



PROSPER
PORTLAND
Building an Equitable Economy

DATE: January 15, 2020
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 20-05
Adopting the Third Amendment to the Willamette Industrial Urban Renewal Plan;
Adopting the Eleventh Amendment to the Amended and Restated Interstate Corridor
Urban Renewal Plan

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7355 and 7356

These actions by the Prosper Portland Board of Commissioners (Board) would adopt the Third Amendment to the Willamette Industrial Urban Renewal Plan (Willamette Plan) and the Eleventh Amendment to the Amended and Restated Interstate Corridor Urban Renewal Plan (Interstate Plan). If approved, the Willamette Plan boundary will be expanded to include 5.61 acres of land (Property) currently within the Interstate Plan boundary (see a map in Attachment A), allowing Prosper Portland to invest Willamette Plan tax increment financing (TIF) resources available into a potential property and building acquisition (Manufacturing Site). While staff are still in negotiations to acquire the Manufacturing Site, the amendments are critical to provide funding for the purchase. Should staff succeed in negotiations, they will bring the transaction to the Prosper Portland Board for consideration later in 2020.

These actions do not have any affect on the amount of Prosper Portland resources devoted to Interstate Plan or North/Northeast Community Development Initiative objectives, but rather allow Prosper Portland to invest Willamette Plan TIF funds that have been unused for more than a decade in a project that could deliver significant community benefits.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

These actions will deliver on Prosper Portland's Strategic Plan goals of creating access to high quality employment for Portland residents and fostering wealth creation within communities of color.

BACKGROUND AND CONTEXT

The Willamette Plan was adopted by Portland City Council on November 24, 2004, by Ordinance No. 178904 to attract investment and foster development in Portland's industrial waterfront. The Willamette Plan was subsequently amended twice, most recently in 2015 to stop collecting TIF revenue; however, there are approximately \$4,300,000 in unspent TIF resources remaining that must be spent within the Willamette Plan boundary. No significant investments were made during the life of the Willamette Plan other than minor business development and Portland Harbor redevelopment initiatives expenditures, primarily in 2008 and 2009.

The Interstate Plan was adopted by Portland City Council on August 23, 2000, by Ordinance No. 174829 to provide resources to fund and foster the economic development and redevelopment of north and

northeast Portland. The original plan has subsequently been amended ten times to more effectively and equitably distribute TIF resources into initiatives that met community goals. Amending the Interstate Plan to exclude the Property will provide Prosper Portland the ability to invest funds that have been available in the Willamette Plan TIF district in ways that will help manufacturers and makers of color in the area, without interfering with the Interstate Plan goals.

In 2019, staff identified the Manufacturing Site located at 5001 N Lagoon Avenue on Swan Island as an opportunity for Prosper Portland to create a shared manufacturing and maker space for local small businesses. The Manufacturing Site is a 48,000 square foot industrial building on a 2.6 acres parcel that includes a commercial kitchen, a large warehouse, two stories of office spaces, an outside enclosed space, and surface parking.

EQUITY IMPACT

Amending the plans will provide Prosper Portland the ability to invest Willamette Plan TIF funds to help manufacturers and business owners of color in the area, while still effectively delivering on Interstate Plan goals. Any future Prosper Portland investments in the Manufacturing Site would be subject to the agency's Business and Workforce Equity programs.

COMMUNITY PARTICIPATION AND FEEDBACK

Prosper Portland has discussed the Interstate Plan amendment with the N/NE Community Development Initiative (N/NE CDI) Committee Oversight Committee on July 24 and September 26, 2019; the committee was very supportive of both the amendment and the proposed Manufacturing Site project.

BUDGET AND FINANCIAL INFORMATION

There are no direct budget impacts from these actions. Should staff successfully negotiate and the Prosper Portland Board ultimately approve the Manufacturing Site acquisition, the agency will likely commit to using all remaining Willamette Plan TIF resources.

RISK ASSESSMENT

There is a risk that the Prosper Portland Board could approve the plan amendments but the attempts to acquire the Manufacturing Site fail. Should this occur, staff will continue to pursue opportunities within and possibly adjacent to the Willamette Plan boundary to further economic development objectives on Swan Island.

ATTACHMENTS

- A. Map of Amendment Area

Amendment Area

