *Neighborhood Collector* within the URA. 82<sup>nd</sup> Avenue is classified as a *Major City Traffic Street* and 92<sup>nd</sup> Avenue is classified as a *Neighborhood Collector Street* according to the Transportation Element of the City's Comprehensive Plan. Development within the proposed URA area will be subject to the current CS Storefront Commercial development standards at the intersection of Division and 82<sup>nd</sup> Avenue and to the CG General Commercial and CN2 Neighborhood Commercial District Standards further away from this intersection. Under these zoning designations development at the intersection will be required to develop at a higher intensity emphasizing pedestrian activity while away from the intersection more auto-accommodating development is allowed. In all of the listed zones, physical development that is supportive of an enhanced pedestrian environment is required. Additional financial resources made available through the 82nd Avenue and Division URA may be applied to pedestrian improvements to enhance the pedestrian and bicycle experience within the URA and connections to the adjoining residential neighborhoods.

**Policy 2.19 Infill and Redevelopment** calls for encouraging infill and redevelopment as a way to implement the Livable City growth principles and accommodate expected increases in population and employment. Encourage infill and redevelopment in the Central City, at transit stations, along main streets, and as neighborhood infill in existing residential, commercial and industrial areas.

**Policy 2.20 Utilization of Vacant Land** calls for providing for full utilization of existing vacant land except in those areas designated as open space.

- The 82nd Avenue and Division URA supports policy 2.19 and 2.20 by making funds directly available for enhancements to existing commercial and public property. Such investment will

make the remainder of this existing commercial area more attractive for private redevelopment efforts including investment in existing vacant or underutilized properties.

**Policy 2.22 Mixed Use** calls for a mechanism that will allow for the continuation and enhancement of areas of mixed use character where such areas act as buffers and where opportunities exist for creation of nodes or centers of mixed commercial, light industrial and apartment development.

- The 82nd Avenue and Division URA includes: commercially zoned property (CS, CN2 and CG); multi-dwelling residentially zoned property (R1, R2); and single family neighborhoods zoned R2.5 and R5. The 82nd Avenue and Division URA supports policy 2.22 by making funds available for funding commercial enhancements within an existing mixed use area.

**Policy 2.27 Outer Southeast Community Plan** calls for promoting the economic vitality, diverse residential character, environmental quality, and livability of Outer Southeast Portland by including the Outer Southeast Community Plan as part of this Comprehensive Plan.

- The 82nd Avenue and Division Urban Renewal Area is located within the Outer Southeast Community Plan Area. Pertinent sections of the Outer Southeast Community Plan include, but are not limited to:
  - Economic Development Policy which calls for improving the vitality of outer southeast business districts and employment centers,
  - Urban Design Policy which seeks to foster a sense of place and identity for the outer southeast community plan area by reinforcing existing character-giving elements and encouraging the emergence of new envisioned character,

as well as more geographically targeted policies of the Traditional Neighborhoods and 82<sup>nd</sup> Avenue/I-205 Corridor Subareas. These subareas promote the redevelopment of these stretches of 82<sup>nd</sup> Avenue and Division Street as a contemporary Main Streets serving the daily employment and commercial needs of an increasing density of residential uses adjoining these commercial areas.

- The 82nd Avenue and Division URA is consistent with the Outer Southeast Community Plan because it will cause the creation of a community based administrative entity to initiate and oversee district improvements and it will direct capital investment and technical expertise to the improvement of the 82nd Avenue and Division URA. These actions will assist the URA reach its potential as a contemporary main street as described in the Outer Southeast Community Plan.

**Goal 3, Neighborhoods**, calls for the preservation and reinforcement of 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 82nd Avenue and Division URA supports this goal by encouraging reinvestment in two of the public's largest capital assets, the existing building stock and commercial properties served by existing levels of urban infrastructure. The 82nd Avenue and Division URA will contribute to the health and vitality of the Montavilla, Powellhurst-Gilbert and South Tabor neighborhoods by improving the 82nd Avenue and Division URA as a neighborhood commercial hub serving the



surrounding residential neighborhoods. More specifically the 82nd Avenue and Division URA supports the following Policies:

**Policy 3.1 Physical Conditions** calls for providing and coordinating programs to prevent the deterioration of existing structures and public facilities.

- By design, the URA supports this policy by making available tax increment revenues within district boundaries. These revenues will be directed to building repairs and upgrades and physical public realm enhancements that will not only prevent the deterioration of existing structures and public facilities but contribute to their improvement over time.

**Policy 3.2 Social Conditions** calls for providing and coordinating programs to promote neighborhood interest, concern and security and to minimize the social impact of land use decisions.

- In addition to administering tax increment revenues which by law must be spent on physical improvements to the business area, the local administrative entities formed in support of the URA will serve as local forums for the identification and promotion of programs of local interest. Such programs may include other non-TIF supported economic development activities such as local marketing and branding as well as other business attraction, retention and community building efforts as may be defined by the local administrative entities.

**Policy 3.5 Neighborhood Involvement** calls for providing for the active involvement of neighborhoods residents and businesses in decisions affecting their neighborhood through the promotion of business and neighborhood associations. Provide information to neighborhood and business associations which allows them to monitor the impact of the Comprehensive Plan and to report their findings annually to the Planning Commission.

- The 82nd Avenue and Division URA will be administered by a neighborhood based administrative entity comprised of business owners and tenants of the URA as well as residents from the surrounding residential neighborhoods. Deliberations of the administrative entity will be in conformance with all Oregon public meetings laws and City of Portland administrative rules regarding meeting notification and public participation.

**Policy 3.9 Outer Southeast Community Neighborhoods and Business Plan** calls for including neighborhood plans developed as part of the Outer Southeast Community Neighborhood and Business Plan. These include Centennial, Foster-Powell, Hazelwood, Lents, Mt. Scott-Arleta, Mill Park, Montavilla, Outer Southeast Business Coalition, Pleasant Valley, Powellhurst-Gilbert and South Tabor.

- The 82nd Avenue and Division URA includes portions of the Montavilla, Powellhurst-Gilbert and South Tabor Neighborhood plans. Establishment of the URA is supportive of these neighborhood plans (as described more fully later in these findings) in that it will provide funding to support economic development and physical improvements to existing commercial centers within these neighborhoods.

**Goal 5, Economic Development**, calls for the promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the city. The 82nd Avenue and Division URA is consistent with this goal because:

- The proposed URA will provide revenues for economic development projects including, but not limited to, storefront improvement grants and commercial redevelopment and revitalization projects. The proposed URA is specifically supportive of the following policies:

**Policy 5.1 Urban Development and Revitalization** calls for encouraging investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

- The 82nd Avenue and Division URA directly supports this policy by providing tax increment revenues that can leverage private investment in the proposed URA.

**Policy 5.2 Business Development** calls for sustaining and supporting business development activities to retain, expand and recruit businesses.

- The 82nd Avenue and Division URA administrative entity may pursue non-TIF funding for economic development programs including marketing, business retention and recruitment programs.

**Policy 5.3 Community-Based Economic Development** calls for supporting community based economic development initiatives consistent with the Comprehensive Plan and compatible with neighborhood livability.

- The 82nd Avenue and Division URA supports this policy through the creation of an 82nd Avenue and Division URA administrative entity comprised of local business and residential interests. This group will evaluate specific requests for tax increment funding to support physical improvements to business properties and the public realm. Additionally the administrative entity may pursue redevelopment projects and business retention/attraction programs that are consistent with neighborhood priorities that will not use tax increment financing.

**Policy 5.6 Area Character and Identity within Designated Commercial Areas** calls for promoting and enhancing the special character and identity of Portland's designated commercial areas.

**Policy 5.7 Business Environment within Designated Commercial Areas** calls for promoting a business environment within designated commercial areas that is conducive to the formation, retention and expansion of commercial businesses.

- The 82nd Avenue and Division URA is directly supportive of Policies 5.6 and 5.7 above in that it will create a local administrative entity empowered to collect and distribute TIF revenues for commercial property rehabilitation and enhancements to the public realm within the 82nd Avenue and Division URA. This group may also develop and use non-TIF resources to initiate programs directed at business attraction, retention and growth.

**Goal 7, Energy**, calls for promotion of a sustainable energy future by increasing energy efficiency in all sectors of the city. The 82nd Avenue and Division URA supports this goal because:

- The 82nd Avenue and Division URA will reinvigorate the SE Division St and 82nd Avenue commercial area as a neighborhood destination providing daily goods and services to the surrounding residential neighborhoods at a scale that promotes active transportation and

reduces the need of Portlanders to rely on an automobile for their daily needs. More specifically the 82nd Avenue and Division URA is supportive of the following policies:

**Policy 7.4 Energy Efficiency through Land Use Regulations** calls for the City to promote residential, commercial, industrial, and transportation energy efficiencies and the use of renewable resources.

- The 82nd Avenue and Division URA supports this policy through its encouragement of reinvestment of an in-town commercial node providing goods and services to a surrounding residential neighborhood. Such proximity of goods and services to the surrounding neighborhoods reduces the need for auto trips and encourages the use of active transportation options.

**Policy 7.5 Energy Efficiency in Commercial and Industrial Facilities** calls for the City to encourage energy efficiency in existing commercial building and institutions by facilitating utility, local, state, and federal financial and technical assistance.

- Revenues from the 82nd Avenue and Division URA may be used for energy efficiency upgrades to existing commercial structures within the Urban Renewal Area and leverage additional public or private energy efficiency funding thereby supporting this policy.

**Goal 9, Citizen Involvement**, calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process, and the implementation, review, and amendment of the Comprehensive Plan. This project followed the process and requirements specified in Chapter 33.740, Legislative Procedure. The 82nd Avenue and Division URA is supportive of this goal because:

- Members of the 82nd Avenue and Division URA administrative entity were invited to form their own neighborhood based decision making body with technical and financial support provided by the Portland Development Commission and the City of Portland. The URA project is supportive of the following policy:

**Policy 9.1 Citizen Involvement Coordination** encourages citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public.

- On October 18, 2011, Mayor Sam Adams launched the NPI among nearly 100 community leaders at the Immigrant and Refugee Community Organization (IRCO), inviting six neighborhood commercial corridors in East and Northeast Portland to partner with PDC staff and to evaluate the feasibility and desirability of creating URAs.
- On November 7, 2011, PDC staff assembled the six district community groups back to IRCO to kick-off the community organizing process.
- On November 21, 2011, all of the districts successfully applied for and received a \$10,000 grant to help with facilitation, outreach coordination, translation, printing, and material expenses to help do the work of organizing the community around this Initiative.
- Community leaders formed an initial Steering Committee for the 82nd Avenue and Division URA to provide local direction for the application of tax increment revenues towards community-identified capital improvements.

- The PDC maintained a project website with background documents and meeting summaries available for downloading.
- The 82nd Avenue and Division URA authorizing documentation was posted to the project website as Adobe Acrobat files available for downloading prior to the PDC Board of Commissioners public hearing on March 12, 2012.
- Notice of the March 12, 2012 Portland Develop Commission public hearing to approve the 82nd Avenue and Division URA was published in the Oregonian and online.
- Notice of the March 13, 2012 City of Portland Planning and Sustainability Commission public hearing to consider the 82nd Avenue and Division URA was published in the Oregonian on 3/9/12 and online.
- Notice of the April 4, 2012 Portland City Council public hearing to approve the 82nd Avenue and Division URA was mailed to all owners of real property within the City of Portland in mid-March 2012.

The 82nd Avenue and Division URA initial steering committee also engaged in extensive public outreach activities. These outreach activities are documented in Appendix G of the March 12, 2012 Report to the PDC Board of Commissioners included as attachment \_\_\_ to the Portland City Council Report.

**Goal 12, Urban Design**, calls for enhancing Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations. The 82nd Avenue and Division URA supports this goal by:

- Allowing investment of tax increment revenues in existing commercial buildings to preserve and enhance existing historic design elements, supporting improvements that will reinforce and enhance the URA's character and function. More specifically the URA will support the following policies:

**Policy 12.2 Enhancing Variety** calls for promoting the development of areas of special identity and urban character with the City's residential, commercial and industrial areas having attractive identities that enhance the urbanity of the City.

- Investment made possible through the 82nd Avenue and Division URA may be used to improve the appearance and function of both private commercial buildings and the public realm along the existing SE Division St and SE 82nd Avenue commercial corridors including improvements that will enhance the pedestrian experience and connections with the surrounding residential neighborhoods.

**Policy 12.4 Provide for Pedestrians** calls for recognizing that auto, transit and bicycle users are pedestrians at either end of every trip and the Portland's citizens and visitors experience the city as pedestrians. Provide for a pleasant, rich and diverse experience for pedestrians. Ensure that those travelling on foot have comfortable, safe and attractive pathways that connect Portland's neighborhoods, parks, water features, transit facilities, commercial districts employment centers and attractions.

**Policy 12.5 Promote the Arts** calls for the City to humanize the City through promotion of the arts and excellence in design. Encourage the placement of art at locations that are visible to the public. Expand Portland's collection of Public Art. Punctuate the community with works of art

used to emphasize focal points mark transitional locations, celebrate public buildings and enhance the City's sidewalks, open spaces, plazas and parks.

- This URA supports both Policy 12.2 and 12.4 in that tax increment revenues made available through the 82nd Avenue and Division URA area may be used for functional pedestrian improvements and for other projects that will improve the public realm such as public art, lighting and landscape improvements.

**Policy 12.6 Preserve Neighborhoods** calls for preserving and supporting the qualities of individual neighborhoods that help to make and to respect and strengthen values in new development projects that implement this comprehensive plan.

- Expenditure of TIF funds made available through the 82nd Avenue and Division URA area will be overseen by an administrative entity comprised of local business interests and residential neighborhood representatives. Improvement projects identified through this neighborhood based decision making model will reflect the priorities and desires expressed by current neighborhood residents and businesses.

### Findings for the Montavilla, Powellhurst-Gilbert and South Tabor Neighborhood Plans

#### Montavilla Neighborhood Plan

The Montavilla Neighborhood Plan was adopted by the City Council on January 31<sup>st</sup> 1996. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 169763. The proposed 82nd Avenue and Division Urban Renewal Area is supportive of the following Neighborhood Plan Policies:

**Policy 3 Transportation** seeks to improve the accessibility of the neighborhood and expand choices of transport modes available to Montavilla residents. Encourage the development of commercial and higher density residential developments along transit streets throughout the neighborhood.

- The URA is supportive of this policy as it will provide TIF revenues to support improvements to business properties along SE Division Street and 82<sup>nd</sup> Avenue, both of which are served by frequent bus service. Eligible improvements to the public realm can improve the environment for pedestrians and bicyclists

**Policy 4 Economic Development** in part, seeks to foster the opportunity for new businesses and the expansion of existing businesses in Montavilla commercial areas including along SE Division and 82<sup>nd</sup> Avenue.

- The 82nd Avenue and Division URA is directly supportive of this policy by making TIF revenues available for commercial property construction renovation and expansion, making this area a more attractive area to do business for existing and potential enterprise. Outside of TIF funding, the local administrative entity may seek additional resources to develop and implement a marketing plan for this district to increase community awareness of the district to both potential customers and businesses.

#### Powellhurst-Gilbert Neighborhood Plan

The Powellhurst-Gilbert Neighborhood Plan was adopted by the City Council on January 1, 1996. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 169763. The proposed 82nd Avenue and Division URA is supportive of the following Neighborhood Plan Policies:

**Policy 1 Transportation** seeks to ensure that the neighborhood is accessible by a variety of transport modes including walking, bicycling, public transport, auto and truck traffic while reducing noise pollution and safety hazards

- Tax increment revenues available through the 82nd Avenue and Division URA may be used to improve sidewalks, bus stops and bicycle facilities within the area in support of this policy.

**Policy 6 Economic Development** seeks to improve, support and create businesses that enhance the neighborhood and provide needed goods and services.

- The 82nd Avenue and Division URA is specifically supportive of this policy by providing a funding mechanism through tax increment financing for business improvements and business development within this area. Revenues from the URA may be used to leverage additional private investment within the area while non-TIF resources may be sought and used by the local administrative entity to fund business improvement and marketing programs.

#### **South Tabor Neighborhood Plan**

The South Tabor Neighborhood Plan was adopted by the City Council on January 31, 1996. The policies and objectives of this plan were adopted as part of Portland's Comprehensive Plan by ordinance 169763. The proposed 82nd Avenue and Division URA is supportive of the following Neighborhood Plan Policies:

**Policy 2 Transportation** seeks to maintain mobility and accessibility by reducing the impact of autos on South Tabor and encourage alternative forms of transportation.

- The 82nd Avenue and Division URA is supportive of this policy by making TIF revenues available for the type of sidewalk and bicycle improvements that would encourage such alternative forms of transportation. Additionally, this URA is located along two bus lines. Increasing business activity here will be increasing the number of business and employment opportunities easily accessible by public transit.

**Policy 3 Economic Development** seeks to encourage and support businesses that enhance the neighborhood and provide needed goods and services to local residents

- The 82nd Avenue and Division URA is supportive of this policy by making TIF revenues available for building renovation and enhancing the physical condition of the SE Division St and 82nd Avenue commercial area. Additionally, the local administrative entity may engage in marketing and other business support programs while developing a working relationship between the business and residential communities.