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*Commissioner*

Sam Adams  
*Mayor*

Patrick Quinton  
*Executive Director*

April 5, 2012

Portland City Hall  
1221 SW 4th Avenue  
Portland, Oregon 97204

**Subject: Amendment to Six Neighborhood Prosperity Initiative Urban Renewal Area Plans**

Mayor and City Council Members,

Six Neighborhood Prosperity Initiative (NPI) Urban Renewal Plans were heard at Council on Wednesday, April 4, 2012. To address a scrivener's error, each Plan is amended as follows.

Section X.C of the 42<sup>nd</sup> Avenue NPI Urban Renewal Plan and Section IX.C of the Cully Blvd, Parkrose, Rosewood, Division-Midway, and 82<sup>nd</sup> Avenue and Division NPI Urban Renewal Plans shall be replaced in their entirety with the following:

*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) once maximum indebtedness is reached.*

Sincerely,

Patrick Quinton  
Executive Director  
Portland Development Commission

222 Northwest  
Fifth Avenue  
Portland, OR  
97209-3859

tel: 503.823.3200

fax: 503.823.3368

TTY: 503.823.3366



**DATE:** March 28, 2012

**TO:** Mayor Sam Adams

**FROM:** Kimberly Branam, Deputy Director

**RE:** Approve the 42nd Avenue Neighborhood Prosperity Initiative Urban Renewal Plan (Ordinance)

**FOR MAYOR'S OFFICE USE ONLY**

Reviewed by Bureau Liaison \_\_\_\_\_

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- 1. INTENDED THURSDAY FILING DATE:** March 29, 2012
- 2. REQUESTED COUNCIL AGENDA DATE:** April 4, 2012
- 3. PRIMARY CONTACT NAME & NUMBER:** Kimberly Branam, 503-823-3794
- 4. SECONDARY CONTACT & PREPARED BY:** Morgan Masterman, 503-823-6839
- 5. PLACE ON:**    CONSENT   X   REGULAR
- 6. FINANCIAL IMPACT & PUBLIC INVOLVEMENT STATEMENT ATTACHED:**  
  X   Yes    No    N/A
- 7. (THREE) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:**    Yes    No   X   N/A

**8. BACKGROUND/ANALYSIS**

**Introduction and History** – Attached is an Ordinance for Council consideration and approval on April 11, 2012. The Ordinance creates the 42nd Avenue Neighborhood Prosperity Initiative (“NPI”) Urban Renewal Area.

Concurrently with this ordinance, the Council will consider ordinances for the approval of five additional new urban renewal areas: Cully Boulevard; Parkrose; Rosewood; Division-Midway; and 82<sup>nd</sup> Avenue and Division (each an “NPI District”). Additionally, the Council will consider an ordinance authorizing the City to enter into intergovernmental agreements with the Portland Development Commission (“PDC”) to (1) permit the transfer of tax increment revenues to PDC for urban renewal projects in NPI District urban renewal areas and (2) grant the City’s Shared Revenues from ORS 457.470(4) to PDC for the NPI Districts.

On or about October 18, 2011, Mayor Sam Adams announced the NPI, which will result in the creation of six small innovative urban renewal areas focused on neighborhood commercial areas. The goal of the NPI is to strengthen neighborhood business districts’ economic competitiveness through community-planned and community-implemented actions and projects.

**Legal Issues** – None

**Link to Current City Policies** – The creation of this NPI District implements Objectives 1 and 2 of the Neighborhood Economic Development Strategy, the Recommended Draft Portland Plan and complies with the City of Portland’s Comprehensive Plan.

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**Controversial Issues** – We do not anticipate controversy related to these Council items.

**Citizen Participation** – An extensive and ongoing public participation process has guided the formation and expected operation of the NPI Districts. Subsequent to two PDC-hosted public events, all citizen outreach and engagement has been planned, hosted, and facilitated by community members within the six NPI Districts. Outreach to the local communities was key to creating buy-in, articulating a vision statement, agreeing on NPI District boundaries, brainstorming goals and objectives, fundraising, and committing time and energy to the communities’ required work when the urban renewal areas are effective.

**Other Government Participation** – The Portland Development Commission Board approved the six urban renewal plans and recommends adoption by City Council. Throughout the creation of these districts, Multnomah County has been involved and supportive. Multnomah County Chair Cogen testified in support of the NPI districts at the Portland Development Commission public hearing on March 12, 2012. The Planning and Sustainability Commission reviewed the urban renewal plans, found them in compliance with the City’s Comprehensive Plan and Draft Portland Plan, and recommends approval to City Council. All overlapping taxing jurisdictions have been provided the opportunity to consult and confer on the creation of the six urban renewal areas.

**9. FINANCIAL IMPACT**

It is estimated that taxing jurisdictions overlapping each NPI District urban renewal area will forego taxes during the timeframe that each NPI District is eligible to collect tax increment revenues, which is estimated to be through FY 2021-22. The City’s estimated foregone revenues associated with the tax increment revenues of each NPI District urban renewal area are as follows:

Urban Renewal Area	Estimated City Foregone Taxes FY2013/14 to 21/22
Cully Boulevard	\$264,503
Division-Midway	\$243,771
Parkrose	\$260,715
Rosewood	\$256,045
42nd Avenue	\$264,478
82nd Avenue & Division	\$262,470
<b>Total</b>	<b>\$1,551,982</b>

Additionally, because the Ordinance will direct the City's allocation of the Shared Revenues to each NPI District, the City will forego estimated Shared Revenues through FY 2020-21 as follows:

Urban Renewal Area	Estimated City Foregone Shared Revenue FY2014/15 to 20/21
Cully Boulevard	\$194,011
Division-Midway	\$206,907
Parkrose	\$194,152
Rosewood	\$190,225
42nd Avenue	\$194,058
82nd Avenue & Division	\$196,534
<b>Total</b>	<b>\$1,175,888</b>

It is estimated that Shared Revenues will not be allocated in FY 2021-22 because tax increment revenues in that fiscal year will be sufficient to reach each NPI District's authorized total funding amount.

#### **10. RECOMMENDATION/ACTION REQUESTED**

It is recommended that the City Council approve the Ordinance in order to create the 42nd Avenue Neighborhood Prosperity Initiative Urban Renewal Area and facilitate the stated goals of the Neighborhood Prosperity Initiative.



Kimberly Branam,  
Deputy Director

Portland, Oregon

**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT  
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Kimberly Branam		2. Telephone No. X 3-3794	3. Bureau/Office/Dept. Portland Development Commission
4a. To be filed (date):  March 29, 2012	4b. Calendar (Check One)  Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: March 22, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

**1) Legislation Title:**Approve the 42<sup>nd</sup> Avenue Neighborhood Prosperity Initiative Urban Renewal Plan (Ordinance)**2) Purpose of the Proposed Legislation:**The Ordinance creates the 42<sup>nd</sup> Avenue Neighborhood Prosperity Initiative Urban Renewal Area**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |  |   |                                    |                                |
|--|---|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional                | <input checked="" type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input checked="" type="checkbox"/> Central Northeast      | <input type="checkbox"/> Southeast            | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                      |   |                                    |                                |
| <input type="checkbox"/> Internal City Government Services |   |                                    |                                |

**FINANCIAL IMPACT****4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

Concurrently with this legislation, the City Council will consider ordinances to create five additional new urban renewal areas (each an "NPI URA") for which tax increment revenues will be generated and collected by the City. These tax increment revenues will be deposited into tax increment funds that will be created for each NPI URA. City Council will consider an additional ordinance to enter into an intergovernmental agreement allowing for the transfer of these tax increment revenues to PDC for expenditures by the NPI URAs.

The taxing jurisdictions overlapping each of the NPI URAs, including the City, will forego taxes during the timeframe that each NPI URA is eligible to collect tax increment revenues, which is

estimated to be through FY 2021-22. The estimated foregone revenues to the City from its permanent tax rate that will now be collected as tax increment revenues for each NPI URA are as follows:

Urban Renewal Area	City Tax Increment Revenues FY2013/14 to 21/22
Cully Boulevard	\$264,503
Division-Midway	\$243,771
Parkrose	\$260,715
Rosewood	\$256,045
42nd Avenue	\$264,478
82nd Avenue & Division	\$262,470
<b>Total</b>	<b>\$1,551,982</b>

**5) Expense:** What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

Concurrently with this legislation, the City Council will consider an ordinance authorizing an intergovernmental agreement to direct the City's allocation of the Shared Revenues as provided by ORS 457.470(4) to each NPI District. Therefore, the City will allocate its estimated Shared Revenues to PDC for the benefit of the NPI District urban renewal areas through FY 2020-21 as follows:

Urban Renewal Area	City Foregone Shared Revenue FY2014/15 to 20/21
Cully Boulevard	\$194,011
Division-Midway	\$206,907
Parkrose	\$194,152
Rosewood	\$190,225
42nd Avenue	\$194,058
82nd Avenue & Division	\$196,534
<b>Total</b>	<b>\$1,175,888</b>

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**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

We do not anticipate creating, eliminating, or reclassifying any positions this year due to this legislation.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**

We do not anticipate creating or eliminating positions in future years due to this legislation.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

- YES:** Please proceed to Question #9.
- NO:** Please, explain why below; and proceed to Question #10.

**9) If "YES," please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

Extensive community outreach was crucial to the formation of the NPI Districts. It is expected that formal adoption of the NPI Districts will encourage broad, consistent, and continued public participation among property owners, business owners, and interested citizens.

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

Extensive outreach was crucial to the early success of all six NPI Districts. The following organizations and groups were involved:

42<sup>nd</sup> Avenue:

- 42<sup>nd</sup> Avenue Business Association
- Concordia Neighborhood Association
- Cully Neighborhood Association
- Portland Community College

Cully Blvd:

- Cully Neighborhood Association
- Native American Youth and Family Center

Rosewood:

- Rosewood Initiative
- City of Gresham
- City of Portland Police Bureau
- Multnomah County
- Wilkes Neighborhood Association
- Centennial Neighborhood Association

Parkrose:

- Parkrose Business Association
- Parkrose Neighborhood Association
- Columbia Corridor Association
- Gateway Area Business Association

Division-Midway:

- Midway Business Association
- Hazelwood Neighborhood Association
- Centennial Neighborhood Association
- Human Solutions
- Powellhurst-Gilbert Neighborhood Association

82<sup>nd</sup> Avenue & Division:

- Montavilla Neighborhood Association
- Portland Community College
- 82<sup>nd</sup> Avenue Business Association
- Montavilla/East Tabor Business Association
- Portland Chinese Times
- Powellhurst-Gilbert Neighborhood Association



**c) How did public involvement shape the outcome of this Council item?**

Public involvement was essential in shaping and developing this Council Item. Outreach to the local communities was key to creating buy-in, articulating a vision statement, agreeing on NPI District boundaries, brainstorming goals and objectives, fundraising, and committing time and energy to the communities' required work when the urban renewal areas are effective.

**d) Who designed and implemented the public involvement related to this Council item?**

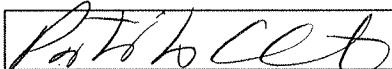
PDC staff hosted the first two public involvement events. Subsequently, the NPI District communities themselves organized, hosted, and facilitated all community events, outreach activities, web-based surveys, mailings, door flyers, etc with support from PDC staff.

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

Dana DeKlyen  
Neighborhood Prosperity Initiative  
Senior Program Manager  
503-823-3312  
[deklyend@pdc.us](mailto:deklyend@pdc.us)

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

The success of the NPI Districts will be heavily dependent on continued public involvement, particularly to traditionally-underserved communities. The NPI District Managers will largely be responsible for these outreach activities, but it is also expected that members of the Steering Committees will be actively involved in engaging their local communities.



Patrick Quinton  
BUREAU DIRECTOR