

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 6935

**ACCEPTING THE PROPOSED EDUCATION URBAN RENEWAL PLAN AND
DIRECTING THAT THE PLAN BE FORWARDED TO THE PORTLAND CITY
COUNCIL FOR APPROVAL**

WHEREAS, in the 2011 State of the City Address, Mayor Adams announced the City's intention to partner with Portland State University ("PSU") and propose a new urban renewal area focused on expanding PSU as a leading engine of economic growth and prosperity;

WHEREAS, across the United States, from New York to Utah to Tennessee, urban universities are sought after as opportunities for investment in an economic future;

WHEREAS, Portland and the region are fortunate to have PSU, Oregon's largest university with a regional impact of more than \$1.4 billion, centrally located in the southern part of the city;

WHEREAS, PSU is projecting a growth in enrollment from 30,000 in 2011 to more than 50,000 by 2035 and a projected growth in academic space of 4.2 million square feet;

WHEREAS, PSU has established a foundation in centers of excellence which have already generated more than \$65 million in sponsored research and are forecast to exceed \$100 million by 2017;

WHEREAS, the proposed Education Urban Renewal Plan substantially in the form attached hereto as Exhibit A (the "Plan") would advance objectives of the 2009 City of Portland Economic Development Strategy and the Portland Development Commission (the "Commission") Revised 2010-2014 Strategic Plan which both place an emphasis on making investments that create jobs, maximize competitiveness, and drive urban innovation;

WHEREAS, the Plan also provides opportunities to partner with Multnomah County and Portland Public Schools on strategic development sites within the proposed urban renewal area (the "Area");

WHEREAS, the partnership with PSU will allow tax increment resources to uniquely leverage public and private investment and bring widespread benefit to the region;

WHEREAS, the proposed Plan contains approximately 144 acres, will have a maximum indebtedness of \$169,000,000 and a Plan End Date of June 30, 2041;

WHEREAS, the Commission has sought and received valuable input from overlapping taxing jurisdictions pursuant to ORS 457.085(5), citizens, nearby neighborhoods, and other interested parties in the City;

WHEREAS, the proposed Plan is both financially feasible and conforms to the City of Portland Comprehensive Plan; and

WHEREAS, the proposed draft Technical Report substantially in the form attached hereto as Exhibit B (the "Report") provides substantial evidence of blight within the Area, thereby warranting the formation of an urban renewal area, and the Plan and Report comply with other requirements of ORS 457.

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board of Commissioners hereby accepts the Plan along with the accompanying Report and directs that the Plan and Report be forwarded to Portland City Council for approval; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by Portland Development Commission on April 30, 2012

A handwritten signature in cursive script that reads "Emily Swensen". The signature is written in black ink and is positioned above a horizontal line.

Emily Swensen, Recording Secretary

Exhibit A

Draft Education Urban Renewal Plan

Portland Development Commission

Board of Commissioners

April 11, 2012

Resolution No. 6935

Exhibit A includes this cover page and contains 28 pages:

- Draft Education Urban Renewal Plan

Education Urban Renewal Area Plan

DRAFT

May 16, 2012

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I. Introduction

In 2012, municipalities across the United States, from New York to Tennessee to Utah, are pursuing urban universities for the opportunities they present to improve a region's economic future. These communities recognize the link between a world class research university and accelerating economic growth.

In New York, Mayor Bloomberg is pushing forward the Applied Sciences NYC Initiative by partnering with Cornell University to bring a new two million square foot campus to New York City by 2043. The city has pledged up to \$100 million for infrastructure as an incentive to build out the campus. In Tennessee, Governor Haslam directed \$50 million toward a program focusing on innovation, commercialization, investment, technology and entrepreneurship to raise Tennessee's profile in innovation-based economic development and drive growth in the creation of knowledge-based jobs. In addition to expanding the state's capacity for innovation, the governor has pledged \$10 million to the Memphis Research Consortium to cultivate commercialization partnerships. In 2006 Utah launched the Utah Science and Technology Research Initiative, or USTAR. The program invested more than \$100 million in the state's universities. The goal was to recruit top researchers in key economic areas from around the world. By 2012, the researchers Utah recruited are creating real economic value. Jobs in their technology sector have grown from about 60,000 in 2006 to more than 72,000 in 2011. At the same time, the University of Utah took steps to make it easier to turn cutting-edge research into a business and to connect business students to the engineers and scientists doing the research. Last year, venture capital investment in Utah increased by 54 percent.

The Portland region is fortunate to have an urban university with world class potential in its own backyard. Portland State University ("PSU") is Oregon's largest and most diverse research university with a regional impact of more than \$1.4 billion annually. Providing close access to the city's business, technology, and cultural resources, PSU considers its mission to both "let knowledge serve the city," and to serve the greater community and region.

The university, with its current 50-acre campus, is forecasting growth in enrollment from 30,000 in 2012 to more than 50,000 by 2035. This growth is occurring at a time when PSU is taking an increasingly aggressive approach toward research. This enhanced focus has already led to the establishment of "Centers of Excellence" such as the Institute for Sustainable Solutions (the "ISS"). These centers have generated more than \$65 million in sponsored research and expect to exceed \$100 million by 2017. The combination of more students and greater ambitions to attract the best researchers and faculty requires increased and improved academic space, a need that will exceed 4.2 million square feet. This growth positions PSU as an even more prominent employer, purchaser, researcher, real estate developer, and community partner.

As proposed, this Education Urban Renewal Plan (this "Plan") will direct tax increment resources to the 144-acre Education Urban Renewal Area (the "EDURA" or "Area"). This Plan sets forth long-term partnerships with PSU, Portland Public Schools ("PPS"), Multnomah County (the "County"), and the City of Portland (the "City") with the objectives of creating an environment of educational excellence,

attracting private investment, enhancing blighted properties and developing the region's workforce. This Plan is forecasted to provide up to \$169 million for investments that leverage research facilities, business accelerators, affordable housing, and private development.

This is a timely, unique opportunity for urban renewal to help grow a great urban university that will serve a great city. The implementation of this Plan is envisioned to bring regional benefit through a continuum of educational advancement and job growth. Designed to be consistent with PDC's mission and strategic plan, as well as PSU's strategies for evolving into a world class university, these investments will provide a platform for job creation and private sector commerce through research and commercialization and other partnerships. Reduction of blight will also occur through both taxable and non-taxable development on low-density properties.

The objectives of this Plan will prioritize job growth and economic development projects through the following categories of investment:

- *Strategic Partnerships to Develop and Educate a 21st Century Workforce;*
- *Urban Innovation;*
- *Research and Technology Commercialization;*
- *Entrepreneurship; and*
- *Cluster Industry Firms*

These objectives will lead the progression of a district that will connect an educational environment and job generation to physical development as follows:

- Investing in the Lincoln High School site will provide an improved learning environment to aid the development of our future workforce.
- An enhanced academic environment at PSU provides the foundation for attracting new research dollars which also spurs greater entrepreneurship and small business development within the campus.
- Outward expansion evolves as entrepreneurs commercialize their ideas into startups and high-growth companies that attract additional cluster industries to gain a presence in private development within the EDURA.

II. Urban Renewal Area Map and Legal Description

The Area shown in Figure 1 totals 144 acres and can generally be described as lying west of 1st Avenue, east of Interstate-405, but including Lincoln High School which is west of I-405, and south of Jefferson Street. The Area includes a portion of the Portland State University District and planned growth area as outlined in the PSU Framework Plan. This Area also overlaps portions of the Goose Hollow Foothills League, Portland Downtown Neighborhood Association and South Portland Neighborhood Association boundaries.

A. Legal Description

The legal description of the Area is attached as Exhibit 1, with an associated map as Exhibit 1.A.

B. Proposed Land Uses

The City's Comprehensive Plan and implementing ordinances govern land use within the Area. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate the relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented under this Plan.

Table 1. Existing Comprehensive Plan Designations of Tax Lots within Area

Comprehensive Plan Designation	Acreage	Square Feet	Percentage
Central Commercial (CX)	50.8	2,214,627	53%
Central Residential (RX)	24.8	1,082,462	26%
Institutional Residential (IR)	10.9	474,800	11%
Open Space (OS)	10.0	434,011	10%
Total	96.6	4,205,900	100%

*Source: City of Portland Bureau of Planning and Sustainability

At the time of the release of this Plan, the Bureau of Planning and Sustainability is also seeking Portland City Council ("Council") approval of the proposed Portland Plan. The EDURA creates an opportunity to further many of the integrated strategies of the Portland Plan which are listed below:

Thriving Educated Youth:

- A culture of high expectations and achievement for all Portland youth
- Shared ownership of student success
- Neighborhoods and communities that support youth
- Facilities and programs that meet 21st century challenges and opportunities

Economic Prosperity and Affordability:

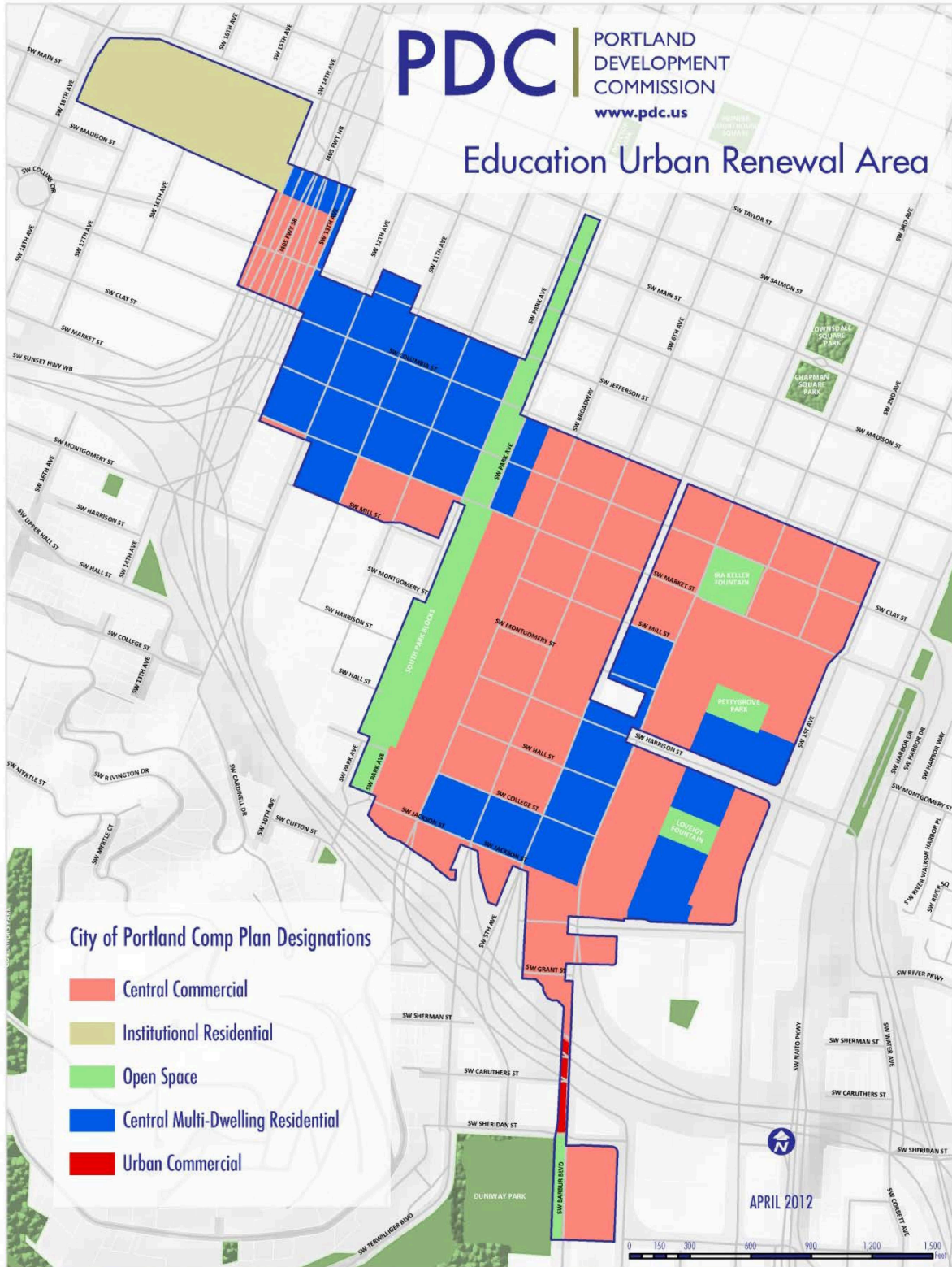
- Business cluster growth
- Urban innovation
- Growing employment districts
- Access to housing
- Education and job training
- Household economic security

Healthy Connected City:

- Public decisions that benefit human and environmental health
- Vibrant neighborhood hubs
- Coordinated interagency approach

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Figure 2. Education Urban Renewal Area Comprehensive Plan Map



III. Urban Renewal Projects

In order to achieve the objectives of this Plan, the following projects will be undertaken in the Area by PDC, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the objectives of this Plan as set forth herein, subject to Section IX, Procedures for Amendments to the Plan.

A. Strategic Partnerships to Develop and Educate a 21st Century Workforce

The boundaries of the EDURA include Lincoln High School which is one link in the PPS chain of K-12 facilities. A partnership with PPS better positions the school district to achieve a redevelopment vision of that campus. The EDURA also features a collaborative redevelopment between PSU and the County. Synergy to develop long term partnerships among all three institutions will bring significant benefit to the region.

1. Lincoln High School

Lincoln High School is situated on an 11-acre site in the Goose Hollow neighborhood. Current zoning and floor area ratio allowances provide development capacity of more than 1.7 million square feet above the existing 200,000 square foot facility. This Plan provides an opportunity for PDC to partner with PPS for investments that improve the educational environment and the intensity of development at the Lincoln campus.

2. Multnomah County

A development project will serve as a home for functions of the County Department of Human Services. PSU will strive to co-locate compatible academic and research programs with this project. A synergistic co-location will leverage PSU's academic and research expertise with the County's proficiency in service design and delivery to advance programs supporting social and community prosperity.

3. Enhance Academic Capacity

PSU will re-invest in older buildings and construct new ones to handle the demands of a growing student population. One such project is Neuberger Hall, one of the largest academic buildings on campus. Current deterioration in the building has limited the use of several rooms. Classroom capacity could be expanded if fundamental building systems were repaired. Another opportunity is East Hall, a building on campus with historic character that serves PSU's growing international student population. The building will undergo a major retrofit. Projects such as these will enhance the academic environment and its capacity.

B. Urban Innovation

Portland enjoys the unique advantage of a national reputation as a leader in urban development. Innovative approaches to building efficiency, reduced carbon use through environmental design, the provision of local energy and even transportation systems have helped support a growing number of firms in the local technology sectors, while simultaneously building the City's reputation for livability.

This combination is a powerful draw for entrepreneurs. It also helped position PSU to make significant investments in sustainability.

1. Integrated District Development

PSU is at the heart of one of the City's five pilot EcoDistricts, an effort to pursue comprehensive action and accelerate sustainable development at the neighborhood scale by integrating building and infrastructure projects with community engagement. Funds could be used to support development of district-scale projects, such as energy, water and stormwater management, smart grid, demand management or resource sharing. Such projects in the Area would directly benefit PSU's operations and research development as well as clean technology cluster firms involved in design, development and construction.

Demonstration projects, such as district energy, will also assist PSU and Portland in remaining at the forefront of next generation development practices, including high-performance buildings, integrated district systems, and existing building retrofit.

2. Energy Efficiency/Modernization

Access to capital for energy retrofits can simultaneously lower operating costs while making the neighborhood more appealing and capable of absorbing an accumulation of companies. Demonstration projects can serve the dual benefit of enhancing the City's image and providing local firms with exportable experience and exposure.

The upgrade and enhancement of existing commercial buildings owned by PSU and adjacent private properties will affect utility savings for the university and adjacent businesses, reduce energy use, interface with ISS-led research in the energy efficiency field, and support the growth of the efficiency sector in Portland.

C. Research & Technology Commercialization

A deliberate focus on attracting research dollars and top research faculty will be driven by an increase in the amount of laboratory space and other advanced office infrastructure. A byproduct of this initiative will be partnerships with private industry as well as the emergence of startup businesses which are seeded through technology transfer and commercialization. Research specific to PSU and Portland intellectual and technological competencies will generate jobs in the City's target industries.

1. Public/Private Research Centers of Excellence

PSU has already begun to reinforce its research capacity with the establishment of Centers of Excellence, including the Oregon Built Environment and Sustainable Technologies ("BEST") Center, the Food Industry Leadership Center, the Center for Life in Extreme Environments, and the Institute on Aging. Substantially increasing research capacity by expanding these Centers of Excellence and creating new ones will lead to enhanced regional innovation.

The ISS is a sign of PSU's commitment. The ISS took great strides through the successful pursuit of a \$25 million grant from the James F. and Marion L. Miller Foundation, the largest gift in the history of PSU and among the largest single gifts to sustainability in U.S. higher education history. The ISS facility has

become a hub for connecting research, education and services to local companies and creating new alliances with major think-tanks at Intel, Cisco, IBM and General Electric. The prominence of the ISS has helped differentiate PSU from its peers by infusing sustainability as a core competency at levels that draw national attention.

Funds may be available to assist with the expansion of PSU research facilities with a priority given to projects that encourage 1) cross-disciplinary research and development and 2) partnerships with private-sector firms and industry. Research Centers of Excellence would provide enhanced infrastructure for the development and commercialization of leading edge technologies.

2. PSU Classroom Research Facility Expansion

PSU currently has research expenditures of approximately \$65 million annually. This has increased by as much as 20% per year, in recent years, creating a significant demand for expanded research facilities in a variety of disciplines. Funds may be available to assist with the expansion of existing PSU research facilities that contribute directly to PSU's research and development growth and to the knowledge base of Portland's cluster industries.

D. Entrepreneurship

PSU is in the process of building a robust entrepreneurial ecosystem. The City and PDC are also achieving significant results from strategies intended to make Portland more attractive to early-stage startups and by increasing the pool of local capital available to people with such aspirations. Traction has been gained through efforts such as the Portland Seed Fund, the Portland 100 Mentoring Program, place-based entrepreneurial efforts in the Central Eastside and Old Town/Chinatown, and a newly launched commercialization grant program with both Oregon Health & Science University ("OHSU") and PSU. Entrepreneurship will gain a powerful partner when leveraged with PSU's goals to improve direct training, provide technical assistance and mentoring city-wide, and an overall expansion of the resources for startup businesses.

OHSU has become increasingly reliant on the PSU School of Business to draw on business development expertise. Further development of these partnerships will result in greater success and for the benefit of the region.

1. Startup Accelerator Fund

Funds may be available to assist with the build out/expansion of the Portland State Business Accelerator ("PSBA"), OHSU's startup wet-labs or other institutional incubator facilities. As a result of PSU's partnership, a dedicated amount will be set aside to assist with the recruitment of early-stage firms to these facilities. University-based accelerators help incubate and advance startup technologies and science companies while creating a living laboratory for the community.

2. Expansion of the PSU School of Business

With a current total enrollment of almost 2,800 undergraduate and 600 graduate students, the existing 69,000 square foot School of Business facility is undersized when compared to peer institutions. Funds may be used to expand this facility, which, at completion, is anticipated to be more than double its size

and meet the needs of a 20 to 30% increase in enrollment. Studies have shown that a majority of PSU School of Business graduates remain in the Portland area, adding to the region's workforce.

E. Cluster Development

The City's Five-Year Economic Development Strategy (the "Strategy") identifies four target industry clusters where Portland and the region have competitive advantages at a national level. These clusters include Advanced Manufacturing, Athletic and Outdoor, Clean Technology and Software/Technology. Most of these industries have a natural affinity to collaborate within a strong academic research-driven environment.

The nearly 30-year build out of the EDURA with some of the more than 100 private property owners will be important for upgrading and replacing office space and a built environment which was largely constructed prior to 1970. The Area will see a progressive transformation of surface parking lots and very low intensity parcels to accommodate demand from both cluster firms and the related need for a more diverse mix of neighborhood amenities.

1. Target Industry Recruitment & Expansion Fund

Funds may be available to assist business recruitment and expansion efforts geared toward attracting research and development intensive companies to strategic commercial properties in the Area.

2. Small Business/Real Estate Programs

PDC provides a number of smaller scale programs intended to improve the quality and efficiency of buildings and to position small businesses in a manner that gives them increased opportunity to be prosperous and grow. These include storefront grants, green features grants, business finance programs and other tools intended to promote private investment.

F. Housing

The City of Portland Tax Increment Financing Set Aside Policy for Affordable Housing will apply to this Plan. Housing investments that use tax increment resources will be guided by the City's housing policy and investment strategies administered by the Portland Housing Bureau.

G. Planning and Administration

PDC will undertake program development and project planning activities necessary to achieve the objectives described in Section I of this Plan. PDC will also undertake administration of all aspects of this Plan in a manner consistent with the objectives of the Plan.

IV. Public Buildings

Projects undertaken by PSU under this Plan may include public buildings that serve or benefit the Area in one or more of the following ways:

- Increase density on underutilized parcels
- Enhance academic facilities to prepare the future workforce for the Area and region
- Develop or expand training and educational facilities that accelerate the creation of knowledge-based jobs
- Leverage private development that will increase the tax base of the Area
- Provide housing and neighborhood commercial services for students, Area residents, and employees
- Provide opportunities for reducing energy costs and carbon footprint

PSU projects include, but are not limited to, the following:

- Energy efficiency/modernization projects at the Marston House, East Hall, Montgomery Court, the Fourth Avenue Building, and the Smith Memorial Student Union
- Expansion of the School of Business
- Neuberger Hall and Cramer Hall renovations
- Expansion of engineering and physical science classrooms and research facilities
- Upgraded laboratory space, potentially in partnership with OHSU and others
- Knowledge Commons, a building that combines high tech classrooms and student services functions
- Potential expansion of the existing PSBA and related programs
- Potential co-location of services and departments with the County

As described in Section III.A. of this Plan, a potential project with PPS on the Lincoln High School campus will benefit the Area by developing a large underutilized site within the central city. Development on this site may include private development, directly benefiting the tax base of the Area and providing a better utilization of the site.

As described in Section III.A. of this Plan, a development with the County will strive to co-locate the County Department of Human Services and PSU academic functions. This resulting investment will benefit the Area by providing a new real estate project that will strengthen connections between health and higher education and creates a pipeline for both the delivery of services as well as workforce training.

V. Relationship to Local Objectives

A. Portland Comprehensive Plan

This Plan conforms with the City's Comprehensive Plan and its supporting neighborhood and area plans, as a whole, relative to the improvement of residential neighborhoods, commercial districts, and employment centers within the Area.

B. City of Portland Five-Year Economic Development Strategy

The Strategy was adopted by Council on July 8, 2009. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goals 1 and 2 as follows:

1. **Competitiveness:** Maximize industry competitiveness and generate robust job growth by creating opportunities for existing, emerging or relocating traded-sector businesses to enter new markets and access financial and human capital resources.

This Plan provides financial and technical assistance resources to assist target industry cluster businesses and high-growth firms. Strategies include assisting firms with export and global branding opportunities, supporting higher education innovation efforts, enhancing startup activity and business incubation opportunities, and aligning university workforce development resources with the skills needed in target industries. This Plan will support substantially increasing PSU's research capability and the conversion of research into commercially viable businesses, contributing to job growth throughout the City.

2. **Urban Innovation:** Maintain a leadership position in sustainability by constantly striving to produce an innovative urban setting that fosters creativity and invention and aligns with clean technology industry activities.

This Plan will assist in the implementation of demonstration projects that enhance Portland's reputation as an early adopter of advanced green development approaches and solutions—a "living laboratory" for innovation, including:

- **Energy efficiency:** Pursue commercial and institutional building retrofits to improve building performance and support Portland's energy efficiency industry; capture "off the shelf" technical and financial solutions to ensure replicable and exportable new approaches and skills.
- **Integrated district utilities:** Pursue partnerships with property owners and private firms to realize district scale and integrated district solutions (water, wastewater, energy, waste, transportation).
- **High performance new construction:** Pursue new development that supports industry growth in high performance design and engineering; green materials development and deployment; and energy and water management.

VI. Relocation Policy

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

VII. Property Acquisition and Disposition Policies

Although no real property acquisition is presently anticipated, PDC may acquire real property by any means within the Area, if necessary, to achieve the objectives of this Plan. Prior to such future acquisitions, the Board shall adopt a Resolution identifying the property and finding that the acquisition thereof is necessary to achieve the objectives of this Plan.

VIII. Plan Financing

A. General Description of the Proposed Financing Methods

PDC may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of PDC, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by PDC shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred to complete this Plan is \$169,000,000.

B. Tax Increment Financing

This Plan may be financed, in whole or in part, by funding allocated to PDC as provided in Section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by PDC or the City in connection with preplanning for this Plan shall be repaid from tax increment revenues from the Area when and if such funds are available.

IX. Procedures for Amendments to the Plan

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

A. Substantial Amendments

Substantial amendments are solely amendments that:

1. Add land to the Area, except for an addition of land that totals not more than one percent of the existing Area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

B. Council-Approved Amendments

Council-approved amendments are solely amendments that:

1. Extend the last date to issue debt; or
2. Identify a project that includes a public building.

Council-approved amendments require approval by PDC's Board of Commissioners (the "Board") by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457 including, but not limited to, the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the building serves or benefits the urban renewal area.

C. Minor Amendments

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the Area. Minor amendments are effective upon adoption of a resolution by the Board approving the amendment.

X. Other Provisions

A. Non-Discrimination

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

B. Agreements to Implement this Plan

PDC will implement this Plan through vehicles such as partnerships between PDC and other public agencies, private sector property owners, for-profit developers and non-profit development organizations. It is the intention of PDC to utilize agreements such as memorandums of understanding, development agreements or other mechanisms with Area property owners and developers to guide and specify public investments and private development. These agreements will be utilized throughout the life of this Plan to ensure activities are in conformance with this Plan.

C. Duration of Urban Renewal Plan

No indebtedness, as defined by applicable state law, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (and under any and all projects undertaken with respect to this Plan) after: (i) the date that maximum indebtedness is reached; or (ii) June 30, 2041, whichever occurs first.

D. Validity

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan

Exhibit 1

LEGAL DESCRIPTION

THE SOUTH PARK BLOCKS URBAN RENEWAL AREA

PORTLAND, OREGON

Commencing in the S.E. 1/4 of Section 33, Township 1 North, Range 1 East, Willamette Meridian, City of Portland, County of Multnomah, State of Oregon, along the easterly right-of-way Line of S.W. 13th Avenue at its intersection with the northerly right-of-way line of S.W. Morrison Street, Assessor Map 1N1E 33DD for the POINT OF BEGINNING of the South Park Blocks Urban Renewal Area Boundary Line;

1. Thence northeasterly 260 feet more or less along the easterly right-of-way line of S.W. 13th Avenue to its intersection point with the northerly right-of-way line of S.W. Alder Street, Assessor Map 1N1E 33DD;
2. Thence northwesterly 147 feet more or less along the northerly right-of-way line of S.W. Alder Street to its intersection with the easterly right-of-way line of the Foothills-Stadium (I-405) Freeway, Assessor Map 1N1E 33DD;
3. Thence northerly along the easterly right-of-way line of the Foothills-Stadium Freeway 221 feet more or less to its intersection with the southerly right-of-way line of S.W. Washington Street, Assessor Map 1N1E 33DD;
4. Thence southeasterly 115 feet more or less along the southerly right-of-way line of S.W. Washington Street to its intersection with the westerly right-of-way line of S.W. 13th Avenue, Assessor Map 1N1E 33DD;
5. Thence northeasterly 60 feet more or less along the westerly right-of-way line of S.W. 13th Avenue to its intersection with the northerly right-of-way line of S.W. Washington Street, Assessor Map 1N1E 33DD;
6. Thence northwesterly 200 feet more or less along the northerly right-of-way line of S.W. Washington Street to its intersection with the easterly right-of-way line of S.W. 14th Avenue, Assessor Map 1N1E 33DD;
7. Thence northeasterly 150 feet more or less along the easterly right-of-way line of S.W. 14th Avenue to its intersection with the south right-of-way line of W. Burnside Street, said point being common to the River District Urban Renewal Area Boundary Line, Assessor Map 1N1E 33DD;

SAID SOUTH PARK BLOCKS URBAN RENEWAL BOUNDARY LINE IS COMMON TO THE RIVER DISTRICT URBAN RENEWAL AREA BOUNDARY LINE AS FOLLOWS:

8. Thence easterly 160 feet more or less along the south right-of-way line of W. Burnside Street to its intersection with the southerly right-of-way line of S.W. Stark Street, Assessor Map 1N1E 33DD;
9. Thence southeasterly 15 feet more or less along the southerly right-of-way line of S.W. Stark Street to the most westerly corner of that portion of S.W. Stark Street vacated in the City of Portland Ordinance No. 183305, accepted November 4, 2009, Assessor map 1N1E 33DD;
10. Thence easterly 27 feet more or less along the northerly line of that portion S.W. Stark Street vacated in the City of Portland Ordinance No. 183305, accepted November 4, 2009 to the most northerly, northeast corner of said vacation, Assessor Map 1N1E 33DD;
11. Thence easterly across S.W. Stark Street 114 feet more or less to the intersection of the northerly right-of-way line of S.W. Stark Street with the south right-of-way line of W. Burnside Street, Assessor Map 1N1E 33DD;
12. Thence easterly 296 feet more or less along the south right-of-way line of W. Burnside Street to its intersection with the northwest corner of Carson Building Condominiums recorded Jan. 24, 2007 as Book 1281 Page 88 Multnomah County records, Assessor Map 1N1E 33DD;
13. Thence southerly leaving the south right-of-way line of W. Burnside Street 71 feet more or less along the west line of said Book 1281 Page 88 to the southwest corner thereof, Assessor Map 1N1E 33DD;
14. Thence easterly 12.02 feet more or less along the south line of said Book 1281 Page 88 to the northwest corner of a Special Warranty Deed recorded January 25, 2001 as fee number 2001-011584 Multnomah County records, Assessor Map 1N1E 33DD;
15. Thence southerly 52 feet more or less along the westerly line of said fee number 2001-011584 to its intersection with the northerly right-of-way line of S.W. Stark Street, Assessor Map 1N1E 33DD;
16. Thence southeasterly 120 feet more or less along the northerly right-of-way line of S.W. Stark Street to its intersection with the west right-of-way line of S.W. 11th Avenue, Assessor Map 1N1E 33DD;
17. Thence northerly 168 feet more or less along the west right-of-way line of S.W. 11th Avenue to its intersection with the south right-of-way line of W. Burnside Street, Assessor Map 1N1E 33DD;
18. Thence easterly 118 feet more or less along the south right-of-way line of W. Burnside Street to its intersection with the southerly right-of-way line of S.W. Oak Street, Assessor Map 1N1E 34CC;
19. Thence southeasterly 150 feet more or less along the southerly right-of-way line of S.W. Oak Street to its intersection with the westerly right-of-way line of S.W. 10th Avenue, Assessor Map 1N1E 34CC;
20. Thence southerly 208 feet more of less along the west right-of-way line of S.W. 10th Avenue to its intersection with the northerly right-of-way line of S.W. Stark Street, Assessor Map 1N1E 34CC;
21. Thence southeasterly 276 feet more or less along the northerly right-of-way line of S.W. Stark Street to its intersection with the west right-of-way line of S.W. 9th Avenue , Assessor Map 1N1E 34CC;
22. Thence southwesterly 320 feet more or less along the westerly right-of-way line of S.W. 9th Avenue to its intersection with the southerly right-of-way line of S.W. Washington Street, Assessor Map 1N1E 34CC;

23. Thence southeasterly 200 feet more or less along the southerly right-of-way line of S.W. Washington Street to its intersection with the easterly right-of-way line of S.W. Park Avenue, Assessor Map 1N1E 34CC;
24. Thence southwesterly 410 feet more or less along the easterly right-of-way line of S.W. Park Avenue to its intersection with the northerly line of Lot 5 Block 212 City of Portland, Assessor Map 1N1E 34CC;
25. Thence northwesterly 25 feet more or less along the westerly prolongation of the northerly line of Lot 5 Block 212 City of Portland to its intersection with the centerline of the right-of-way of S.W. Park Avenue, Assessor Map 1N1E 34CC;
26. Thence southwesterly 80 feet more or less along the centerline of the right-of-way of S.W. Park Avenue to its intersection with the centerline of the right-of-way of S.W. Morrison Street, Assessor Map 1N1E 34CC;
27. Thence northwesterly 375 feet more or less along the centerline of the right-of-way of S.W. Morrison Street to its intersection with the easterly right-of-way line of S.W. 10th Avenue, Assessor Map 1N1E 34CC;
28. Thence southwesterly 230 feet more or less along the easterly right-of-way line of S.W. 10th Avenue to its intersection with the northerly right-of-way line of S.W. Yamhill Street, Assessor Map 1N1E 34CC;
29. Thence southeasterly 225 feet more or less along the northerly right-of-way line of S.W. Yamhill Street to its intersection with the centerline of the right-of-way of S.W. 9th Avenue, Assessor Map 1N1E 34CC;
30. Thence northeasterly 200 feet more or less along the centerline of the right-of-way of S.W. 9th Avenue to its intersection with the southerly right-of-way line of S.W. Morrison Street, Assessor Map 1N1E 34CC;
31. Thence southeasterly 175 feet more or less along the southerly right-of-way line of S.W. Morrison Street to its intersection with the easterly right-of-way line of S.W. Park Avenue, Assessor Map 1N1E 34CC;
32. Thence northeasterly 60 feet more or less along the easterly right-of-way line of S.W. Park Avenue to its intersection with the northerly right-of-way line of S.W. Morrison Street, Assessor Map 1N1E 34CC;
33. Thence southeasterly 200 feet more or less along the northerly right-of-way line of S.W. Morrison Street to its intersection with the westerly right-of-way line of S.W. Broadway Avenue, said point being common to the Downtown Waterfront Urban Renewal Area Boundary Line, Assessor Map 1N1E 34CC;

SAID SOUTH PARK BLOCKS URBAN RENEWAL BOUNDARY LINE IS COMMON TO THE DOWNTOWN-WATERFRONT URBAN RENEWAL AREA BOUNDARY LINE AS FOLLOWS:

34. Thence leaving the said River District Urban Renewal Area Boundary line and following the Downtown-Waterfront Urban Renewal Area Boundary Line southwesterly 320 feet more or less along the westerly right-of-way line of S.W. Broadway Avenue to its intersection with the southerly right-of-way line of S.W. Yamhill Street, Assessor Map 1S1E 3BB;
35. Thence southeasterly 280 feet more or less along the southerly right-of-way line of S.W. Yamhill Street to its intersection with the westerly right-of-way line of S.W. 6th Avenue, Assessor Map 1S1E 3BB;

36. Thence southwesterly 260 feet more or less along the westerly right-of-way line of S.W. 6th Avenue to its intersection with the southerly right-of-way line of S.W. Taylor Street, Assessor Map 1S1E 3BB;
37. Thence southeasterly 280 feet more or less along the southerly right-of-way line of S.W. Taylor Street to its intersection with the westerly right-of-way line of S.W. 5th Avenue, Assessor Map 1S1E 3BB;
38. Thence leaving said Downtown Waterfront Urban Renewal Area Boundary Line southwesterly 1040 feet more or less along the westerly right-of-way line of S.W. 5th Avenue to its intersection with the southerly right-of-way line of S.W. Jefferson Street, Assessor Map 1S1E 3BC;
39. Thence southeasterly 314 feet more or less along the southerly right-of-way line of S.W. Jefferson Street, a part of said southerly right-of-way being along the boundary of that portion granted as a revocable permit in the City of Portland Ordinance No. 129903 accepted October 16, 1969 to its intersection with the westerly right-of-way line of S.W. 4th Avenue, Assessor Map 1S1E 3BC;
40. Thence southwesterly 260 feet more or less along the westerly right-of-way line of S.W. 4th Avenue to its intersection with the southerly right-of-way line of S.W. Columbia Street, Assessor Map 1S1E 3BC;

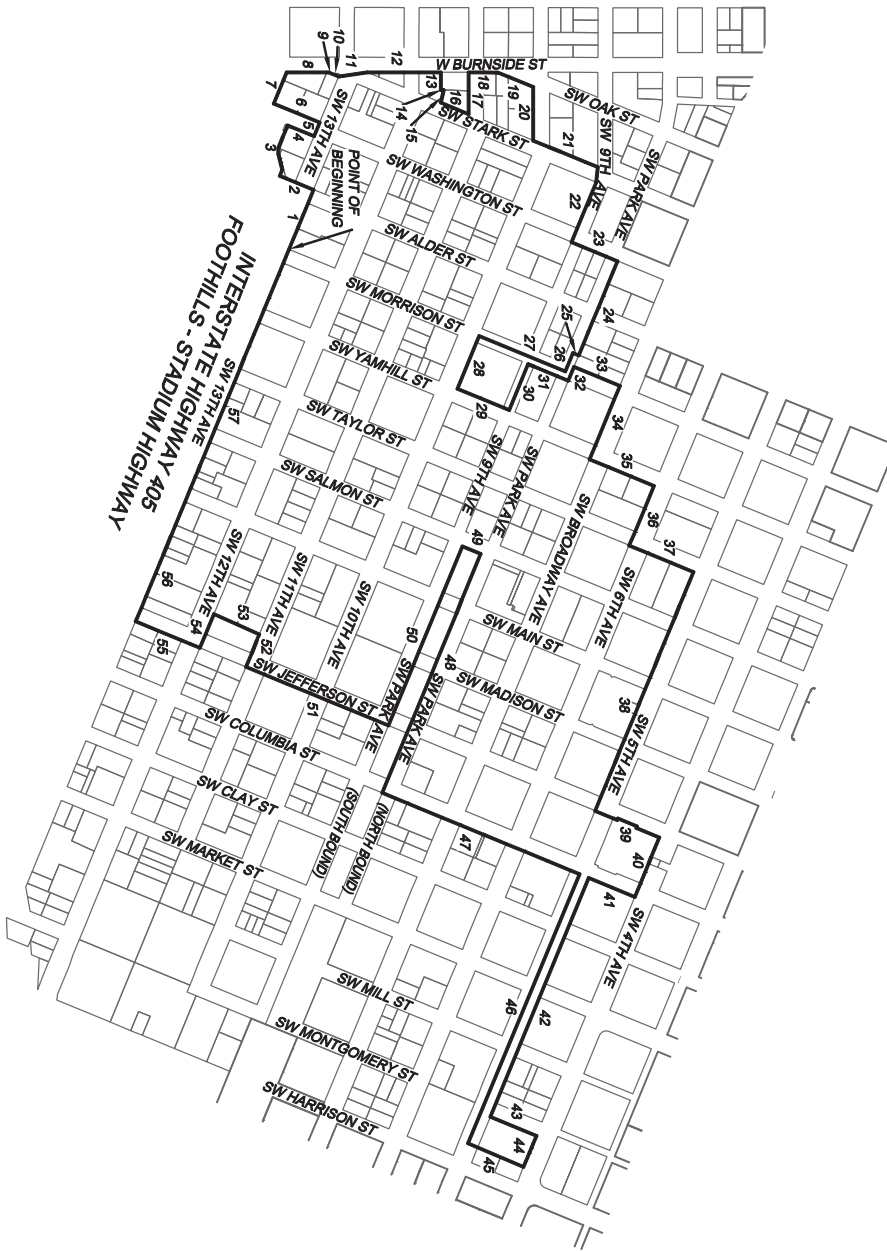
SAID SOUTH PARK BLOCKS URBAN RENEWAL BOUNDARY LINE IS COMMON TO THE EDUCATION URBAN RENEWAL AREA BOUNDARY LINE AS FOLLOWS:

41. Thence northwesterly 200 feet more or less along the southerly right-of-way line of S.W. Columbia Street to its intersection with the easterly right-of-way line of S.W. 5th Avenue, Assessor Map 1S1E 3BC;
42. Thence southwesterly 1040 feet more or less along the easterly right-of-way line of SW 5th Avenue to its intersection with the southerly right-of-way line of S.W. Montgomery Street, Assessor Map 1S1E 3BC and Assessor Map 1S1E 3CB;
43. Thence southeasterly 200 feet more or less along the southerly right-of-way line of S.W. Montgomery Street to its intersection with the westerly right-of-way line of S.W. 4th Avenue, Assessor Map 1S1E 3CB;
44. Thence southwesterly 135 feet more or less along the westerly right-of-way line of S.W. 4th Avenue to the southeast corner of that tract of land conveyed to the City of Portland by Statutory Bargain and Sale Deed recorded December 20, 2002 as fee number 2002-234375 Multnomah County records, Assessor Map 1S1E 3CB;
45. Thence northwesterly 240 feet, more or less along the southerly line of said fee number 2002-234375 and its westerly prolongation to its intersection with the centerline of the right-of-way line of S.W. 5th Avenue, Assessor Map 1S1E 3CB;
46. Thence northeasterly 1175 feet more or less along the centerline of the right-of-way of S.W. 5th Avenue to its intersection with the southerly right-of-way line of S.W. Columbia Street, Assessor Map 1S1E 3CB and Assessor Map 1S1E 3BC;
47. Thence northwesterly 860 feet more or less along the southerly right-of-way line of S.W. Columbia Street to its intersection with the westerly right-of-way line of the north bound portion of S.W. Park Avenue, Assessor Map 1S1E 3BC and Assessor Map 1S1E 4AD;
48. Thence northeasterly 1040 feet more or less along the westerly right-of-way line of the north bound portion of S.W. Park Avenue to its intersection with the southerly right-of-

- way line of S.W. Salmon Street, Assessor Map 1S1E 4AD, Assessor Map 1S 1E 4AA, and Assessor Map 1S 1E 3BB;
49. Thence northwesterly 80 feet more or less along the southerly right-of-way line of S.W. Salmon Street to its intersection with the easterly right-of-way line of the south bound portion of S.W. Park Avenue, Assessor Map 1S 1E 3BB;
 50. Thence southwesterly 780 feet more or less along the easterly right-of-way line of the south bound portion of S.W. Park Avenue to its intersection with the southerly right-of-way line of S.W. Jefferson Street, Assessor Map 1S1E 3BB and Assessor Map 1S 1E 4AA;
 51. Thence northwesterly 620 feet more or less along the southerly right-of-way line of S.W. Jefferson Street to its intersection with the westerly of the right-of-way line of S.W. 11th Avenue, Assessor Map 1S1E 4AD and Assessor Map 1S1E 4AA;
 52. Thence northeasterly 141 feet more or less along the westerly right-of-way line of S.W. 11th Avenue to the northeast corner of that tract of land conveyed to the City of Portland by Warranty Deed – Statutory Form recorded July 18, 2001 as fee number 2001-109903 Multnomah County records, Assessor Map 1S1E 4AA;
 53. Thence northwesterly 200 feet, more or less along the northerly line of said fee number 2001-109903 to its intersection with the easterly right-of-way line of S.W. 12th Avenue, Assessor Map 1S1E 4AA;
 54. Thence southwesterly 148 feet more or less along the easterly right-of-way line of S.W. 12th Avenue to its intersection with the southerly right-of-way line of S.W. Jefferson Street, Assessor Map 1S1E 4AA;
 55. Thence northwesterly 280 feet more or less along the southerly right-of-way line of S.W. Jefferson Street to its intersection with the easterly right-of-way line of S.W. 13th Avenue, Assessor Map 1S1E 4AA;
 56. Thence northeasterly 457 feet more or less along the easterly right-of-way line of S.W. 13th Avenue to a corner in the Education Urban Renewal Area Boundary Line, Assessor Map 1S1E 4AA;
 57. Thence leaving said Education Urban Renewal Area Boundary Line northeasterly 1163 feet more or less along the easterly right-of-way line of S.W. 13th Avenue to its intersection with the northerly right-of-way line of S.W. Morrison Street being the POINT OF BEGINNING, Assessor Map 1S1E 4AA and Assessor Map 1N1E 33DD;

The South Park Blocks Urban Renewal Area contains 98 acres more or less.





SHEET
1
1 OF 1

DATE: 3/30/12
 REVISION #:
 SURVEYED BY: GPC
 DRAWN BY: RFS
 CHECKED BY:

EXHIBIT 1.A
LEGAL DESCRIPTION MAP
SOUTH PARK BLOCKS URA
 CITY OF PORTLAND/MULTNOMAH COUNTY OREGON

SCALE: 1" = 500'	PROJECT NO. 2010-024	FILE NAME: PDC EXHIBITS.DWG
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Exhibit B

**Draft Report Accompanying the
Education Urban Renewal Plan**

Portland Development Commission

Board of Commissioners

April 11, 2012

Resolution No. 6935

Exhibit B includes this cover page and contains 26 pages:

- Draft Report Accompanying the Education Urban Renewal Plan

Report Accompanying the Education Urban Renewal Plan

DRAFT

May 16, 2012

DRAFT

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DRAFT

I. Introduction

This Technical Report (this “Report”) accompanying the Education Urban Renewal Plan (the “Plan”) contains background information and project details for the Education Urban Renewal Plan. This Report is not a legal part of the Plan but is intended to provide additional information and a basis for the findings made by the Portland City Council (“Council”) as part of its approval of the Plan.

II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact

A. Physical Conditions

1. Land Use and Zoning

The Education Urban Renewal Area (the “Area”) shown in Figure 1 below contains 144 acres, including public right-of-way. The Area is predominantly within the I-405 Freeway Loop in the southwestern edge of downtown Portland. There are 234 tax lots within the Area, totaling 96.6 acres. Existing land use and zoning of the area are detailed in Tables 1 and 2 below.

The proportion of land uses within the Area is typical of a central city environment. A majority of land is commercial (68%); a far smaller percentage is residential (21%) and recreational (11%). More than 10 of the 96.6 acres are stand-alone surface parking lots or are currently vacant.

Table 1: Existing Land Use of Tax Lots within Area

Property Class	Acreage	Square Feet	Percentage
Commercial	66.1	2,877,662	68%
Multi-Family	14.1	615,753	15%
Recreational	11.1	482,630	11%
Residential	5.3	232,832	6%
Total	96.6	4,202,878	100%

*Source: Multnomah County Office of Assessment and Taxation

There are four different zoning designations within the Area. In summary, commercial zones cover approximately 53% of the Area. Residential zoning applies to about 37%, and Open space, which includes the South Park Blocks, is 10%.

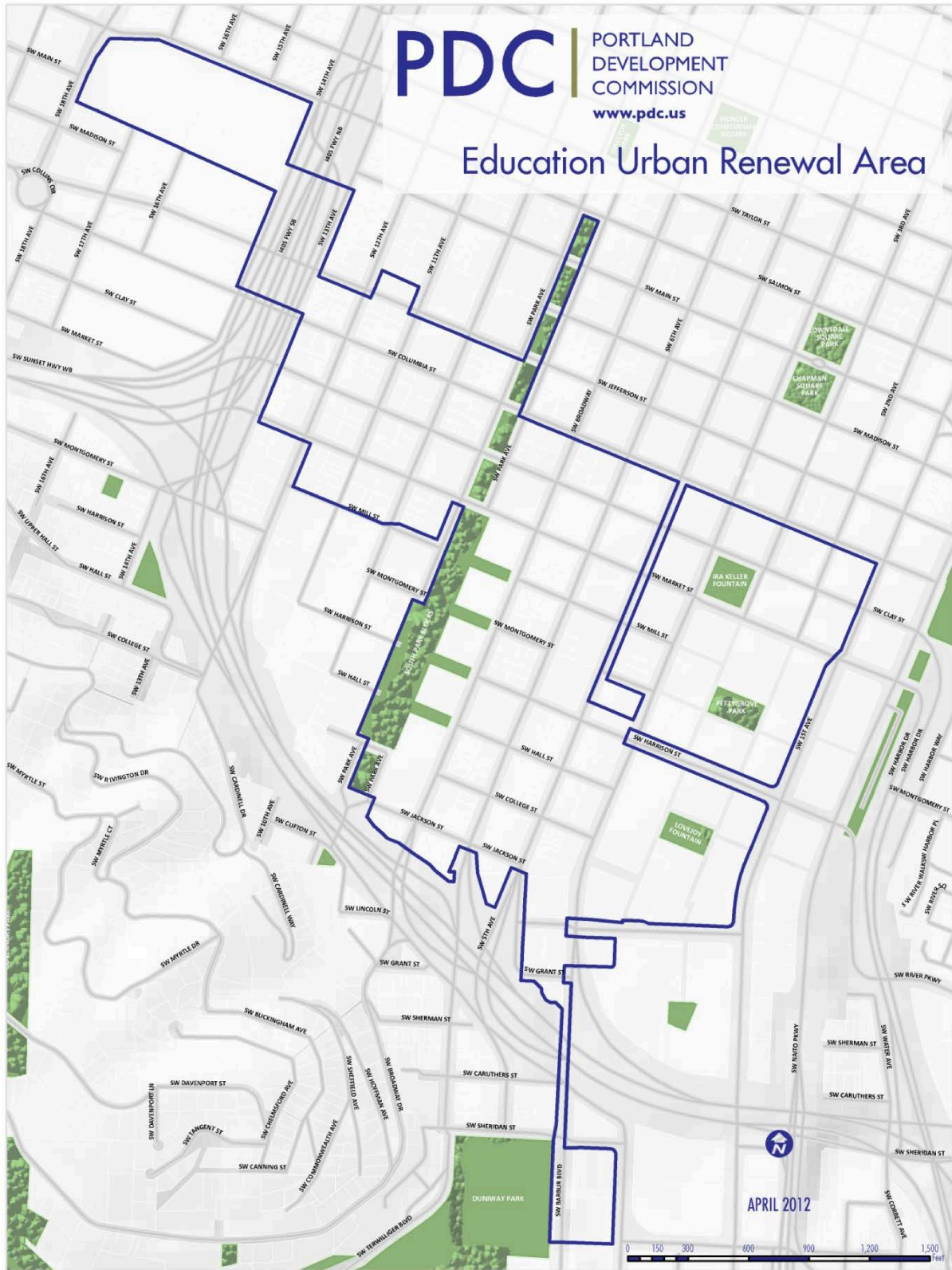
Table 2: Existing Zoning of Tax Lots within Area

Zoning Designation	Acreage	Square Feet	Percentage
Central Commercial (CX)	50.8	2,214,627	53%
Central Residential (RX)	24.8	1,082,462	26%
High Density Residential	10.9	474,800	11%
Open Space (OS)	10.0	434,011	10%
Total	96.6	4,205,900	100%

*Source: City of Portland Bureau of Planning and Sustainability

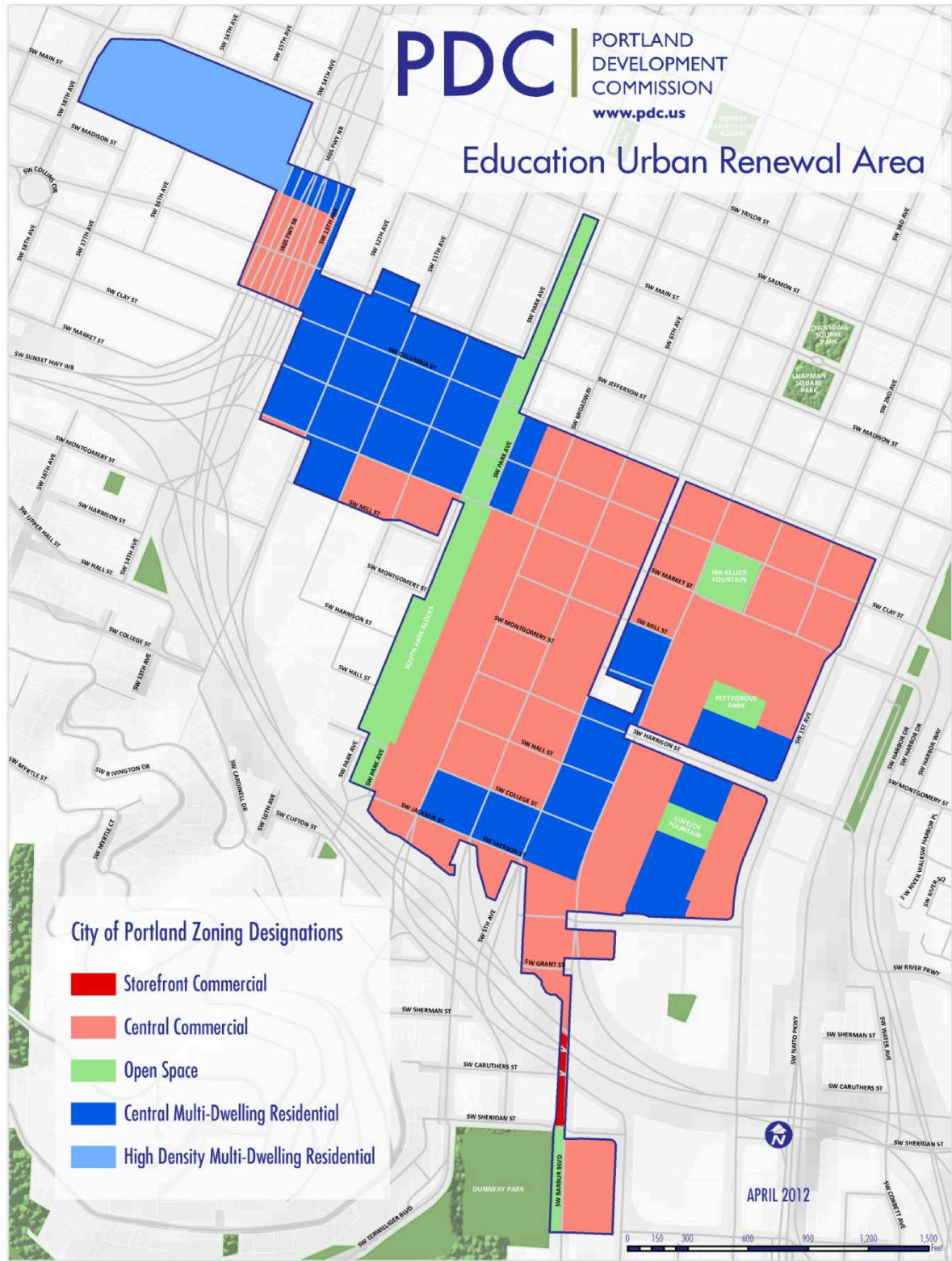
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Figure 1. Education Urban Renewal Area Boundary Map



Information Source: Portland Development Commission Geographic Information System, City of Portland Corporate GIS and Multnomah County Geo Business. Data was taken as the basis of the map, but it is provided "as is." The Portland Development Commission cannot accept any responsibility for errors, omissions or partial accuracy, and hereby, it is as warranted that accompany this product.

Figure 2. Education Urban Renewal Area Zoning Map



2. Building Condition

In 2009, PBS Engineering and Environmental completed a building hazardous materials study for the Portland Development Commission (“PDC”). Their report identified that, in general, buildings constructed prior to 1978 were likely painted with a lead-based or lead-containing paint and likely have light fixtures which contain polychlorinated biphenyls (“PCBs”). Additionally, the report indicated that buildings constructed prior to 1980 likely contain asbestos.

There are 31 buildings within the Area that are owned or leased by Portland State University (“PSU”). Sixty-five percent of those buildings were built prior to 1978 and have not gone through major renovations, indicating a likely presence of lead-based paint, PCBs and asbestos.

Because of possible safety issues arising from the presence of lead-based paint, PCBs and asbestos, these buildings may be unsafe or unfit to occupy for their intended purpose due to the defective quality of physical construction and are therefore blighted in accordance with ORS 457.010(1)(a)(A).

3. Street Conditions

The Portland Bureau of Transportation provided information regarding the condition of rights-of-way within the Area. Table 3 below shows that 24% of street segments within the area need to be rebuilt or are in bad condition, with an additional 19% needing some work. Such inadequate rights-of-way constitute blight in accordance with ORS 457.010(1)(e).

Table 3: Existing Street Conditions in Area

Description (Rating)	Length (feet)	Percentage
Rebuild (<40)	1,323	5%
Bad Condition (40-64)	4,756	19%
Needs Some Work (65-74)	4,794	19%
Good Condition (75-84)	7,716	30%
Very Good Condition (85-100)	7,019	27%
Total	25,608	100%

*Source: Portland Bureau of Transportation

4. Parks and Open Space

The Area includes 11 acres of parks and open space. This differs from the Open Space zoning above because it also includes some rights of way that are considered green streets. This area includes some of Portland's most historically and architecturally significant spaces such as the South Park Blocks, Ira Keller Fountain, Pettygrove Park, and Lovejoy Fountain.

B. Social Conditions

According to 2010 Census data, the total population of all Census blocks completely within the Area is 5,836. Race and ethnic backgrounds are shown in Table 4.

Table 4: Population Detail

Race	% of Total
White	77%
Black or African American	3%
American Indian and Alaska Native	1%
Asian	13%
Native Hawaiian and Other Pacific Islander	<1%
Other	2%
Two or More Races	5%
Ethnicity	% of Total
Hispanic	6%

*Source: 2010 Census

According to the 2010 Business Analyst estimates, median household income in the Area is \$33,344. This is 39% less than the median household income for the Portland area (\$54,350) and 46% less than the median household income for the seven-county region (\$61,783).

C. Economic Conditions

1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the Area is \$608,816,897. This does not include utility value, which will be determined by the County Assessor upon Plan approval.

2. Development Capacity

The City of Portland Bureau of Planning and Sustainability (“BPS”) Development Capacity Model identifies 18% of the tax lot acreage in the Area as significantly underutilized. This model measures development capacity by comparing the amount of existing development to what is allowed. Additionally, Area-wide, 64% of allowable building square footage is not being realized. More than one quarter of this development capacity is within tax lots designated as “underutilized” by BPS.

3. Improvement and Land Values

One tool for assessing the economic health of an area is an improvement to land ratio (“I:L”) analysis. The ratio between the real market value of the land and the value of its accompanying improvements provide an indication of the economic viability of the area. Low ratios indicate a larger benefit from redevelopment. Low ratios also indicate a prevalence of depreciated values, and underutilization.

According to a 2012 analysis by Johnson Reid, LLC, properties in the Area with I:L ratios below 2.5:1 were identified as underutilized compared to their potential capacity and productivity. Table 5 and Figure 3 below show that about 50% of the total Area has an I:L ratio of 2.5:1 or less. These properties can be

identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the Area, and therefore constitute blight in accordance with ORS 457.010(1)(h).

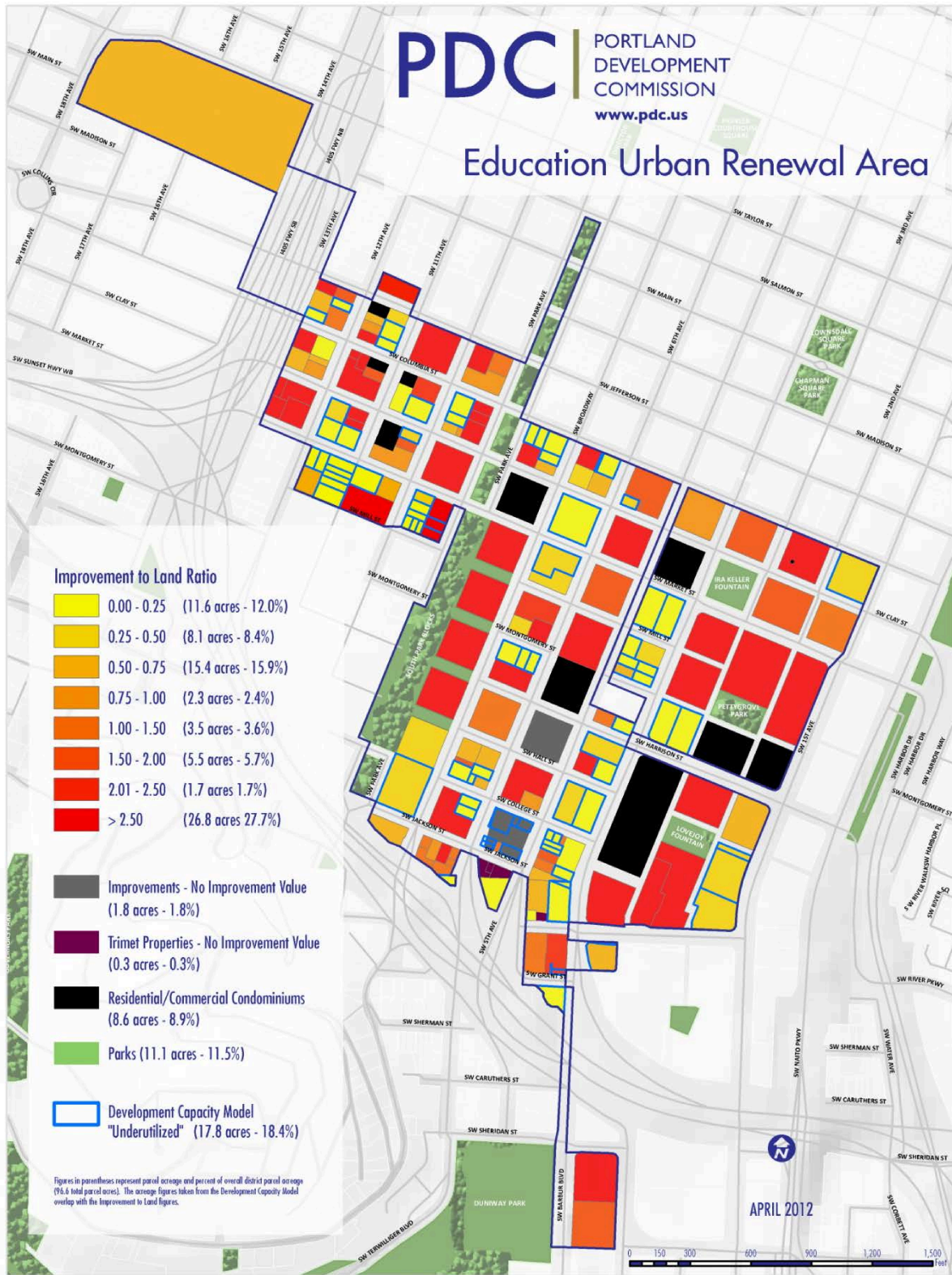
Table 5: Improvement to Land Ratio in Area

Improvement to Land Ratio	Acreage	% of Total
0.00-0.25 to 1	11.6	12.0%
0.25-0.50 to 1	8.1	8.4%
0.50-0.75 to 1	15.4	15.9%
0.75-1.00 to 1	2.3	2.4%
1.00-1.50 to 1	3.5	3.6%
1.50-2.00 to 1	5.5	5.7%
2.00-2.50 to 1	1.7	1.7%
Subtotal (Underutilized)	48.1	49.7%
> 2.50:1	26.8	27.7%
Not applicable	21.8	22.5%
Total	96.7	100%

*Source: Multnomah County Office of Assessment and Taxation

The stagnant and unproductive condition of land, combined with the defective quality of physical construction of buildings and inadequate rights-of-way set forth above result in the Area, as a whole, being blighted in accordance with ORS 457.010(1).

Figure 3. Education Urban Renewal Area Improvement to Land Ratio



D. Expected Impact on Municipal Services

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

Being located in Portland's downtown core with full public services in place, the implementation of this Plan is not anticipated to result in significant additional public service requirements such as police, fire, etc. Property redevelopment should reduce the fire and life safety needs of buildings, as they would be in better overall condition. Development assistance would add value to properties, thereby potentially adding to the tax base and providing revenue during the length of the Plan and once the Plan is terminated.

Infrastructure improvements directly associated with strategic economic development projects may be funded through tax increment resources. This can help reduce the need to finance those improvements through other municipal resources, which allows resources to be used in other ways.

Business development programs, which are intended to help improve and expand office and commercial space for targeted tenants, are not expected to have a negative fiscal impact in terms of dramatically increasing demand on municipal services. The assistance would add value to properties, thereby potentially adding to the tax base and providing increment for further investment over the duration of the Plan and tax revenues for other jurisdictions once the Plan is terminated. Capacity for various municipal services is also built into existing City policies through the use of tools such as system development charges (SDCs). SDCs for the Parks and Transportation Bureaus apply to each new development to help offset increased demand on municipal services. In addition, a City business license fee would help augment the general fund to pay for services.

The City of Portland Tax Increment Financing Set Aside Policy for Affordable Housing will apply to the Plan. Housing investments which use tax increment resources will be guided by City housing policy and investment strategies administered by the Portland Housing Bureau (PHB).

It is also anticipated that PSU and private property owners will be looking for opportunities to supply new workforce and affordable housing in the future. Other municipal resources would not have to be used for this purpose, which would allow for the funds to be used for other services. Providing low-income and workforce housing in the Area, in close proximity to jobs, retail and light rail transit, helps eliminate traffic and resulting pollution by reducing automobile trips. It also supports the retail trade in the Area, thereby maintaining a healthy economy and a socio-economic balance. These potential housing developments will turn stagnant and unproductive land into land which contributes positively to the overall public health, safety and welfare of the Area.

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

III. Reasons for Selection of Each Urban Renewal Area in the Plan

The reason for selection of the Area is the prevention and reduction of blight and to leverage concurrent investment to make PSU a world class urban research university and to increase opportunities for collaboration with Portland Public Schools, Multnomah County and other public and private partners.

IV. Relationship Between Each Project and Existing Conditions in the Urban Renewal Area

A. Strategic Partnerships to Develop and Educate a 21st Century Workforce

Strategic partnerships with Multnomah County and Portland Public Schools will develop underutilized properties within the Area, addressing the existing conditions described in Section II.C. of this Report.

A. Urban Innovation

Projects in this category will rehabilitate a portion of the existing built environment, addressing the deteriorated quality of physical construction as described in Section II.A.2. of this Report.

B. Research & Technology Commercialization

It is the intention of commercialization investments to increase the amount of laboratory space and other advanced office infrastructure in the Area. Projects in this category will reduce the underutilization of property in the Area described in Section II.C. of this Report.

C. Entrepreneurship

Entrepreneurship-related projects will expand the available space for Portland start-ups and support for entrepreneurial activity, including the development of additional accelerator facilities which will likely occur on underutilized property in the Area described in Section II.C. of this Report.

D. Cluster Development

Investments such as redevelopment of current office space and energy retrofits provide opportunities for research and development intensive companies to co-locate with or near institutional resources. At the same time, these investments will reduce the underutilization of property in the Area described in Section II.C. of this Report.

V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

Table 6 shows the estimated total cost of each project known at the time of preparation of the Plan. The sources of moneys to pay for these costs are from the projection of tax increment revenues in Section VIII of this Report.

Table 6: Project Costs

Project Category	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-28	TOTAL
Strategic Partnerships (Lincoln High School, Multnomah County)	\$3,100,000	\$7,850,000	\$9,500,000	\$8,700,000	\$3,000,000	\$1,500,000	\$33,650,000
Urban Innovation (Integrated District Development, Energy Efficiency/ Modernization)	675,000	3,200,000	500,000	1,000,000	6,550,000	825,000	12,750,000
Research & Technology Commercialization (Public/Private Research Centers of Excellence, PSU Classroom Research Facility Expansion)	\$400,000	2,500,000	2,500,000	1,100,000	3,500,000	2,500,000	12,500,000
Entrepreneurship (Startup Accelerator Fund, Expansion of the PSU School of Business)	2,100,000	1,750,000	600,000	1,750,000	3,500,000	2,500,000	12,200,000
Cluster Development (Target Industry Recruitment & Expansion Fund, Small Business/Real Estate Programs)	1,000,000	1,750,000	1,500,000	4,000,000	6,500,000	4,500,000	19,250,000
Housing Set-Aside	3,800,000	8,200,000	7,500,000	9,100,000	11,850,000	6,000,000	46,450,000
Bond Issuance Costs, Direct Staffing and Overhead	2,100,000	5,800,000	5,200,000	7,500,000	6,200,000	5,400,000	32,200,000
TOTAL	\$ 13,175,000	\$31,050,000	\$27,300,000	\$33,150,000	\$41,100,000	\$23,225,000	\$169,000,000

VI. Anticipated Completion Date for Each Project

Projects and programs will be ongoing throughout the life of the Plan. Scheduling for projects will occur during the annual budgeting process for the Area. The Plan's last date to issue debt is June 30, 2041.

While it is difficult to precisely forecast the start and end date of specific development projects over a span of nearly three decades, it is anticipated the following projects will begin within the first five years of the Plan:

- The expansion of the PSU School of Business
- Housing Set Aside investments
- Neuberger Hall Renovation
- Marston House and East Hall Energy Retrofits
- Tenant improvements and other assistance through the Target Industry Recruitment and Expansion Fund and the Startup Accelerator Fund

Additionally, the Multnomah County project referenced in Section III.A of the Plan is anticipated to be completed or substantially underway by 2023.

VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 7 shows the yearly tax increment revenues and their allocation to loan repayments, debt service and debt service reserve funds. It is anticipated that all debt will be retired by the end of FY 2044/45.

Table 7: Tax Increment Revenues, Debt Service and Debt Repayment

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Beginning Balance (incl. Debt Service Reserves)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,193,794
Revenues											
Tax Increment to Raise (before Compression)	\$1,412,361	\$1,732,578	\$2,066,566	\$2,406,456	\$2,747,478	\$3,138,227	\$3,557,524	\$3,997,691	\$4,448,680	\$4,913,312	\$5,457,770
Less Compression	(70,618)	(86,629)	(103,328)	(120,323)	(137,374)	(156,911)	(177,876)	(199,885)	(222,434)	(245,666)	(272,888)
Tax Increment Imposed (after Compression)	1,341,743	1,645,950	1,963,237	2,286,133	2,610,104	2,981,316	3,379,648	3,797,807	4,226,246	4,667,646	5,184,881
Less Adjustments for Discounts & Delinquencies	(80,505)	(98,757)	(117,794)	(137,168)	(156,606)	(178,879)	(202,779)	(227,868)	(253,575)	(280,059)	(311,093)
NET TAX INCREMENT REVENUES	\$1,261,238	\$1,547,193	\$1,845,443	\$2,148,965	\$2,453,498	\$2,802,437	\$3,176,869	\$3,569,938	\$3,972,671	\$4,387,588	\$4,873,788
Bond Proceeds to Debt Service Reserve	-	-	-	-	-	-	-	-	-	2,193,794	-
Interest Earnings	-	-	-	-	-	-	-	-	-	0	54,845
TOTAL REVENUES	\$1,261,238	\$1,547,193	\$1,845,443	\$2,148,965	\$2,453,498	\$2,802,437	\$3,176,869	\$3,569,938	\$3,972,671	\$6,581,381	\$4,928,633
Expenditures											
Bond/Line of Credit Debt Service											
Line of Credit Draw 1	\$ -	\$ -	\$ -	\$ -	\$ 181,998	\$ 242,664	\$ 242,664	\$ 242,664	\$ 242,664	\$ 242,664	\$ -
Line of Credit Draw 2	-	-	-	-	-	167,084	222,778	222,778	222,778	222,778	-
Line of Credit Draw 3	-	-	-	-	-	-	172,715	230,287	230,287	230,287	-
Line of Credit Draw 4	-	-	-	-	-	-	-	176,832	235,777	235,777	-
Line of Credit Draw 5	-	-	-	-	-	-	-	-	178,967	238,623	-
Bond 1	-	-	-	-	-	-	-	-	-	-	2,193,794
Line of Credit Draw 6	-	-	-	-	-	-	-	-	-	-	107,406
Line of Credit Draw 7	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 8	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 9	-	-	-	-	-	-	-	-	-	-	-
Bond 2	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 10	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 11	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 12	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 13	-	-	-	-	-	-	-	-	-	-	-
Bond 3	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 14	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 15	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 16	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 17	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 18	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 19	-	-	-	-	-	-	-	-	-	-	-
Bond 4	-	-	-	-	-	-	-	-	-	-	-
Total Bond/Line of Credit Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 181,998	\$ 409,748	\$ 638,157	\$ 872,561	\$ 1,110,473	\$ 1,170,128	\$ 2,301,200
Short Term Debt Repayment	\$ 1,261,238	\$ 1,547,193	\$ 1,845,443	\$ 2,148,965	\$ 2,271,500	\$ 2,392,689	\$ 2,538,711	\$ 2,697,377	\$ 2,862,199	\$ 3,217,459	\$ 2,627,434
Subtotal Expenditures for Amended Plan	\$1,261,238	\$1,547,193	\$1,845,443	\$2,148,965	\$2,453,498	\$2,802,437	\$3,176,869	\$3,569,938	\$3,972,671	\$4,387,588	\$4,928,633
Bond Defeasance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$1,261,238	\$1,547,193	\$1,845,443	\$2,148,965	\$2,453,498	\$2,802,437	\$3,176,869	\$3,569,938	\$3,972,671	\$4,387,588	\$4,928,633
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,193,794	\$ 2,193,794

Fiscal Year Ending June 30	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Beginning Balance (incl. Debt Service Reserves)	\$ 2,193,794	\$ 2,193,794	\$ 2,193,794	\$ 2,193,794	\$ 3,319,353	\$ 3,319,353	\$ 3,319,353	\$ 3,319,353	\$ 3,319,353	\$ 4,456,167	\$ 4,456,167
Revenues											
Tax Increment to Raise (before Compression)	\$5,835,307	\$6,386,330	\$6,900,783	\$7,434,160	\$7,887,283	\$8,379,023	\$8,912,018	\$9,437,462	\$9,980,217	\$10,506,240	\$11,069,377
Less Compression	(291,765)	(319,317)	(345,039)	(371,708)	(394,364)	(418,951)	(445,601)	(471,873)	(499,011)	(525,312)	(553,469)
Tax Increment Imposed (after Compression)	5,543,542	6,067,014	6,555,744	7,062,452	7,492,919	7,960,072	8,466,418	8,965,589	9,481,206	9,980,928	10,515,908
Less Adjustments for Discounts & Delinquencies	(332,613)	(364,021)	(393,345)	(423,747)	(449,575)	(477,604)	(507,985)	(537,935)	(568,872)	(598,856)	(630,954)
NET TAX INCREMENT REVENUES	\$5,210,929	\$5,702,993	\$6,162,399	\$6,638,705	\$7,043,344	\$7,482,467	\$7,958,432	\$8,427,654	\$8,912,333	\$9,382,072	\$9,884,954
Bond Proceeds to Debt Service Reserve	-	-	-	1,125,559	-	-	-	-	1,136,814	-	-
Interest Earnings	54,845	54,845	54,845	54,845	82,984	82,984	82,984	82,984	82,984	111,404	111,404
TOTAL REVENUES	\$5,265,774	\$5,757,838	\$6,217,244	\$7,819,108	\$7,126,327	\$7,565,451	\$8,041,416	\$8,510,637	\$10,132,132	\$9,493,476	\$9,996,358
Expenditures											
Bond/Line of Credit Debt Service											
Line of Credit Draw 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Line of Credit Draw 2	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 3	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 4	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 5	-	-	-	-	-	-	-	-	-	-	-
Bond 1	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794
Line of Credit Draw 6	143,208	143,208	143,208	143,208	-	-	-	-	-	-	-
Line of Credit Draw 7	74,477	99,303	99,303	99,303	-	-	-	-	-	-	-
Line of Credit Draw 8	-	108,701	144,935	144,935	-	-	-	-	-	-	-
Line of Credit Draw 9	-	-	101,487	135,315	-	-	-	-	-	-	-
Bond 2	-	-	-	-	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559
Line of Credit Draw 10	-	-	-	-	89,388	119,184	119,184	119,184	119,184	-	-
Line of Credit Draw 11	-	-	-	-	-	97,006	129,341	129,341	129,341	-	-
Line of Credit Draw 12	-	-	-	-	-	-	105,145	140,193	140,193	-	-
Line of Credit Draw 13	-	-	-	-	-	-	-	103,655	138,206	-	-
Bond 3	-	-	-	-	-	-	-	-	-	1,136,814	1,136,814
Line of Credit Draw 14	-	-	-	-	-	-	-	-	-	103,769	138,359
Line of Credit Draw 15	-	-	-	-	-	-	-	-	-	-	111,091
Line of Credit Draw 16	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 17	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 18	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 19	-	-	-	-	-	-	-	-	-	-	-
Bond 4	-	-	-	-	-	-	-	-	-	-	-
Total Bond/Line of Credit Debt Service	\$2,411,479	\$2,545,005	\$2,682,726	\$2,716,555	\$3,408,741	\$3,535,543	\$3,673,023	\$3,811,726	\$3,846,277	\$4,559,936	\$4,705,616
Short Term Debt Repayment	\$ 2,854,295	\$ 3,212,832	\$ 3,534,518	\$ 3,976,995	\$ 3,717,587	\$ 4,029,909	\$ 4,368,394	\$ 4,698,912	\$ 5,149,040	\$ 4,933,540	\$ 5,290,741
Subtotal Expenditures for Amended Plan	\$5,265,774	\$5,757,838	\$6,217,244	\$6,693,550	\$7,126,327	\$7,565,451	\$8,041,416	\$8,510,637	\$8,995,317	\$9,493,476	\$9,996,358
Bond Defeasance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$5,265,774	\$5,757,838	\$6,217,244	\$6,693,550	\$7,126,327	\$7,565,451	\$8,041,416	\$8,510,637	\$8,995,317	\$9,493,476	\$9,996,358
Ending Balance	\$ 2,193,794	\$ 2,193,794	\$ 2,193,794	\$ 3,319,353	\$ 3,319,353	\$ 3,319,353	\$ 3,319,353	\$ 3,319,353	\$ 4,456,167	\$ 4,456,167	\$ 4,456,167

Fiscal Year Ending June 30	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45
Beginning Balance (incl. Debt Service Reserves)	\$ 4,456,167	\$ 4,456,167	\$ 4,456,167	\$ 4,456,167	\$ 4,456,167	\$ 6,294,288	\$ 9,587,244	\$ 17,262,182	\$ 25,725,276	\$ 37,207,913
Revenues										
Tax Increment to Raise (before Compression)	\$11,672,003	\$12,272,638	\$12,892,611	\$13,485,881	\$14,096,948	\$14,726,348	\$15,374,629	\$16,042,359	\$16,730,121	\$17,438,516
Less Compression	(583,600)	(613,632)	(644,631)	(674,294)	(704,847)	(736,317)	(768,731)	(802,118)	(836,506)	(871,926)
Tax Increment Imposed (after Compression)	11,088,403	11,659,006	12,247,981	12,811,587	13,392,101	13,990,030	14,605,898	15,240,241	15,893,615	16,566,590
Less Adjustments for Discounts & Delinquencies	(665,304)	(699,540)	(734,879)	(768,695)	(803,526)	(839,402)	(876,354)	(914,414)	(953,617)	(993,995)
NET TAX INCREMENT REVENUES	\$10,423,099	\$10,959,466	\$11,513,102	\$12,042,892	\$12,588,575	\$13,150,629	\$13,729,544	\$14,325,827	\$14,939,998	\$15,572,595
Bond Proceeds to Debt Service Reserve	-	-	-	-	1,838,121	-	-	-	-	-
Interest Earnings	111,404	111,404	111,404	111,404	111,404	157,357	239,681	431,555	643,132	930,198
TOTAL REVENUES	\$10,534,503	\$11,070,870	\$11,624,506	\$12,154,296	\$14,538,100	\$13,307,986	\$13,969,225	\$14,757,381	\$15,583,130	\$16,502,793
Expenditures										
Bond/Line of Credit Debt Service										
Line of Credit Draw 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Line of Credit Draw 2	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 3	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 4	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 5	-	-	-	-	-	-	-	-	-	-
Bond 1	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	2,193,794	-	-
Line of Credit Draw 6	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 7	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 8	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 9	-	-	-	-	-	-	-	-	-	-
Bond 2	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559	1,125,559
Line of Credit Draw 10	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 11	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 12	-	-	-	-	-	-	-	-	-	-
Line of Credit Draw 13	-	-	-	-	-	-	-	-	-	-
Bond 3	1,136,814	1,136,814	1,136,814	1,136,814	1,136,814	1,136,814	1,136,814	1,136,814	1,136,814	1,136,814
Line of Credit Draw 14	138,359	138,359	138,359	138,359	138,359	-	-	-	-	-
Line of Credit Draw 15	148,121	148,121	148,121	148,121	148,121	-	-	-	-	-
Line of Credit Draw 16	118,881	158,508	158,508	158,508	158,508	-	-	-	-	-
Line of Credit Draw 17	-	118,488	157,984	157,984	157,984	-	-	-	-	-
Line of Credit Draw 18	-	-	122,303	163,070	163,070	-	-	-	-	-
Line of Credit Draw 19	-	-	-	117,035	156,047	-	-	-	-	-
Bond 4	-	-	-	-	-	1,838,121	1,838,121	1,838,121	1,838,121	1,838,121
Total Bond/Line of Credit Debt Service	\$4,861,527	\$5,019,642	\$5,181,441	\$5,339,244	\$5,378,255	\$6,294,287	\$6,294,287	\$6,294,287	\$4,100,494	\$4,100,494
Short Term Debt Repayment	\$ 5,672,976	\$ 6,051,228	\$ 6,443,065	\$ 6,815,052	\$ 7,321,724	\$ 3,720,741	\$ -	\$ -	\$ -	\$ -
Subtotal Expenditures for Amended Plan	\$10,534,503	\$11,070,870	\$11,624,506	\$12,154,296	\$12,699,979	\$10,015,029	\$6,294,287	\$6,294,287	\$4,100,494	\$4,100,494
Bond Defeasance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,353,292
TOTAL EXPENDITURES	\$10,534,503	\$11,070,870	\$11,624,506	\$12,154,296	\$12,699,979	\$10,015,029	\$6,294,287	\$6,294,287	\$4,100,494	\$40,453,785
Ending Balance	\$ 4,456,167	\$ 4,456,167	\$ 4,456,167	\$ 4,456,167	\$ 6,294,288	\$ 9,587,244	\$ 17,262,182	\$ 25,725,276	\$ 37,207,913	\$ 13,256,920

VIII. Financial Analysis of the Plan

Table 8 shows the existing assessed value of the Area and projected incremental assessed value. It also shows the tax rates applied to the incremental assessed value, the tax revenues allocated to the Area and to the taxing jurisdictions due to the sharing provisions of ORS 457, and the reduction of these revenues by compression, delinquencies and discounts.

Table 8: Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Assessed Value Growth											
Frozen Base	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235
Incremental Assessed Value	79,045,734	96,925,409	115,653,500	135,274,961	155,423,118	178,848,459	203,117,383	228,263,526	254,031,569	280,581,363	311,685,605
Total Assessed Value	\$700,038,969	\$717,918,644	\$736,646,735	\$756,268,196	\$776,416,353	\$799,841,694	\$824,110,618	\$849,256,761	\$875,024,804	\$901,574,598	\$932,678,840
Total AV Growth		2.55%	2.61%	2.66%	2.66%	3.02%	3.03%	3.05%	3.03%	3.03%	3.45%
Incremental AV Growth		22.62%	19.32%	16.87%	14.89%	15.07%	13.57%	12.38%	11.29%	10.45%	11.09%
Consolidated Tax Rate	\$17.8676	\$17.8754	\$17.8686	\$17.7894	\$17.6774	\$17.5489	\$17.5146	\$17.5135	\$17.5123	\$17.5112	\$17.5105
Revenues Generated on Incremental Assessed Value											
Amount to Urban Renewal Area	\$1,412,361	\$1,732,578	\$2,066,566	\$2,406,456	\$2,747,478	\$3,138,227	\$3,557,524	\$3,997,691	\$4,448,680	\$4,913,312	\$5,457,770
Amount to Taxing Jurisdictions	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$1,412,361	\$1,732,578	\$2,066,566	\$2,406,456	\$2,747,478	\$3,138,227	\$3,557,524	\$3,997,691	\$4,448,680	\$4,913,312	\$5,457,770
Tax Increment Revenues to Urban Renewal Area											
Tax Increment to Raise (before Compression)	\$1,412,361	\$1,732,578	\$2,066,566	\$2,406,456	\$2,747,478	\$3,138,227	\$3,557,524	\$3,997,691	\$4,448,680	\$4,913,312	\$5,457,770
Less Compression	(70,618)	(86,629)	(103,328)	(120,323)	(137,374)	(156,911)	(177,876)	(199,885)	(222,434)	(245,666)	(272,888)
Tax Increment Imposed (after Compression)	\$1,341,743	\$1,645,950	\$1,963,237	\$2,286,133	\$2,610,104	\$2,981,316	\$3,379,648	\$3,797,807	\$4,226,246	\$4,667,646	\$5,184,881
Fiscal Year Ending June 30	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Projected Assessed Value Growth											
Frozen Base	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235
Incremental Assessed Value	348,023,400	390,006,127	429,202,505	469,840,766	504,364,411	541,830,309	582,439,500	622,473,295	663,826,029	703,903,988	746,809,671
Total Assessed Value	\$969,016,635	\$1,010,999,362	\$1,050,195,740	\$1,090,834,001	\$1,125,357,646	\$1,162,823,544	\$1,203,432,735	\$1,243,466,530	\$1,284,819,264	\$1,324,897,223	\$1,367,802,906
Total AV Growth	3.90%	4.33%	3.88%	3.87%	3.16%	3.33%	3.49%	3.33%	3.33%	3.12%	3.24%
Incremental AV Growth	11.66%	12.06%	10.05%	9.47%	7.35%	7.43%	7.49%	6.87%	6.64%	6.04%	6.10%
Consolidated Tax Rate	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000
Revenues Generated on Incremental Assessed Value											
Amount to Urban Renewal Area	\$5,835,307	\$6,386,330	\$6,900,783	\$7,434,160	\$7,887,283	\$8,379,023	\$8,912,018	\$9,437,462	\$9,980,217	\$10,506,240	\$11,069,377
Amount to Taxing Jurisdictions	255,102	438,777	610,261	788,053	939,094	1,103,008	1,280,673	1,455,821	1,636,739	1,812,080	1,999,792
Total Revenues	\$6,090,409	\$6,825,107	\$7,511,044	\$8,222,213	\$8,826,377	\$9,482,030	\$10,192,691	\$10,893,283	\$11,616,956	\$12,318,320	\$13,069,169
Tax Increment Revenues to Urban Renewal Area											
Tax Increment to Raise (before Compression)	\$5,835,307	\$6,386,330	\$6,900,783	\$7,434,160	\$7,887,283	\$8,379,023	\$8,912,018	\$9,437,462	\$9,980,217	\$10,506,240	\$11,069,377
Less Compression	(291,765)	(319,317)	(345,039)	(371,708)	(394,364)	(418,951)	(445,601)	(471,873)	(499,011)	(525,312)	(553,469)
Tax Increment Imposed (after Compression)	\$5,543,542	\$6,067,014	\$6,555,744	\$7,062,452	\$7,492,919	\$7,960,072	\$8,466,418	\$8,965,589	\$9,481,206	\$9,980,928	\$10,515,908

Fiscal Year Ending June 30	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45
Projected Assessed Value Growth										
Frozen Base	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235	\$ 620,993,235
Incremental Assessed Value	792,724,052	838,486,705	885,722,772	930,924,253	977,481,777	1,025,436,028	1,074,828,906	1,125,703,570	1,178,104,474	1,232,077,405
Total Assessed Value	\$1,413,717,287	\$1,459,479,940	\$1,506,716,007	\$1,551,917,488	\$1,598,475,012	\$1,646,429,263	\$1,695,822,141	\$1,746,696,805	\$1,799,097,709	\$1,853,070,640
Total AV Growth	3.36%	3.24%	3.24%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Incremental AV Growth	6.15%	5.77%	5.63%	5.10%	5.00%	4.91%	4.82%	4.73%	4.65%	4.58%
Consolidated Tax Rate	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000	\$17.5000
Revenues Generated on Incremental Assessed Value										
Amount to Urban Renewal Area	\$11,672,003	\$12,272,638	\$12,892,611	\$13,485,881	\$14,096,948	\$14,726,348	\$15,374,629	\$16,042,359	\$16,730,121	\$17,438,516
Amount to Taxing Jurisdictions	2,200,668	2,400,879	2,607,537	2,805,294	3,008,983	3,218,783	3,434,876	3,657,453	3,886,707	4,122,839
Total Revenues	\$13,872,671	\$14,673,517	\$15,500,149	\$16,291,174	\$17,105,931	\$17,945,130	\$18,809,506	\$19,699,812	\$20,616,828	\$21,561,355
Tax Increment Revenues to Urban Renewal Area										
Tax Increment to Raise (before Compression)	\$11,672,003	\$12,272,638	\$12,892,611	\$13,485,881	\$14,096,948	\$14,726,348	\$15,374,629	\$16,042,359	\$16,730,121	\$17,438,516
Less Compression	(583,600)	(613,632)	(644,631)	(674,294)	(704,847)	(736,317)	(768,731)	(802,118)	(836,506)	(871,926)
Tax Increment Imposed (after Compression)	\$11,088,403	\$11,659,006	\$12,247,981	\$12,811,587	\$13,392,101	\$13,990,030	\$14,605,898	\$15,240,241	\$15,893,615	\$16,566,590

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IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the Area. The Plan has a last date to issue debt of June 30, 2041. The debt associated with the Area is expected to be repaid by FY 2044/45. Over that period of time, overlapping taxing jurisdictions will forego approximately \$229 million in property taxes. This does not include the taxes allocated to overlapping taxing jurisdictions through revenue sharing, which is forecast to begin in FY 2024/25, when tax increment revenues equal three percent of maximum indebtedness. Taxes returned through revenue sharing are approximately \$80 million

The tables below provide details on total taxes foregone (Table 9) and taxes allocated to overlapping taxing jurisdictions through revenue sharing (Table 10). Table 11 provides an estimate of the increase in tax revenues to overlapping taxing jurisdictions generated by the permanent tax rates that would occur after termination of the tax increment financing in FY 2045/46.

Table 9: Foregone Revenues by Taxing Jurisdiction

Revenues Foregone 2014-2045	Total	Present Value to 2014
Permanent Rates		
City	\$71,437,853	\$19,219,464
County	67,791,822	18,238,545
Metro	1,507,734	405,637
Port	1,094,121	294,360
W Mult Soil	1,142,506	307,377
PPS	74,517,313	20,047,954
PCC	4,413,945	1,187,517
Mult ESD	7,142,224	1,921,526

Table 10: Shared Revenues

Shared Revenues 2014-2045	Total	Present Value to 2014
Permanent Rates		
City	\$11,419,855	\$4,020,406
County	10,837,011	3,815,214
Metro	241,022	84,853
Port	174,903	61,575
W Mult Soil	182,638	64,298
PPS	11,912,129	4,193,713
PCC	705,601	248,410
Mult ESD	1,141,736	401,953

Table 11: Revenues Gained by Taxing Jurisdictions after Termination of Area

Revenues Gained 2046	Amount (nominal)	Present Value to 2014
Permanent Rates		
City	\$4,420,074	\$507,164
County	4,194,483	481,280
Metro	93,288	10,704
Port	67,697	7,768
W Mult Soil	70,690	8,111
PPS	4,610,610	529,027
PCC	273,104	31,336
Mult ESD	441,911	50,705

X. Relocation Report

At the time of creation of the Plan, it is not anticipated that relocation will be necessary for businesses or residents in the Area.

XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 12 shows that the Plan is in compliance with ORS 457.420. This Plan is proposed for approval concurrently with the Twelfth Amendment to the South Park Blocks Urban Renewal Plan, which removes property from the South Park Blocks Urban Renewal Area. This table makes the assumption that the amendment to the South Park Blocks Urban Renewal Plan is adopted on or around the same date. With the adoption of this Plan and the South Park Blocks amendment, total remaining acreage under this statute is 690 acres.

Table 12: Compliance with Statutory Limits on Assessed Value and Acreage

	Frozen Base Assessed Value	Acres
Total City of Portland¹	\$ 43,634,351,239	92,768.0
Existing Urban Renewal Areas		
Airport Way	\$124,710,302	1,841.4
Central Eastside	\$224,626,739	692.3
Downtown Waterfront	\$55,674,313	233.1
Gateway Regional Center	\$307,174,681	658.5
Interstate Corridor ²	\$1,290,430,925	3,990.0
Lents Town Center	\$736,224,033	2,846.3
North Macadam	\$192,609,397	401.9
Oregon Convention Center ³	\$248,951,143	410.0
River District	\$461,577,974	351.2
South Park Blocks	\$376,066,574	156.3
Willamette Industrial	\$481,443,135	755.5
42nd Avenue NPI	\$81,011,867	136.2
Cully Blvd NPI	\$81,000,273	164.6
Parkrose NPI	\$80,493,774	142.6
Rosewood NPI	\$78,774,383	135.6
Division-Midway NPI	\$80,201,117	115.9
82nd Avenue and Division NPI	\$81,523,638	108.8
Total Existing Urban Renewal Areas	\$4,982,494,268	13,140.2
% City in Existing Urban Renewal Areas	11.4%	14.2%
Proposed 12th Amendment to South Park Blocks ⁴	-\$255,318,331	-58.4
Proposed Education Urban Renewal Area	\$608,816,897	144.0
Total Proposed Urban Renewal Areas	\$353,498,566	85.6
Combined Total - Existing and Proposed	\$5,335,992,834	13,225.8
% City in Existing and Proposed Urban Renewal Areas	12.2%	14.3%

¹ Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

² Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

³ Frozen base value represents 11/12 OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects 20th Amendment.

⁴ Estimated assessed value to be removed from SPB. As a result of the 12th Amendment to SPB, the reduced frozen base will be determined by the County Assessor.

RESOLUTION NO. 6935

RESOLUTION TITLE:

ACCEPTING THE PROPOSED EDUCATION URBAN RENEWAL PLAN AND DIRECTING THAT THE PLAN BE FORWARDED TO THE PORTLAND CITY COUNCIL FOR APPROVAL

Adopted by the Portland Development Commission on April 30, 2012

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Steven Straus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

	<p>Date:</p> <p>June 27, 2012</p>
<p>Emily Swensen, Recording Secretary</p>	