

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

DATE: January 7, 1998

TO: Ken Rust

FROM: Felicia Trader

SUBJECT: PDC RESPONSE TO COUNCIL RETREAT OUTCOMES AND FOLLOW-UP

Attached is our response to your request for information related to the Council goals and strategies for the next five years. As you can see from our response, PDC's current work plan directly ties to many of the Council's goals and objectives. For Council's seven top priority strategies, PDC will be involved in meeting all but two of the priorities outlined.

Specifically, we have identified strategies we are currently working on or will be working on over next five years that will directly achieve these Council goals. We have described the strategies and given our work plan and timeline for each strategy. We have also identified additional strategies being worked on that were not included in the goals but that are important to the goals. In addition, we have responded to workforce goals and included them in an appendix to the document since PDC is no longer responsible for those services.

Given the extremely short turnaround for this request, we were asked to be brief and concise in supplying this information. We have complied with this request by giving short responses to each of the goals and strategies. If you need additional information on any area of our response, please do not hesitate to call me. I look forward to discussing Council's goals and describing the work PDC will be doing to achieve these important City objectives.

xc: Mayor Vera Katz  
Commissioner Jim Francesconi  
Commissioner Charlie Hales  
Commissioner Gretchen Kafoury  
Commissioner Erik Sten  
Randy Webster

## GOALS AND STRATEGIES

### **Goal A: ENSURE DECENT, AFFORDABLE HOUSING.**

#### Strategies:

1. **Continue support for Community Development Corporations and neighborhood groups.**
  - Collaboration with CDC's, neighborhood associations, and other non-profits is key to PDC's Housing work plan. Timeline: Current.
2. **Clarify City housing policies.**
  - PDC, along with Council, is in the process of examining existing housing policies and analyzing financial and regulatory tools used to produce, renew and preserve housing. This work involves identifying and reconciling conflicts and inconsistencies in policy. Timeline: December 1997 -- December 1998.
3. **Develop innovative approaches for housing (e.g., land banking).**
  - PDC is exploring opportunities for innovative housing approaches such as land banking, with projects identified in the South Park Blocks urban renewal area. Timeline: FY 1997-98 and FY 1998-99.
  - PDC has a demonstration project with Sabin CDC on a Community land trust/Groundlease model. Timeline: current
  - PDC obtained approval for a Fannie Mae Seller Servicer partnership to increase resources available for the home repair program. Timeline: Approval pending.
4. **Bring bankers and investors to the table.**
  - PDC currently leverages Federal and other funds with Private Lender Participation Agreements (PLPA). PDC will continue to work with financial institutions on program enhancements and to put new PLPA agreements in place. Timeline: FY 1997-98 and FY 1998-99.
5. **Increase resources to provide affordable housing.**
  - PDC will be working with Council and others to identify additional resources/opportunities to leverage funds and to identify and secure long term funding for the Housing Investment Fund. Timeline: FY 1998-99 budget.
  - PDC, along with BHCD, is working to obtain HUD approval of the Section 108 program as part of the Economic Development Initiative. Timeline: April 1998.
  - PDC is also seeking access to State and Federal resources for housing.
6. **Protect existing housing stock.**
  - PDC along with BHCD will be working with the Housing Preservation Task Force to review acquisition policies and strategies; subsidy guidelines; expiring Section 8; condo conversion; and tenant issues. Timeline: January 1998 with Task Force monitoring through 2005. In addition PDC will be adding \$2 million in tax increment funding to the FY 1997-98 budget for housing preservation in the downtown area.
  - PDC will complete the replacement of the Hamilton housing. A developer was selected and the site identified. Timeline: FY 1997-98
  - PDC is working on the 333 Oak project, an existing, privately owned, 90 unit, low income occupied apartment building located at SW 3rd and Oak in downtown Portland. It is subject to a HUD expiring rent subsidy contract in April of 1998.

**Goal A: ENSURE DECENT, AFFORDABLE HOUSING (cont'd)**

In anticipation of the possibility that the owner may sell the building, PDC (on behalf of the City) has attempted to secure control of the building. A real estate option was sent to the owners on October 9, 1997, and owner's representatives have not made any efforts to negotiate or enter into discussions with the City. Condemnation has been informally discussed by the City's Preservation Task Force as an acquisition strategy in preserving "at risk" low income housing, and the 333 Oak has been identified as a potential case. Timeline: current.

7. **Provide accountability through investigating which target market is served.**
  - The above mentioned task force will monitor the housing stock and markets served.
8. **Create regional and statewide incentives to ensure decent, affordable housing.**
  - PDC will track the development of a Regional Affordable Housing Functional Plan. PDC will coordinate with the Planning Bureau. Timeline: December 1997-December 1998.
  - PDC is working with the State to coordinate a Private Activity Bond Cap allocation for the Metro area.
9. **Create a predictable regional funding source for housing.**
  - PDC plans to be part of these discussions and will work with Council and others to discuss the creation of a predictable regional funding source for housing. PDC is exploring State and Federal resources for housing. Timeline: FY 1998-99 budget.
10. **Evaluate the process and regulations for construction of affordable housing.**
  - Participate as task force member of the Bureau of Environmental Services Stormwater Advisory Committee - This task force will end in Summer 1998.
11. **Promote first time home and condo ownership.**
  - As part of PDC Housing work plan, first time home ownership policy issues are being reviewed: construction (development) versus permanent (owner); commercial land trust/groundlease; shared appreciation; and wealth creation versus affordable units. Timeline: PDC will work on these issues along with BHCD and the Portland Housing Center from March to June 1998.
  - One significant example of a PDC project supporting this goal is the Union Station Housing Project. Union Station Housing will have 20 affordable and 36 market-rate for-sale units in the Summer of 1999.
12. **Provide sprinklers at affordable housing sites for high risk populations.**
  - BHCD will be allocating some CDBG funding in the FY 1997-98 PDC contract to fund such sprinkler projects.
13. **Finish the homeless housing system.**
  - PDC has been responsible for developing a homeless shelter on the eastside and is in the process of developing a permanent housing facility. Timeline: November 1997 through January 1999.

***Goal A: ENSURE DECENT, AFFORDABLE HOUSING (cont'd)***

***Additional Strategies:***

***Strategy:*** PDC has funded a number of mixed-use affordable housing projects to meet both revitalization and housing goals; and plans to continue this approach. In total, we plan to help create or rehabilitate more than 1,500 housing units.

**Goal B: BUILD A LIVABLE CITY THROUGH GOOD PLANNING AND WELL-MANAGED GROWTH**

Strategies:

1. **Provide neighborhood infrastructure to support adopted plans.**
  - Public infrastructure investments planned in the River District are based upon adopted plans and linked to housing density and affordability goals. Timeline: 1998-2003.
3. **Complete neighborhood plans and implement existing plans.**
  - PDC is implementing the Albina Community Plan and associated neighborhood plans (Eliot, King, Piedmont and Woodlawn, Sabin) through the following:
    - ◊ MLK Blvd. Street Plan - Reconstruction of MLK Blvd. from Broadway to Portland Blvd. including new sidewalks, street trees, lighting, etc. in conjunction with PDOT. Timeline: Estimated completion by 2005.
    - ◊ MLK Blvd. Commercial Site Development Program - Assemble and facilitate development of key commercial properties in MLK and Alberta Corridor to support job generation goals, wealth creation and neighborhood plans.
    - ◊ MLK/Alberta Pre-development program - Assist local owners, businesses and developers with feasibility analyses and other pre-development costs to support neighborhood plans related to commercial revitalization and wealth creation.
  - PDC is supporting the implementation of the Lents Neighborhood Plan and Lents Revitalization Plan through various activities:
    - ◊ Developing a housing development strategy to guide public and private investment in the area that is compatible and complementary to other public commercial revitalization efforts and investments.
    - ◊ Assembling land and facilitating strategic development in the Downtown Lents Business District/Town Center.
    - ◊ Assisting owners/developers of major industrial sites in planning site development and recruiting tenants.
    - ◊ Assisting owners/tenants of commercial property in Downtown Lents in assessing and improving physical condition of storefronts and commercial/retail space.
    - ◊ Coordinating and integrating activities and resources of various public agencies and bureaus.

**Goal C: SUPPORT QUALITY EDUCATION TO PRODUCE WELL  
EDUCATED CITIZENS**

**Strategies:**

6. Encourage partnerships with schools (e.g., shared park space, purchasing, volunteers for SMART, etc.)
  - In River District, PDC is working with the Portland Public Schools for one or more innovative urban school sites.

**Goal D: PROMOTE ECONOMIC VITALITY AND ACCESS TO QUALITY JOBS FOR ALL.**

Strategies:

**1. Re-examine economic assistance programs and tools.**

- Specific economic assistance tools currently being examined/re-examined include:
  - ◊ N/NE Enterprise Zone - This program has been placed on hold pending discussions with the N/NE community and potential re-approval by City Council. These discussions will be completed during Winter/Spring 1998 and brought to City Council with recommendations Spring 1998.
  - ◊ Airport Way Urban Renewal District Assessment of Development Patterns to Date - A study is currently underway to assess the extent to which development in Airport Way is likely to meet city goals in terms of level of investment and density of employment. The study underway will help assess whether current zoning and development trends will deliver the outcomes anticipated for this area. The results of this analysis may suggest that the City revise either its goals for this area and/or its strategies and tools to achieve its goals.
  - ◊ A central city business opportunity fund - This item was suggested as part of the Central City 2000 process as a mechanism to offset the higher costs of locating/operating a business in the central city. It is anticipated that funding for this fund will be included in the proposed project lists/budgets for the Downtown Waterfront and South Park Blocks Urban Renewal Plans.
  - ◊ State Programs - The State has recently refocused its economic assistance programs and tools to the rural portions of Oregon. To the extent any economic assistance/funding tools will be available within the City, that assistance will be limited to areas of economic distress, N/NE and Outer SE. This change by the State raises the need to re-examine what, if any, steps the City may wish to take to replace those economic assistance programs and/or tools.

**3. Expand Portland Development Commission's storefront program.**

- PDC recently expanded the Storefront program into the Central Eastside (1997), and is considering further expansions into the Downtown West End, and possibly North Mississippi, Humboldt, SE Foster (West End), and SE Milwaukie neighborhoods (1998). Expansions occur in consultation with BHCD and community groups.

**4. Identify how to assist small business within targeted industries.**

- The City's primary strategy to assist small businesses through our target industry efforts is by linking them to the larger firms in the industry clusters as suppliers and vendors to those larger firms. A number of mechanisms are currently being employed as part of this strategy:
  - ◊ The City's most recent N/NE Enterprise Zone Policy requires companies receiving abatements to develop a procurement plan, with goals and benchmarks, designed to increase the amount of purchases from firms within the Enterprise Zone. Three companies, ANI/Helser, Wacker Siltronic and DMS, were granted abatements under this policy (which has been placed on hold, see response to Goal D, Strategy #1, above);
  - ◊ Working with larger employers in targeted industries, particularly high technology and metals at present, to identify their current local suppliers/vendors, encourage

**Goal D: PROMOTE ECONOMIC VITALITY AND ACCESS TO QUALITY JOBS FOR ALL. (cont'd)**

them to expand this list, and provide us an assessment of current technical and/or capacity shortcomings among local suppliers;

- ◊ Through our business loan program(s), in cooperation with the Oregon Manufacturing Extension Partnership, provide technical and financial assistance to suppliers/vendors identified above, to increase their capability and capacity to meet the needs of the larger firms in the industry (i.e. help make and/or keep them globally competitive).

A study to identify the needs of small businesses was completed in April of 1996. A follow-up analysis of strategies to assist micro-enterprises and self-employed residents of Outer Southeast and North/Northeast was completed in September 1996. The small business and micro-enterprise needs analyses identified additional strategies and mechanisms to support small business development and growth in the City including: the development of a system to track and monitor the growth and development of small business; the development of an information and referral system to assist small business in obtaining critical business assistance and market information; promotion of networking among small businesses. These additional strategies were included in PDC proposed 1997-98 work program and budget but were eliminated as part of Council's budget discussions and resulting reductions to PDC's business development program and staff.

**5. Develop a strategy to assist commercial neighborhood centers.**

- PDC's efforts are focused on N/NE and Outer SE Portland. Tax increment and Block Grant programs available include micro lending, business lending, storefront improvements and commercial site redevelopment.
- PDC administers the City's small commercial district grant program through the Alliance of Portland Neighborhood Business Associations (APNBA). Organizational support is also provided to APNBA through this program.

**7. Work with the Port of Portland and others to maintain the supply of industrial lands.**

- In addition to the Port of Portland, PDC maintains close working relationships with a number of public and private partners within the City and the region to monitor and influence the supply of industrial land available for business expansion needs. The employment capacity issues for the City as called out in Metro 2040 makes the wise use of land resources a key element.

Current active initiatives include: (completed during FY 1997-98 with current PDC budget)

- ◊ Participated with the Port of Portland and PGE in a regional industrial land survey.
- ◊ Involvement in the industrial sanctuary issue in Northwest Portland.
- ◊ Study of development patterns and employment density along Airport Way, which will allow extraction of policy issues and implications.
- ◊ Cooperation with the Port on airport light rail development, with an ability to influence jobs creation as a part of the overall strategy.
- ◊ Including a job creation component in the North Macadam development plan.
- ◊ Undertaking significant redevelopment initiatives through the Federal "Brownfields Showcase" program.



**Goal D: PROMOTE ECONOMIC VITALITY AND ACCESS TO QUALITY JOBS FOR ALL (cont'd)**

- ◇ Cooperation with Planning Bureau to meet employment targets called out in Metro 2040.

Future initiatives could include: (FY 1998-99)

- ◇ Development incentives to encourage greater employment density in Airport Way.
- ◇ Redevelopment incentives to make brownfield sites economically feasible for siting job creating enterprises.
- ◇ Participate with the Port in city/regional industrial land policy development.
- ◇ Work with the Port on the development of Airport Light Rail.

**8. Partner with post-secondary institutions to provide post-baccalaureate education and training.**

- PDC works as a catalyst between companies and the community colleges and PSU to deliver targeted training.
- PDC is also a partner of PSU in their business development efforts in NE and Outer SE Portland.

**9. Maintain a strong environment in the growing economy.**

- PDC will encourage initiatives that will enhance the ability to redevelop Brownfields. An application for the designation as a Showcase Community will give us access to federal funding to assist in the reuse of critical properties along MLK Blvd., Columbia Blvd., as well as key properties in the West side including River District. Utilizing this land resource maintains vital jobs in the city and focuses growth within the city where most infrastructure is already in place, preserving resources and reducing pollution by providing close-in jobs.
- PDC plans to pursue policies and opportunities that maintain economic growth while minimizing the potential for negative impacts of physical growth. PDC will work on existing industrial land supply and reuse issues to limit pressures on the regional urban growth boundary.

**10. Open access to the Willamette River and adjacent greenway.**

- PDC to begin construction by Summer, 1997 of extension of Waterfront Park at RiverPlace south to Schnitzer property. Greenway Trail extension and direct connections to the park and water are included in the design.
- River District projects: Accessway through McCormick Pier (1999) and acquisition of key waterfront properties such as River Queen parking lot; Centennial Mills (BES will be the lead); Mt. Hood Chemical property - all as funding permits.

**11. Maintain close working relationships with industry groups.**

- Industry groups with which PDC is currently active include: creative services, semiconductors and electronics, biotech/bioscience, and metals. Activities include workforce development strategies, supplier strategies, and expansion strategies. This work is done in cooperation with Portland Ambassadors, Portland Chamber of Commerce, the Port of Portland, OEDD, APP, Columbia Corridor Association, Central Eastside Industrial Community, Multnomah/Washington Regional Strategies Board, and other regional and city based organizations.

**Goal D: *PROMOTE ECONOMIC VITALITY AND ACCESS TO QUALITY JOBS FOR ALL (cont'd)***

**12. Maintain our business retention strategy.**

- PDC's retention program provides direct assistance to existing Portland firms to aid them to remain and/or expand in the City. This program includes the provision of detailed information on Portland's economy, business climate, labor force, infrastructure, real estate market, business costs and quality of life, introductions to and interactions with regulatory bureaus and agencies, public and private utility agencies and companies, educational institutions, private sector vendors and service companies, and the real estate development and brokerage communities and financial assistance.

**Goal E: MAINTAIN A FINANCIALLY STABLE CITY.**

Strategies:

**6. Clarify and understand tax increment financing and make sound choices.**

- PDC has presented tax increment financing issues and strategic choices now facing the City due to the passage of Measure 50 to Council and other City groups/organizations. PDC plans to continue the tax increment dialogue in the current budget process and work with Council to make sound decisions related to this important City funding source.

**Goal F: ENSURE A SAFE AND PEACEFUL COMMUNITY.**

Strategies:

**1. Review community policing strategies to determine results.**

- The Old Town Community Policy Task Force has been folded in as an essential element of the Old Town/Chinatown Development Plan effort which will be underway during 1998.

**Goal G: MAINTAIN AND IMPROVE OUR PARKS, GREEN SPACES, WATER AND AIR SHIELDS.**

Strategies:

2. **Find opportunities to joint venture for multi-objective management.**
  - Tanner Park blocks & Water Feature property will be a joint venture between Parks, BES, PDC and many others accomplishing many objectives including: daylighting Tanner Creek, recreation and open space, environmental contamination remediation; possible joint use with a school, etc. Timeline: 2000-2005.
3. **Make the City an organizational model for best environmental practices.**
  - Daylighting of Tanner Creek to be a demonstration project of sound environmental practices.
  - PDC will encourage initiatives that will enhance the ability to redevelop Brownfields. An application for the designation as a Showcase Community will give us access to federal funding to assist in the reuse of critical properties along MLK Blvd., Columbia Blvd., as well as key properties in the West side including River District. Utilizing this land resource maintains vital jobs in the city and focuses growth within the city where most infrastructure is already in place, preserving resources and reducing pollution by providing close-in jobs.
4. **Develop more neighborhood parks in insufficient park areas.**
  - Tanner Creek Park and Water Feature land will help meet parks & open space needs for the River District neighborhood.
6. **Expand and complete the Willamette Greenway for access, water quality, recreation, and habitat protection.**
  - PDC to begin construction by Summer, 1997 of extension of Waterfront Park at RiverPlace south to Schnitzer property. The Greenway Trail will be extended and direct connections to the park and water are included in the design.
  - PDC's River District waterfront acquisition program will expand greenway and allow for greater public access and recreation opportunities.
  - PDC is co-managing and providing most of the funding for the completion of the Eastbank Riverfront Park, 1.5 mile pathway with public attractors linking OMSI to Steel Bridge/ Convention Center area. Timeline: Complete first Phases by Summer 1999; other Phases through 2005.

**Goal H: PROMOTE THE INCLUSION OF UNDER-REPRESENTED NEIGHBORHOODS AND GROUPS IN PARTICIPATION IN CITY ACTIVITIES AND SERVICES.**

Strategies:

1. **Evaluate and explore funding mechanisms for under-represented neighborhoods and groups.**
  - The N/NE Enterprise Zone program provides funding for programs and initiatives to benefit N/NE Portland residents and companies. For capital intensive projects, companies actually receive a partial abatement and are required to return to the City (as a community contribution) abated taxes in excess of \$10,000 per JobNet hire. The use of these funds will be determined through a collaborative process involving the Enterprise Zone community, the company and PDC and must be ratified by City Council.
  - PDC is evaluating the feasibility of establishing an Urban Renewal Area in the Lents area as a mechanism to generate funding for specific infrastructure and development projects to stimulate commercial revitalization and creation of new jobs.
  
7. **Advocate for workforce dollars to fund minority workforce.**
  - Strategy #1: The original Quality Jobs Initiative, a collaborative project of PDC, community partners, and the City of Portland, resulted from a resolution passed by City Council in May, 1995, to "prepare a written plan outlining the specific actions, roles, responsibilities, and resources needed by partner agencies and organizations to achieve employment and income goals." The "Plan" calls for the identification of resource needs, and gaps in training and employment services, and for the development of corresponding goals and specific strategies to lower unemployment rates in NE, especially among the institutionalized poor, and OSE Portland while increasing the number of households above the poverty level. Timeline: Original Quality Jobs Initiative plan has five to seven-year timeline.
  - Strategy #2: Portland's Enterprise Zone Program has targeted company workforce training investments to benefit residents in N/NE Portland. Timeline: Dependent on each Enterprise Zone Agreement.

## **Goal I: KEEP THE CENTRAL CITY VITAL.**

### Strategies:

#### **1. Expand the Willamette Greenway.**

- PDC to begin construction by Summer, 1997 of extension of Waterfront Park at RiverPlace south to Schnitzer property. Greenway Trail extended and direct connections to the park and water included in the design.

#### **2. Support targeted industries to locate and stay in the Central City.**

- As a result of the recommendations included in the Central City 2000 Report, PDC was given the responsibility to pursue strategies to support the development of three target industries in Portland's central city -- Bio/Health Technologies, Information Services and Creative Services.
  - a. Bio/Health Technologies. A biotech subcommittee of the Business Roundtable has been formed and is evaluating industry needs. A feasibility study for the development of a central city science park will be completed in the Spring of 1998.
  - b. Information Services. An analysis of the concentration of industry clusters in Portland's central city, particularly those with high levels of information services occupations will be completed in late January/early February 1998.
  - c. Creative Services. In October 1997, the Mayor convened a group of existing central city firms in this cluster to open discussions on the development of a set of strategies to support this industry. PDC staff has continued these discussions and is in the process of developing an RFP for a study to examine the feasibility of developing a creative services "facility" in the central city. It is anticipated that this RFP will be released and the study underway by February 1998.
- A number of PDC staff have work program assignments which are wholly or partially focused on physical or business development in the central city. These are ongoing assignments and programs which are carried out in cooperation with a variety of partners, particularly the Association for Portland Progress.
- The Central City 2000 process also recommended a Business Opportunity Fund as a mechanism to offset the central city's higher costs and thereby provide encouragement for additional business development in the central city. It is anticipated that funding for this fund will be included in the proposed project lists/budgets for the Downtown Waterfront and South Park Blocks Urban Renewal Plans.

#### **3. Repair the transit mall.**

- PDC will be adding \$400,000 in tax increment funds to its FY 1997-98 budget, in a budget amendment that will go to the Commission in January, to support this transportation project.

#### **5. Develop the area from OHSU to Macadam.**

- PDC is managing the North Macadam Development Plan process to complete a multi-function area-wide plan in the next 18 months. A Steering Committee of 24 Bureau, neighborhood and property owner representatives are guiding the efforts. Planning will address the increase in Central City employment, housing needs, street and infrastructure requirements, open-space and greenway development through public/private partnerships. An Urban Renewal Plan will be prepared as needed.

**Goal I: KEEP THE CENTRAL CITY VITAL (cont'd)**

**5. Build streetcar lines.**

- Streetcar is a key element of the River District infrastructure plan. Timeline: 2000-2003.

**6. Promote housing choice for all incomes.**

- PDC will continue to monitor and evaluate the progress. A comprehensive review of housing goals if a new Urban Renewal District is proposed.
- The River District Housing Implementation Strategy calls for housing diversity meeting income demographics as a whole. Thus far, housing targets have all been met or exceeded.

**7. Focus on Central City area, not just downtown.**

- PDC's work in North Macadam, Central Eastside and Lloyd District target areas incorporates the entire Central City.
- PDC's ongoing housing and business development programs provide the critical mass of Central City workers and residents to make a 24 hour city a reality.
- PDC will undertake an urban renewal feasibility analyses of River District and North Macadam areas as possible financial tools for implementation. Timeline: by Summer 1998.
- PDC is now implementing the RiverPlace Development Strategy which calls for the development of approximately 300 units of additional housing, an extended stay business hotel, 100,000 sq. ft of office and a small hotel and conference center. The first project, a 240 room extended stay hotel, is under negotiation between the developer and PDC staff and will be under construction in early 1999.

**12. Build the Chinese Garden and other project to revitalize Old Town.**

- PDC is actively working to help build the Chinese Garden and has committed \$2.9 million in tax increment funds to the project. Other projects include proposed streetscape improvements, Chinatown housing projects, etc.

**13. Achieve the Old Town/Chinatown vision.**

- PDC has budgeted \$100,000 for Old Town/Chinatown Development Plan. Timeline: Work to begin Spring 1998.

**14. Complete the Convention Center.**

- PDC is reserving \$5-7 million in tax increment funding for infrastructure related costs that covers the City's share of the financial package for the expanded Convention Center. Timeline: Completion probably by 2001.
- PDC is also pursuing the development of a Headquarters hotel through the issuance of a RFP for developers. Timeline: RFP in 1998, completion of Hotel, if RFP is successful, by 2001.

## **Goal J: BUILD A MULTI-MODAL TRANSPORTATION SYSTEM.**

### Strategies:

#### **2. Build Light Rail to the airport.**

- Airport MAX is in the process of reviewing preliminary engineering in a cooperative effort among Tri-Met, Port of Portland and the City of Portland. The funding for preliminary engineering will be from PDC, with tax increment funds in the Airport Way Urban Renewal District. A finance plan will also be developed which would detail the program segments and identify the sources of funds to complete the project. The primary project management will be the responsibility of Tri-Met, with the assistance of the Port of Portland and PDC/City of Portland. This project team will be meeting frequently over the next twenty-four months to oversee the project. Assuming approval to construct is made in December, 1998, construction would proceed on a design/build basis with completion scheduled for mid 2001.

##### Timeline:

- |                            |                          |
|----------------------------|--------------------------|
| 1. Preliminary Engineering | January - July, 1998     |
| 2. Public Review Process   | January - November, 1998 |
| 3. Finance Plan            | Now - May, 1999          |
| 4. PIC Development Plan    | Now - March, 1998        |

#### **3. Keep focused on housing along light rail and transit lines.**

- PDC is working to determine its role in transit oriented development with other agencies, including Tri-Met, METRO, and BHCD. One task will be to identify opportunity sites and strategies for development and to underwrite TOD tax abatement applications.

##### Timeline: April 1998.

- Some specific housing projects PDC has worked on that meet this goal, include:
  - ◇ Union Station - This new housing development project is in close proximity to transit. The project includes a pedestrian bridge over railroad tracks and approximately 530 units with an overall parking ration of approximately .5 per unit. Timeline: 158 units under construction; 380 to start Summer 1998.
  - ◇ Civic Stadium (Stadium Station Apartments) - PDC conducted a redevelopment analysis of this Tri-Met owned parcel located between two light rail stations in Goose Hollow. PDC worked under contract to Tri Met to offer the site through a development competition. Grayco was the developer selected to build this 115-unit, all affordable apartment project with ground floor retail and low parking ratios. Bond financing, tax credits, developer equity and a PDC HIF loan helped finance the project. Timeline: scheduled to open March 1, 1998.
  - ◇ Russelville School - The project, a 13.5 acre site is located at SE 102<sup>nd</sup> and Burnside and will be developed in two phases: phase 1 will break ground in early 1998 and will contain 282 units of moderate and market rate housing; phase 2 is expected to break ground in early 1999 and will contain 196 units of housing, with 78 being affordable units.
  - ◇ 60th and Glisan - PDC worked with the neighborhood to define the redevelopment program for this 5-acre site at the 60th Ave. light rail station. PDC purchased the site from ODOT in January, 1997 and offered the property to development teams last spring. Four housing types, serving a range of incomes, will be built including 172 units of affordable Senior apartments, 60 affordable family apartments, 56 market



**Goal J: BUILD A MULTI-MODAL TRANSPORTATION SYSTEM (cont'd)**

rate apartments and 24 for-sale rowhouses. A day care facility and some retail space will be built. Timeline: construction is scheduled to begin on the first phase next September, 1998 and all phases will be complete in Fall, 1999.

- ◇ Cascade Crossing - This project will be a mixed income housing development located in Outer Southeast with a total of 74 units (10 one bedroom, 40 two bedroom, and 25 three bedroom; with 16 affordable to families earning less than 30% of median income and the remaining for 60% of median income). Timeline: scheduled to begin in Spring 1998 with lease up in early 1999.
- ◇ Collins Circle - The project is to be build on Tri-Met owned property between SW Jefferson, SW Columbia, 17<sup>th</sup> Avenue and 18<sup>th</sup> Avenue in downtown Portland. The proposal is to develop 124 units including 18 tow bedroom, 52 one bedroom and 54 studio units; 40% will be for families earning less than 60% of median income. There will be 7,500 square feet of ground floor retail and office space. Timeline: construction to begin in Spring 1998 and completed by Spring 1999.

**5. Build a gondola line to OHSU.**

- PDC has completed a preliminary investigation of the costs and operational options for a gondola line from OHSU and both Portland State and the North Macadam District. This concept will be examined further as part of the North Macadam Development Plan process.

**7. Explore opportunities to build sidewalks.**

- PDC is working on Front Avenue pedestrian improvements including the dedication of additional land to build wide, 12' sidewalks. Timeline: construction 1998-99.

**14. Urge employers to encourage their employees to commute.**

- The N/NE Enterprise Zone program requires firms receiving an enterprise zone abatement to provide bus passes and transit assistance to their employees (note that this program has been placed on hold, please see the response to Goal D, Strategy #1).
- A barrier to this goal is the lack of a current transit service to industrial areas of the City (e.g., Rivergate and Airport Way).

**15. Complete the street network.**

- The City/Hoyt Street Properties agreement calls for extending the grid into much of the Hoyt Street Properties property over the next 5-10 years. The same will likely be done in North Macadam.

**Goal K: GROW AS AN INTERNATIONAL CITY.**

Strategies:

2. **Expand opportunities for trade, especially for small business involved in environmental technology and transportation.**
  - PDC actively supports the trade development initiatives of OEDD and the Portland Chamber of Commerce. This support includes introducing companies to the myriad of existing trade development programs that currently exist.
3. **Support Port of Portland's expansion of cargo and air passage.**
  - PDC works cooperatively with the Port, under an intergovernmental agreement, to provide business development services. As a part of that agreement, PDC works with current and potential Port facility users to understand the transportation capabilities resident at the Port, and use the business potential those clients represent to assist the Port in attracting/keeping air and ocean services.
7. **Increase the partnerships with POVA, the Port of Portland, Rose Festival, and the International Office.**
  - PDC has forged excellent relationships with Chinese-American community through the Consolidated Chinese Benevolent Association, the neighborhood association and others. Timeline: Work continues.
  - The City currently has an international strategy that involves several primary partnerships focused on international trade development and international investment. Primary partners include PDC, the Oregon Economic Development Department (OEDD), the Portland Chamber of Commerce, the Port of Portland, the Portland Oregon Visitors Association (POVA), and other communities in the metropolitan region.

**Goal L: BECOME A MORE EFFECTIVE PARTNER IN THE REGION.**

Strategies:

**1. Spend time with other jurisdictions.**

- PDC currently has in place agreements with several regional partners, including Hillsboro, Tualatin, Beaverton, Gresham, the metro regional strategies board, and the Port to cooperate on business development projects. As part of this activity, PDC reports to the staffs and oversight boards, including the city councils, of these regional partners. This communication assists PDC in maintaining a strong, positive working relationship with other jurisdictions within the metro area.

Current PDC strategies include (FY 1997-98 budget and work plan):

- ◊ PDC has in place formal agreements with other jurisdictions to provide specific business development services in a cooperative and coordinated manner.
- ◊ Ongoing dialogue between PDC and other regional economic development professionals, including contractually mandated reporting.
- ◊ Periodic reports to elected officials of other regional jurisdictions concerning cooperative programs.

Future PDC strategies include (FY 1998-99 budget and work plan):

- ◊ Continued formal cooperative agreements with other regional jurisdictions.
- ◊ Creating a regional economic development forum to provide regional priorities to OEDD under the "new directions" work plan of the department.

**5. Identify opportunities (projects/issues) to work with other jurisdictions.**

- Within the context of the "new directions" work plan for OEDD, the metro region is expected to articulate its economic development priorities much as it articulates its transportation priorities via JPACT. This is particularly important for the urban distressed areas that are a focus for OEDD's efforts under this work plan.

Current strategies (FY 1997-98 work plan and budget):

- ◊ PDC will facilitate formation of a regional economic development coordinating council to act as a forum for determining regional issues/priorities.

Future PDC strategies (FY 1998-99 work plan and budget):

- ◊ PDC and regional partners will articulate economic development concerns of the region to OEDD.
- ◊ The process of identifying regional priorities should lead to the identification of joint project opportunities.

**6. Work with the State to develop incentives/disincentives to assist the region.**

- In the area of economic development, the State (through OEDD) has targeted distressed communities throughout Oregon as the focus of OEDD programs. State programs are planned to be coordinated in their delivery, as in the "Community Solutions" model.

Current PDC strategy (FY 1997-98 budget and work plan):

- ◊ PDC staff participates in the State's Community Solutions Team on MLK and Lents.

**Goal L: BECOME A MORE EFFECTIVE PARTNER IN THE REGION (cont'd)**

- ◇ Ensure that state guidelines for "distressed communities" allows inclusion of North/Northeast Portland and Outer Southeast Portland.
- ◇ Work cooperatively with OEDD to articulate regional priorities, which will include those distressed communities.

Future PDC strategy (FY 1998-99 budget and work plan):

- ◇ Coordinate assistance delivery mechanisms with revised State programs.

**7. Provide support for and be involved in the Workforce Board.**

- PDC's Executive Director is a member of the Regional Workforce Board. Her position on the board is to represent the economic development interests of the city and region.

PDC's economic development department has had ongoing discussions and interaction with the transition team, interim executive director, and workforce board chair as the roles, responsibilities and services of the Workforce Board have been discussed. These discussions and interaction with the board, as well as the board's staff, are expected to continue on an ongoing basis.

- Strategy #1: Integrate the JobNet program into functions and strategies of the Workforce Development Board. Participate with the region's One-Stop Career Centers in redesigning JobNet to maintain the region's strong First Source Hiring program and accountability with employers, while at the same time increasing the capacity of community-based organizations to provide recruitment, orientation, screening, referral and follow-up services that meet employers' standards. Timeline:
  - ◇ JobNet integration planning and implementation are underway, 1997.
  - ◇ Transfer of JobNet PDC staff to the Workforce Development Board, completed by February 1998.
  - ◇ Integration of JobNet with One-Stop Career Centers, completed by Fall 1998.
  - ◇ Agreement by Workforce Board to become the region and state First Source Agreement agent, February 1998. Certification by City Council and State, by March 1998.
  - ◇ Notice of new FSA agent to FSA employers, by late Spring 1998.
  - ◇
- Strategy #2: Transfer PDC Workforce & Target Industries funds, functions and staff to the Workforce Development Board. Develop Memo of Understanding between PDC and the Workforce Development Board that ensures a strong working relationship and the continued integration of business development and workforce development which has become an integral part of Portland's success in attracting and retaining businesses. Timeline:
  - ◇ Memo of Understanding completed by 1/14/98.
  - ◇ Transfer of funds, functions and staff completed by February 1998.
  - ◇ Submission of FY 1998-99 funding request to City Council to support Workforce & Target Industries strategies and functions, by January 1998.
  - ◇ City Council approval of FY 1998-99 funds, Spring 1998.

**Goal L: BECOME A MORE EFFECTIVE PARTNER IN THE REGION (cont'd)**

**8. Create a Regional Housing Investment Fund.**

- PDC support efforts to identify a regional housing investment fund and will provide Council with the information on need and costs of housing development.

**11. Involve hi-tech employers in life within the City.**

Current PDC strategy (FY 1997-98 budget and work plan):

- ◇ PDC is involved with high technology companies through a target industry strategy that focuses on supplier industry members whose location within the city would be appropriate.
- ◇ PDC is involved with the larger companies through contractual linkages in the workforce area, especially those large companies who received SIP consideration for their investments.
- ◇ PDC is a participant in American Electronics Association activities, the industry association for the hi-tech industry.

◇

Future PDC strategy (FY 1998-99 budget and work plan):

- ◇ Continued efforts to link resident businesses with opportunities with larger high tech industries.

**13. Look for specific opportunities to work with Gresham to improve relations.**

- PDC has a contractual relationship with Gresham through regional economic development activities. Additionally, as OEDD's "new directions" work plan is adopted, the required regionalism of the effort will emphasize cooperation as a means to participate in State programs most effectively.
- PDC will work with Gresham on regional housing goals, priorities, and policies.

## **TOP PRIORITY STRATEGIES**

The following strategies were selected as top priority for City Council for the next two years.

### **A. Expand the Willamette Greenway.**

- PDC to begin construction by Summer, 1997 of extension of Waterfront Park at RiverPlace south to Schnitzer property. The Greenway Trail will be extended and direct connections to the park and water are included in the design.
- River District waterfront acquisition program will expand greenway and allow for greater public access and recreation opportunities.
- PDC is co-managing and providing most of the funding for the completion of the Eastbank Riverfront Park, 1.5 mile pathway with public attractors linking OMSI to Steel Bridge/ Convention Center area. Timeline: Complete first Phases by Summer 1999; other Phases through 2005.

### **B. Focus on transit innovation, which may include:**

#### **1. Airport LRT;**

- Airport MAX is in the process of reviewing preliminary engineering in a cooperative effort among Tri-Met, Port of Portland and the City of Portland. The funding for preliminary engineering will be from PDC, with tax increment funds in the Airport Way Urban Renewal District. A finance plan will also be developed which would detail the program segments and identify the sources of funds to complete the project. The primary project management will be the responsibility of Tri-Met, with the assistance of the Port of Portland and PDC/City of Portland. This project team will be meeting frequently over the next twenty-four months to oversee the project. Assuming approval to construct is made in December, 1998, construction would proceed on a design/build basis with completion scheduled for mid 2001.

Timeline:

- |                            |                          |
|----------------------------|--------------------------|
| 1. Preliminary Engineering | January - July, 1998     |
| 2. Public Review Process   | January - November, 1998 |
| 3. Finance Plan            | Now - May, 1999          |
| 4. PIC Development Plan    | Now - March, 1998        |

#### **2. Street Car;**

- The streetcar is a key element of the River District infrastructure plan. Timeline: 2000-2003.

#### **3. Gondola to OHSU;**

- PDC has completed a preliminary investigation of the costs and operational options for a gondola line from OHSU and both Portland State and the North Macadam District. This concept will be examined further as part of the North Macadam Development Plan process.

### **C. Increase housing resources, tools, and strategies, for the City and the region.**

- PDC will be involved extensively in this effort. PDC's Housing Department has put together a housing plan to meet these goals which will involve Council, other City bureaus, Community Development Corporations as well as other governmental agencies.
- PDC is exploring opportunities for innovative housing approaches such as land banking, with projects identified in the South Park Blocks urban renewal area. Timeline: FY 1997-98 and FY 1998-99.
- PDC augments federal and other funds with Private Lender Participation Agreements (PLPA). PDC will continue to work with financial institutions on program

enhancements and to put new PLPA agreements in place. Timeline: FY 1997-98 and FY 1998-99.

- PDC will be working with Council and others to identify additional resources/opportunities to leverage funds and to identify and secure long term funding for the Housing Investment Fund. Timeline: FY 1998-99 budget.
- PDC, along with BHCD, is working to obtain HUD approval of the Section 108 program as part of the Economic Development Initiative. Timeline: April 1998.
- PDC is seeking access to State and Federal resources for housing.
- PDC along with BHCD will be working with the Housing Preservation Task Force to review acquisition policies and strategies; subsidy guidelines; expiring Section 8; condo conversion; and tenant issues. Timeline: January 1998 with Task Force monitoring through 2005. In addition PDC will be adding \$2 million in tax increment funding to the FY 1997-98 budget for housing preservation in the downtown area.
- PDC plans to be part of the discussions and will work with Council and others to discuss the creation of a predictable regional funding source for housing. Timeline: FY 1998-99 budget.
- As part of PDC Housing work plan, first time home ownership policy issues are being reviewed: construction (development) versus permanent (owner); commercial land trust/groundlease; shared appreciation; and wealth creation versus affordable units. Timeline: PDC will work of these issues along with BHCD and the Portland Housing Center from March to June 1998.

**D. Maintain a successful Central City.**

- PDC's ongoing housing and business development programs provide the critical mass of Central City workers and residents to make a 24 hour city a reality.
- PDC will undertake an urban renewal feasibility analyses of River District and North Macadam areas as possible financial tools for implementation. Timeline: by Summer 1998.
- PDC is actively working to help build the Chinese Garden and has budgeted \$2.9 million in tax increment funds for the project. Other projects include proposed streetscape improvements, Chinatown housing projects, etc.
- PDC has budgeted \$100,000 for Old Town/Chinatown Development Plan. Timeline: Work to begin Spring 1998.
- PDC is seeking \$5-7 million funding for infrastructure related costs that covers the City's share of the financial package for the expanded Convention Center. Timeline: Completion probably by 2001.
- PDC is also pursuing the development of a Headquarters hotel through the issuance of a RFP for developers. Timeline: RFP in 1998, completion of Hotel, if RFP is successful, by 2001.
- As a result of the recommendations included in the Central City 2000 Report, PDC was given the responsibility to pursue strategies to support the development of three target industries in Portland's central city -- Bio/Health Technologies, Information Services and Creative Services.
  - a. Bio/Health Technologies. A feasibility study for the development of a central city science park will be completed in the Spring of 1998.
  - b. Information Services. An analysis of the concentration of industry clusters in Portland's central city, particularly those with high levels of information services occupations, is currently underway. This analysis is seeking to identify those clusters which are both highly represented (concentrated) in the central city and

which have high employment growth expectations. This analysis will be complete in late January/early February 1998.

- c. Creative Services. In October 1997, the Mayor convened a group of existing central city firms in this cluster to open discussions on the development of a set of strategies to support this industry. PDC staff has continued these discussions and is in the process of developing an RFP for a study to examine the feasibility of developing a creative services "facility" in the central city. It is anticipated that this RFP will be released on the study underway by February 1998.
- A number of PDC staff have work program assignments which are wholly or partially focused on physical or business development in the central city. These are ongoing assignments and programs which are carried out in cooperation with a variety of partners, particularly the Association for Portland Progress.
- The Central City 2000 process also recommended a Business Opportunity Fund as a mechanism to offset the central city's higher costs and thereby provide encouragement for additional business development in the central city. It is anticipated that funding for this fund will be included in the PDC proposed project lists/budgets for the Downtown Waterfront and South Park Blocks Urban Renewal Plans.
- PDC is developing Block 50 on the retail core with an expansion of Pioneer Place.
- PDC is managing the development of a 433 space Smart Park Garage under the new Fox Tower.
- PDC is now implementing the RiverPlace Development Strategy which calls for the development of approximately 300 units of additional housing, an extended stay business hotel, 100,000 sq. ft of office and a small hotel and conference center. The first project, a 240 room extended stay hotel, is under negotiation between the developer and PDC staff and will be under construction in early 1999.
- PDC will be providing \$2.5 million in tax increment funds over a three year period to PSU for an urban center plaza. The plaza will be a major new open space in the South end of downtown and will ultimately have S/N light rail running through it. Timeline: Next three 3 years.

**F. Implement neighborhood plans, re-build confidence and trust, and improve livability in distressed neighborhoods.**

- PDC is implementing the Albina Community Plan and associated neighborhood plans (Eliot, King, Piedmont and Woodlawn, Sabin) through the following:
  - ◊ MLK Blvd. Street Plan - Reconstruction of MLK Blvd. from Broadway to Portland Blvd. including new sidewalks, street trees, lighting ,etc. in conjunction with PDOT. Timeline: Estimated completion by 2005.
  - ◊ MLK Blvd. Commercial Site Development Program - Assemble and facilitate development of key commercial properties in MLK and Alberta Corridor to support job generation goals, wealth creation and neighborhood plans.
  - ◊ MLK/Alberta Pre-development program - Assist local owners, businesses and developers with feasibility analyses and other pre-development costs to support neighborhood plans related to commercial revitalization and wealth creation.
- PDC maintains close working relationships with Alliance of Portland Neighborhood Business Associations (APNBA) serving on its Business Districts annual grant committee, and working with specific Business Associations, particularly N/NE, and Outer Southeast. PDC is a major partner with BHCD serving on an ongoing basis on the Micro Loan Program Loan Committee and as loan originator and Targeted Area



Designations committees. PDC has regular contact with Community Development Corporations especially those which serve N/NE and OSE Portland.

- PDC is supporting the implementation of the Lents Neighborhood Plan and Lents Revitalization Plan through various activities:
  - ◊ Developing a housing development strategy to guide public and private investment in the area that is compatible and complimentary to other public commercial revitalization efforts and investments.
  - ◊ Assembling land and facilitating strategic development in the Downtown Lents Business District/Town Center.
  - ◊ Assisting owners/developers of major industrial sites in planning site development and recruiting tenants.
  - ◊ Assisting owners/tenants of commercial property in Downtown Lents in assessing and improving physical condition of storefronts and commercial/retail space.
  - ◊ Coordinating and integrating activities and resources of various public agencies and bureaus.
- PDC is evaluating the feasibility of establishing an Urban Renewal Area in the Lents area as a mechanism to generate funding for specific infrastructure and development projects to stimulate commercial revitalization and creation of new jobs.

## Appendix

### Workforce Goals and Strategies

#### **Goal C: *SUPPORT QUALITY EDUCATION TO PRODUCE WELL EDUCATED CITIZENS***

##### **7. Support quality community-based workforce programs.**

- PDC plans to work with the new Workforce Development Board which will work to acquire consensus among local employers in three target industries (semiconductor, metals, and information technology) regarding the standards and proficiencies required for all workers entering employment in these industries. Promote adoption of the industry-verified standards and proficiencies by funders as outcome criteria for contracts. There are 3 strategies to achieving this goal:
  - ◊ Strategy #1: The new Workforce Development Board will assist agencies serving residents of Portland's two target neighborhoods, inner N/NE and outer SE, to increase their capacity to deliver basic skills education and training that meets entry standards and proficiencies defined by industries. Timeline: 1998.
  - ◊ Strategy #2: The Workforce Development Board will conduct workforce needs assessments within target industries experiencing growth, analyze results and develop training strategies to connect workforce needs with employment opportunities for residents in Portland's lowest income neighborhoods. Focus on goals of job retention and long-term employability of residents. Ensure that training strategies forge strong connections between employers, education and training providers and community-based organizations with capacity to provide ongoing support to trainees/employees. Timeline:
    - \* Completed workforce needs assessments in semiconductor and metals, 1995-1996. Pilot workforce training strategies implemented for metals in inner N/NE Portland, 1997. Model does not translate directly to metals industry. Refining delivery strategies for both Inner N/NE and Outer SE; redefined training strategies scheduled for implementation in both areas by 6/30/98.
    - \* Workforce needs assessment in health industry currently on hold; determine industry interest by 6/30/98.
    - \* Workforce needs assessment related to information technology occupations currently underway; analyze workforce implications and determine training strategies by Spring 1998. Implementation Fall-Winter 1998, pending funding.
    - \* Identify additional industries for analysis, 1998.
  - ◊ Strategy #3: Maintain integral working relationship between workforce development and PDC economic development staff, functions and activities to continue connection of job opportunities with the region's lowest income communities. Utilize Strategic Investment Program and other available business incentive funds to develop targeted training strategies with selected employers, connecting employers with community-based organizations and residents of Portland's lowest income neighborhoods. Timeline:

- \* Involve Workforce Development Board in identifying workforce training strategies as component of Enterprise Zone community fee allocations, Oregon Steel and ANI America, February 1998.
- \* Implement training strategies identified above, 1998-99.
- \* Assist Washington County with workforce development efforts resulting from their SIP, 1998.
- \* Assist Multnomah County with overall data tracking, system design and workforce-related issues in its SIP program.
- \* Administer First Source Agreements with designated companies and work with community-based organizations and employers to develop recruitment strategies, 1998-99.
- \* Continue leadership and brokering role in administration of the Wacker/Benson Semiconductor Training Center. Develop additional uses of the Center as Wacker's usage decreases, 1998-99.

*Additional Strategies:*

*Strategy:* The Workforce Development Board plans to foster school-to-work connections between schools and local employers to build the future workforce. Assist target industry associations to establish strong school-to-work connections with schools in the K-14 system. Assist schools to connect with employers in the target industries.

Specific programs include: Metalswork school-business partnerships; teaching tool development; high school access to Wacker/Benson Semiconductor Training Center; foster satellite Summer Technology training programs in welding, metals and machining; foster implementation of an Outer SE Manufacturing Learning Center at Marshall. Timeline: January 1998 through summer 1998.

**Goal D: *PROMOTE ECONOMIC VITALITY AND ACCESS TO QUALITY JOBS FOR ALL.***

**2. Target workforce dollars to education and train workers for quality jobs .**

- Same strategies 1 through 3 as under Goal C. 7.
- Strategy #4: The Workforce Development Board, along with PDC, will recruit companies, lead development and assemble resources to implement a manufacturing learning center in Outer SE Portland, as a multiple-industry training facility providing workplace entry skills and technical skills for both youth and adults. Timeline: through Fall 1998.
- Strategy #5: The Workforce Development Board will develop strategies with employers to upgrade skills of current workforce. Focus on working with employers who hire from the targeted neighborhoods of inner N/NE and outer SE. Goal: Strengthened commitments from employers to increase career opportunities for employees, particularly for workers in inner N/NE and outer SE. Timeline: February 1998.