

Tom Kelly  
Chair

December 1, 2014

Aneshka Dickson  
Commissioner

**To:** Portland City Council

Mark Edlen  
Commissioner

**From:** Jillian Detweiler, Policy Director, Office of Mayor Charlie Hales

**Subject:** Recommendations of the Urban Renewal Area Amendments Advisory Committee

John C. Mohlis  
Commissioner

On May 7, 2014, Portland City Council adopted Resolution No. 37072. The Resolution directed the Portland Development Commission (PDC) and City of Portland staff to take action towards amending six urban renewal areas (URAs) and to engage community stakeholders in considering and finalizing proposed amendments. If approved, the amendments should collectively:

- Reduce the impact of urban renewal on taxing jurisdictions;
- Provide resources to meet economic development, redevelopment, and affordable housing goals; and
- Support Portland State University.

Charles A. Wilhoite  
Commissioner

Charlie Hales  
Mayor

Patrick Quinton  
Executive Director

The purpose of this memorandum is to summarize the results of PDC's outreach to stakeholders and the recommendations of the URA Amendments Advisory Committee.

### Public Involvement

PDC convened an Urban Renewal Area Amendment Advisory Committee as part of its community engagement efforts. Committee members are listed in Appendix A. The Committee met five times over the past several months. PDC established a page on its website providing information about the URA amendments, the Committee meetings and other opportunities to participate.

PDC also held an open house to provide information on the proposed amendments and attended 15 neighborhood and business association meetings to share proposals that would affect that specific neighborhood. PDC shared associations' feedback or alternative proposals with the Committee.

### Committee Recommendations

The Committee considered amendments to six URAs that City Council proposed in May as outlined in Resolution 37072. While the Committee unanimously agreed on a number of the amendments proposed, the Committee was not unanimous on its full recommendation. The Committee's discussion and voting on proposed amendments to each of the six URAs was as follows:

1. **Airport Way** – The Committee considered the proposal to reduce the acreage in this URA equal to 40 percent assessed value. Since the last date to issue debt has passed, there is no impact to maximum indebtedness.
  - The Committee unanimously supported this proposed amendment, including the boundary changes as prepared by PDC staff and attached as Appendix B.
2. **River District** – The Committee considered the proposal to reduce acreage up to 30 percent of the amended assessed value. The resultant tax revenues would be released to taxing jurisdictions. The amendments to River District URA would have no impact to maximum indebtedness or the last date to issue debt.
  - The Committee supported this proposed amendment, with the majority of the Committee also supporting the map of properties to be removed from the River District URA as prepared by PDC staff and discussed with the public, including the Pearl District Neighborhood Association, and Attached as Appendix C.
  - The League of Women Voters supports removal of additional acreage from the River District should the district have the capacity to do so without affecting current district obligations.
3. **Downtown Waterfront**. The Committee had extensive discussions regarding moving certain Old Town/Chinatown (OTCT) properties from the Downtown Waterfront URA to the River District URA in response to a proposal submitted by the Portland Business Alliance (PBA). PBA proposed adding between 3 and 11 blocks to the River District URA.
  - The Committee recommended extending the River District URA boundary to include Block 33 in OTCT, a property currently in the Downtown Waterfront URA, as redevelopment of this full-block site between Couch and Davis streets, 4<sup>th</sup> and 5<sup>th</sup> avenues, was considered critical to the success of OTCT. Adding Block 33 to the River District URA would require reducing the boundaries of Downtown Waterfront URA by that block. This action would have no significant impact on taxing jurisdictions. This proposal is shown in Appendix D.
  - The representatives of the League of Women Voters and Multnomah County opposed expanding the River District URA to include Block 33.

4. **Willamette Industrial** - The Committee considered the proposal to amend the plan to terminate the collection of tax increment revenues and release all acreage.
  - The Committee voted unanimously to support this proposed amendment and use the remaining bond proceeds to assist manufacturing companies and industry-related needs.
5. **North Macadam and Education** – The Committee considered the proposal to expand the North Macadam URA by approximately 45 acres as shown in the map prepared by PDC staff (Appendix E), 35 acres of which are currently within in Education URA and another ten acres from areas not currently in a URA. The Committee considered a related proposal to eliminate the Education URA releasing 109 acres.
  - The Committee voted unanimously to support these two actions. The North Macadam amendment would not change maximum indebtedness, but it would extend the last date to issue debt from FY 2019/20 to FY 2024/25 and will provide resources to deliver on the key development-enabling public infrastructure and other elements of the Development Agreements with ZRZ and PSU.

Portland Housing Bureau (PHB) staff met with a housing sub-committee and briefed the full Committee on revising affordable housing goals in the URA. While the Committee did not take formal action on these discussions, the League of Women Voters stated its position that the City and PHB should maintain the affordable housing goals articulated in the Report on the North Macadam Urban Renewal Plan (1999), the Council-adopted South Waterfront Plan (2002), and the North Macadam Development Strategy (2003).

6. **Central Eastside** – The Committee considered proposals to expand the Central Eastside URA by up to 20% through a variety of scenarios. The Committee also considered increasing the URA’s maximum indebtedness by 20% (from approximately \$105M to \$126M) and extending the last date to issue debt from FY 2017/18 to FY 2022/23 in order to fund priorities of the current and expanded CES URA.
  - The Committee voted to expand the Central Eastside URA boundaries by approximately 16 acres as shown in Appendix F to include the ‘Clinton Triangle’, an underdeveloped area adjacent to the new Clinton Station along the Portland Milwaukie Light Rail alignment. The committee also voted to increase the maximum indebtedness and to extend the last date to issue debt.
  - The League of Women Voters questions the appropriateness of extending the life of the district and diverting more money from the county and schools in order to

install transportation infrastructure in the Clinton Triangle, which should be the city's responsibility, and recommended the city use its own resources. In light of the already extended life of the district (32 years), the League stated that financing newly emerging projects within the existing boundaries by increasing maximum indebtedness would not keep faith with the other taxing jurisdictions and the people they serve.

- PDC also asked the Committee to consider a proposal from the Brooklyn Action Corps to extend the Central Eastside URA south along SE Milwaukie, SE 17<sup>th</sup> Avenue, to SE Holgate. (Appendix G). The Committee did not support this proposal. Members noted that such an expansion was too aggressive given the scale of available resources and need for strategic application of those resources towards core Central Eastside priorities.

### **Next Steps**

On December 9, 2014, the Planning and Sustainability Commission (PSC) hold a hearing specific to the two substantial amendments, whether the revised North Macadam and Central Eastside urban renewal plans are in conformance with the City's Comprehensive plan and other adopted plans. The PSC will be asked to write a letter in support of plan conformance to City Council. Shortly thereafter, the PDC Board will hold a public hearing on December 11, 2014 on the six proposed URA amendments and the associated development agreements. Finally, as mentioned City Council will hold a public hearing December 17, 2014

## **Appendix A**

### **Members of the Urban Renewal Area Amendment Advisory Committee:**

Debbie Aiona, League of Women Voters

Scott Andrews, President, Melvin Mark Properties

Jillian Detweiler, Committee Chair, Policy Director, Office of the Mayor

Peter Finley Fry, Central Eastside Industrial District

Greg Goodman, Co-President, Downtown Development Group

Marion Haynes, Vice President, Portland Business Alliance

Brent Hieggelke, Chief Marketing Officer, Urban Airship

Damien Hall, Attorney, Ball Janik

Sean Hubert, Senior Director, Housing & Employment, Central City Concern

Pat LaCrosse, OMSI Board Member Emeritus, Former PDC Executive Director

Wade Lange, Vice President, Regional Manager, Portland, American Assets Trust

Nolan Lienhart, Director of Planning & Urban Design, ZGF Architects

Jonathan Malsin, Real Estate Principal, Beam Development

Brian Newman, Director, Campus Planning & Development, OHSU

Rick Saito, Insite Development

Kat Schultz, Principal, GBD Architects and CC 2035 West Quadrant Stakeholder Advisory Committee Co-Chair

John Tydlaska, Economic Development Director, Multnomah County

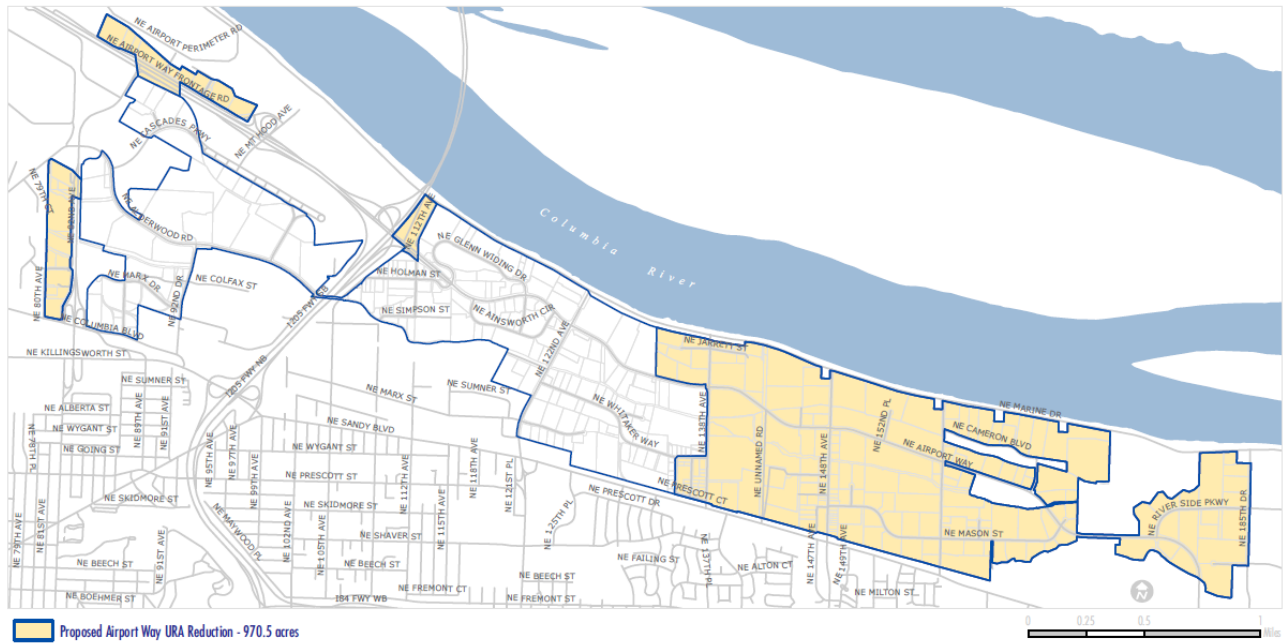
David Wynde, Deputy Chief Financial Officer, Portland Public Schools

Helen Ying, Consultant, Chinese American Citizens Alliance Portland Lodge

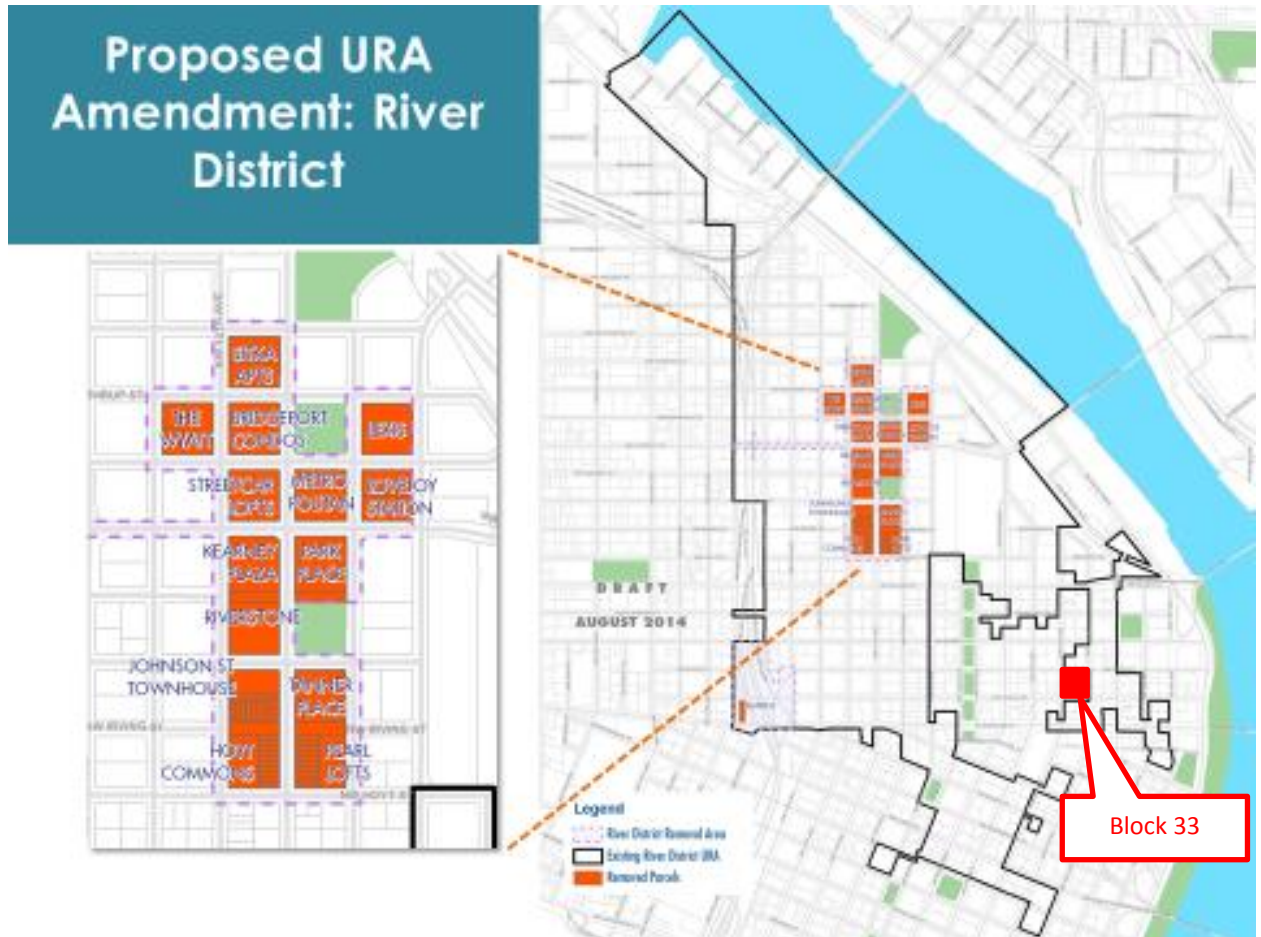
Dan Zalkow, Executive Director for Planning, Construction, and Real Estate, Portland State University

## Appendix B

# Airport Way Urban Renewal Area

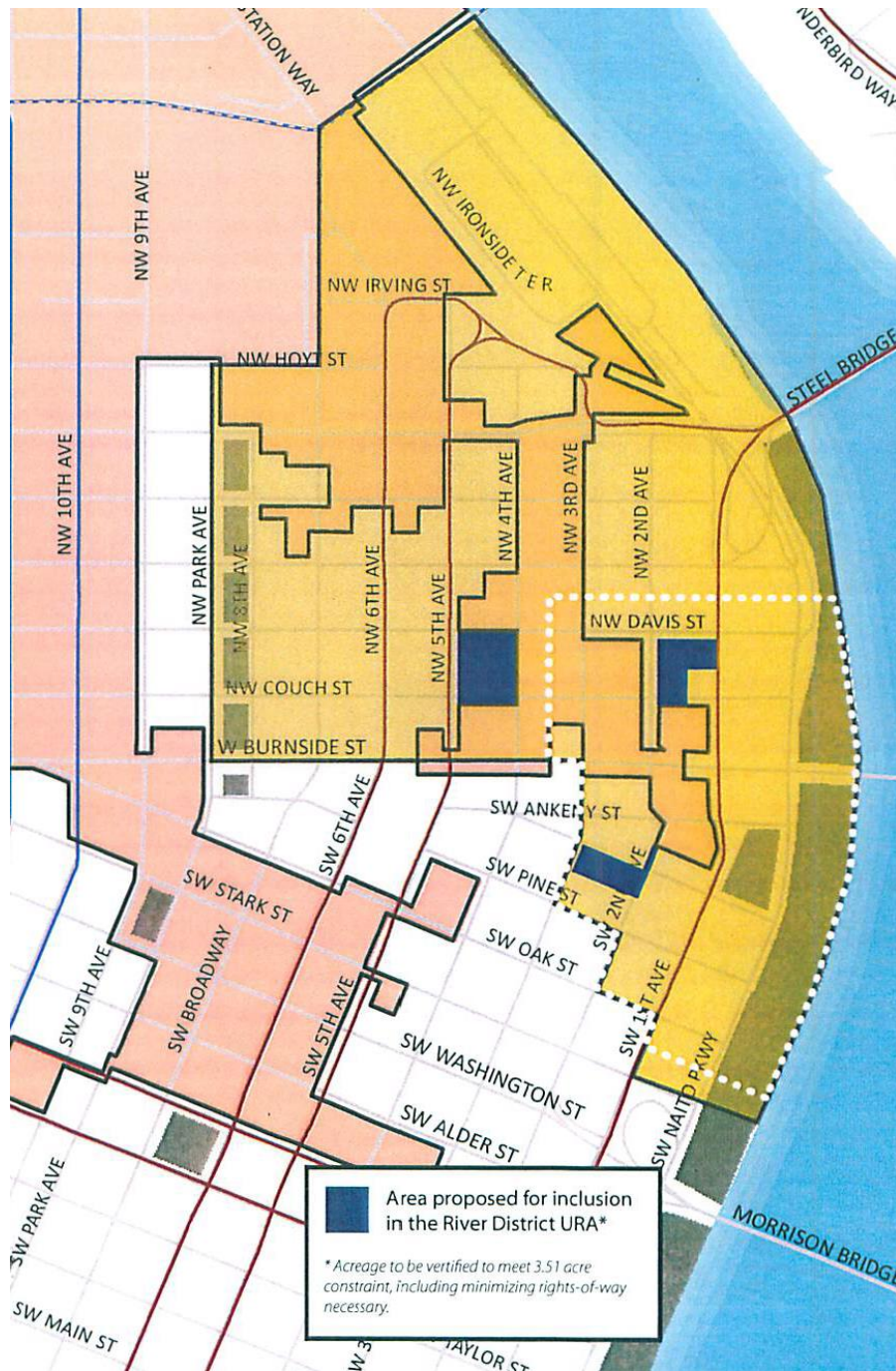


## Appendix C



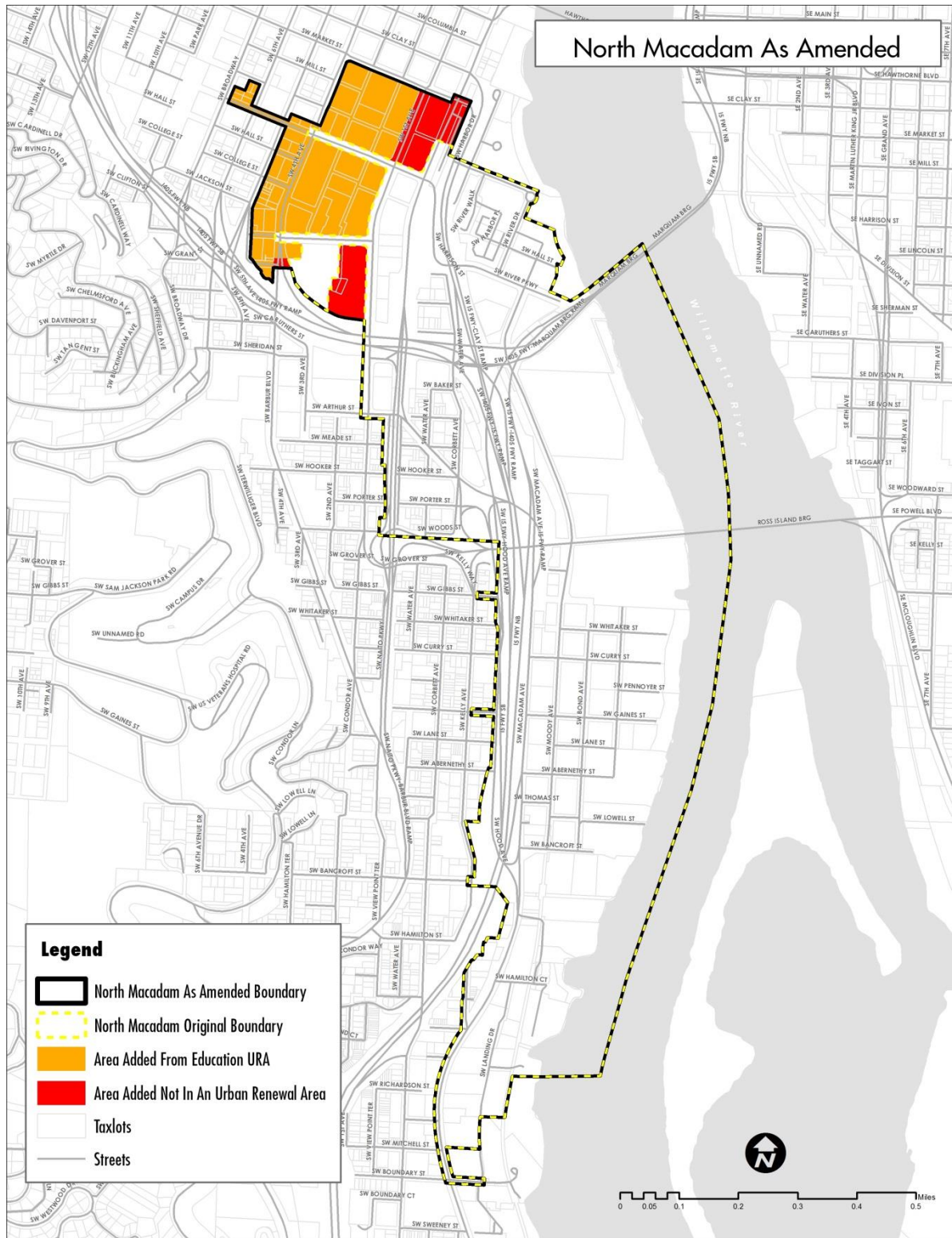


## Appendix D

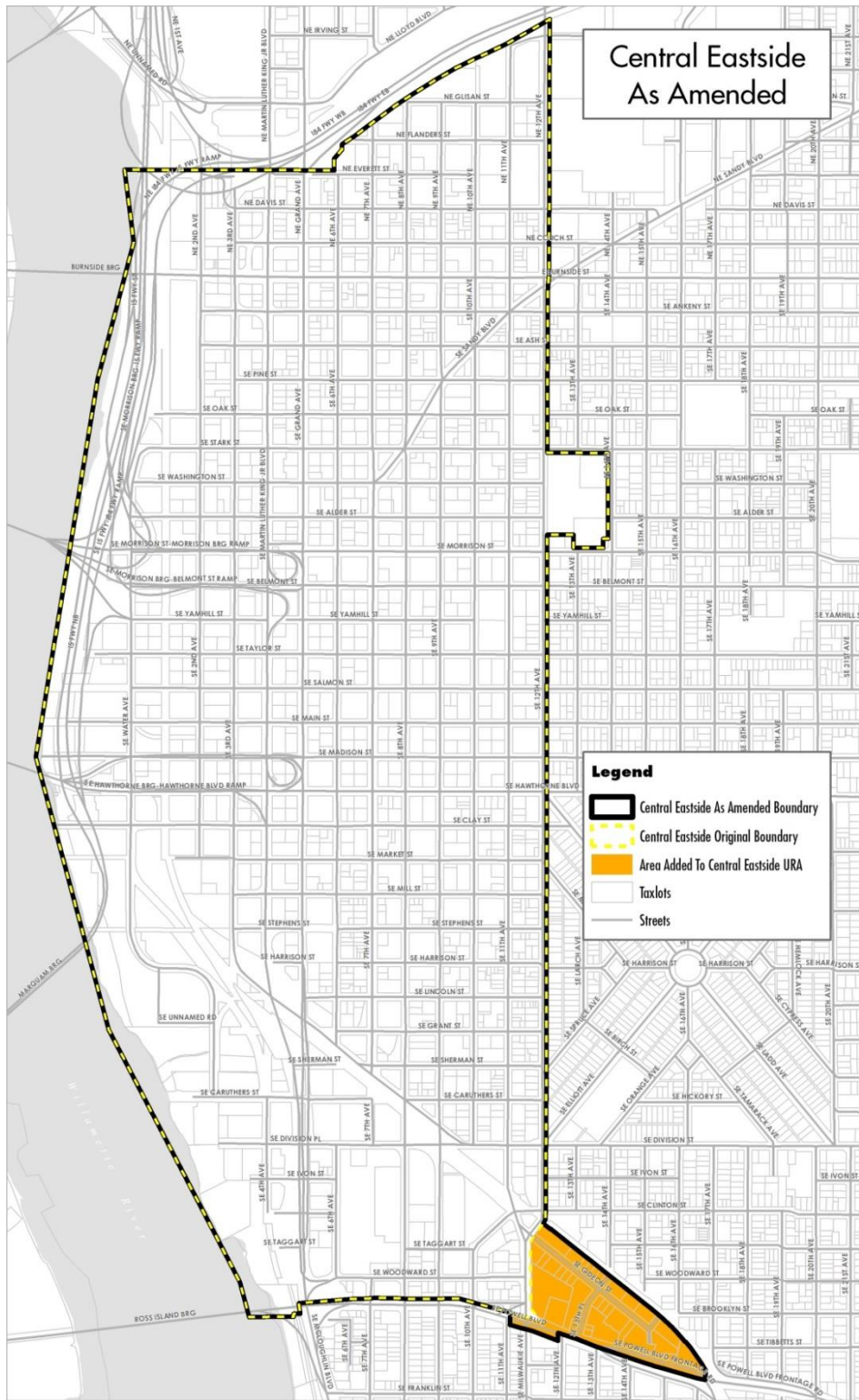




## Appendix E

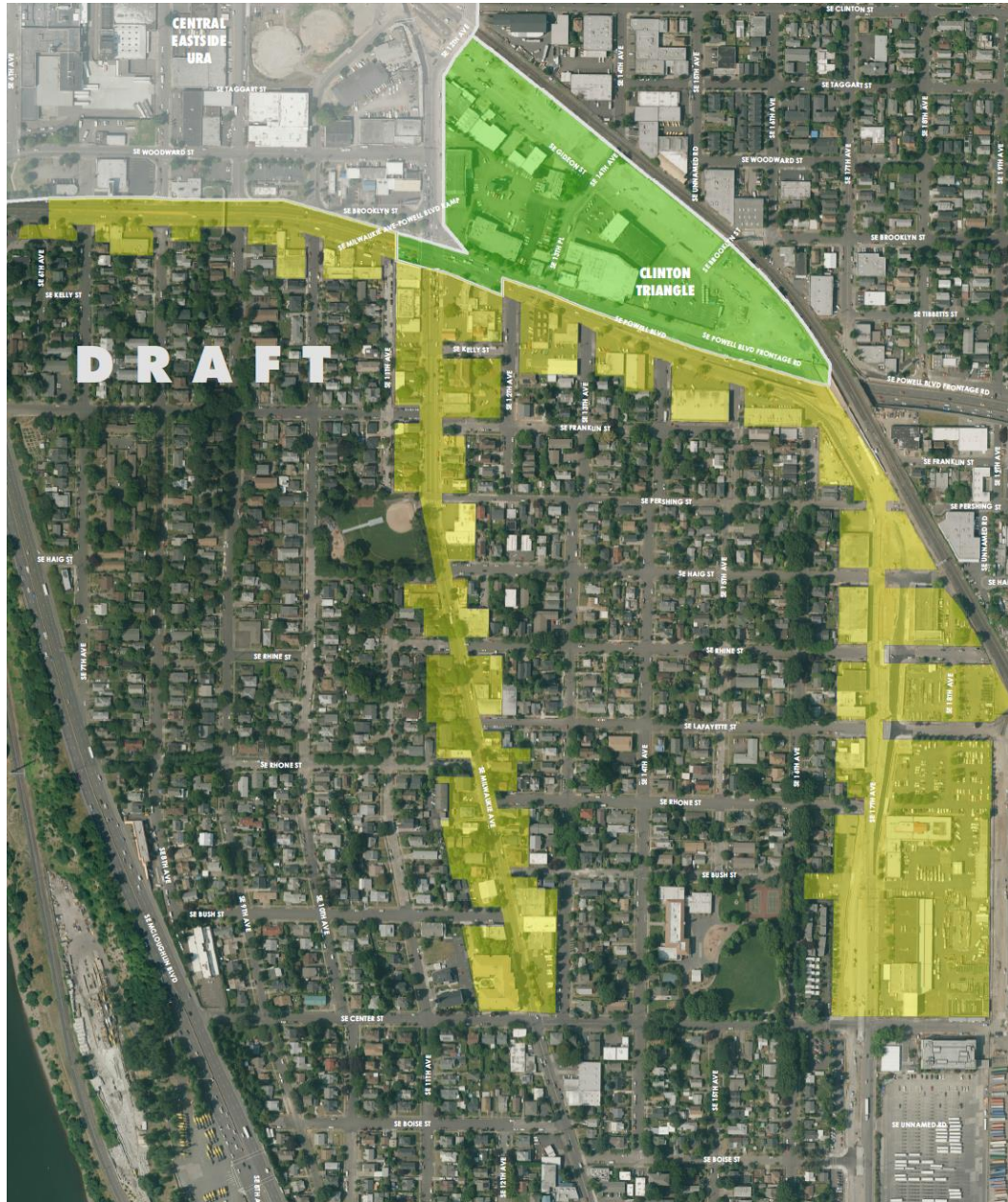


## Appendix F





## Appendix G


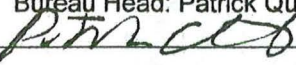


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Agenda No.  
**REPORT NO.**  
 Title

Accept Report from the Urban Renewal Area Amendment Advisory Committee (Report)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Charlie Hales</b>	CLERK USE: DATE FILED <u>NOV 26 2014</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Hales <i>OK</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	LaVonne Griffin-Valade Auditor of the City of Portland By:  Deputy
<b>BUREAU APPROVAL</b> Bureau: Portland Development Commission Bureau Head: Patrick Quinton  Prepared by: Justin Douglas Date Prepared: 11/24/14 Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	ACTION TAKEN: DEC 03 2014 <b>ACCEPTED</b>
<b>City Auditor Office Approval:</b> required for Code Ordinances <b>City Attorney Approval:</b> required for contract, code, easement, franchise, charter, Comp Plan Council Meeting Date <b>12/3/14</b>	

<b>AGENDA</b> <b>TIME CERTAIN</b> <input checked="" type="checkbox"/> <b>Start time: 3:30 PM</b> <b>Total amount of time needed: 60</b> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed: _____</b> (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	_____	
4. Novick	✓	
Hales	✓	