

**RESOLUTION No.** *[assigned by Clerk's office]*

Take action towards amending six Urban Renewal Areas to advance redevelopment and economic development objectives while reducing the impact of urban renewal on taxing jurisdictions (Resolution)

WHEREAS, the City of Portland uses urban renewal as a tool to meet redevelopment and economic development goals; and

WHEREAS, the Portland Development Commission (PDC) manages seventeen Urban Renewal Areas (URAs), including the six Neighborhood Prosperity Initiative districts; and

WHEREAS, a targeted package of changes to URAs will preserve affordable housing investments and help the city better meet its redevelopment and economic development objectives in alignment with the Portland Plan, Central City 2035, and Economic Development Strategy; and

WHEREAS, the package of URA changes will collectively reduce the impact of urban renewal on taxing jurisdictions by returning acreage to the tax rolls and providing additional resources to the City of Portland, Multnomah County, Oregon State School Fund and Library Districts; and

WHEREAS, City Council intends to amend the Willamette Industrial URA plan by terminating collections of property tax revenues, releasing these revenues to taxing jurisdictions, releasing acreage from the URA limitation calculation, and promoting economic development by providing assistance to manufacturing companies with remaining bond proceeds; and

WHEREAS, City Council intends to add approximately 35 acres of the Education URA to the North Macadam URA to support Portland State University (PSU) priorities, execute a development agreement with PSU, release remaining acreage of the Education URA and close that district, and release tax revenues to taxing jurisdictions; and

WHEREAS, City Council intends to reduce the Airport Way URA in acreage to the equivalent of approximately 40 percent of the URA's assessed value; and

WHEREAS, City Council intends to reduce the River District URA to the equivalent of approximately 30 percent of the URA's amended plan value and release tax revenues to taxing jurisdictions; and

WHEREAS, City Council intends to expand the North Macadam URA to include approximately 35 acres from the Education URA to support PSU priorities and extend the last date to issue debt by five years to seize opportunities through a Development Agreement with ZRZ Realty and Oregon Health and Science University's \$500 million challenge grant, with no impact to maximum indebtedness; and

WHEREAS, City Council intends to expand the Central Eastside URA to include additional Portland Milwaukie Light Rail station areas, extending the last date to issue debt by five years, and increasing maximum indebtedness by approximately 20 percent; and

WHEREAS, the changes detailed above are anticipated to return a net present value of approximately \$67 million before compression over thirty years to the City of Portland, Multnomah County, Oregon State School Fund and Library Districts.

NOW, THEREFORE BE IT RESOLVED, that City Council directs PDC and OMF to prepare proposed proceed towards implementation of amendments to the Willamette Industrial, Education, Airport Way, River District, North Macadam, and Central Eastside URAs as outlined above, or with modifications that are equal to or better in meeting the goals articulated in the third and fourth whereas of this resolution; and

NOW, THEREFORE BE IT RESOLVED, that City Council directs PDC and OMF to work with the Bureau of Planning and Sustainability and the Portland Housing Bureau, coordinate with partner taxing jurisdictions, and engage community stakeholders to consider, discuss, and finalize the proposed amendments; and

NOW, THEREFORE BE IT RESOLVED, that City Council directs PDC and OMF to submit a UR-50 form that will cease collecting revenue in the Willamette Industrial URA and return revenue approximately equal to the reduction of the River District URA for fiscal year 2014/15; and

BE IT FURTHER RESOLVED that PDC and City of Portland staff will present all six amendments to the PDC Board and/or City Council for formal approval as required by statute through resolution/ordinance this fall.

Adopted by the Council: *[dated by Clerk's Office]*

Mayor Charlie Hales  
Prepared by: Justin Douglas  
Date Prepared: May 1, 2014

**LaVonne Griffin-Valade**  
Auditor of the City of Portland  
By *[signed Clerk's office]*

Deputy

Portland, Oregon  
**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT**  
**For Council Action Items**

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Justin Douglas		2. Telephone No. 3-4579	3. Bureau/Office/Dept. Portland Development Commission
4a. To be filed (hearing date): May 7, 2014	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 CBO Budget Analyst: May 1, 2014
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:**

Take action towards amending six Urban Renewal Areas to advance redevelopment and economic development objectives while reducing the impact of urban renewal on taxing jurisdictions (Resolution)

**2) Purpose of the Proposed Legislation:**

Direct Portland Development Commission (PDC) and Office of Management and Finance (OMF) to proceed towards implementation of amendments to the Willamette Industrial, Education, Airport Way, River District, North Macadam, and Central Eastside Urban Renewal Areas.

**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 checked="" type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast       | <input checked="" type="checkbox"/> Southeast | <input checked="" type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input checked="" type="checkbox"/> Central City |   |   |                                |

**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.

No, this resolution simply directs staff to proceed with work that would appear before City Council for formal approval later in 2014. Should the proposed changes before Council later this year be approved, there would be an increase in revenue to the City of Portland of approximately \$21 M in net present value over the next thirty years.

**5) Expense:** What are the costs to the City as a result of 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 year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. 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**.)

There are no costs to the City. PDC will incur approximately \$100,000 in staff time and consultant expenses to do the work that is proposed in this resolution.

**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.)

No.

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

No.

*(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

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**

**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?**

If this resolution is approved, PDC will work with stakeholders to inform the proposed Urban Renewal Area amendments.

**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?**

PDC staff has briefed the Central City Budget Advisory Committee and Neighborhood Economic Development Leadership Group Budget Sub-Committee on the resolution and proposed URA amendments.

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

The Central City Budget Advisory Committee and Neighborhood Economic Development Leadership Group Budget Sub-Committee were both supportive of the resolution and proposed work.

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

PDC staff.

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

Justin Douglas, PDC Policy Manager, 503.823.4579, [DouglasJ@pdc.us](mailto:DouglasJ@pdc.us)

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

No, but, if approved, PDC staff will commence public participation activities that would inform the URA amendment work that would appear before Council for formal approval later in 2014.

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APPROPRIATION UNIT HEAD (Typed name and signature)