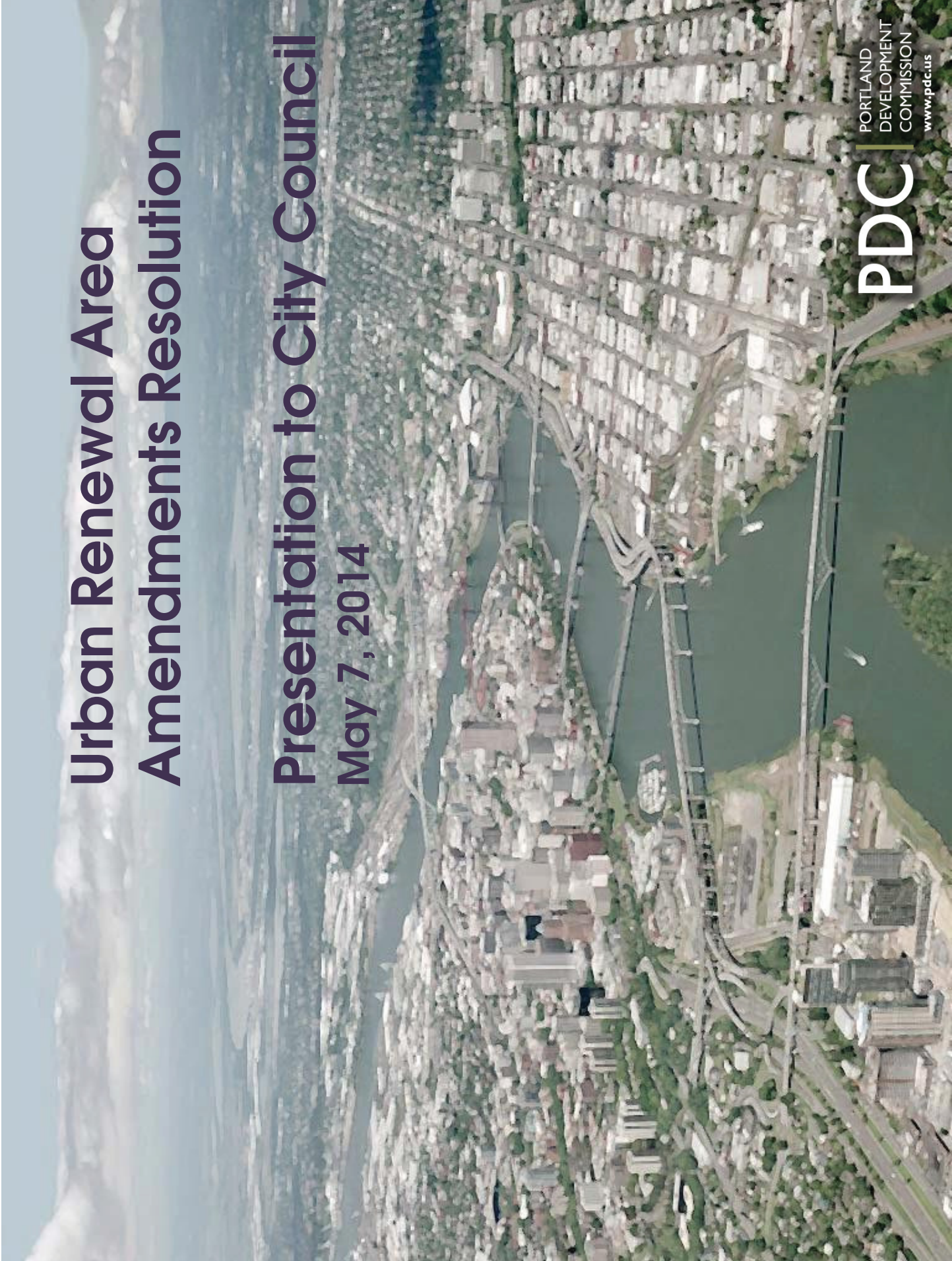


Urban Renewal Area Amendments Resolution

Presentation to City Council
May 7, 2014

PORTLAND
DEVELOPMENT
COMMISSION
www.pdc.us

PDC



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: Willamette Industrial

STATUS

- Active manufacturing hub, but limited tax increment generated

Fiscal Impact (Nominal)

6 Yr	30 Yr
\$7.3 M	\$5.2 M

Taxing Jurisdictions (TJs)

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: River District

STATUS

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

Fiscal Impact (Nominal)

6 Yr	30 Yr
TJJs: \$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: 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: 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
TJIs: (\$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

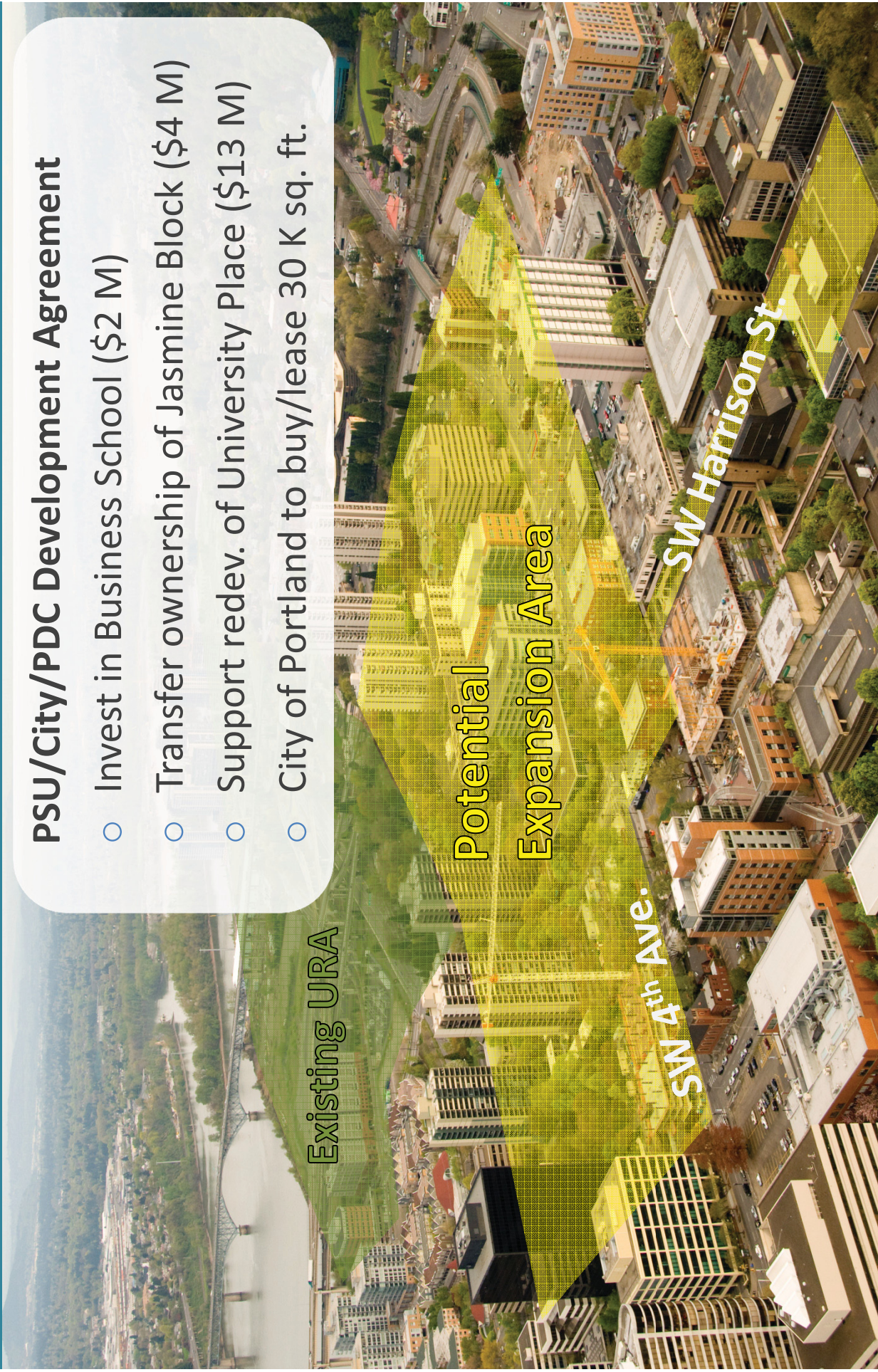
- Invest in Business School (\$2 M)
- Transfer ownership of Jasmine Block (\$4 M)
- Support redev. of University Place (\$13 M)
- City of Portland to buy/lease 30 K sq. ft.

Existing URA

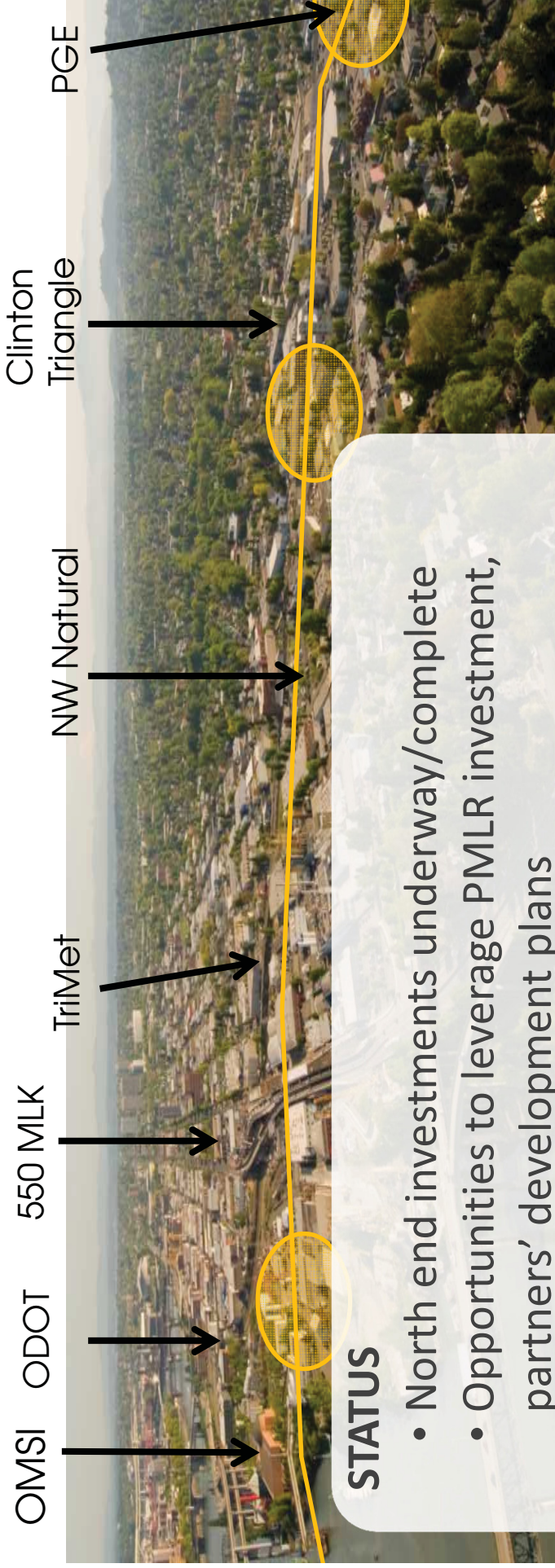
Potential
Expansion Area

SW 4th AVE.

SW Harrison St.



Proposed URA Amendment: Central Eastside



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

Fiscal Impact (Nominal)	
	30 Yr
TJIs:	(\$17.5 M)
PDC:	\$16.3 M
PHB:	\$6.6 M

Proposed URA Amendment: Central Eastside



Discussion & Questions



RESOLUTION No. 37072 As Amended

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 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 first, third and fourth whereas clauses 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

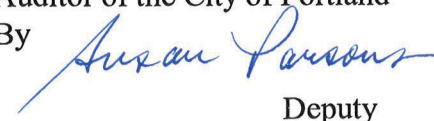
BE IT FURTHER RESOLVED that PDC and City of Portland staff will present all six amendments to the PDC Board and/or City Council for formal approval as required by statute through resolution/ordinance this fall.

Adopted by the Council: MAY 07 2014

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

LaVonne Griffin-Valade
Auditor of the City of Portland

By


Deputy

Agenda No. **RESOLUTION NO. 37072 As Amended**
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)

<p>INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales</p>	<p>CLERK USE: DATE FILED <u>MAY 02 2014</u></p>
<p>COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick</p>	<p>LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy ACTION TAKEN:</p>
<p>BUREAU APPROVAL Bureau: Mayor's Office Bureau Head: Charlie Hales</p>	
<p>Prepared by: Justin Douglas Date Prepared: May 1, 2014</p>	
<p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date 5/7/14</p>	

<p>AGENDA</p>
<p>TIME CERTAIN <input checked="" type="checkbox"/> Start time: 3 PM Total amount of time needed: 0:60 (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz <input checked="" type="checkbox"/>	
2. Fish	2. Fish <input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman <input checked="" type="checkbox"/>	
4. Novick	4. Novick <input checked="" type="checkbox"/>	
Hales	Hales <input checked="" type="checkbox"/>	