

REPORT ON THE AMENDED AND RESTATED INTERSTATE
CORRIDOR URBAN RENEWAL PLAN 2021

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TABLE OF CONTENTS

I. INTRODUCTION 4

II. A DESCRIPTION OF PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS IN URBAN RENEWAL AREA..... 5

 A. Physical Conditions 6

 B. Social, Economic, and Housing Conditions..... 14

III. EXPECTED IMPACT, INCLUDING FISCAL IMPACT OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION..... 18

IV. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN 19

V. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS 19

 A. Rehabilitation, Development, and Redevelopment Assistance 19

 B. Housing 20

 C. Planning and Administration..... 20

VI. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS 21

VII. FINANCIAL ANALYSIS OF THE PLAN 21

VIII. ESTIMATED AMOUNT OF MONEY REQUIRED AND ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED..... 23

IX. FISCAL IMPACT STATEMENT THAT ESTIMATES IMPACT OF TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER INDEBTEDNESS IS REPAYED, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN URBAN RENEWAL AREA 25

X. RELOCATION REPORT 30

XI. COMPLIANCE WITH LIMITATIONS ON ASSESSED VALUE AND ACREAGE IN URBAN RENEWAL..... 30

I. INTRODUCTION

Prosper Portland (then called the Portland Development Commission, the City of Portland's urban renewal agency) adopted the Interstate Corridor Urban Renewal Plan (Plan), in accordance with Chapter 457 of the Oregon Revised Statutes (ORS) on August 16, 2000. The Plan has been previously amended twelve times. The Amended and Restated Interstate Corridor Urban Renewal Plan 2021 makes changes to the Plan, which changes are referred to or identified in this Report for convenience as the "13th Amendment." In addition, the Amended and Restated Interstate Corridor Urban Renewal Plan 2021 amends and restates the Plan in its entirety, incorporating and subsuming all prior versions of the Plan, which prior versions are of no further force and effect to the extent absent from the 2021 Amended and Restated Plan.

13th AMENDMENT

This Report provides technical information to support the 13th Amendment and the Amended and Restated Interstate Corridor Urban Renewal Plan 2021 (which incorporates the changes made by the 13th Amendment). ORS 457.220 (2) requires that any substantial change made in an urban renewal plan shall, before being carried out, be approved and recorded in the same manner as the original plan. The required elements of a Report for an original plan are set forth in ORS 457.085 (3), subsections (a) through (i), as stated below:

- (a) A description of physical, social, and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;
- (b) Reasons for selection of each urban renewal area in the plan;
- (c) The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;
- (d) The estimated total cost of each project and the sources of moneys to pay such costs;
- (e) The anticipated completion date for each project;
- (f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;
- (g) A financial analysis of the plan with sufficient information to determine feasibility;
- (h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area; and
- (i) A relocation report.

The balance of this Report addresses the requirements of ORS 457. In addition, this Report addresses compliance with the requirements of ORS 457.420 (2)(a), which sets limits on the amount of land area and assessed value within a jurisdiction that may be included within urban renewal areas.

A. Physical Conditions

The Interstate Corridor Urban Renewal Area (Area) contains a total of 3,995.39 acres, 2,842.34 acres in parcels and 1,253.05 acres in rights of way.

1. Land Uses

The land uses, as identified by the Multnomah County Assessor, are shown in Table 1. The most prevalent land use is Commercial/Local Industrial (44%). Residential uses account for 41% of the uses in the Area.

Table 1 - Land Use

Land Use	Acreage	Percent of Total Acreage
Commercial/Local Industrial	1,245.79	43.83%
Residential	1,165.56	41.01%
Multi-family	184.21	6.48%
Recreation	160.39	5.64%
Miscellaneous Use	53.26	1.87%
State Industrial	33.13	1.17%
Total	2,842.34	100%

Source: Prosper Portland GIS from Multnomah County Assessor FY 2019/2020

2. Zoning

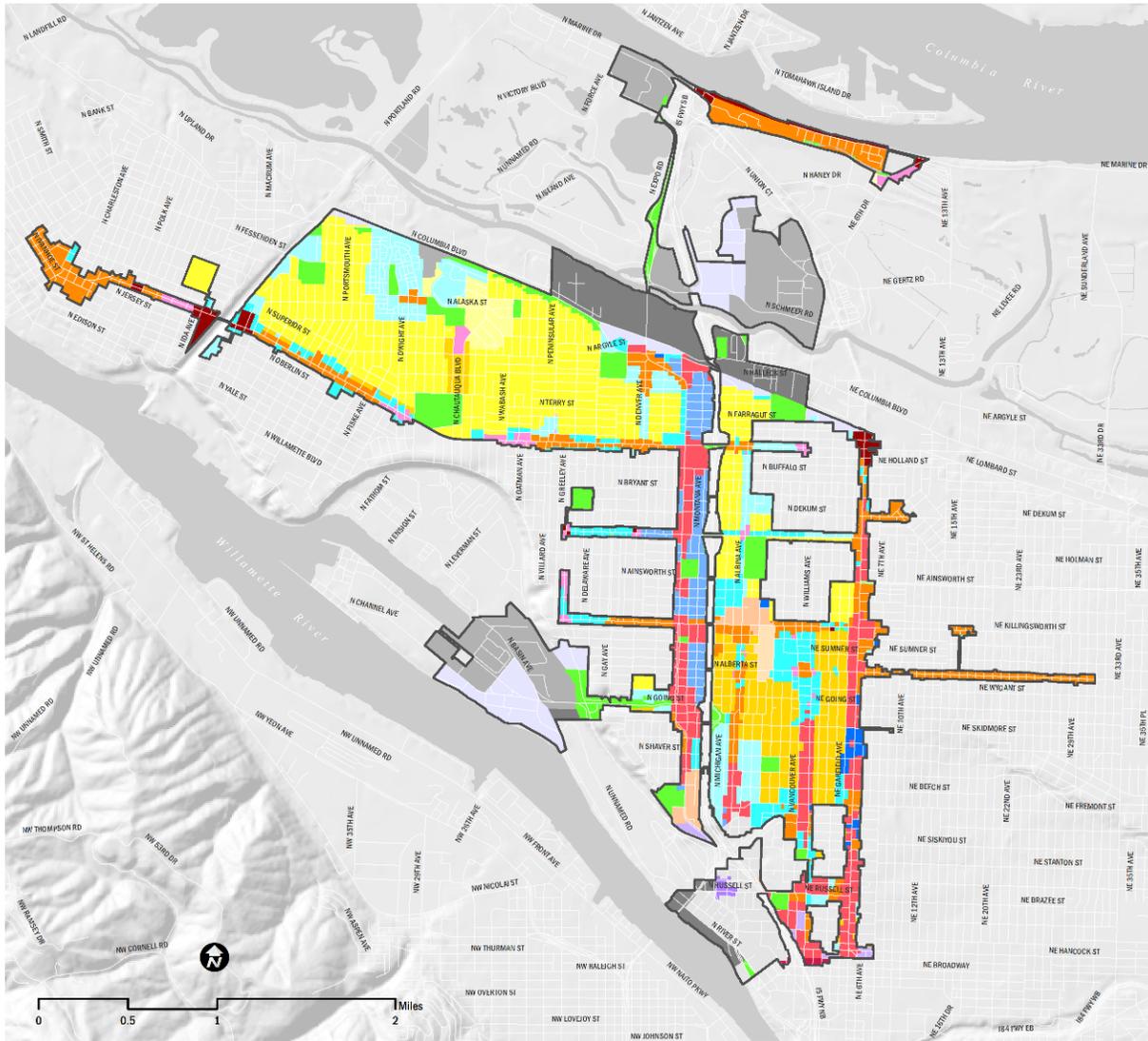
As shown in Table 2 below, fifty-two percent (52%) of the Area is zoned for residential uses. The other prominent zones are Commercial, Employment and Industrial. The remaining property is zoned Open Space. The zoning designations are also shown in Figure 2.

Table 2 - Zoning

Zone	Acres	Percent of Total	
Campus Institutional 2	34.07	1.20%	
Central Commercial	2.96	0.10%	
Central Employment	4.00	0.14%	
Commercial Employment	37.49	1.32%	
Commercial Mixed Use 1	32.99	1.16%	
Commercial Mixed Use 2	253.63	8.92%	
Commercial Mixed Use 3	185.76	6.54%	
Commercial Residential	0.09	0.00%	
General Employment 1	8.08	0.28%	
General Employment 2	177.02	6.23%	
General Industrial 1	89.45	3.15%	
General Industrial 2	354.19	12.46%	
Heavy Industrial	186.41	6.56%	
Open Space	174.92	6.15%	
Residential Zones			51.84%
Institutional Residential	14.36	0.51%	
Multi-Dwelling - Corridor	0.61	0.02%	
Residential 2,500	182.53	6.42%	
Residential 5,000	614.92	21.63%	
Residential 7,000	44.46	1.56%	
Residential 10,000	1.36	0.05%	
Residential Multi-Dwelling 1	205.84	7.24%	
Residential Multi-Dwelling 2	149.56	5.26%	
Residential Multi-Dwelling 3	72.38	2.55%	
Residential Multi-Dwelling 4	15.26	0.54%	
Total	2,842.32	100%	

Source: Prosper Portland GIS Data from Multnomah County Assessor FY 2019/2020

Figure 2 – Zoning Designations in the Interstate Corridor Urban Renewal Area



Zoning Designations

■ Residential Multi-Dwelling 1 (RM1)	■ Central Employment (EX)	■ Commercial Residential (CR)
■ Residential Multi-Dwelling 2 (RM2)	■ General Employment 1 (EG1)	■ Commercial Mixed Use 1 (CM1)
■ Residential Multi-Dwelling 3 (RM3)	■ General Employment 2 (EG2)	■ Commercial Mixed Use 2 (CM2)
■ Residential Multi-Dwelling 4 (RM4)	■ General Industrial 1 (IG1)	■ Commercial Mixed Use 3 (CM3)
■ Single Dwelling Residential 10,000 (R10)	■ General Industrial 2 (IG2)	■ Central Commercial (CX)
■ Single Dwelling Residential 7,000 (R7)	■ Heavy Industrial (IH)	■ Commercial Employment (CE)
■ Single Dwelling Residential 5,000 (R5)	■ Campus Institutional 2 (CI2)	■ Open Space (OS)
■ Single Dwelling Residential 2,500 (R2.5)	■ Institutional Residential (IR)	

Source: Prosper Portland GIS

3. Comprehensive Plan Designations

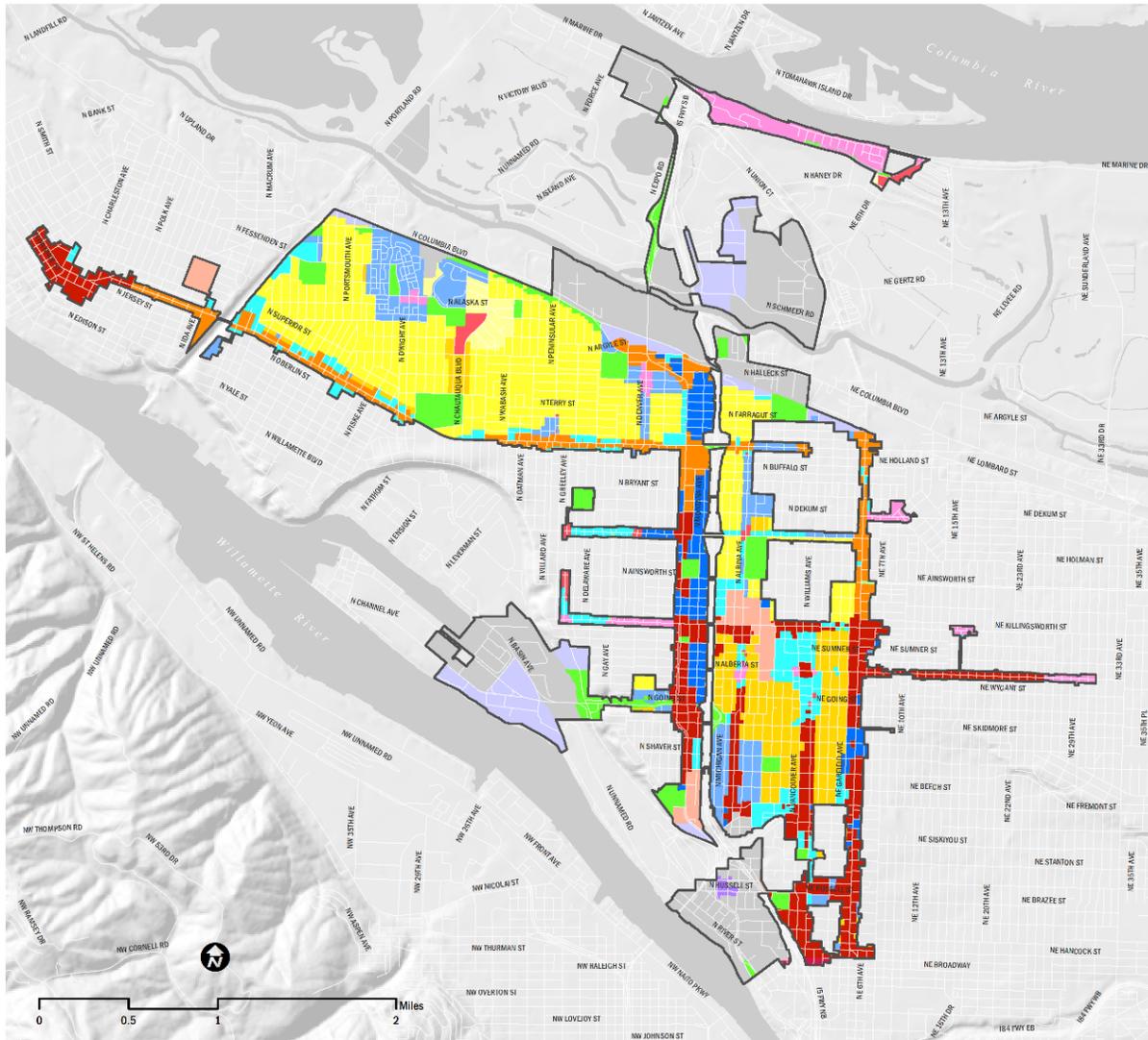
The comprehensive plan designations are show in Table 3 and Figure 3. Of the total acreage, sixty-three percent (63%) is designated as allowing residential uses including those zones that allow mixed uses, with Single Dwelling 5,000 representing twenty-one (21%) of the total uses. Twenty-two percent (22%) of the total acres are designated as Industrial Sanctuary.

Table 3 - Comprehensive Plan Designations

Comprehensive Plan	Acres	Percent of Total	
Central Commercial	2.96	0.10%	
Central Employment	4.00	0.14%	
Industrial Sanctuary	630.05	22.17%	
Institutional Campus	69.93	2.46%	
Mixed Employment	178.66	6.29%	
Open Space	174.92	6.15%	
Residential Designations			62.64%
Mixed Use - Civic Corridor	136.38	4.80%	
Mixed Use - Dispersed	22.55	0.79%	
Mixed Use - Neighborhood	97.40	3.43%	
Mixed Use - Urban Center	268.67	9.45%	
Multi-Dwelling - Corridor	157.19	5.53%	
Multi-Dwelling - Neighborhood	193.37	6.80%	
Multi-Dwelling - Urban Center	87.64	3.08%	
Single - Dwelling 2,500	187.36	6.59%	
Single - Dwelling 5,000	591.98	20.83%	
Single - Dwelling 7,000	37.90	1.33%	
Single - Dwelling 10,000	1.36	0.05%	
Total	2,842.32	100%	

Source: Prosper Portland GIS Data from Multnomah County Assessor FY 2019/20

Figure 3 – Comprehensive Plan Designations in the Interstate Corridor Urban Renewal Area



Comprehensive Plan Designations

- CX - Central Commercial
- EX - Central Employment
- IS - Industrial Sanctuary
- Institutional Campus
- ME - Mixed Employment
- Mixed Use - Civic Corridor
- Mixed Use - Dispersed
- Mixed Use - Neighborhood
- Mixed Use - Urban Center
- Multi-Dwelling - Corridor
- Multi-Dwelling - Neighborhood
- Multi-Dwelling - Urban Center
- OS - Open Space
- R2.5 - Residential 2,500
- R5 - Residential 5,000
- R7 - Residential 7,000
- R10 - Residential 10,000

Source: Prosper Portland GIS

B. Infrastructure

1. Streets

An evaluation of the current conditions of the streets in the Area, taken from the Portland Bureau of Transportation Pavement Management System, is shown below in Table 4. The ratings are on a five-point scale, from very good to very poor, which are shown in the table below. Sixty-six percent (66%) of the streets are in poor or very poor condition.

Table 4 - Street Conditions

Condition	Length Feet	Length Miles	Percent
Very Good	380,211	72	3%
Good	1,022,029	194	9%
Fair	1,556,523	295	14%
Poor	3,876,095	734	36%
Very Poor	3,291,609	623	30%
Information not available	788,538	149	7%
Total	10,915,005	2,067	100%

Source: Prosper Portland GIS from Portland Bureau of Transportation Pavement management System data

2. Sanitary Sewer/Stormwater System

An evaluation of the current conditions of the sanitary sewer and stormwater pipes in the Area, taken from the Bureau of Environmental Services Structural Ratings, is shown below in Table 5. The ratings are on a five-point scale, from excellent to very poor or needing immediate attention. Sixteen percent (16%) of the sanitary sewer and stormwater pipes are in poor or very poor condition.

Table 5 - Sanitary Sewer and Stormwater Systems

Condition	Length Feet	Length Miles	Percent
Excellent	303,066	57	42%
Good	158,756	30	22%
Fair	146,909	28	20%
Poor	101,234	19	14%
Very Poor or Immediate Attention	17,888	3	2%
Total	727,854	138	100%

Source: Prosper Portland GIS

3. Parks, Open Space, and Community Facilities

There are a number of parks and other community facilities in the Area. The parks are:

- Arbor Lodge
- Columbia Park
- Dawson Park
- DeNorval Unthank Park (listed as Unthank Park)
- Farragut Park
- Kenton Park
- King School Park NE 6th and Humboldt
- Madrona Park
- Mallory Meadows Park
- McCoy Park
- Mocks Crest
- Northgate Park
- Overlook Park
- Patton Square Park
- Peninsula Park
- Portland International Raceway
- Sumner-Albina Park
- Trenton Park
- University Park
- Woodlawn Park

The community and cultural centers are:

- University Park.
- Interstate Firehouse Cultural Center.
- Charles Jordan Community Center
- Matt Dishman Community Center
- St. Johns Community Center
- Peninsula Park Community Center
- Peninsula Outdoor Pool

The community gardens are:

- Beech Community Garden
- McCoy Community Garden
- Portsmouth Community Garden

The Columbia Buffer, Peninsula Crossing Trail, and the Exeter Property are also in the Area.

4. Water

There are numerous water main deficiencies, as shown in Table 6 below. The Portland Water Bureau provided the following information on the Area. The background on methodology to prepare this table is shown below:

- Because most of these assets are buried, the Portland Water Bureau does not often have condition ratings from inspections. Hydrants and some of the valves are the exceptions as they are regularly inspected and are more accessible.
- When there is no inspection based condition rating available for an asset, the Portland Water Bureau has used the asset's age along with its estimated useful life to estimate a condition rating between 1 (very good) and 5 (very poor).
- Age based assessments of condition are estimates and in reality, there is some uncertainty due to the variations in the environmental conditions or a specific asset's design characteristics and operational history.
- Some of the older assets are missing install dates so it is difficult to estimate their age without some assumptions. To overcome this gap, the Portland Water Bureau uses GIS connections between asset types (e.g., mains and valves "touching" in GIS) and other available attributes to estimate age of assets when missing. The condition rating in this case would be based on this estimated age. The Portland Water Bureau does this for hydrants, valves, mains and for the services. By far, the services had the largest install date attribute data gap when compared with hydrants, mains, and valves.

Table 6 - Water Main Deficiencies

Total		1,043	230,646	13,750	3,911
		By count	By feet	By count	By count
Condition Description	Condition Rating	Hydrants	Mains	Services	Valves
Very good	1	207	84,053	4,411	1,412
Good	2	675	130,046	1,782	922
Fair	3	57	11,734	2,730	172
Poor	4	89	3,115	3,526	236
Very poor	5	15	1,699	991	1,169
Unknown	Unknown			310	
		As %	As %	As %	As %
Condition Description	Condition Rating	Hydrants	Mains	Services	Valves
Very good	1	20%	36%	32%	36%
Good	2	65%	56%	13%	24%
Fair	3	5%	5%	20%	4%
Poor	4	9%	1%	26%	6%
Very poor	5	1%	1%	7%	30%
Unknown	Unknown			2%	

Source: Portland Water Bureau

C. Social and Economic Conditions

1. Social Conditions

Demographic data provided by Prosper Portland from the ESRI Community Profile for 2020 gives information on census block groups overlapping the Area. The terminology comes from the ESRI data.

Fifty-nine percent (59%) of the residents are White only, while nineteen percent 19% are Black/African American only. Fifteen percent (15%) of the residents are of Hispanic or Latino ethnicity. The Diversity Index is seventy-one percent (71%). The Diversity Index includes an analysis of seven race groups that can be either Hispanic or non-Hispanic origin, a total of fourteen separate race/ethnic groupings.

Table 7 - Race

Race	Percent of Total
White only	59.1%
Black/African American only	19.3%
American Indian only	1.4%
Asian only	4.5%
Pacific Islander only	1.3%
Other	7.0%
Two or more Races	7.4%
Total	100%

Source: Prosper Portland from ESRI Community Profile 2020

Table 8 - Ethnicity

Ethnicity	Percent of Total
Not Hispanic or Latino	85.1%
Hispanic or Latino	14.9%
Total	100%

Source: Prosper Portland from ESRI Community Profile 2020

Of the total population, eleven percent (11%) have a high school degree, 32% have a Bachelor's degree, and 18% have a Graduate/Professional degree.

Table 9 - Education

Education	Percent
Population 25 years and over:	
Less than 9 th Grade	3.6%
Nursery to 12th grade, no diploma	4.2%
High school graduate	11.4%
GED/Alternative	2.9%
Some college, no degree	20.3%
Associate degree	7.6%
Bachelor's degree	31.9%
Graduate Professional degree	18.1%

Source: Prosper Portland from ESRI Community Profile 2020

Forty four percent (44%) of the residents own their homes, while forty-nine percent (49%) rent them. Seven percent (7%) are vacant.

Table 10 - Home-ownership

Occupied Housing	Percent of Total
Renter Occupied	48.9%
Owner Occupied	44.2%
Vacant	6.9%
Total	100%

Source: Prosper Portland from ESRI Community Profile 2020

The average household income in the Area is \$96,952. The income distribution is shown in Table 11 below. Approximately nineteen percent (19%) of families have annual incomes of less than \$25,000.

Table 11 - Income Distribution

Income Distribution	Percent of Total
Less than \$15,000	10.3%
\$15,000 - \$24,999	8.5%
\$25,000 - \$34,999	7.5%
\$35,000 - \$49,999	11.6%
\$50,000 - \$74,999	17.2%
\$75,000 - \$99,999	13.6%
\$100,000 - \$149,000	16.9%
\$150,000 and over	14.4%
Total	100%

Source: Prosper Portland from ESRI Community Profile 2020

Forty-nine percent (49%) of the residents in the Area are male and fifty-one percent (51%) are female. Twenty percent (20%) of the residents are 25-34 years old.

Table 12 - Age Distribution

Total Population	Percentage of Total
Male	48.8%
Female	51.2%
Under 5 years	6.5%
5-14 years	11.1%
15-24 years	12.1%
25-34 years	19.9%
35-44 years	18.4%
45-54 years	12.1%
55-64 years	9.7%
65-74 years	6.5%
75+ years	3.6%

Source: Prosper Portland from ESRI Community Profile 2020

2. Economic Conditions

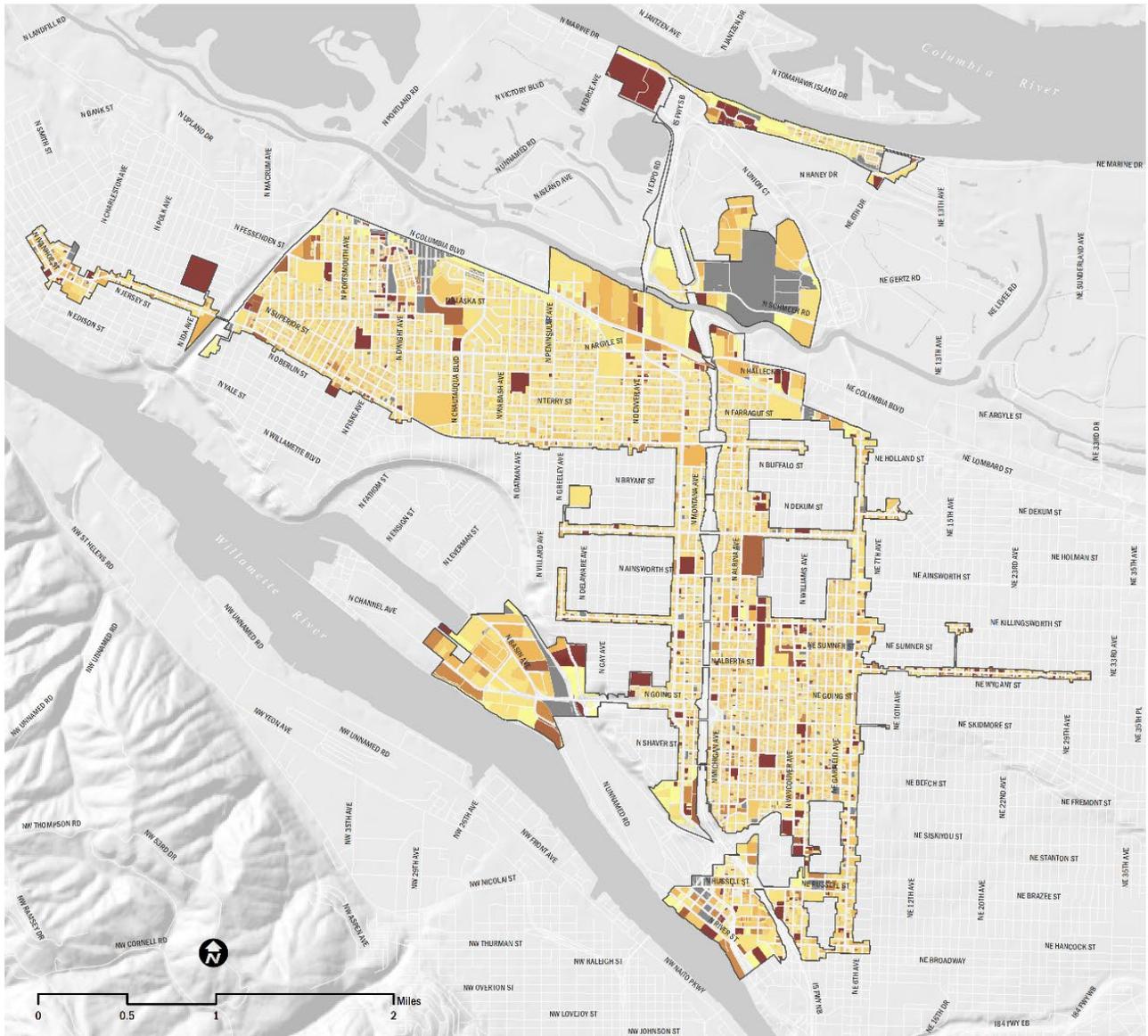
A summary of Improvement to Land Ratio analysis is in Table 13 and Figure 4. The majority (79%) of the I:L ratios of the Area are below 2.0, showing depressed property values in the Area.

Table 13 - I:L Ratios

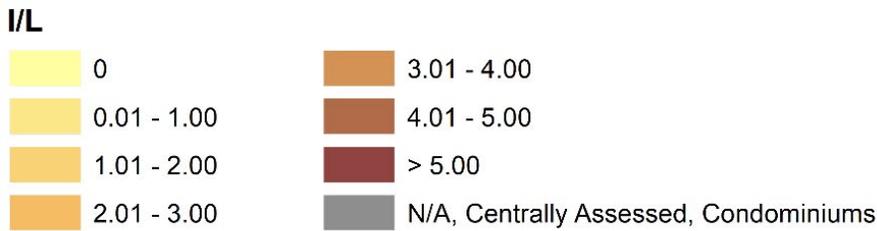
Improvement to Land Ratio	Acres	% of Total Acreage
No Improvement Value	448.26	15.77%
0.01-0.50	326.85	11.50%
0.51-1.00	706.55	24.86%
1.01-1.50	543.30	19.11%
1.51-2.00	210.86	7.42%
2.01-2.50	139.19	4.90%
2.51-3.00	54.21	1.91%
3.01-4.00	102.04	3.59%
> 4.00	311.09	10.94%
Total	2,842.34	100%

Source: Prosper Portland from Multnomah County Assessor FY 2019/20 records

Figure 4 – Investment to Land Ratio



Improvement to Land (I/L) Ratio



Source: Prosper Portland GIS

III. EXPECTED IMPACT, INCLUDING FISCAL IMPACT OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (“affected taxing districts”) is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The provision of Affordable Housing and implementation of the North/Northeast Community Development Initiative Action Plan including the development assistance for the Williams & Russell site are not expected to have a negative fiscal impact in terms of demand on municipal services. The developments that will occur are within the urban growth boundary and are appropriately zoned, so development is expected on those sites. The investments would add increased housing opportunities in the Area, add resources for business development including the potential for a Cultural Business Hub. These developments will add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated. Various system development charges for each new development will help offset increased demand on municipal services. In addition, the business license fees would help augment the general fund to pay for services.

Housing development is anticipated to help replace low-income housing units lost in the Area and supply new affordable housing in the future. By replacing low-income housing units, the city is effectively managing the limited resources available for low-income housing. Other municipal resources would not have to be used for this purpose, which would allow for the funds to be used for other services. Providing affordable housing in the Area, in close proximity to jobs, retail, and light rail transit, helps eliminate traffic and the resulting pollution by reducing automobile trips. It also supports the retail trade in the Area, thereby keeping a healthy economy and a socio-economic balance. These potential housing developments will turn stagnant and unproductive land into land which contributes positively to the overall public health, safety, and welfare of the Area.

The combination of housing and business assistance in the Area will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

IV. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selection of the Interstate Corridor Urban Renewal Area has not changed from the original adoption and any subsequent changes to the Interstate Corridor Urban Renewal Area, which reason is to cure blight.

V. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS

Property Redevelopment

Tax increment revenue generated by the 13th Amendment and allocated to Prosper Portland will be invested in administration, programs and projects that implement goals and objectives of the North/Northeast (N/NE) Community Development Initiative (CDI) Action Plan, including the N. Williams & N. Russell streets (Williams & Russell) project. The description of the Williams & Russell site project is shown below. The Portland Housing Bureau's allocation will primarily be allocated to three projects as shown below.

A. Commercial Redevelopment

Williams & Russell Site: This site is designated for the development of a Cultural Business Hub. The concept as defined in the N/NE CDI is: Foster multigenerational wealth creation by investing in a larger-scale projects that will provide commercial space for small businesses owned by Blacks and other people of color. The project will be a place for businesses to grow and thrive, and will create active, vital sites offering culturally specific products, services, foods and/or entertainment. The project would be owned by Blacks and other people of color and meet specific timing, conditions and criteria:

Project Selection Criteria:

1. Aligns with the goals and objectives of the North/Northeast Community Development Initiative Action Plan especially:
 - Fostering multigenerational wealth creation through property ownership.
 - Fostering multigenerational wealth creation through business ownership.
2. Provides commercial space for small businesses owned by Blacks and other people of color to grow and thrive.
3. Demonstrates a commitment to tenanting a majority of the project with local, minority-owned businesses.
4. Provides long-term community benefits for Blacks and other people of color.
5. Provides meaningful contracting opportunities throughout the development and construction process for Blacks and other people of color.
6. Demonstrates financial feasibility and commitment from development and financial partners.

Existing Conditions: The Williams & Russell site is comprised of vacant and underutilized parcels, causing a prevalence of depreciated values and impaired investments in the Area. Other potential expenditures will align with the North/Northeast Community Development Initiative Action Plan that identifies the need to use resources to foster economic prosperity among communities and individuals that have not fully participated in, or benefitted from economic opportunities in the Interstate Corridor Urban Renewal Area.

B. Housing

There are three projects to be undertaken in the Area by the Portland Housing Bureau. If there is additional tax increment revenue or if one of these projects does not move forward, then Prosper Portland will provide the Portland Housing Bureau with use of such funds in accordance with ORS 456.125(5) for additional affordable housing units and to support affordable housing in alignment with the North/Northeast Neighborhood Strategy.

1. Home ownership opportunity for 40 to 50 households on the Carey Boulevard property purchased by the Portland Housing Bureau from the Portland Water Bureau. Income restrictions for this project are up to 80% median family income (MFI) for two bedrooms or less or up to 100% for three or more bedrooms. The Portland Housing Bureau will use the preference policy established in the North/Northeast Neighborhood Strategy to select home buyers.
2. Development of the property owned by the Portland Housing Bureau located at the corner of North Williams and Alberta, of either home ownership or multifamily rental. This property was purchased by the Portland Housing Bureau in late summer of 2019. It has the potential of 100 to 150 units of rental housing. Income restrictions for this project are at 60% MFI or less. The Portland Housing Bureau will use the preference policy established in the North/Northeast Neighborhood Strategy.
3. Funds set aside for the Williams & Russell project in the event that the decision is made by the Project Working Group to include housing on that site. The same guidelines as the above two projects will apply depending on the type of development that is chosen, homeownership or rental.

Existing Conditions: These sites are comprised of vacant and underutilized parcels, causing a prevalence of depreciated values and impaired investments in the Area.

C. Planning and Administration

There is currently planning and administration provided for the Area. These tasks will continue with the addition of the new projects.

Existing Conditions: there is presently planning and administration provided for the Area.

VI. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The additional maximum indebtedness of \$67 million is projected to be allocated to the following budget categories. The sources of moneys to pay for these costs are from the projection of tax increment revenues in Section VIII of this Report. Prosper Portland allocates 4% Administration for the full \$67,000,000. The Portland Housing Bureau may also allocate administrative costs to the funds allocated to them.

Table 14 - Project Costs

Five-Year Budget Estimates	Total
A. Redevelopment through New Construction	
1. New Construction Housing Set Aside (Portland Housing Bureau)	\$45,024,000
2. Implementation of N/NE Community Development Initiative including Williams & Russell Site	\$19,296,000
B. Prosper Portland Administration	\$2,680,000
Total	\$67,000,000

Source: Prosper Portland

VII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues (TIF) through FYE 2024 are based on projections of the assessed value of development within the Area and the consolidated tax rate that will apply in the Area. Table 15 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenue shows the incremental assessed value, tax rates and tax increment revenues each year, adjusted for discounts, and delinquencies. Gross TIR is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of value, so the calculation is “tax rate times assessed value used divided by one thousand.” The consolidated tax rate includes permanent tax rates only, and excludes general obligation bond and local option levies except for \$0.5038/\$1,000 of the Portland Public Schools permanent rate levy (the “GAP Tax”). The adjustments are for compression losses estimated at 6.5% and underpayments and delinquencies assumed at 5%.

Table 15 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenue

FYE	Incremental Assessed Value	Tax Rate	Tax Increment Revenues (TIR)				
			Gross TIR	Adjustments	Net TIR (Current Year)	Prior Year Collections	Total TIR
2022	\$ 2,212,331,551	\$ 18.5618	\$ 41,064,856	\$ (4,588,998)	\$ 36,475,858	\$ 305,000	\$ 36,780,858
2023	\$ 2,317,505,301	\$ 18.5618	\$ 43,017,070	\$ (4,807,158)	\$ 38,209,912	\$ 275,000	\$ 38,484,912
2024	\$ 2,425,834,263	\$ 18.5618	\$ 45,027,850	\$ (5,031,862)	\$ 39,995,988	\$ 290,000	\$ 40,285,988

Source: City of Portland Office of Management and Finance

Revenue sharing is required by ORS 457.470, however, the revenue sharing thresholds are not reached before the tax increment revenues from the Plan are sufficient to repay outstanding indebtedness and the Area no longer collects tax increment revenues, so will not apply.

The “transition amount” is the threshold for determining revenue sharing. ORS 457470(d) establishes the transition amount as the maximum amount of division of tax revenues at the time of the substantial amendment. The transition amount for the Area is \$46,943,457, the amount of gross tax increment revenues in FY 2020-21. However, this amount includes the Portland Public Schools Gap Tax. Starting in FY 2021/22, the Area will no longer take any division of tax revenues from the Portland School District Gap Tax. The tax rate used for the Area will then decrease from \$22.5962 per thousand to \$18.5618.

Any division of taxes above the \$46,943,457 would need to comply with revenue sharing. However, in this substantial amendment there is no increase above the transition amount as the annual maximum division of taxes to the Area decrease.

Table 16 - Revenue Sharing Calculations

Fiscal Year Ending June 30	2020-21	2021-22	2022-23	2023-24
Frozen Base	\$ 1,293,460,097	\$ 1,293,460,097	\$ 1,293,460,097	\$ 1,293,460,097
Incremental Assessed Value (IAV)	\$ 2,077,493,411	\$ 2,212,331,551	\$ 2,317,505,301	\$ 2,425,834,263
Tax Rate	\$22.5962	\$18.5618	\$18.5618	\$18.5618
Taxes on Increment	\$ 46,943,457	\$ 41,064,856	\$ 43,017,070	\$ 45,027,850
IAV to Interstate Corridor	\$ 2,077,493,411	\$ 2,212,331,551	\$ 2,317,505,301	\$ 2,425,834,263
Tax Increment Revenues (gross)	\$ 46,943,457	\$ 41,064,856	\$ 43,017,070	\$ 45,027,850
Shared AV	\$ -	\$ -	\$ -	\$ -
Shared Taxes	\$ -	\$ -	\$ -	\$ -

Source: City of Portland Office of Management and Finance

Table 17 shows the allocation of tax increment revenues to debt service over the remaining time of the Area.

VIII. ESTIMATED AMOUNT OF MONEY REQUIRED AND ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 17 - The Estimated Amount of Tax Increment Revenues Required

Fiscal Year Ending June 30	2020-21	2021-22	2022-23	2023-24
Beginning Balance (incl. Debt Service Reserves)	\$23,217,984	\$32,143,875	\$35,947,797	\$28,400,577
Revenues				
Tax Increment to Raise (before Compression)	\$46,943,457	\$41,064,856	\$43,017,070	\$45,027,850
Less Compression	(3,051,325)	(2,669,216)	(2,796,110)	(2,926,810)
Tax Increment Imposed (after Compression)	43,892,132	38,395,640	40,220,960	42,101,040
Less Adjustments for Discounts & Delinquencies	(2,194,607)	(1,919,782)	(2,011,048)	(2,105,052)
Net Tax Increment Revenues (current year)	41,697,525	36,475,858	38,209,912	39,995,988
Prior Year Collections	290,000	305,000	275,000	290,000
Interest Earnings	232,180	321,439	359,478	284,006
TOTAL REVENUES	\$42,219,705	\$37,102,297	\$38,844,390	\$40,569,994
Expenditures				
Bond/Line of Credit Debt Service				
Bond 1 (Outstanding)	\$5,918,815	\$5,923,374	\$5,926,480	\$5,921,274
Line of Credit (Existing LOC Outstanding)	240,000	240,000	8,305,131	0
Long-term Debt Repayment	6,158,815	6,163,374	14,231,610	5,921,274
Overnight Debt Repayment	27,135,000	27,135,000	32,160,000	23,954,044
Subtotal Expenditures for Amended Plan	33,293,815	33,298,374	46,391,610	29,875,317
Bond Defeasance	0	0	0	28,358,869
TOTAL EXPENDITURES	\$33,293,815	\$33,298,374	\$46,391,610	\$58,234,187
Ending Balance	\$32,143,875	\$35,947,797	\$28,400,577	\$10,736,384
Maximum Indebtedness				
Beginning	\$42,834,869	\$82,834,869	\$55,834,869	\$23,834,869
Ending	15,834,869	55,834,869	23,834,869	-

Source: City of Portland Office of Management and Finance

It is anticipated that all debt will be retired in FY 2023/24 as shown in Table 17. The maximum indebtedness increase is limited to 20% of the original maximum indebtedness, shown in Table 18.

Table 18 - Maximum Indebtedness Increase Calculation

Maximum Indebtedness Calculation	
Original Maximum Indebtedness	\$335,000,000
Permitted Increase (20%)	67,000,000
Amended Maximum Indebtedness	\$402,000,000

Source: City of Portland Office of Management and Finance

IX. FISCAL IMPACT STATEMENT THAT ESTIMATES IMPACT OF TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER INDEBTEDNESS IS REPAID, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN URBAN RENEWAL AREA

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2024. If the 13th Amendment is not approved, the Area would terminate tax increment collections in FYE 2022. The 13th Amendment would increase the impacts an additional two years.

The impacts of the Amendment to increase the maximum indebtedness only are shown in General Government Table 19 and Education Table 22.

General Government Table 20 and Education Table 23, show the impact to the taxing districts of the Plan without the Amendment. This is the impact of the existing maximum indebtedness, clearly showing to the taxing districts what the impact would be if the Amendment is not adopted.

The full impact of the Plan with the new maximum indebtedness and continuing with the existing maximum indebtedness is shown in General Government

Table 21 and Education Table 24.

Tables 19 through 24 are net of the effects of compression, delinquencies and discounts.

Other than the Portland Public Schools Gap Tax, the Portland School District and the Multnomah County ESD are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The Gap Tax is not anticipated to be calculated in the division of tax revenues to be allocated to Prosper Portland, so the impact on the Portland Public Schools of the Gap Tax is a positive impact. The School District will need to complete appropriate paperwork with the Multnomah County assessor to ensure the Gap tax is not included in the division of taxes.

The City of Portland levies a tax to pay costs of its Fire and Police Disability and Retirement Fund (FPD&R) Plan. The rate for this levy is included in the consolidated tax rate for the Area, both without the Amendment and with the Amendment. The levy is imposed such that, when the tax rate is divided with urban renewal, tax collections are sufficient to provide both the amount requested by the City for the FPD&R Plan and amounts for urban renewal plans. Taxpayers pay a higher amount of taxes as a result of the division of taxes. Tax collections for the Area attributable to the FPD&R levy are shown in Tables 19-21, including taxes resulting from the Amendment, taxes paid without the Amendment, and the full impact of the Plan with the new maximum indebtedness. [sending new tables separately]

Table 25 provides estimates of the revenues allocated to the taxing districts upon termination of the Area, in FYE 2025. The table also shows the estimated impact of returned incremental assessed value on the FPD&R tax levy rate, which could be reduced by approximately 3%.

Table 19 - Projected Impact of Reduced Property Tax Revenue to General Government Taxing Districts with Amendment

	City of Portland (Permanent)	Multnomah County (Permanent)	Multnomah County Library District (Permanent)	Metro (Permanent)	Port of Portland (Permanent)	East Mult. Soil & Conservation (Permanent)	Fire and Police Disability and Retirement	Subtotal General Government
Rate/1,000	\$4.5770	\$4.3434	\$1.2100	\$0.0966	\$0.0701	\$0.1000	\$2.6500	\$10.3971
FYE								
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	(\$9,421,865)	(\$8,940,994)	(\$2,490,814)	(\$198,853)	(\$144,303)	(\$205,852)	(\$5,455,089)	(\$26,857,770)
2024	(\$6,762,356)	(\$6,417,220)	(\$1,787,732)	(\$142,723)	(\$103,570)	(\$147,746)	(\$5,710,080)	(\$21,071,429)
Total	(\$16,184,221)	(\$15,358,214)	(\$4,278,546)	(\$341,577)	(\$247,873)	(\$353,599)	(\$11,165,169)	(\$47,929,198)

Source: City of Portland Office of Management and Finance

Table 20 - Projected Impact of Reduced Property Tax Revenue to General Government Taxing Districts without Amendment

	City of Portland (Permanent)	Multnomah County (Permanent)	Multnomah County Library District (Permanent)	Metro (Permanent)	Port of Portland (Permanent)	East Mult. Soil & Conservation (Permanent)	Fire and Police Disability and Retirement	Subtotal General Government
Rate/1,000	\$4.5770	\$4.3434	\$1.2100	\$0.0966	\$0.0701	\$0.1000	\$2.6500	\$10.3971
FYE								
2022	(\$8,994,279)	(\$8,535,231)	(\$2,377,775)	(\$189,829)	(\$137,754)	(\$196,510)	(\$5,207,524)	(\$25,638,902)
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
Total	(\$8,994,279)	(\$8,535,231)	(\$2,377,775)	(\$189,829)	(\$137,754)	(\$196,510)	(\$5,207,524)	(\$25,638,902)

Source: City of Portland Office of Management and Finance

Table 21 - Projected Impact of Reduced Property Tax Revenue to General Government Taxing Districts - Full Impact

	City of Portland (Permanent)	Multnomah County (Permanent)	Multnomah County Library District (Permanent)	Metro (Permanent)	Port of Portland (Permanent)	East Mult. Soil & Conservation (Permanent)	Fire and Police Disability and Retirement	Subtotal General Government
Rate/1,000	\$4.5770	\$4.3434	\$1.2100	\$0.0966	\$0.0701	\$0.1000	\$2.6500	\$10.3971
FYE								
2022	(\$8,994,279)	(\$8,535,231)	(\$2,377,775)	(\$189,829)	(\$137,754)	(\$196,510)	(\$5,207,524)	(\$25,638,902)
2023	(\$9,421,865)	(\$8,940,994)	(\$2,490,814)	(\$198,853)	(\$144,303)	(\$205,852)	(\$5,455,089)	(\$26,857,770)
2024	(\$6,762,356)	(\$6,417,220)	(\$1,787,732)	(\$142,723)	(\$103,570)	(\$147,746)	(\$5,710,080)	(\$21,071,429)
Total	(\$28,747,805)	(\$27,280,581)	(\$7,599,922)	(\$606,738)	(\$440,293)	(\$628,093)	(\$16,372,693)	(\$65,303,432)

Source: City of Portland Office of Management and Finance

Table 22 - Projected Impact of Reduced Property Tax Revenue to Education Taxing Districts with Amendment

	Portland Public Schools (Permanent)	Portland Public Schools (Gap Tax)	Portland Community College (Permanent)	Multnomah ESD (Permanent)	Subtotal Education
Rate/1,000	\$4.7743	\$0.5038	\$0.2828	\$0.4576	\$5.5147
FYE					
2022	\$0	\$0	\$0	\$0	\$0
2023	(\$9,828,012)	\$0	(\$582,151)	(\$941,981)	(\$11,352,143)
2024	(\$7,053,860)	\$0	(\$417,827)	(\$676,088)	(\$8,147,775)
Total	(\$16,881,871)	\$0	(\$999,978)	(\$1,618,068)	(\$19,499,918)

Source: City of Portland Office of Management and Finance

Table 23 - Projected Impact of Reduced Property Tax Revenue to Education Taxing Districts without Amendment

	Portland Public Schools (Permanent)	Portland Public Schools (Gap Tax)	Portland Community College (Permanent)	Multnomah ESD (Permanent)	Subtotal Education
Rate/1,000	\$4.7743	\$0.5038	\$0.2828	\$0.4576	\$5.5147
FYE					
2022	(\$9,381,994)	(\$990,019)	(\$555,731)	(\$899,231)	(\$11,826,975)
2023	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0
Total	(\$9,381,994)	(\$990,019)	(\$555,731)	(\$899,231)	(\$11,826,975)

Source: City of Portland Office of Management and Finance

Table 24 - Projected Impact of Reduced Property Tax Revenue to Education Taxing Districts - Full Impact

	Portland Public Schools (Permanent)	Portland Public Schools (Gap Tax)	Portland Community College (Permanent)	Multnomah ESD (Permanent)	Subtotal Education
Rate/1,000	\$4.7743	\$0.5038	\$0.2828	\$0.4576	\$5.5147
FYE					
2022	(\$9,381,994)	\$990,019	(\$555,731)	(\$899,231)	(\$11,826,975)
2023	(\$9,828,012)	\$0	(\$582,151)	(\$941,981)	(\$11,352,143)
2024	(\$7,053,860)	\$0	(\$417,827)	(\$676,088)	(\$8,147,775)
Total	(\$26,263,865)	(\$990,019)	(\$1,555,709)	(\$2,517,300)	(\$31,326,893)

Source: City of Portland Office of Management and Finance

Note the impacts to the Portland Public Schools Permanent rate levy and the Multnomah ESD are indirect as described in the narrative above.

Table 25 - Revenues Gained by Taxing Districts after Termination of Urban Renewal Area

Tax Revenue in FYE 2025 (year after termination)				
Taxing District	Tax Rate	From Frozen Base	From Excess Value	Total
General Government				
City of Portland	4.5770	\$5,920,167	\$11,613,740	\$17,533,907
Multnomah County	4.3434	\$5,618,015	\$11,021,000	\$16,639,015
Multnomah County Library District	1.2100	\$1,565,087	\$3,070,270	\$4,635,357
Metro	0.0966	\$124,948	\$245,114	\$370,062
Port of Portland	0.0701	\$90,672	\$177,873	\$268,544
Multnomah Soil & Water Conservation. District	0.1000	\$129,346	\$253,741	\$383,087
Fire/Police Disability & Retirement	Estimated tax rate reduced by approximately 3%			
<i>Subtotal</i>	13.0471	\$16,875,903	\$33,105,882	\$9,981,786
Education				
Portland Public Schools	4.7743	\$6,175,367	\$12,114,371	\$18,289,738
Portland Community College	0.2828	\$365,791	\$717,580	\$1,083,371
Multnomah ESD	0.4576	\$591,887	\$1,161,120	\$1,753,008
<i>Subtotal</i>	5.5147	\$7,133,044	\$13,993,072	\$21,126,116
Total	18.5618	\$24,008,948	\$47,098,954	\$71,107,902

Source: Prosper Portland with information from the FY 2019/20 Multnomah County TSCC

The new impact of this amendment is from increasing the maximum indebtedness. The impact is on permanent rate taxes and the Fire and Rescue Disability and Pension Fund. The Portland Public Schools “Gap Tax” is not used in the calculations for the tax increment revenue for the amendment.

With the maximum indebtedness increase of \$67 million, the total estimated impact to taxing jurisdictions from FYE 2022 through FYE 2024 is projected at \$67,429,116 as this includes interest and financing fees. The actual impact can vary depending on the timing of the issuance of debt.

X. RELOCATION REPORT

Prosper Portland does not currently anticipate that any existing residences or businesses will be required to relocate temporarily or permanently as a result of this Plan. No existing housing units are planned for destruction or alteration. If such acquisitions are made at some future date, they will be done in accordance with Prosper Portland’s adopted relocation policy.

XI. COMPLIANCE WITH LIMITS ON ASSESSED VALUE AND ACREAGE IN URBAN RENEWAL

The analysis of the total assessed value and acreage in urban renewal in Portland is shown in Table 26. The statutory limitation for acreage and assessed value for Portland is 15% of the total assessed value minus incremental excess and 15% of the total acreage. Incremental excess is the amount of increased value in an urban renewal above the frozen base. Portland is in compliance with both statutory limitations.

Table 26 - Compliance with Assessed Value and Acreage Limitations

Urban Renewal Area	Frozen Base Assessed Value	Acreage
Airport Way	\$73,942,075	871
Central Eastside	\$230,541,190	709
Downtown Waterfront	\$55,674,313	233
Gateway Regional Center	\$307,174,681	659
Interstate Corridor	\$1,293,460,097	3,995
Lents Town Center	\$736,224,033	2,846
North Macadam	\$628,094,444	447
Oregon Convention Center	\$214,100,689	410
River District	\$432,292,135	315
South Park Blocks	\$305,692,884	98
Willamette Industrial (no longer taking TIF)	0	0
Neighborhood Prosperity Initiatives (combined)	\$498,707,491	804
Total Urban Renewal Areas	\$4,775,904,032	11,386
Total Assessed Value City of Portland	\$63,268,838,150	
Incremental Excess of Urban Renewal Areas	\$7,857,919,683	
Incremental Value Not Used	\$4,087,546,845	
Total Assessed Value of City minus incremental excess	\$51,323,371,622	
Total Acreage, City of Portland		92,768
Percent in Urban Renewal Areas	9.31%	12.27%

Source: Prosper Portland, Multnomah County Sal 4a 2019/20 and TSCC FY 2019/20 Annual Report