

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: May 11, 2011

TO: Board of Commissioners

FROM: Patrick Quinton, Executive Director

SUBJECT: Report Number 11-37
Eighteenth and Nineteenth Amendments to the Oregon Convention Center Urban Renewal Plan

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Approve Resolution No. 6873

Approve Resolution No. 6874

ACTION SUMMARY

This action will approve the Eighteenth and Nineteenth Amendments to the Oregon Convention Center Urban Renewal Plan (Plan).

The Eighteenth Amendment updates Section 1000 of the Plan which provides procedures for Plan amendments, making it consistent with other urban renewal plans. The Eighteenth Amendment is a minor amendment and is effective upon adoption by the PDC Board (Board). There is no Technical Report on the Eighteenth Amendment as there are no changes to the Report criteria due to this amendment.

The Nineteenth Amendment adds public building findings for Veterans Memorial Coliseum (VMC) for the Oregon Convention Center Urban Renewal Area (OCCURA). The Nineteenth Amendment is a Council-approved amendment and must be approved by City Council (Council) after adoption by the PDC Board.

Staff will provide a update of the VMC project during this Board meeting.

PUBLIC BENEFIT

This action will benefit the public as it will create both construction and permanent jobs by allowing public funds to be used to make improvements to VMC. Improvements to VMC will revitalize and update the facility which will encourage more use as well as make the building more energy efficient. VMC improvements will also preserve this historic structure as a key component of the broader Rose Quarter redevelopment.

This action will support the following PDC goals:

- Strong Economic Growth and Competitiveness
- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Effective Stewardship over our Resources and Operations, and Employee Investment

PUBLIC PARTICIPATION AND FEEDBACK

A Stakeholder Advisory Committee made up of 30 members from a broad cross-section of the community has currently held over 15 meetings, which included discussions about the future use of Veterans Memorial Coliseum. A Memorial Coliseum Future Use Marketplace event was held in January 2010, which attracted more than 650 participants and included 33 concept slideshow presentations and information tables developed by the public. Two veterans advisory group meetings were held where PDC received feedback on the future use of the VMC. A Draft Rose Quarter District Plan open house with the N/NE Quadrant Study (Nov. 2010) was held and over 127 people attended. This District Plan includes the VMC. A project website was developed (RoseQuarterDevelopment.org) and it has received more than 80,000 visits and logged hundreds of comments, questions, reuse ideas and blog entries.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

Revising amendment process language does not affect any adopted plans or policies and is consistent with state law (ORS 457.085(2)(i)). Establishing public building findings to allow investment in VMC in the urban renewal area is consistent with the goals of the urban renewal plan, specifically Goal 5 - Upgrade the setting and environment of the area to reflect the best of Portland to visitors; encouraging extended convention stays, return visits and business recruitment to Oregon. Capital improvements have been identified by the Office of Management and Finance as a needed public improvement to a city asset. Deferred maintenance improvements have been identified in the Status Quo Analysis as those improvements which were recommended to be completed by 2010 in the Capital Improvements Report, authorized by OMF in 2000.

FINANCIAL IMPACT

This action will allow tax increment funds to be spent on Veterans Memorial Coliseum starting in FY 2010/11. There is a proposed increase to the FY 2010/11 Revised 3 Budget for Rose Quarter of \$375,000.

RISK ASSESSMENT

There is no anticipated risk with the Eighteenth Amendment.

If the Nineteenth amendment is not approved, VMC will continue to have operational issues due to deferred maintenance. Some deferred maintenance issues, if not addressed, may

become much more serious and lead to increased costs, which PDC would likely be asked to provide.

WORK LOAD IMPACT

No impact to staff workload is anticipated.

ALTERNATIVE ACTIONS

If the Nineteenth amendment is not approved, alternative financing would have to be found by the City of Portland in order to preserve and/or rehabilitate Veterans Memorial Coliseum

CONCURRENCE

The Nineteenth amendment will be presented to Portland City Council for approval. The Oregon Convention Center Urban Renewal Advisory Committee wrote a letter of support for the 18th and 19th amendments (see Attachment A). The Rose Quarter Stakeholder Advisory Committee is supportive of the Nineteenth amendment.

BACKGROUND

The Oregon Convention Center Urban Renewal Plan was adopted by City Council in May 1989 (Ordinance No. 161925). The boundary was amended in 1993, in response to the adoption of the Albina Community Plan to include NE Martin Luther King, Jr. Boulevard from Russell Street to Rosa Parks Way. Plan goals include maximizing regional job generation and targeting jobs to North and Northeast Portland residents.

On May 23, 2007, the Board adopted Resolution No. 6474 initiating a study of all eleven urban renewal areas over time. This effort is known as the Future of Urban Renewal. To date, studies have been performed on Central Eastside, Downtown Waterfront, South Park Blocks, River District, Lents Town Center, and Airport Way URAs. Amendments have been adopted for all six districts.

The North/Northeast Study was authorized December 10, 2008, by Resolution No. 6655 and included an analysis of past and planned investments, possible boundary adjustments and priorities for investments in the Oregon Convention Center and Interstate Corridor Urban Renewal Areas. Part of that effort also led to the Mayor establishing in August 2009, a Rose Quarter Stakeholder Advisory Committee made up of 30 members from a broad cross-section of the community. They have held 15 meetings and discussed a variety of options for VMC as well as design ideas for the overall Rose Quarter.

Part of this effort, the Memorial Coliseum Future Process, produced an aspirational statement, which was presented to Portland City Council on March 25, 2010.

We, the Rose Quarter Stakeholder Advisory Committee, support preservation of the Memorial Coliseum as an inspiring, community-focused, multi-purpose facility with

improved flexibility to accommodate a multiplicity of events for public and private purposes, at a variety of scales and uses including, without limitation: sports, entertainment, arts and culture in a manner that honors Veterans, respects the cultural heritage of the African American neighborhood that was previously in this location, integrates education, showcases innovation in sustainability, and demonstrates a triple bottom line of social, environmental and economic equity in a way that is consistent with its status as a National Register historic property.

On April 14, 2010 City Council adopted Resolution No. 36777, which included recommendations from the Rose Quarter Stakeholder Advisory Committee on the VMC. This formed the basis for discussion on future use of the facility.

State urban renewal law, ORS 457.085(2)(j) requires that public building findings be included in the urban renewal plan which explain “how the building serves or benefits the urban renewal area”. The Nineteenth Amendments adds these findings to the Plan allowing for funds to be expended on the VMC.

The Eighteenth Amendment clarifies the amendment process language of the OCCURA plan.

ATTACHMENTS:

- A. Oregon Convention Center Urban Renewal Advisory Committee Letter of Support
- B. URA Financial Summary

Letter of Support from Oregon Convention Center URAC

Portland Development Commission
222 NW Fifth Avenue
Portland OR 97209

May 4, 2011

Chair Scott Andrews
Commissioner Aneshka Dickson
Commissioner John Mohlis
Commissioner Steven Straus
Commissioner Charles Wilhoite

RE: Support for Oregon Convention Center Amendments

On April 11, 2011, PDC staff presented the Oregon Convention Center Urban Renewal Advisory Committee (URAC) a preview of three upcoming amendments to the Oregon Convention Center Urban Renewal Plan.

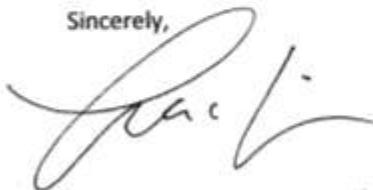
From our understanding these amendments achieve the following:

- The 18th Amendment: Is essentially a "housekeeping" action which makes certain types of amendments more efficient.
- The 19th Amendment: Allows tax increment resources to be invested in the Veterans Memorial Coliseum.
- The 20th Amendment: Removes property along Martin Luther King Jr. Blvd. with the intention of transferring it into the Interstate Corridor Urban Renewal Area in order to continue investment along the corridor.

This letter is intended to convey our support for all three amendments.

During the briefing, staff also reviewed a proposal to remove right-of-way from the district. The URAC felt the Sullivan's Gulch area adjacent to Interstate 84 and Interstate 5 should remain in the district to preserve the opportunity to extend the 40-mile loop trail. We understand PDC staff heard these concerns and will leave this right-of-way in the district to allow for potential funding opportunities.

Sincerely,



Traci Manning, OCC URAC Chair

URA FINANCIAL SUMMARY

Five-Year Forecast Project Requirements

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Convention Center URA						
Resources						
Beginning Fund Balance	3,054,495	669,035	75,300	34,690	253,037	516,984
Interest on Investments	75,000	50,000	25,000	0	0	0
Loan Collections	267,079	325,000	300,000	300,000	300,000	300,000
Property Income	208,000	0	0	0	0	0
TIF Proceeds	6,293,700	19,386,950	18,956,843	0	0	0
Total Fund Resources	9,898,274	20,430,985	19,357,143	334,690	553,037	816,984
Requirements						
Program Expenditures						
Administration						
Executive						
H60041 Eastside Central City Plan	141,173	0	0	0	0	0
H60042 N/NE Economic Dev Initiative	85,792	45,660	0	0	0	0
Finance						
H68001 Debt Management	27,250	28,613	30,044	30,044	30,044	30,044
Administration Total	254,215	74,273	30,044	30,044	30,044	30,044
Business Development						
High Growth						
H79020 Business Finance	100,000	125,000	125,000	0	0	0
Industry Cluster						
H72026 Cluster Development	0	200,000	200,000	0	0	0
H79020 Business Finance	275,000	250,000	250,000	0	0	0
H79022 Business Retention	20,000	0	0	0	0	0
H79100 Site Recruitment	0	38,000	38,000	38,000	0	0
Neighborhood Economic Development						
H72030 Neighborhood Economic Development	100,000	100,000	100,000	0	0	0
H79020 Business Finance	137,500	125,000	125,000	0	0	0
Business Development Total	632,500	838,000	838,000	38,000	0	0
Housing						
Multi-Family - For Sale						
H19032 King/Perks Affordable Housing	79,899	1,686,467	0	0	0	0
H80026 Grant Warehouse - Affordable Housing	861,000	0	0	0	0	0
Multi-Family - Rental Housing						
H80042 OCC Miracles Club	3,151,463	0	0	0	0	0
H80043 Rose Qtr Afford Rental Housing	89,000	0	0	0	0	0
H89049 McCoy Apartments Rehab	410,000	387,600	0	0	0	0
Housing Total	4,591,362	2,074,067	0	0	0	0
Infrastructure						
Transportation						
H25537 MLK Jr Blvd Gateway Improve	500,000	0	0	0	0	0
H28072 Rose Quarter Connection	0	0	150,000	0	0	0
Infrastructure Total	500,000	0	150,000	0	0	0
Property Redevelopment						
Community Outreach - Revitalization						
H11601 Community Outreach	20,000	5,000	5,000	0	0	0
Redevelopment						
H11602 Property Management	0	75,000	75,000	0	0	0
H16237 HQ Hotel/Blocks 43/26	0	3,193,986	0	0	0	0
H25533 Vanport Redevelopment	15,000	0	0	0	0	0
H25606 Lloyd Commercial Development	0	0	4,044,000	0	0	0
H25610 Bee Car Rental Redevelopment	7,000	0	0	0	0	0
H25612 King/Perks Commercial	0	700,000	0	0	0	0
H25613 Rose Quarter Revitalization	80,000	9,044,000	10,400,000	0	0	0

Five-Year Forecast Project Requirements

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
H27001 Storefront Grants	300,000	250,000	150,000	0	0	0
H27050 DOS Grants	60,000	30,000	30,000	0	0	0
H28030 Redevelopment Loan Projects	700,000	0	160,000	0	0	0
H28079 Eco District Commercial Retro	0	200,000	0	0	0	0
H61005 Eco District	70,000	70,000	220,000	0	0	0
Property Redevelopment Total	1,232,000	13,567,986	15,084,000	0	0	0
Total Program Expenditures	7,210,077	16,554,326	16,102,044	68,044	30,044	30,044
Personal Services	482,294	743,071	579,674	2,450	1,442	1,442
Transfers - Indirect	1,164,340	2,790,079	2,222,082	9,390	3,846	3,846
PHB Staff/Admin	372,528	268,209	418,653	1,769	721	721
Total Fund Expenditures	9,229,239	20,355,685	19,322,453	81,653	36,053	36,053
Contingency	689,035	75,300	34,690	253,037	516,984	780,931
Ending Fund Balance	0	0	0	0	0	0
Total Requirements	9,898,274	20,430,985	19,357,143	334,690	553,037	816,984