

Urban Renewal Area Amendments Resolution

Presentation to City Council
May 7, 2014

Proposal Overview

Objectives:

- Reduce impact of urban renewal on taxing jurisdictions
- Provide resources to meet City's community development , economic development, and affordable housing goals
- Support Portland State University (PSU)

Proposal:

- Close or reduce: Willamette Industrial, River District, Airport Way, Education District Urban Renewal Areas (URAs)
- Extend and expand: North Macadam, Central Eastside URAs
- Solidify partnership with PSU via Development Agreement

Action & Next Steps

Action:

- Submit UR-50 form for Council to adopt in FY 2014/15 budget
 - *Returns tax revenue from Willamette Industrial & River District before amendments effective*

Next Steps:

- Staff work - technical analysis, findings, documentation
- Conduct public outreach, coordinate with city and taxing jurisdiction partners
- Bring amendments to PDC Board and City Council for approval this fall:
 - *CES, RD, APW, WIURA*
 - *ED, NMAC following completion of DAs with PSU and ZRZ*

Proposal Overview

Net Impact:

- Return ~\$1.06 B to tax rolls in FY 2015-16
- Provide additional ~\$5 M to taxing jurisdictions in FY 2014-15
 - ~\$1.5 M in FY 2014-15 for City of Portland
- Provide additional ~\$158 M (\$67 M NPV) to taxing jurisdictions over 30 years
 - ~ \$48.8 M (\$20.7 M NPV) over 30 years for City of Portland
- Maintains investment in affordable housing
- Seizes opportunities to implement Central City 2035 objectives in University District, South Waterfront, Central Eastside Industrial District, Old Town/Chinatown

Proposed URA Amendment: Airport Way

STATUS

- Significant development (Cascade Station, Riverside Pkwy, Red Line) complete
- \$147 M » \$1.2 B assessed value

No fiscal impact

PROPOSAL

- Reduce acreage equal to ~ 40 % of assessed value; returns ~ 847 acres to tax rolls

Proposed URA Amendment: River District

STATUS

- Investment in Old Town/Chinatown as key priority
- Centennial Mills, Union Station

Fiscal Impact (Nominal)

	6 Yr	30 Yr
TJIs:	\$32.7 M	\$45.4 M

PROPOSAL

- Reduce acreage ~ 30 % of amended plan value, release tax revenues
- No impact to maximum indebtedness or last date to issue debt
- Process UR-50 form to release FY 2014/15 tax revenue

Proposed URA Amendment: Willamette Industrial

STATUS

- Active manufacturing hub, limited tax increment generated

Fiscal Impact (Nominal)

	6 Yr	30 Yr
Taxing Jurisdictions (TJs)	\$7.3 M	\$5.2 M

PROPOSAL

- Amend plan to return revenue to taxing jurisdictions and release acreage from URA limitation calculation
- Use remaining assets within existing boundaries to support manufacturing companies
- Process UR-50 form to release FY 2014/15 tax revenue

Proposed URA Amendment: Education District

STATUS

- No debt issued

Fiscal Impact (Nominal)

	6 Yr	30 Yr
TJs:	\$11 M	\$189.5 M

PROPOSAL

- Move 35 acres to North Macadam to support PSU priorities
- Release remaining acreage and property tax revenue in FY 2015-16

Proposed URA Amendment: North Macadam

STATUS

- Letter of agreement in place w/PSU; Development Agreement (DA) this fall
- Developing DA w/ ZRZ

Fiscal Impact (Nominal)

	6 Yr	30 Yr
TJs:	(\$2.1 M)	(\$64.5 M)
PDC:	\$5.9 M	\$57.6 M
PHB:	\$2.4 M	\$23.3 M

PROPOSAL

- Expand to include ~35 acres of Education URA
- Extend last date to issue debt by 5 years
- No change to maximum indebtedness

Proposed URA Amendment: North Macadam

PSU/City/PDC Development Agreement

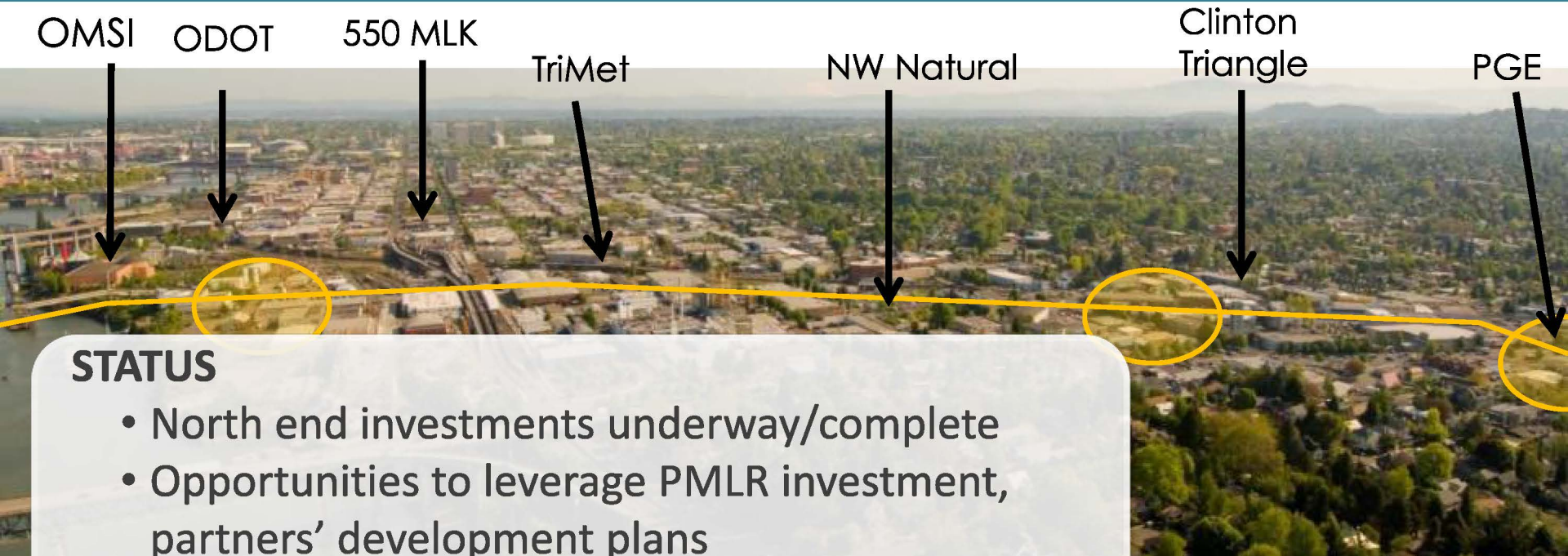
- Invest in Business School (\$2 M)
- Transfer ownership of Jasmine Block (\$4 M)
- Support redev. of University Place (\$13 M)
- City of Portland to buy/lease 30 K sq. ft.

Potential
Expansion Area

SW 4th Ave.

SW Harrison St

Proposed URA Amendment: Central Eastside



STATUS

- North end investments underway/complete
- Opportunities to leverage PMLR investment, partners' development plans

Fiscal Impact (Nominal)

	6 Yr	30 Yr
TJs:	\$769 K	(\$17.5 M)
PDC:	\$9.7 M	\$16.3 M
PHB:	\$3.9 M	\$6.6 M

PROPOSAL

- Expand to Include additional Portland-Milwaukie Light Rail (PMLR) station area(s)
- Increase max indebtedness by 20 %
- Extend last date to issue debt by 5 years

Proposed URA Amendment: Central Eastside



Existing URA

Clinton St
MAX Station

Powell Blvd.

SE 12th Ave.

Potential
Expansion Area

Discussion & Questions



URA Modification Proposal – Fiscal Impact

	Impact by URA					
Fiscal Year	RD	WIURA	CES	NMAC	ED	Total Fiscal Impact
2014-15	\$4.9	\$1.1	\$0.0	\$0.0	\$0.0	\$6.0
2016-2020	\$27.8	\$6.3	\$0.8	(\$2.1)	\$11.0	\$43.8
2021-2025	\$12.7	\$5.3	(\$23.5)	(\$6.1)	\$19.7	\$8.1
2026-2030	(\$0.0)	(\$1.8)	(\$6.2)	(\$80.4)	\$27.3	(\$61.1)
2031-2035	(\$0.0)	(\$1.8)	\$3.3	\$6.9	\$35.8	\$44.1
2036-2040	(\$0.0)	(\$1.9)	\$3.8	\$8.0	\$45.3	\$55.2
2041-2045	(\$0.0)	(\$1.9)	\$4.3	\$9.3	\$50.4	\$62.0
TOTAL	\$45.4	\$5.2	(\$17.5)	(\$64.5)	\$189.5	\$158.1
Present Value	\$36.26	\$7.03	(\$13.83)	(\$37.82)	\$75.80	\$67.43

URA Modification Proposal – Fiscal Impact

	Impact to Each Jurisdiction					
Fiscal Year	City	County	State School Fund	PPS Gap Levy**	Library	Total Fiscal Impact
2014-15	\$1.80	\$1.70	\$1.87	\$0.16	\$0.46	\$6.00
2016-2020	\$13.22	\$12.55	\$13.79	\$0.84	\$3.41	\$43.81
2021-2025	\$2.41	\$2.29	\$2.52	\$0.21	\$0.62	\$8.05
2026-2030	(\$17.99)	(\$17.07)	(\$18.76)	(\$2.63)	(\$4.64)	(\$61.09)
2031-2035	\$13.50	\$12.81	\$14.08	\$0.23	\$3.48	\$44.11
2036-2040	\$16.90	\$16.04	\$17.63	\$0.26	\$4.36	\$55.18
2041-2045	\$19.00	\$18.03	\$19.82	\$0.30	\$4.90	\$62.05
TOTAL	\$48.84	\$46.35	\$50.95	(\$0.63)	\$12.59	\$158.11
Present Value	\$20.77	\$19.71	\$21.66	(\$0.05)	\$5.35	\$67.43

URA Modification Proposal – Housing/PDC

PHB Impact

Fiscal Year	Impact by URA						Changes due to Amendments
	RD	WIURA	CES	NMAC	ED	SPB	
2014-15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016-2020	-	-	3.9	(1.8)	(6.1)	5.0	\$ 1.08
2021-2025	-	-	2.7	25.0	(9.0)	-	\$ 18.67
2026-2030	-	-	-	-	(8.4)	-	\$ (8.40)
2031-2035	-	-	-	-	(10.0)	-	\$ (9.95)
2036-2040	-	-	-	-	(10.2)	-	\$ (10.23)
2041-2045	-	-	-	-	(2.3)	-	\$ (2.32)
Total	\$ -	\$ -	\$ 6.6	\$ 23.3	\$ (46.0)	\$ 5.0	\$ (11.15)
Present Value	\$ -	\$ -	\$ 5.2	\$ 15.4	\$ (23.8)	\$ 4.8	\$ 1.56

URA Modification Proposal – Housing/PDC

Change in PDC TIF resources (after removing Housing)

Fiscal Year	Impact by URA						Changes due to Amendments
	RD	WIURA	CES	NMAC	ED	SPB	
2014-15	\$ (5.58)	\$ (0.99)	\$ -	\$ -	\$ -	\$ -	\$ (6.57)
2016-2020	(10)	(7)	9.7	(4.3)	(15.1)	(5.0)	\$ (32.06)
2021-2025	20	(7)	6.6	61.9	(22.3)	-	\$ 58.98
2026-2030	-	-	-	-	(20.8)	-	\$ (20.76)
2031-2035	-	-	-	-	(24.6)	-	\$ (24.61)
2036-2040	-	-	-	-	(25.3)	-	\$ (25.28)
2041-2045	-	-	-	-	(5.7)	-	\$ (5.73)
Total	\$ 3.9	\$ (15.0)	\$ 16.3	\$ 57.6	\$ (113.8)	\$ (5.0)	\$ (56.02)
Present Value	\$ -	\$ -	\$ (0.8)	\$ (0.7)	\$ 0.8	\$ -	\$ (0.70)

URA Modification Proposal – Housing/PDC

PHB Impact

Fiscal Year	Impact by URA									Total Proposed Changes
	RD	WIURA	CES	NMAC	ED	SPB	Changes due to Amendments	IC	OCC	
2014-15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.78	\$ (6.00)	\$ (5.22)
2016-2020	-	-	3.9	(1.8)	(6.1)	5.0	\$ 1.08	19.2	-	20.3
2021-2025	-	-	2.7	25.0	(9.0)	-	\$ 18.67	-	-	18.7
2026-2030	-	-	-	-	(8.4)	-	\$ (8.40)	-	-	(8.4)
2031-2035	-	-	-	-	(10.0)	-	\$ (9.95)	-	-	(10.0)
2036-2040	-	-	-	-	(10.2)	-	\$ (10.23)	-	-	(10.2)
2041-2045	-	-	-	-	(2.3)	-	\$ (2.32)	-	-	(2.3)
Total	\$ -	\$ -	\$ 6.6	\$ 23.3	\$ (46.0)	\$ 5.0	\$ (11.15)	\$ 20.0	\$ (6.0)	\$ 2.9
Present Value	\$ -	\$ -	\$ 5.2	\$ 15.4	\$ (23.8)	\$ 4.8	\$ 1.56	\$ 17.8	\$ (6.0)	\$ 13.4

URA Modification Proposal – Housing/PDC

Change in PDC TIF resources (after removing Housing)

Fiscal Year	Impact by URA									Total Proposed Changes
	RD	WIURA	CES	NMAC	ED	SPB	Changes due to Amendments	IC	OCC	
2014-15	\$ (5.58)	\$ (0.99)	\$ -	\$ -	\$ -	\$ -	\$ (6.57)	\$ -	\$ 6.00	\$ (0.57)
2016-2020	(10)	(7)	9.7	(4.3)	(15.1)	(5.0)	\$ (32.06)	(19.2)	-	(51.3)
2021-2025	20	(7)	6.6	61.9	(22.3)	-	\$ 58.98	-	-	59.0
2026-2030	-	-	-	-	(20.8)	-	\$ (20.76)	-	-	(20.8)
2031-2035	-	-	-	-	(24.6)	-	\$ (24.61)	-	-	(24.6)
2036-2040	-	-	-	-	(25.3)	-	\$ (25.28)	-	-	(25.3)
2041-2045	-	-	-	-	(5.7)	-	\$ (5.73)	-	-	(5.7)
Total	\$ 3.9	\$ (15.0)	\$ 16.3	\$ 57.6	\$ (113.8)	\$ (5.0)	\$ (56.02)	\$ (19.2)	\$ 6.0	\$ (69.2)
Present Value	\$ -	\$ -	\$ (0.8)	\$ (0.7)	\$ 0.8	\$ -	\$ (0.70)	\$ -	\$ -	\$ (0.7)