DATE: December 10, 2008

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 08-140
Authorize initiation of a “North/Northeast Study” of Interstate Corridor and Oregon Convention Center urban renewal areas and plans

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED
Adopt Resolution No. 6655

ACTION SUMMARY
This action item authorizes the Executive Director to initiate a study of the Interstate Corridor (Interstate) and Oregon Convention Center (OCC) Urban Renewal Plans which would include research on current and future investments in the areas.

PUBLIC BENEFIT
This process may examine boundary adjustments in the districts which would potentially allow those areas outside the current urban renewal area to benefit from inclusion. The study will also examine the removal of areas from the current boundaries, such as right-of-way and undevelopable land which would increase the citywide acreage that could be included in an urban renewal area. The maximum indebtedness will be analyzed in these areas to determine if financial capacity is sufficient to achieve the known projects and objectives of the areas. The study will also examine a possible extension of the last date to issue bonded indebtedness in order to complete major projects.

This action will support the following PDC goals:
- Develop healthy neighborhoods
- Provide access to quality housing
- Help businesses to create and sustain quality jobs
- Support a vibrant Central City (urban core)
- Contribute to a strong regional economy

PUBLIC PARTICIPATION AND FEEDBACK
A public participation plan is in preparation to inform and educate stakeholders and the general public on the impacts regarding this action. The plan calls for working with the Urban Renewal Advisory Committees, Neighborhood Associations, Business Associations and other community organizations. Public input will be gathered through a variety of tools...
such as community meetings, website, and stakeholder interviews. A summary report will be included as part of any further actions.

**COMPLIANCE WITH ADOPTED PLANS AND POLICIES**

Public participation activities will be carried out in accordance with the Public Participation Policy adopted by the Board on June 22, 2005 (Resolution 6266).

**FINANCIAL IMPACT**

The budget required for analysis and then development of the amendment process is included in the Adopted 2008-2009 Budget. Financial implications of various amendments will be part of the final study report.

**RISK ASSESSMENT**

No significant risks identified.

**WORK LOAD IMPACT**

Staff resources would be required from each of the urban renewal areas for public outreach as well as data gathering and summation. Consultants will be used to conduct financial analysis and stakeholder interviews. Additional temporary staffing is part of the Adopted 2008-2009 Budget.

**ALTERNATIVE ACTIONS**

Amendment to existing urban renewal plans is the only alternative PDC has to extending or expanding the use of urban renewal resources and tools to these areas for additional projects and activities beyond those to be funded under the current plans. Other city resources and tools (such as local improvement districts) are also conceivably available to fund programs and improvements.

**CONCURRENCE**

This study is an extension to the previously approved study of central city and neighborhood urban renewal areas which came from a recommendation from the PDC/City Council Budget Work Group. The Chairs of both the Interstate and OCC Urban Renewal Advisory Committees have been notified of the study and agree that it should occur. The Executive Team has been briefed on the study and is in concurrence with the study.
BACKGROUND

The Interstate Corridor Urban Renewal Plan was adopted by City Council in August, 2000 (Ordinance #174829). Plan goals include implementing the Albina Community Plan, providing light rail, revitalizing main arterials, and increasing home ownership.

The Oregon Convention Center Urban Renewal Plan was adopted by City Council in May, 1989 (Ordinance #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 approved Resolution 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, and Lents Town Center URAs. Amendments have been passed for all five districts.

The North/Northeast Study, which will take place during the 2008-09 fiscal year, will include an analysis of past and planned investment plans, possible boundary adjustments and priorities for investments in the Oregon Convention Center and Interstate Corridor Urban Renewal Areas. The North/Northeast Study will be conducted in partnership with the community to ensure the investments made by the Portland Development Commission (PDC) enhance livability and economic opportunity with the two urban renewal areas and the city at-large.

ATTACHMENTS:

A. URA Financial Summary
B. Project Summary
C. Map of Study Areas
## Financial Summary

### Fund Summary - Five-Year Budget Projections

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<thead>
<tr>
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<tr>
<td>Beginning Fund Balance</td>
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<td>918,839</td>
<td>774,599</td>
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<td>Loans - Interest Earned</td>
<td>79,840</td>
<td>60,120</td>
<td>53,559</td>
<td>1,156,364</td>
<td>46,979</td>
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<td>Loans - Principal Collection</td>
<td>552,000</td>
<td>710,120</td>
<td>53,559</td>
<td>1,156,364</td>
<td>46,979</td>
<td>38,748</td>
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<td>Real Property Sales</td>
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<td>Reimbursement</td>
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<td>Rent and Property Income</td>
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<td>Tax increment - L-T Debt</td>
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<td>21,847,666</td>
<td>7,592,000</td>
<td>6,493,500</td>
<td>3,196,800</td>
<td>4,995,000</td>
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<td>Tax increment - S-T Debt</td>
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<td>5,994,000</td>
<td>5,078,737</td>
<td>5,724,600</td>
<td>5,994,000</td>
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</table>

**Total Fund Resources:** 16,826,558

### Requirements

**Project Expenditures (does not include Personal Services or Indirect Cost)**

#### Development

- Interstate Redevelopment: 199,606
- Interstate DSQ Program: 271,247
- Interstate Streetscape Improve: 2,169,944
- Interstate Trans Improvements: 196,066
- Interstate Community Liv: 300,000
- Interstate Parks: 1,011,800
- Downtown Kenton Rede: 25,000
- IC Redevelopment Loan Program: 400,000

**Development Total:** 4,556,863

#### Economic Development

- IC Storefront Grants: 540,333
- IC Business Finance: 1,725,000
- IC Business Retent & Asst: 80,900
- Killingsworth Block Fin Asst: 0
- IC Community Ec Dev: 0

**Economic Development Total:** 2,346,233

#### Housing

- IC Aff Rental Housing: 200,000
- Interstate Home Repair: 555,616
- Interstate Homebuyer Asst: 400,000
- Killingsworth Block: 450,000
- Patton Park Aff. Rental Hsg: 1,415,000
- Shaver Green: 1,036,556
- IC Hsg Policy/Planning: 31,902
- Vanport Phase II Housing: 79,255
- IC HAP Aff Homownship/Aq: 0
- IC HAP Aff Ownership/Rehab: 0

**Housing Total:** 4,734,368

#### Central Services

- IC Debt Management: 17,655
- Central Services Total: 17,655

### Executive

- IC Eastside/Central City Plan: 0

**Executive Total:** 0
### Financial Summary

#### Fund Summary - Five-Year Budget Projections

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<tbody>
<tr>
<td>80029 - Affordable Homeownership</td>
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<td>80042 - Miracles Club</td>
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<td>1,500,000</td>
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<td>4,014,769</td>
<td>3,351,877</td>
<td>2,000,000</td>
<td>900,000</td>
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<td>Central Services</td>
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<tr>
<td>59163 - OCC Debt Management</td>
<td>23,540</td>
<td>24,717</td>
<td>25,953</td>
<td>27,250</td>
<td>28,613</td>
<td>30,044</td>
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<td><strong>Central Services Total</strong></td>
<td>23,540</td>
<td>24,717</td>
<td>25,953</td>
<td>27,250</td>
<td>28,613</td>
<td>30,044</td>
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<td>62039 - OCC Eastside/Central City Plan</td>
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<td>75,000</td>
<td>57,000</td>
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<td><strong>Executive Total</strong></td>
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<td>57,000</td>
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<td>Total Project Expenditures</td>
<td>16,278,263</td>
<td>14,414,245</td>
<td>9,645,830</td>
<td>4,632,250</td>
<td>2,233,613</td>
<td>1,325,044</td>
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<td>Indirect Cost</td>
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<td>3,233,012</td>
<td>2,131,992</td>
<td>1,336,121</td>
<td>603,167</td>
<td>339,170</td>
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<td><strong>Total Fund Expenditures</strong></td>
<td>13,785,605</td>
<td>11,181,257</td>
<td>7,508,837</td>
<td>3,296,121</td>
<td>1,629,443</td>
<td>1,664,214</td>
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<td>Contingency</td>
<td>4,443,340</td>
<td>829,457</td>
<td>1,255,123</td>
<td>1,496,844</td>
<td>57,166</td>
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<td>Ending Fund Balance</td>
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<td><strong>Total Requirements</strong></td>
<td>18,228,945</td>
<td>18,476,714</td>
<td>13,035,945</td>
<td>7,465,215</td>
<td>2,893,946</td>
<td>1,670,073</td>
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PROJECT SUMMARY

Project Name: N/NE Study

Description: The N/NE Study will include an analysis of past and planned investment plans, possible boundary adjustments and priorities for investments. The N/NE Study will be conducted in partnership with the community to ensure the investments of the next 50 years further enhance the livability and economic opportunity with the two urban renewal areas and the city at-large.

Location: N/NE Portland

URA: Interstate Corridor and Oregon Convention Center

Current Phase: Financial Analysis

Next Milestone: Receive Final Financial Analysis in March 2009

Completion Target: Determine whether to proceed with amendments, April 2009. If proceeding with amendments, complete amendment process March 2010

Outcome: URA Plan Amendments if necessary

Site/Project Map: