

PDC Commission Update

South Waterfront Central District Development Agreement

Proposed 8th Amendment

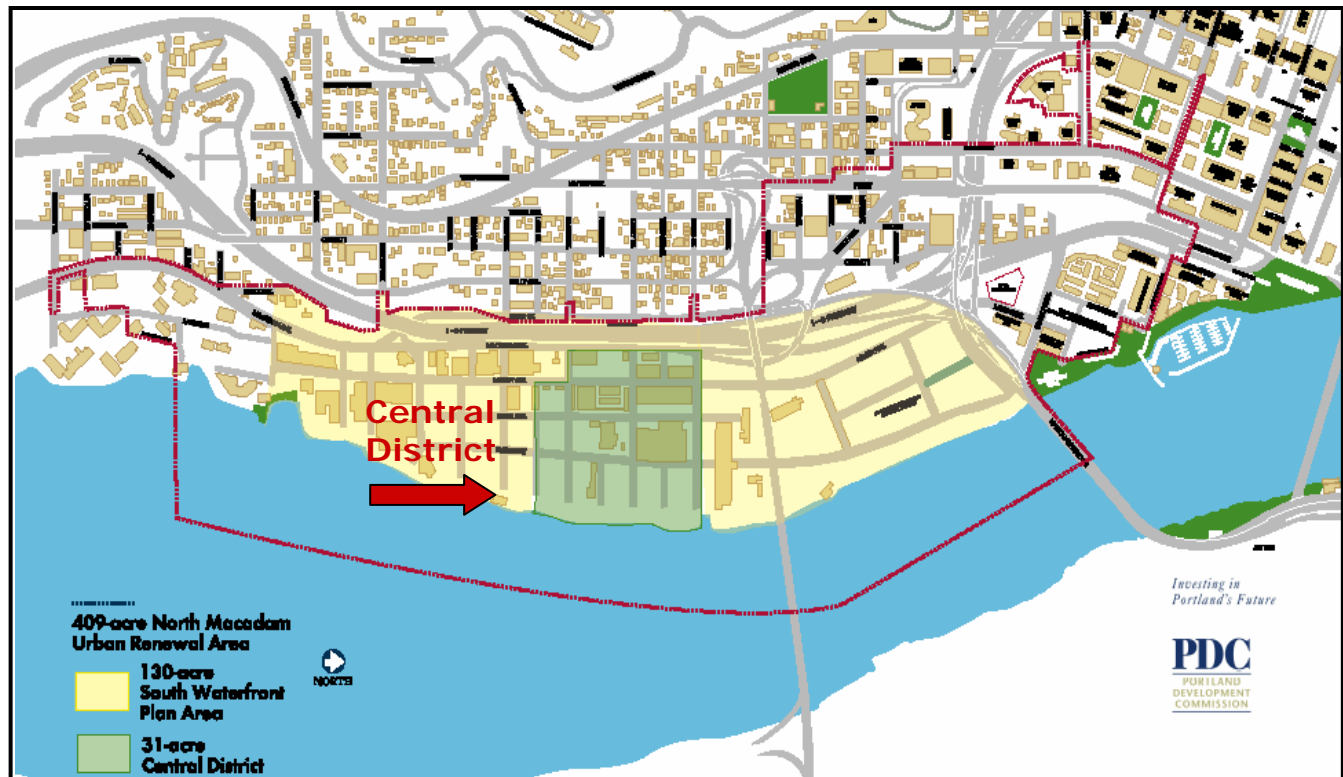


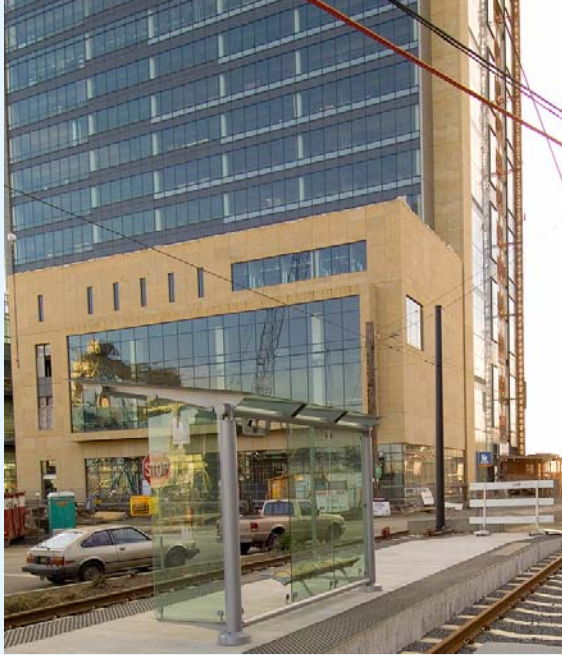
PDC
PORTLAND
DEVELOPMENT
COMMISSION

April 11, 2006

Project Context

- August 2003: Central District Project Development Agreement
- April 2006: Eighth Amendment Proposed





...As the City's agent, PDC shall reach agreement with our partners in the district that includes guaranteed funding for:

- Tram Completion;
- Streetcar Extension;
- Affordable Housing;
- Park Improvements; and
- Greenway Improvements.



Office of Mayor Tom Potter
City of Portland

MEMORANDUM

DATE: December 2, 2005

TO: Bruce A. Warner
Chair Parsons
Commissioner Blomgren
Commissioner Ferran
Commissioner Kadri
Commissioner Rosenbaum
Steve Stadum, OHSU
Dike Dame, NMI

FROM: Mayor Tom Potter *Tom Potter*
Commissioner Sam Adams *Sam Adams*
Commissioner Erik Sten *Erik Sten*
Commissioner Dan Saltzman *Dan Saltzman*
Commissioner Randy Leonard *Randy Leonard*

SUBJECT: Solutions to funding challenges in the South Waterfront Urban Renewal Area

There have been considerable discussions, negotiations and other efforts by many individuals and groups regarding how best to address the funding challenges in the South Waterfront District.

These discussions have resulted in a number of suggested ways to solve the apparent funding challenges of this rapidly developing area of the City – tram, affordable housing, streetcar extension, improvements to the recently Portland Development Commission (PDC)-acquired park lands, and the Greenway.

We are writing to direct PDC to serve as the City's agent on negotiations at this stage of the discussion to resolve this shortfall and other related issues. As the City's agent, PDC shall reach agreement with our partners in the district that includes guaranteed funding for:

- Tram completion;
- Streetcar extension;
- Affordable housing;
- Neighborhood park improvements; and
- Greenway improvements.



8th Amendment Components

- Funding for Portland Aerial Tram– lump sum contract with Kiewit
- Funding for acquisition of three to five affordable housing sites (over 1000 unit potential) and construction of first 200-unit project
- Funding for design/construction of greenway and neighborhood park
- Funding for Bio-Science Industry Initiative
- Funding for Streetcar extension to Lowell



8th Amendment Major Provisions

A. Funding and Timing

- Cash Flow/Project Expenditure Adjustments
- Project Schedule Adjustments
- Additional Project Investment of \$55.3 M, including \$38.2 M of TIF

B. Modifications to Local Improvement District by City

- LID Finance Charge Reduced Citywide From 1.25% to 0.25%
- LID Financing Flexibility

C. Development Financing Commitments

- OHSU TIF Generation-- Parking Garage Partial TIF Reinvestment
- NMI Gap Payment Obligation—\$34.7 M

8th Amendment Financial Summary

PROJECT/PROGRAM	PROPOSED AMOUNTS FOR NEW FINANCING (in millions)						GAP PAYMENT COMMITMENT
	Parks Bureau	PDOT	PDC/ TIF	OHSU	NMI	TOTAL	
Portland Aerial Tram			\$5.00	\$9.50	\$2.50	\$17.00	Yes
Portland Streetcar		\$3.10				\$3.10	No
Neighborhood Park Final Improvements			\$4.00			\$4.00	Yes
Greenway Design and Development	\$2.00		\$4.00			\$6.00	Yes
Affordable Housing Acquisition and Development			\$18.70			\$18.70	Yes
Economic Development: Bio-Science			\$3.50			\$3.50	No
Transportation Infrastructure Contingency			\$3.00			\$3.00	Yes
Subtotal	\$2.00	\$3.10	\$38.20			\$55.30	

8th Amendment Proposed TIF Funding


	Current Funding	New TIF	Total Funding
Affordable Housing	\$ 7.0	\$ 18.7	\$ 25.7
Neighborhood Park	\$ 8.0	\$ 4.0	\$ 12.0
Greenway	\$ 0	\$ 4.0	\$ 4.0
Economic Dev.	\$ 5.0	\$ 3.5	\$ 8.5
Transportation Contingency	\$ 0	\$ 3.0	\$ 3.0
Tram	\$ 3.5	\$ 5.0	\$ 8.5
TOTAL	\$23.5	\$38.2	\$61.7

*Streetcar anticipated to be funded by PDOT, Connect Oregon grant, and LID

8th Amendment Proposed TIF Funding By Fiscal Year

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL PROPOSED
<u>Transportation Projects</u>						
Portland Aerial Tram	\$5.00					\$5.00
Transportation Infrastructure Contingency	\$3.00					\$3.00
Sub Total						\$8.00
<u>Affordable Housing Development</u>						
Land Acquisition: Block 49	\$5.00					\$5.00
Land Acquisition: Block 33 Air Rights	\$3.00					\$3.00
Block 33 structural enhancements				\$4.00		\$4.00
Development Financing: Block 33 Phase 1			\$6.70			\$6.70
Sub Total						\$18.70
<u>Parks & Open Space Development</u>						
Neighborhood Park Final Improvements	\$0.20	\$1.80	\$2.00			\$4.00
Central District Greenway Development	\$0.15	\$2.75	\$1.10			\$4.00
Sub Total						\$8.00
<u>Economic Development</u>						
Bio-Science Initiative	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$3.50
Sub Total						\$3.50
TOTALS	\$17.05	\$5.25	\$11.80	\$3.40	\$0.70	\$38.20

Investing in Portland's Future



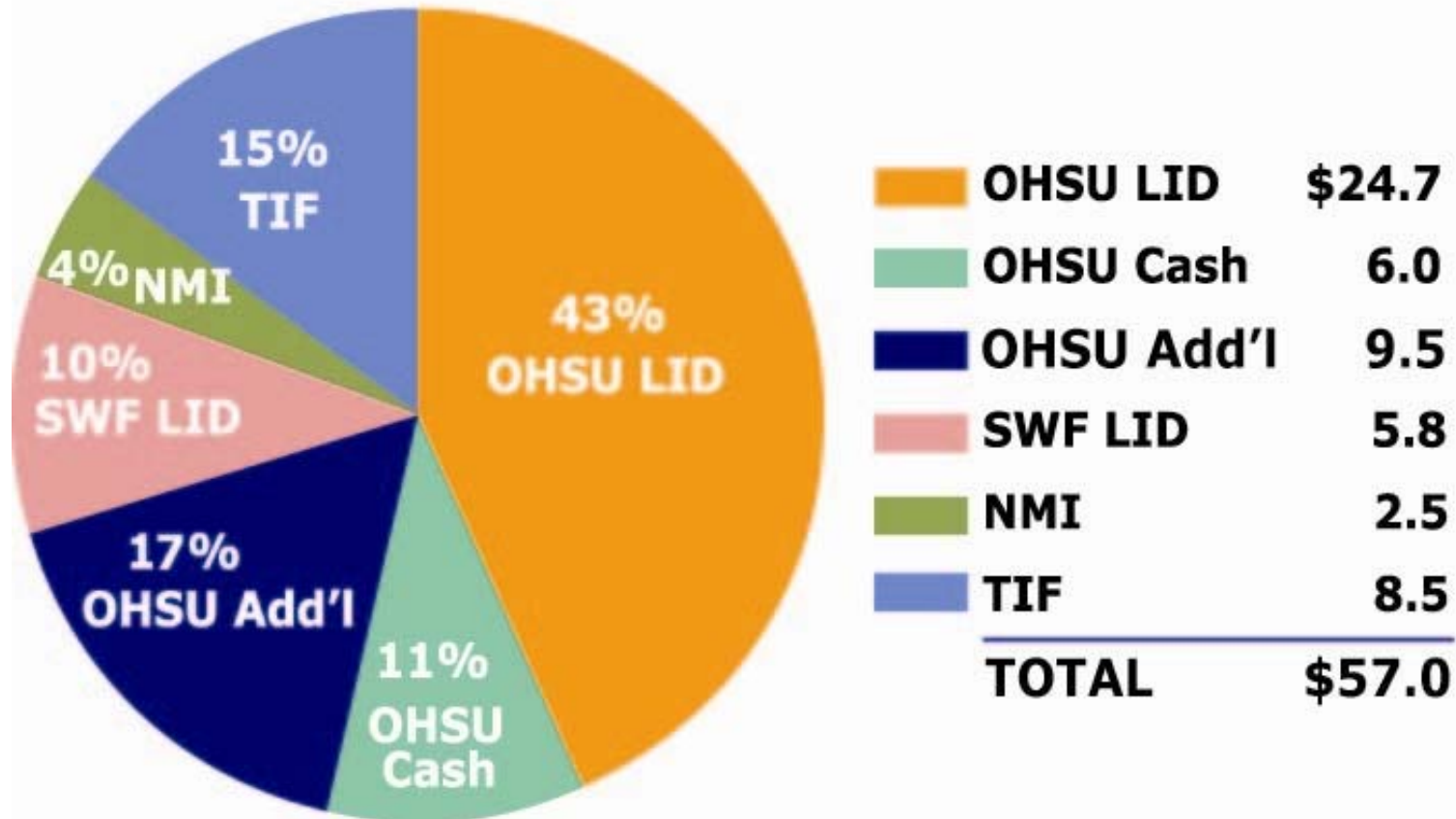
8th Amendment Proposed Tram Financing

(in millions)

	2005	New Funds	2006
OHSU LID	\$ 24.7	\$ 0	\$ 24.7
OHSU CASH	\$ 6.0	\$ 0	\$ 6.0
OHSU ADD'L	\$ 0	\$ 9.5	\$ 9.5
SWF PROP LID*	\$ 5.8	\$ 0	\$ 5.8
NMI	\$ 0	\$ 2.5	\$ 2.5
TIF	\$ 3.5	\$ 5.0	\$ 8.5
TOTAL	\$40.0	\$17.0	\$57.0

*NMI share approximately \$1.3

8th Amendment Proposed Tram Financing





Affordable Housing

Current Funding:	\$ 7.0
Proposed 8th Amendment:	\$ 18.7
Proposed Total Funding:	\$ 25.7

OUTCOMES:

- Site Control:
 - Acquire Block 49: 200-240 unit potential
 - Buy air rights on Block 33: 400 unit potential
 - Acquire PDOT/ODOT sites: 400 unit potential
- Construction:
 - Build 200 units by 2008 (site TBD)



Greenway

Current Funding:	\$ 0
Proposed 8th Amendment:	\$ 4.0
Proposed Funding:	\$ 4.0

OUTCOMES:

- Final improvements to Central District Greenway (1300 linear feet)
- Built to existing City Council approved Greenway Master Plan



Neighborhood Park

Current Funding:	\$ 8.0
Proposed 8th Amendment:	\$ 4.0
Proposed Funding:	\$ 12.0

OUTCOMES:

- Acquired 2-acre park site (Public Storage)
- Completed tenant relocation
- Demolition and initial improvements by 6/30/06
- Complete design and construct final improvements by 2009



Economic Development/ Bioscience Initiative

Current Funding:	\$ 5.0
Proposed 8th Amendment:	\$ 3.5
Proposed Total Funding:	\$ 8.5

OUTCOMES:

- 400,000 sq. ft. OHSU research/clinical building (under construction)
- Provides bioscience recruitment/jobs creation program
- Bioscience facility construction



Streetcar Completion

Current Funding:	\$ 7.9
Proposed 8th Amendment:	\$ 3.1
Proposed Total Funding:	\$ 11.0

OUTCOMES:

- Construction contract executed by August 1, 2006
- Complete Lowell extension by 2008



Tram

Current Funding:	\$ 40.0
Proposed 8th Amendment:	\$ 17.0
Proposed Total Funding:	\$ 57.0

OUTCOMES:

- Completes construction by December 2006
- Parties agree to new oversight structure
- Reduces financial risk to City of Portland





Photo: Bruce Forster 2006



Photo: Bruce Forster 2006