

PORTLAND DEVELOPMENT COMMISSION  
Portland, Oregon

## RESOLUTION NO. 13

RESOLUTION RECOMMENDING CITY  
COUNCIL ADOPTION OF THE TWENTY  
FIFTH AMENDMENT TO THE  
DOWNTOWN WATERFRONT URBAN  
RENEWAL PLAN.

**WHEREAS**, the Commission is undertaking the Downtown Waterfront Urban Renewal Project, pursuant to an urban renewal plan adopted April 25, 1974, by the Portland, Oregon City Council, by Resolution No. 31395, as subsequently amended (the "Plan"); and

**WHEREAS**, one of the goals of the Plan is "to maintain existing low-income housing and promote additional new housing serving mixed income groups"; and

**WHEREAS**, the maintenance of the supply of affordable housing downtown is becoming increasingly more difficult because of the demolition or conversion of affordable housing projects to higher economic uses, the scarcity of properties available for redevelopment, the high cost of land, and escalating construction costs; and

**WHEREAS**, the property located at the northeast corner of NW 8<sup>th</sup> Avenue and West Burnside Street has become available for purchase by the Portland Development Commission but only if the Commission acquires the property under threat of condemnation; and

**WHEREAS**, the Commission has prepared a proposed Twenty Fifth Amendment (the "Amendment") to the Downtown Waterfront Urban Renewal Plan to provide for acquisition of the property located at the northeast corner of NW 8<sup>th</sup> Avenue and West Burnside Street; and

**WHEREAS**, the Commission has reviewed the "Report on Twenty Fifth Amendment to the Downtown Waterfront Urban Renewal Plan" (the "Report") dated January 10, 2001; and

**WHEREAS**, the Commission now desires to accept the Report, approve the Amendment, and direct the Executive Director to transmit the Report and Amendment to the City Council for review and consideration, now, therefore, be it

**RESOLVED** that the Commission hereby finds and determines that acquisition of the property located at the northeast corner of NW 8<sup>th</sup> Avenue and West Burnside Street is necessary to the fulfillment of the goals of the Plan, and be it further



**RESOLVED** that the Commission does hereby accept the Report, which by reference is made a part hereof, and approves the Amendment, a copy of which is attached as Exhibit "A"; and be it further

**RESOLVED** that the Executive Director is hereby authorized to forward copies of the Report and Amendment to the City Council for review and consideration, with the Commission's recommendation for adoption by City Council.

**ADOPTED by the Commission January 10, 2001.**

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Martin Brantley, Chairman

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Douglas C. Blomgren, Secretary



REPORT ON THE TWENTY FIFTH AMENDMENT  
TO THE  
DOWNTOWN WATERFRONT URBAN RENEWAL PLAN  
City of Portland, Oregon

Portland Development Commission  
January 10, 2001



## Chapter 1 - Introduction

ORS 457.085(3) requires that an urban renewal plan amendment which is a significant change, requiring a substantial amendment to the plan, be accompanied by a report which describes:

- 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 [or change] 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 and the existing conditions in the urban renewal area;
- D. The estimated total cost of each project and the sources of monies to pay such costs;
- E. The anticipated completion date for each project;
- F. A relocation report which shall include:
  - 1. An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions, under ORS 457.170;
  - 2. A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 285.045 - .105; and
  - 3. An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan which are to be destroyed or altered, and of the new units to be added.

This report will address each of the required information categories.

The Twenty Fifth Amendment to the DTWF Urban Renewal Plan authorizes the Portland Development Commission, as the city's urban renewal agency, to acquire a parcel of land in order to redevelop the property as a low-income housing project to replace units that will be lost as a result of the demolition of the Danmoore Hotel. The property, located at the northeast corner of NW 8<sup>th</sup> Avenue and West Burnside Street, is located within the boundaries of the urban renewal district, as originally authorized by the Plan. *See* Exhibit 1. The subject property is shown as Parcel \_\_\_\_.





Chapter 2 - A Description of Physical, Social, and Economic Conditions in the Urban Renewal Areas and the Expected Impact, Including the Fiscal Impact, of the Plan Amendment in Light of Added Services or Increased Population.

A. Physical Condition of the Parcel to be Acquired

The parcel is 9,000 square feet, rectangular in shape with approximately 100 feet of frontage along West Burnside Street and approximately 90 feet of frontage along NW 8<sup>th</sup> Avenue. The property contains an industrial building constructed in 1920 with 6,000 square feet and an asphalt paved parking lot occupying approximately 3,000 square feet and accommodating six parking stalls. The industrial building is in poor condition based on an exterior inspection of the property. Since the property is within the boundaries of the existing urban renewal district, the Commission and the City Council have already made a finding of blight.

B. Existing Social and Economic Conditions of the Parcel to be Acquired

Smart Auto Glass, a glass repair business, currently leases the industrial building on the subject property. The remainder of the property that contains the six parking spaces is leased at the present time to Burger King, which is located adjacent to the subject property to the east.

Chapter III - The Expected Impact, Including the Fiscal Impact, of the Plan Amendment in Light of Added Services or Increased Population

A. Taxes

The 1999-2000 assessed value of the property is \$350,550 and 1999 taxes are \$6,694.80. If acquired, the property, will no longer be subject to property taxes after June 30, 2001. Current plans for the property are for PDC to transfer ownership to a non-profit to redevelop the site for very-low income housing and a medical clinic operated by the non-profit. If this occurs, the property will not be subject to property taxes as long as the residential and commercial clinic spaces are in non-profit ownership and uses.

B. Infrastructure

No change in infrastructure is indicated by this amendment.

Chapter IV - Reasons for Selection of Each Urban Renewal Area in the Plan Amendment

This Amendment does not effect the selection of any new or changed areas, since the parcel is within the existing urban renewal boundary. This parcel has been selected for acquisition in order to fulfill Goal No. 3 of the DTWF Plan, which includes preservation or development of affordable housing units in the urban renewal district.



Chapter V - The Relationship between Each Project to be Undertaken under the Plan Amendment and the Existing Conditions in the Urban Renewal Area.

"Project" is a defined term in ORS Chapter 457. It includes both single-site activities and implementation of programs necessary to achieve the goals of the urban renewal plan.

The Twenty Fifth Amendment contemplates, first, that the subject parcel will be acquired using the agency's urban renewal authority, and second, that it will be redeveloped for very-low income housing and support services including a medical clinic. The redevelopment of the site will be undertaken pursuant to a disposition and development agreement.

Both steps, site control and redevelopment, are integral to accomplishing the Plan goal of developing affordable rental housing within the district.

Chapter VI - The Estimated Total Cost of each Project or Activity and its Anticipated Completion Date

- A. Estimated Costs
- |   |              |
|---|--------------|
| Acquisition                                     | \$600,000    |
| Pre-Development Costs                           | 360,000      |
| Development Costs (Construction and Soft Costs) | 11,040,000   |
| Total:  | \$12,000,000 |
- B. Financing Sources
- |               |              |
|---------------|--------------|
| Tax Increment | \$10,000,000 |
| Other         | \$ 2,000,000 |
- C. Anticipated Completion Date: The project is planned for completion in spring, 2002.

Chapter VII - Financial Analysis of the Plan with Sufficient Information to Determine Feasibility

Sufficient tax increment proceeds are available in the DTWF Urban Renewal fund to finance the proposed activities. The residential portion of the building will be rented to very low-income tenants. It is anticipated that rents will cover operating expenses but will support very little debt. The commercial portion of the building to be used by the medical clinic will generate lease income and support debt which will be financed through sources other than tax increment.

Chapter VIII - Relocation Issues

The tenant in the building on the site, Smart Auto Glass, will be entitled to relocation benefits if PDC acquires the site. The estimated relocation cost for Smart Auto Glass is approximately \$20,000. Burger King is not eligible for relocation benefits for the parking spaces leased at the site.



**Exhibit A**

**TWENTY FIFTH AMENDMENT TO  
DOWNTOWN WATERFRONT URBAN RENEWAL PLAN  
TO AUTHORIZE ACQUISITION OF A PROPERTY LOCATED AT THE NORTHEAST  
CORNER OF NW 8<sup>TH</sup> AVENUE AND WEST BURNSIDE STREET**

1. The Property Acquisition Map (Exhibit Five and Five A-Part Two) of the Downtown Waterfront Urban Renewal Plan is amended, as shown on Exhibit 1, by the addition of the following real property, located at the northeast corner of NW 8<sup>th</sup> Avenue and West Burnside Street, legally described as:

Parcel I:

The North 30 feet of the West one-half of Lot 2, Block 53, exclusive of the 20 feet in Burnside Street, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah, and State of Oregon.

Parcel II:

The East one-half of Lot 2, Block 53,, COUCH'S ADDITION TO THE CITY OF PORTLAND, except that portion taken for the widening of West Burnside Street, in the City of Portland, County of Multnomah, and State of Oregon.

Parcel III:

Lot 3 and the Southerly 10 feet of Lot 6, Block 53, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah, and State of Oregon.

2. Section D(2)(d) of the Downtown Waterfront Urban Renewal Plan is amended by the addition of the following:

**d. Land Acquisition**

Real properties already acquired or which may be acquired by the Agency for clearance and redevelopment are shown on the Property Acquisition Map (Exhibit Five and Five-A – Part Two) which shall be amended from time to time as additional parcels are identified, as provided in this Plan. Parcels shown on the Property Acquisition Map are for use as follows:

[stet]

Parcel 23

Housing preservation or redevelopment









**RESOLUTION NO. 35958**

Approve the Twenty-Fifth Amendment to the Downtown Waterfront Urban Renewal Plan and the Acquisition of the site at NW 8<sup>th</sup> Avenue and West Burnside Street, including by Condemnation, if necessary (Resolution)

**WHEREAS**, the Portland Development Commission (“Commission”) is undertaking the Downtown Waterfront Urban Renewal Project (“Project”), pursuant to an urban renewal plan adopted on April 25, 1974 by the Portland, Oregon City Council, by Resolution No. 31395, as subsequently amended (the “Plan”); and

**WHEREAS**, the Plan’s Goal 3 calls for maintaining existing low-income housing and promoting additional new housing serving mixed-income groups; and

**WHEREAS**, the maintenance of the supply of affordable housing downtown is becoming increasingly more difficult because of the demolition or conversion of affordable housing projects to higher economic uses, the scarcity of properties available for redevelopment, the high cost of land, and escalating construction costs; and

**WHEREAS**, the Danmoore Hotel serving very-low income tenants downtown is planned for demolition; and

**WHEREAS**, a suitable site to replace the low-income housing units that will be lost due to the demolition of the Danmoore Hotel is a property located at the northeast corner of NW 8<sup>th</sup> Avenue and West Burnside Street; and

**WHEREAS**, the NW 8<sup>th</sup> Avenue and West Burnside Street property has become available for purchase by the Portland Development Commission but only if the Commission acquires the property under threat of condemnation; and

**WHEREAS**, it is necessary for the Commission to acquire the NW 8<sup>th</sup> Avenue and West Burnside Street property in order to accomplish the public purposes of maintaining the number of existing low-income housing units; and

**WHEREAS**, Section D.2.b.(4) of the Plan authorizes the Commission to acquire property “where the existing property owner is either unwilling or unable to achieve the objectives of the Urban Renewal Plan”; and

**WHEREAS**, the Twenty-Fourth Amendment to the Plan provides that acquisition of specific sites in addition to those specified in the Plan will be made by minor amendment, requiring approval by only the Commission, except in situations where the Commission’s condemnation authority is needed, when the acquisition would also be approved by City Council; and

**WHEREAS**, the Commission on January 10, 2001 approved the Twenty-Fifth Amendment to the Plan to provide for the acquisition of the property located at the



northeast corner of NW 8<sup>th</sup> Avenue and West Burnside Street, including by condemnation if necessary; and

**WHEREAS**, the City Council has reviewed the Commission resolution approving the Twenty-Fifth Amendment to the Plan, and the Report of the Twenty-Fifth Amendment to the Downtown Waterfront Urban Renewal Plan dated January 10, 2001, included as Attachment A; and

**WHEREAS**, the City Council now desires to approve the acquisition of the NW 8<sup>th</sup> Avenue and West Burnside site, including by condemnation, if necessary;

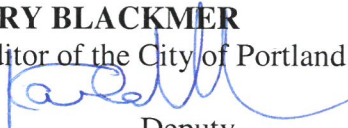
**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Portland approves the Twenty-Fifth Amendment to the Downtown Waterfront Urban Renewal Plan; and be it

**BE IT FURTHER RESOLVED**, that the City Council of the City of Portland approves the acquisition of the NW 8<sup>th</sup> Avenue and West Burnside Street property, including by condemnation, if necessary, and authorizes the Executive Director of the Portland Development Commission to execute any documents necessary to acquire the property.

Mayor Katz  
PDC: Matt Baines  
January 4, 2001

Adopted by the Council:

**JAN 17 2001**

**GARY BLACKMER**  
Auditor of the City of Portland  
By   
Deputy

# RESOLUTION NO. 35958

Title

Approve the Twenty-Fifth Amendment to the Downtown Waterfront Urban Renewal Plan and the Acquisition of the site at NW 8<sup>th</sup> Avenue and West Burnside Street, including by Condemnation, if necessary (Resolution)

INTRODUCED BY	DATE FILED: <span style="color: blue; font-weight: bold;">JAN 12 2001</span>
Mayor Vera Katz	Gary Blackmer Auditor of the City of Portland
NOTED BY COMMISSIONER	
Affairs	By: <u><span style="color: blue;">Britta Olson</span></u> Deputy
Finance and Administration <u><span style="color: blue;">Vera Katz</span></u>	
Safety	For Meeting of: _____
Utilities	
Works	
BUREAU APPROVAL	
Bureau: Portland Development Commission	
Prepared by: Matt Baines      Date: 1/4/2001	
Budget Impact Review: ___ Completed <u>X</u> Not Required	
Bureau Head: <u><span style="color: blue;">Felicia L. Trader</span></u> Felicia L. Trader	
	<b>ACTION TAKEN:</b>

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
		YEAS	NAYS
Consent <input checked="" type="checkbox"/> Regular	Francesconi	✓	
NOTED BY	Hales	<del>_____</del>	
City Attorney	Saltzman	✓	
City Auditor	Sten	✓	
City Engineer	Katz	✓	