



DATE: June 4, 2014
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 14-19

Authorizing the Executive Director to Acquire Real Property Located at 9101 SE Foster Road in the Lents Town Center Urban Renewal Area from the City of Portland for a Purchase Price of \$1.00 for the Purpose of Redevelopment in Accordance with the Lents Town Center Urban Renewal Plan; Authorizing the Execution of a Deed for Right-of-Way Purposes for the Real Property Located at NW 9th Avenue and Naito Parkway and within the River District Urban Renewal Area to the City of Portland

BOARD ACTION REQUESTED

Adopt Resolution Nos. 7051 and 7052

ACTION DESCRIPTION

This action will authorize i) the acquisition of one real property from the City of Portland (City) Bureau of Transportation (PBOT) or other City bureau or bureaus designated by the City to the Portland Development Commission (PDC), and ii) the granting of a Deed for Right-of-Way Purposes from PDC to PBOT. The property that PDC will be acquiring is located within the Lents Town Center Urban Renewal Area (URA) and referred to as the Rothinger Parcel. The property that PDC will be granting a Deed for Right-of-Way Purposes is located within the River District URA and referred to as the NW 9th & Naito Parkway Parcel (see Attachment A for a map of both properties).

With this action, PDC's acquisition of the Rothinger Parcel will increase the assemblage of properties for the redevelopment site known as Lents Town Center North and PDC's granting of a Deed for Right-of-Way Purposes for the NW 9th & Naito Parkway Parcel will remove any responsibility for PDC to operate and maintain this portion of NW 9th Avenue.

BACKGROUND AND CONTEXT

Rothinger Parcel (R127589): On June 6, 2011, PBOT acquired an 8,409 square foot (SF) parcel located at the northeast corner of the intersection of SE 91st Avenue and Foster Road as part of the Foster-Woodstock Streetscape Enhancement Project (Streetscape Project). The friendly acquisition of the Rothinger Parcel, which PDC funded, allowed PBOT to construct right-of-way improvements and better align SE 91st Avenue on the north and south sides of Foster Road. Now that the Streetscape Project is complete, PBOT owns a 2,390 SF vacant, residual parcel that is to the immediate west of a PDC-controlled property; transferring this property to PDC, which was contemplated when PBOT acquired the Rothinger Parcel, will increase the size of the PDC's Lents Town Center north site. Should the PDC Board of Commissioners (Board) approve this transaction, PDC will accept a deed from PBOT for this remaining 2,390 SF parcel at a cost of one dollar (\$1.00).

NW 9th & Naito Parkway Parcel (R141444): Beginning in 1987, PDC acquired several real properties from the Portland Terminal Rail Road as part of the Union Station acquisition in the Downtown Waterfront URA. Included in the assemblage of properties that PDC acquired is a 1,518 SF strip of land purchased in 1993. This parcel includes an 832 SF portion of NW 9th Avenue that was part of the NW 9th Avenue Realignment Project completed by PBOT to which PDC contributed \$493,000 for the street improvements. This parcel was incorporated into the River District URA in 2000.

In 2012, PDC staff began discussions with PBOT staff to transfer title to this parcel along with two adjacent small parcels and without any compensation to PBOT based on the following:

- The parcels are not needed for any strategic purposes;
- The parcels are not marketable for disposition;
- The parcels are only useful to PBOT;
- The parcels meet PBOT's public mission; and
- The parcels were part of urban renewal projects but were not conveyed to PBOT upon completion of the specific project.

PBOT has elected to not accept title to any of these parcels, but has since requested that PDC grant a Deed for Right-Of-Way Purposes for the portion of the NW 9th & Naito Parkway Parcel that is part of NW 9th Avenue for one dollar (\$1.00).

COMMUNITY AND PUBLIC BENEFIT

Neither the community nor the public will be affected by the use, management, and maintenance of the NW 9th & Naito Parkway Parcel. Both the community and public will benefit from the ultimate redevelopment of the Rothinger Parcel as part of the overall Lents Town Center North Project in terms of greater potential for development of the site.

PUBLIC PARTICIPATION AND FEEDBACK

There was no community outreach regarding these actions.

BUDGET AND FINANCIAL INFORMATION

The NW 9th & Naito Parkway Parcel transaction is not reflected in any PDC budget and financial information as this parcel will be managed and maintained by and at the sole expense of the City. The Rothinger Parcel, until redeveloped, will require ongoing services to conform to PDC's property maintenance standards. A property management budget of \$3,000 per year has been added to the Lents Town Center URA Fiscal Year 2014-15 Proposed Budget and five-year forecast (see Attachment B).

RISK ASSESSMENT

This action presents the following risk for PDC:

1. The redevelopment of the Rothinger Parcel may require environmental remediation (i.e., removal of a small section of contaminated soils) estimated at a cost not to exceed \$10,000.
2. PDC will still own the underlying land for the NW 9th & Naito Parkway Parcel and PBOT will have the future (however unlikely) right to terminate the Deed for Right-Of-Way Purposes which would place the obligations for management and maintenance with PDC.

ALTERNATIVE ACTIONS

The PDC Board could elect to not accept a Deed for the Rothinger Parcel and to not grant a Deed for Right-Of-Way Purposes for the NW 9th & Naito Parkway Parcel.



ATTACHMENTS

- A. Project Summaries and Maps
- B. Lents Town Center URA Financial Summary

PROJECT SUMMARY

Project Name: Rothinger Parcel Acquisition
Description: 2,390 square foot unimproved parcel
Location: 9101 SE Foster Road, Portland, Oregon 97266
URA: Lents Town Center
Current Phase: Acquisition from the City of Portland
Next Milestone: Acceptance and recording of title
Completion Target: June 2014
Outcome: To increase site control for the redevelopment of the Lents Town Center North Project

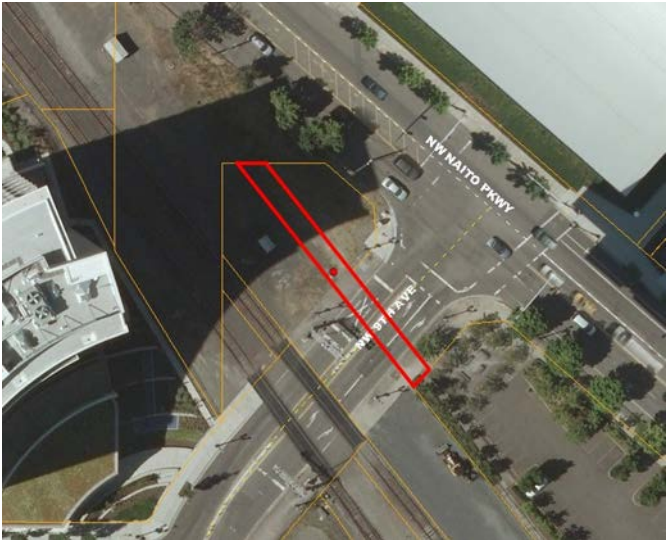

Rothinger Parcel

Property Tax ID No: R127589		Property Name: Rothinger Parcel		URA: LTC	
Property Address: 9101 SE Foster Road, 97266			Tax Roll Description: CARLYLE ADD, LOT G&H, LOT 1		
AERIAL PHOTO (CLOSE)			AERIAL PHOTO (FAR)		
					

PROJECT SUMMARY

Project Name: NW 9th & Naito Parkway Deed for Right-Of-Way Purposes
Description: 832 square foot section of the public street at NW 9th Avenue and Naito Parkway
Location: NW 9th Avenue and Naito Parkway, Portland, Oregon 97209
URA: River District
Current Phase: Granting Deed from PDC to the City of Portland
Next Milestone: Execution and recording of Deed
Completion Target: June 2014
Outcome: To grant a Deed for Right-of-Way Purposes to the City of Portland Bureau of Transportation (PBOT) or to a different City Bureau if requested by the City of Portland.

NW 9th & Naito Parkway

Property Tax ID No: R141444		Property Name: NW 9th & Naito Parkway		URA: RD	
Property Address: NW 9th Avenue and Naito Parkway, 97209			Tax Roll Description: COUCHS ADD, BLOCK 223 TL 800		
AERIAL PHOTO (CLOSE)			AERIAL PHOTO (FAR)		
					

LENTS TOWN CENTER URA FINANCIAL SUMMARY

Financial Summary

Fund Summary - Five-Year Budget Projections

	Revised FY 2013-14	Proposed FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19
Lents Town Center URA Fund						
Resources						
Beginning Fund Balance	11,200,993	9,322,878	5,305,722	3,072,306	2,187,004	2,155,522
Fees and Charges	0	534	534	530	529	529
Interest on Investments	32,714	32,700	18,600	12,800	11,400	13,800
Loan Collections	150,000	101,526	101,526	100,789	100,515	100,515
Property Income	61,802	67,003	247,003	523,749	67,003	2,627,988
Reimbursements	1,160	0	0	0	0	0
Short Term Debt	8,785,457	7,873,727	8,399,183	9,165,864	9,802,926	10,441,302
Total Resources	20,232,126	17,398,368	14,072,568	12,876,038	12,169,377	15,339,656
Requirements						
Program Expenditures						
Administration						
Financial Administration						
A45101360-Debt Management-LTC	20,500	20,000	20,000	20,000	20,000	20,000
Administration Total	20,500	20,000	20,000	20,000	20,000	20,000
Business Development						
Business Lending						
L02100360-BIF-General-LTC	700,000	700,000	700,000	700,000	700,000	700,000
Small Business & Community Dev						
B55800360-Business Development-LTC	10,000	10,000	10,000	10,000	10,000	10,000
B55900360-Community Development-LTC	50,000	50,000	50,000	50,000	50,000	50,000
Traded Sector Business Dev						
B15102360-Site Recruitment-LTC	10,000	10,000	10,000	10,000	10,000	10,000
B15202360-Green Innovation Park-LTC	230,000	0	0	0	0	0
T01099360-Lean Manufacturing-LTC	30,000	30,000	30,000	30,000	30,000	30,000
Business Development Total	1,030,000	800,000	800,000	800,000	800,000	800,000
Housing						
PHB Housing						
H15292360-Property Management-LTC	5,400	0	0	0	0	0
H15410360-Home Repair Projects-LTC	550,785	500,000	500,000	500,000	500,000	500,000
H15420360-Home Buyer Assistance-LTC	663,124	500,000	500,000	500,000	500,000	500,000
H15430360-Affordable Rental Hsg-LTC	305,200	0	0	350,000	400,000	600,000
H15501360-NSP3 Acq/Rehab-LTC	52,800	0	0	0	0	0
H15900360-PHB Staff & Admin-LTC	729,091	571,184	698,759	747,332	745,255	895,913
Housing Total	2,306,200	1,571,184	1,698,759	2,097,332	2,145,255	2,495,913
Infrastructure						
Parks						
N38012515-Parks Public Impr-LTC-Adm	100,000	1,000,000	0	0	0	0
Transportation						
N38031415-Street/Sidewalks LID-LTC-Adm	110,000	0	0	0	0	0
N38031525-Foster-Woodstock-LTC-Adm	400,000	0	0	0	0	0
N38031535-122nd-Holgate/Ramona-LTC-Adm	200,000	800,000	0	0	0	0
N38031545-Foster-52nd to 82nd-LTC-Adm	0	100,000	500,000	1,200,000	0	0
N38032015-Lents Entryway-LTC-Adm	200,000	0	0	0	0	0
Infrastructure Total	1,010,000	1,900,000	500,000	1,200,000	0	0

Financial Summary
Fund Summary - Five-Year Budget Projections

	Revised FY 2013-14	Proposed FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19
Property Redevelopment						
Commercial Property Redevelopment						
P36050015-Rothlinger Property-LTC	0	3,000	3,000	3,000	3,000	3,000
P36050815-SE 92nd Redev-LTC-Adm	2,500	0	0	0	0	0
P36050915-LTC Town Ctr Redev-LTC-Adm	100,000	100,000	100,000	25,000	25,000	25,000
P36051215-Jns Ck Ind Area Revit-LTC-Adm	50,000	0	0	0	0	0
P36055015-Foster Road Redev-LTC-Adm	520,000	20,000	20,000	20,000	20,000	20,000
P36060125-Prkng Lt&FmrChrchLt-LTC-Adm	4,579	3,779	3,779	3,779	3,779	3,779
P36060135-Sullivan Property-LTC-Adm	922	700	700	700	700	700
P36060145-Foster Road Lot-LTC-Adm	1,400	500	500	500	500	500
P36060155-Crossroads Plaza-LTC-Adm	3,241	5,400	5,400	5,400	5,400	5,400
P36060165-McGalliard Lots-LTC-Adm	5,061	1,200	1,200	1,200	1,200	1,200
P36060225-92nd Street Club Lot-LTC-Adm	3,100	500	500	500	500	500
P36060235-Edmondson's Lot-LTC-Adm	2,200	1,000	1,000	1,000	1,000	1,000
P36060325-Lents Little Lge Fld-LTC-Adm	5,647	4,375	4,375	4,375	4,375	4,375
P36060335-Bakery Block-LTC-Adm	354,516	237,914	37,914	37,914	37,914	37,914
P36060415-Bauske Lot-LTC-Adm	1,126	800	800	800	800	800
P36060515-Tate Lot-LTC-Adm	3,994	700	700	700	700	700
P36060615-LTC II Parking Lot-LTC-Adm	12,215	7,840	7,840	7,840	7,840	7,840
P36060725-93rd & Woodstock Lot-LTC-Adm	1,290	1,550	1,550	1,550	1,550	1,550
P36060735-93rd & Davis Lot-LTC-Adm	1,400	1,550	1,550	1,550	1,550	1,550
P36060815-F & W Triangle-LTC-Adm	1,182	800	800	0	0	0
P36060925-MetroAuto Whlsl WLot-LTC-Adm	3,700	54,000	4,000	4,000	4,000	0
P36060935-MetroAuto Bldg & Lot-LTC-Adm	60,916	1,709	1,709	1,709	1,709	0
P36061015-ArchctctronPrdctBldg-LTC-Adm	9,771	209,229	9,229	9,229	9,229	9,229
P36090015-Project Development-LTC-Adm	10,000	50,000	50,000	50,000	50,000	50,000
P36091015-Public Outreach-LTC-Adm	2,000	2,000	2,000	2,000	2,000	2,000
Commercial Real Estate Lending						
R01100360-CPRL-General-LTC	1,500,000	4,450,000	4,950,000	4,000,000	4,000,000	4,000,000
Community Redevelopment Grants						
G01100360-CLG-General-LTC	853,000	200,000	200,000	200,000	200,000	200,000
G02100360-DOS-General-LTC	75,000	75,000	75,000	75,000	75,000	75,000
G03100360-SIP-General-LTC	300,000	560,000	300,000	300,000	300,000	300,000
G04100360-GFGP-General-LTC	125,000	50,000	125,000	125,000	125,000	125,000
Property Redevelopment Total	4,013,760	6,043,546	5,908,546	4,882,746	4,882,746	4,877,037
Total Program Expenditures	8,380,460	10,334,730	8,927,305	9,000,078	7,848,001	8,192,950
Personnel Services	549,093	499,651	526,617	436,332	570,583	817,161
Transfers - Indirect	1,979,695	1,258,265	1,546,340	1,252,624	1,595,269	2,248,896
Total Fund Expenditures	10,909,248	12,092,646	11,000,262	10,689,034	10,013,853	11,259,007
Contingency	9,322,878	5,305,722	3,072,306	2,187,004	2,155,524	4,080,649
Ending Fund Balance	0	0	0	0	0	0
Total Requirements	20,232,126	17,398,368	14,072,568	12,876,038	12,169,377	15,339,656