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12-7-04

I hereby certify this document to be a complete and exact copy of the original as the same appears on file and of record in my office and in my care and custody on this 29th day of November, 2004

GARY BLACKMER
Auditor of the City of Portland

By Susan Parsons
Deputy

ORDINANCE No. 1 7 8 9 0 4

Approve the Willamette Industrial Urban Renewal Plan

(Ordinance)

The City of Portland ordains:

Return Document to: Kate Staples
Portland Development Commission
222 NW 5th Avenue
Portland, OR 97209

Section 1. The Council finds:

1. The Willamette Industrial Urban Renewal Area (the "Area"), as defined in the Willamette Industrial Urban Renewal Plan (the "Plan"), attached hereto as Exhibit "A", and incorporated herein, is a blighted area, including the following characteristics:
 - a. Environmentally contaminated sites which are no longer productive.
 - b. Industrially zoned properties which are vacant or abandoned, in the context of a severe lack of riverfront industrial properties in the City.
 - c. Existing industrial businesses, including transportation equipment manufacturing and distribution and logistics businesses, which feature obsolete equipment or which do not fully utilize their respective properties, with little or no current public financial tools to assist them in modernizing or expanding their operations.
 - d. Insufficient infrastructure to accommodate future needs as the area experiences job growth.

These findings are based in part on Sections II and III of the Report on the Willamette Industrial Urban Renewal Plan (the "Report"), which accompanies the Plan and is attached as Exhibit "B".

2. That rehabilitation and redevelopment of property within the Area are necessary to protect the public health, safety, and welfare of the City of Portland. The benefits to health, safety, and welfare of the activities under the Plan are discussed in Section III of the Report.
3. The Plan conforms to the City's Comprehensive Plan and to the City's economic development plan which is incorporated into the Comprehensive Plan in Goal 5, and provides an outline for completion of projects proposed in the Plan. This finding is based in part on Section X of the Plan and its exhibits, and on the recommendation of the City of Portland Planning Commission which has found that the Plan conforms to the Comprehensive Plan.
4. Section IX of the Plan establishes procedures for the relocation of displaced persons or businesses in accordance with ORS 35.500 - 35.530 (formerly ORS 281.045 - 281.105).
5. The Plan identifies property acquisition as a strategic component to achieve the goals of the Plan (by facilitating projects which revitalize the Area). Property acquisition may be necessary to carry out the goals of the Plan because redevelopment to cure the blighting conditions in the Area may require assembly of small parcels in order

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to create parcels of a sufficient size and configuration to accommodate new industrial investment or expansion.

6. Carrying out the Plan is economically sound and feasible. This finding is based in part on the analysis of the financial feasibility of projects in the Plan contained in Sections VII and IX of the Report.
7. The Plan has been guided by a number of policy documents and studies related to industrial lands, including the Citywide Industrial Lands Inventory and Analysis, and the Portland Harbor Industrial Lands Study. Likewise the Plan is consistent with relevant goals and objectives of adopted plans including the Guild's Lake Industrial Sanctuary Plan, the Albina Community Plan, and the Willamette Greenway Plan.
8. The Plan was prepared and refined in consultation with numerous stakeholder organizations and individuals, including property and business owners in the Area, nearby business and neighborhood associations, and affected public agencies. The Portland Development Commission hosted a public open house in September, 2004, and the Commission also convened a key stakeholders group which has met several times to provide more detailed guidance. In addition, in response to comments from the public, Section VI.D of the Plan calls for the Portland Development Commission to convene a task force consisting of affected property and business owners and agencies, to develop an Implementation Strategy to guide expenditures over the life of the Plan.
9. The Portland Development Commission considered the Plan and received public testimony on the Plan on October 13, 2004, and recommended adoption of the Plan by the City Council in PDC Resolution No. 6191.
10. The Portland Planning Commission considered the Plan and received public testimony on the Plan during a public hearing on November 9, 2004, and has made Planning Commission findings, submitted under separate cover and incorporated herein as Exhibit C, and recommends Council adoption of the Plan.
11. The City Council has received and considered public testimony at a public hearing before the Council on November 17, 2004; with notice of such hearing distributed to all postal patrons within the City of Portland as required by ORS 457.120.
12. The Area does not extend beyond the boundaries of the City limits of Portland. Therefore, the requirements of ORS 457.105 do not apply to adoption of the Plan.
13. Copies of the Plan and Report were provided to the governing body of each taxing district affected by the Plan for their consultation, and the Portland Development Commission offered to confer with any affected taxing district in accordance with ORS 457.085 (5), as established by the affidavit of Don Mazziotti.

NOW THEREFORE, the Council directs:

- a. That the Willamette Industrial Urban Renewal Plan, attached as Exhibit "A" is hereby approved.

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- b. The Portland Development Commission shall administer the implementation of the Willamette Industrial Urban Renewal Plan. The City of Portland shall assume and complete any activities prescribed to it in the Plan.
- c. The Plan shall be financed, at least in part, by division of taxes as provided in ORS 457.420 to 457.450.
- d. The Portland Development Commission shall file a copy of this Ordinance and Exhibits A and B upon adoption by the Council, in the Records of Multnomah County.
- e. The City Auditor shall forward forthwith to the Portland Development Commission and to the Portland Planning Commission certified copies of this Ordinance upon adoption by the Council.
- f. The City Auditor, in accordance with ORS 457.095, shall publish notice of the adoption of this Ordinance approving the Willamette Industrial Urban Renewal Plan in the newspaper having the greatest circulation in the City of Portland within four days following adoption of this Ordinance.

Passed by the Council, NOV 2 4 2004

Mayor Vera Katz
PDC, Donald Mazziotti
Robert Alexander
November 8, 2004

Gary Blackmer
Auditor of the City of Portland

By *Susan Parsons*
Deputy

12-7-04

EXHIBIT A

178904

Portland Development Commission

WILLAMETTE INDUSTRIAL URBAN RENEWAL PLAN

October 13, 2004
Revised October 27, 2004

12-7-04

WILLAMETTE INDUSTRIAL URBAN RENEWAL PLAN

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I. INTRODUCTION

The Willamette Industrial Urban Renewal Area represents the heart of Portland's urban industrial waterfront. Comprised of properties lying on both sides of the Willamette River, this area has historically been a major generator of jobs. While the area retains its industrial character, it faces key challenges which prevent it from achieving its full potential. These challenges include environmental contamination, infrastructure deficiencies, as well as other factors which deter new investment. In light of these challenges, and in light of the serious lack of developable parcels within the entire industrial riverfront, the creation of the Willamette Industrial Urban Renewal Area is a critical component in the City of Portland's efforts to attract new industrial and manufacturing investments which produce good-paying jobs, and to retain and expand existing businesses.

This Urban Renewal Area (URA) represents the culmination of several years of policy planning related to industrial land in the City of Portland. The Economic Development Strategy (adopted by the Portland Development Commission in 2002) identified the formation of an industrial urban renewal area as an important tool in forwarding the City's economic development agenda and in responding to the challenges which the City faces as it attempts to remain competitive in retaining and attracting industrial investment.

Exhibit 1 shows a map of the URA. The Area includes portions of Swan Island and Mocks Bottom on the east side of the Willamette River, as well as properties on the west bank of the River on both sides of the historic rail bridge. The Area contains approximately 751 acres. Almost all of the URA falls within one of two of the City's industrial zones. In adopting this Plan, the City and the Portland Development Commission intend that properties within the URA will remain industrially zoned, and that urban renewal funds will be expended to reinforce the industrial "sanctuary" status of these properties.

Portions of the URA, in particular within the Mocks Bottom sub-area, comprise a significant component of Portland's freight hub, and provide a substantial percentage of the City's jobs in the distribution and logistics industry. This industry, and its central location, plays an important role in the City's and region's economy. The Plan provides PDC with a tool to invest in maintaining the competitiveness of this key targeted industry cluster.

The Willamette Industrial Urban Renewal Plan (the "Plan") authorizes the Portland Development Commission, the Urban Renewal Agency of the City of Portland (the "Commission"), to use urban renewal powers to carry out the goals and objectives of this Plan. The Plan has been prepared pursuant to Oregon Revised Statutes (ORS) Chapter 457, and all applicable laws and ordinances of the State of Oregon and the City of Portland.

II. GOALS

The Plan will help implement the goals and objectives of Portland's Comprehensive Plan that relate to the development of the URA. Unlike other urban renewal areas, the Willamette Industrial Urban Renewal Area is zoned almost exclusively for industrial uses. Urban renewal provides funding to help expand existing and attract new industrial investment that supports the City's economic development agenda. Above all, the Plan is intended to stimulate new private industrial and manufacturing investments that will produce jobs, encourage existing businesses to remain and expand, and generate ancillary business opportunities.

The following are more specific goals that help to amplify the broad intentions of the Plan stated above.

Goal 1 – New Private Investment: Encourage new private investments, either expansion of existing businesses or new business development, that will generate relatively high densities of well-paying jobs.

Goal 2 – Business Retention: Encourage existing businesses within the URA to remain and expand, using various loan and grant programs, permitting assistance, infrastructure improvements, and other projects or programs.

Goal 3 – Attracting New Businesses: Encourage new businesses to invest in the area, through various loan and grant programs, permitting assistance, regulatory compliance, infrastructure improvements, and other programs.

Goal 4 – Business Generation: Encourage business investments that will generate additional business opportunities, such as opportunities for vendors and suppliers in the area.

Goal 5 – Industrial Land Supply: Facilitate business investment by assembling sites of suitable size, location and configuration to help achieve the goals of the Plan, and by removing identified constraints to redevelopment.

Goal 6 – Brownfield Remediation: Foster business investment on sites that contain, or may contain, environmental contamination so that these sites can be returned or enhanced to productive use. PDC assistance may take the form of environmental investigation, permitting assistance, and negotiations with regulatory agencies, and in some cases partial remediation or mitigation. PDC assistance is not, however, intended to remove the obligations, financial or otherwise, of parties responsible for contamination.

Goal 7 – Local Community Benefit: Generate wealth within the surrounding community through partnerships with local education, training, workforce, and contracting organizations. Local wealth creation includes providing both construction and permanent jobs as well as contracting opportunities for area residents and businesses. All new construction that involves PDC funding will be subject to the Commission's requirements regarding Minority & Women owned businesses, Emerging Small Businesses, and Workforce hiring.

Goal 8 – River Renaissance: In recognition that an enhanced environment and a strong economy are mutually supportive, encourage public improvements and private investment that are supportive of the City's efforts to carefully coordinate and integrate economic development goals with environmental stewardship goals and efforts, as suggested in the City's River Renaissance Strategy.

Goal 9 – Sustainability: In accordance with PDC's Green Building Policy, encourage new private investment and public infrastructure development that incorporates sustainability principles and practices in all aspects of development, including site and building design, demolition and site preparation, construction, and ongoing maintenance and operations.

Goal 10 – Natural Areas: Preserve and enhance natural resources in areas such as the Willamette riverbanks and greenway.

Goal 11 – Public Access: Incorporate visual and physical access to the river for the public via trail spurs or viewpoints. Trail alignment should maintain continuity with the officially designated trail system and be located away from the river's edge, to allow for river-dependent industrial functions.

Goal 12 – Infrastructure to Support Business Investment: Invest in new or relocated infrastructure improvements (streets and sidewalks, utilities, pedestrian connections, intersections, and so forth) that will strengthen the accessibility of the area, and will help to attract new business investment.

Goal 13 – Central City Industry Competitiveness: Provide resources to invest in modernization and upgrading of distribution and logistics and manufacturing facilities, allowing these industries to maintain the competitive advantage afforded by their central city location.

III. PUBLIC INVOLVEMENT

The goals, policies and projects in this Plan have been developed in consultation with a variety of stakeholder groups, public agencies, local taxing jurisdictions, property and business owners, the Portland Planning Commission, and the general public. In addition, many of the assumptions and recommendations in this Plan are based on the Citywide Industrial Land Inventory and Assessment Study (completed in 2002). This study entailed a two year collaborative process with industrial stakeholders, business and property owners in the City of Portland to assess lands and make recommendations for supporting the industrial sector.

Over the life of the Plan, PDC will continue to solicit public input on all significant issues affecting the URA, in particular the implementation of major projects, short and long term financial planning and the monitoring of plan progress. All Plan amendments will be reviewed and approved by the Commission in a public meeting with notice. In addition, substantial and City Council-approved Plan amendments (see Section XIII) must be approved by the Commission, then adopted by the City Council at public meetings for which public notice is provided in conformance with state law.

IV. URBAN RENEWAL PLAN OUTLINE

The Willamette Industrial Urban Renewal Area is composed of four "sub-areas": Swan Island and Mocks Bottom (on the east side of the Willamette River), and West Bank-North and West Bank-South, on the west side of the River. Exhibit 1 identifies these four sub-areas. This section of the Plan briefly outlines what activities will be undertaken in these sub-areas.

In all sub-areas, PDC will undertake a variety of activities to accomplish the Plan goals. These activities include providing financial assistance to the expansion of existing businesses and new business investment; assistance in the assessment and remediation of environmental contamination; infrastructure improvements; land assembly; and site preparation. Improvements may include restoration of riparian habitat along the Willamette river bank (as well as along the bank of the Swan Island Lagoon), in order to assist businesses in complying with requirements of the Willamette Greenway, the Stormwater Management Manual and other regulations where applicable. (Under the provisions of the Swan Island Plan District, some waterfront properties in Swan Island and Mock's Bottom are exempt from greenway review under certain circumstances, in recognition of the particular needs of river-dependent industries; a mitigation plan is required in lieu of the greenway review).

The remainder of this subsection briefly describes the four sub-areas, and the opportunities for development or redevelopment within each sub-area. Urban renewal is a critical element in optimizing these opportunities, thereby satisfying the goals of this Plan. Without urban renewal, it is highly unlikely that the level of intensity of redevelopment called for in the Plan will occur.

Swan Island: Approximately 192 acres (roughly the northern two thirds) of Swan Island fall within the URA. The southern third of Swan Island is within the Interstate Corridor Urban Renewal Area. Originally a low-lying wooded island with channels running on both its east and west sides, the Port of Portland purchased Swan Island in the 1920s for the purpose of raising the elevation of the Island, and connecting it to the east bank of the River using dredge material from a deepened navigation channel. Those portions of Swan Island within the Willamette Industrial URA feature several major improvements and land holdings, including the Cascade General property and related ship repair companies, Freightliner's Engineering buildings, and a Port-owned approximately 30 acre vacant parcel directly abutting the riverfront. Some of these sites are vacant or largely under-utilized. Key opportunities include encouraging more intensive utilization of these parcels, as well as enhancements to portions of the riverbank which borders three sides of Swan Island. The Cascade General holdings within this sub-area include "submerged lands", including dock facilities that could be the subject of substantial new investment.

Mocks Bottom: This is the largest of the sub-areas within the URA, totaling 360 acres. Note that for the purpose of this Plan, "Mocks Bottom" includes all industrial lands lying between the Swan Island Lagoon and Mocks Bluff. Mocks Bottom includes "Mocks Landing", which is limited to properties on the east side of the main rail line. Major employers in Mocks Bottom include Freightliner's Truck Plant, United Parcel Service, Federal Express, Andersen Construction, and the U.S. Coast Guard. Recent major improvements include the construction of a bridge over the Union Pacific Railroad's main line, which provides access to the northeasterly portion of Mocks Bottom, opening these areas up to development over the last two decades.

The western edge of Mocks Bottom consists of the Swan Island lagoon, which is characterized by a mix of vegetated bank (with a beach during periods of low water) and a variety of docks. Curving along the north and east edge of Mocks Bottom is a steep bluff, beyond which lie the Overlook and University Park neighborhoods (including the University of Portland).

Much of this sub-area has been developed and there are few vacant sites. However, some of these developed properties could be more fully utilized, by targeting urban renewal funds to projects which entail the modernization, expansion or more efficient utilization of these developed properties. Urban renewal could also serve to assist new development in satisfying various regulatory requirements, related for instance to improvements to the shore of Swan Island lagoon (which forms the western edge of Mocks Bottom).

West Bank - North: The 79 acre Siltronic property is the sole land holding in this sub-area. This site includes the "Fab 1" plant developed in 1979-1980, with "Fab 2" added in 1995. A proposed new fabrication plant would adjoin these two earlier plants, representing an investment of approximately \$466 million and employing 500 people. Urban renewal funds will be an essential component of this project's funding. The Siltronic ownership within this sub-area includes approximately 20 acres of additional undeveloped land, for which urban renewal funds could serve to assist in redevelopment.

West Bank – South: To the south of the Siltronic site and the Railroad Bridge lie several now-abandoned industrial sites, which are severely contaminated. The major businesses historically located in this approximately 120 acre sub-area included Atofina Chemicals, and Rhone-Poulenc. Urban renewal funding is necessary to leverage private investment within this sub-area due to the level of environmental contamination present. Urban renewal funds could also assist in the construction of new streets and other infrastructure which may be necessitated by new development.

V. URBAN RENEWAL AREA MAP AND LEGAL DESCRIPTION

Exhibit 1 is a map of the boundary of the URA. Exhibit 2 contains the narrative legal description of the boundary.

VI. URBAN RENEWAL PROJECTS

In order to achieve the objectives of this Plan, the following activities will be undertaken by the Commission, in accordance with applicable Federal, State, County and City laws, policies and procedures, and in accordance with the goals and objectives of this Plan. General authority for categories of projects and programs is included herein, as well as specific information on projects that are anticipated at the time of Plan adoption. These projects and programs constitute the projects which PDC will employ for the purpose of implementing the Plan goals. These projects may be modified, expanded, or eliminated as needed to meet the objectives of the Plan, subject to Section XIII, Amendments to the Plan.

A. Development, Redevelopment and Rehabilitation Assistance

The Commission may establish and administer loans and grant programs to assist property owners in developing, redeveloping, or rehabilitating property within the Area to achieve the goals of the Plan. These loans or grants may include financial assistance to improve older buildings to meet current code standards (including seismic standards); assist in the assessment, permitting, and possible mitigation or remediation of environmental conditions (provided that PDC does not intend to assume the obligations of responsible parties); assess the feasibility of development or redevelopment; assist in the construction of structured parking or other improvements to allow for the intensification of under-utilized sites; and other programs to eliminate blight in the area.

The following are specific Commission-adopted programs and activities that the Commission will utilize in the Willamette Industrial URA in support of business investment to implement the goals of the Plan:

- *Economic Opportunity Fund:* This program assists in the expansion of existing businesses and provides assistance for new businesses wishing to locate within the URA. Eligibility and specific amount of financial assistance are based upon a variety of factors. Special consideration is given to businesses that exhibit high economic impact, removal of blight, fall within one of the Commission's targeted industries (which include metals, high technology, transportation equipment, and distribution and logistics), and/or incorporate green building/sustainable building practices. Qualifying expenditures include infrastructure, permit fees, system development charges, sustainability investments, tenant improvements, and manufacturing improvements.
- *Quality Jobs Program:* This is a forgivable loan program targeted to businesses that pay better than average wages, and that feature relatively high job densities. Qualifying expenditures include physical improvements and infrastructure. To qualify for this program, businesses must pay wages averaging 200% of Oregon's minimum wage.
- *Deferred Loan Program:* This is a flexible financing tool targeted towards small businesses looking to expand within the URA.
- *Industrial Development Opportunities Services Program:* This is a matching grant fund intended to help business and property owners conduct preliminary feasibility analyses for possible redevelopment of their properties. Eligible expenditures include architecture, planning, appraisals, environmental assessments, and market feasibility studies.

In addition to these financial tools, PDC will provide a variety of technical services to help achieve the goals of the Plan, such as assistance in obtaining other funding sources (above and beyond urban renewal funds); assistance in obtaining permits; and so forth. This assistance will be provided in conjunction with partner agencies including the Bureau of Development Services and the Bureau of Environmental Services.

Over time, the Commission anticipates developing other specific programs and rules and regulations for their administration, to ensure that urban renewal funds are used properly and for their agreed upon purposes. The Commission shall adopt a minor amendment to the Plan to establish such future program(s), together with a statement of the estimated costs to support the programs. Amendments to the program(s) that do not change the estimated costs, or the adoption or amendment of rules and regulations implementing the program(s), shall not be considered changes to the Plan.

The Commission intends to provide financial assistance, in the form of loans, grants, infrastructure, and/or permitting and technical assistance, to a proposed new approximately 250,000 square foot silicon wafer fabrication plant to be built by the Siltronic Corporation, on property located within the West Bank-North sub-area.

B. Land Acquisition, Improvement and Disposition for Redevelopment Projects

The Commission may acquire, improve and dispose of property for redevelopment in conformance with the Comprehensive Plan, Zoning Ordinance and specific Plan goals. The detailed provisions pertaining to these activities are described in Sections VII and VIII below.

C. Public Improvements

The Commission may undertake public improvements that support the goals of this Plan. Public improvements include the design, construction, reconstruction, repair or replacement of sidewalks, streets, transit systems and other improvements to better manage transportation demand, parking, parks and open space, resource enhancement, pedestrian amenities, on-street and off-street trails, landscape features, riverbank restoration, public viewpoints, water, sanitary sewer and storm sewer facilities and other public infrastructure investments that advance the goals of this Plan.

Commencement of a project that includes a public building shall be authorized by minor amendment to this Plan, which shall establish the level of benefit to the Plan area as required in ORS 457.085 (j).

D. Planning

The Commission may undertake planning activities which relate to projects designed to further the objectives of the Plan, whether or not such planning ultimately results in a project being constructed or funded.

Following adoption of the Plan, and no later than December 31, 2004, the Commission will convene a URA Implementation Strategy Task Force, consisting of property and business owners, as well as representatives from the Port of Portland, the Portland Business Alliance, and the Portland Bureau of Planning. The work of the task force will be coordinated with agencies such as the Portland Department of Transportation, the Bureau of Environmental Services, and the Department of Environmental Quality. The purpose of this Task Force is to assist the Commission in the creation of an Implementation Strategy, the primary purpose of which is to articulate priorities for expenditures over the life of the URA. The Implementation Strategy, which the Commission anticipates would be completed by June, 2005, will incorporate consideration of such factors as:

- Affirmation of the intent of this Plan, that the substantial majority of urban renewal funds over the life of the plan will be committed to investments that directly assist business (business loans and grants, infrastructure improvements necessitated by redevelopment or upgrades to existing development, and the like). The allocation of funds will be in general accord with allocation set forth in Exhibit 2 to the Report accompanying the Plan.
- The strategic targeting of urban renewal funds to support existing businesses, particularly those businesses in such core industry clusters as distribution and logistics, and transportation equipment manufacturing.
- Assistance in addressing the regulatory requirements which new development or redevelopment of existing businesses face, such as new stormwater requirements, Willamette Greenway or environmental overlay zone requirements, and the like.
- Targeted infrastructure improvements with the goal of balancing new jobs-generating business investments with enhanced transportation capacity, so as to not threaten the accessibility which is so important to the ongoing viability of businesses in the URA.
- Increasing the efficiency of the existing transportation infrastructure and reduce traffic impacts on adjacent neighborhoods through transportation demand strategies that facilitate the movement of freight by expanding transportation options for area employees. Infrastructure projects should address freight movement constraints and/or expand transportation options and reduce the volume of single occupancy vehicles.
- Focusing how urban renewal funds can strategically assist in the redevelopment of environmentally contaminated sites. As noted elsewhere in this plan, PDC does not attend to assume the obligations of parties responsible for contamination. However, urban renewal funds may be strategically targeted to regulatory coordination; future liability insurance; and, in limited circumstances, remediation and/or mitigation.

E. Administration

The Commission is authorized to expend funds, subject to other provisions of law, to carry out the objectives of the Plan. This includes staff and office expenses, legal, consulting, and other services, and necessary overhead expenses.

VII. PROPERTY ACQUISITION POLICIES AND PROCEDURES

It is the intent of this Plan to acquire property within the Area, if necessary, by any legal means to achieve the goals of this Plan. Specifically, property acquisition is authorized when the acquisition is from willing sellers or when the acquisition is accomplished by eminent domain. The Commission may acquire property for either public improvements or for disposition and redevelopment.

At the time of Plan adoption, no specific property has been identified for acquisition. However, property acquisition, including limited interest acquisition, is hereby made a part of this Plan and may be used to achieve the Plan goals. Accordingly the Commission may use any of its statutory authority in carrying out the following projects:

A. Property Acquisition from Willing Sellers

For projects authorized by the Plan, the Commission may acquire property from owners that wish to convey title. Prior to acquiring such property, the Commission shall adopt a minor plan amendment identifying the property, finding that the acquisition thereof is necessary to achieve the goals of the Plan, and indicating an anticipated disposition of the property and a schedule for acquisition and disposition.

B. Property Acquisition by Eminent Domain for Public Improvements.

The Commission may use all legal means including eminent domain to acquire property for public improvement projects specifically described in the Plan. These improvements shall be located within public rights of way or on land that will remain in public ownership. Prior to acquiring such property, the Commission shall adopt a minor plan amendment identifying the property, finding that the acquisition thereof is necessary to achieve the goals of the Plan, and finding also that the public improvement project for which the acquisition is made is authorized by the Plan.

C. Property Acquisition by Eminent Domain for Disposition and Redevelopment.

The Commission may use all legal means including eminent domain to acquire property for disposition and redevelopment. Property to be acquired by eminent domain, or under the threat of eminent domain, for disposition and redevelopment shall be identified as such by means of a Council-approved amendment as set forth in Section XIII (B) of the Plan.

VIII. PROPERTY DISPOSITION POLICIES AND PROCEDURES**A. Property Disposition**

The Commission is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property which has been acquired, in accordance with the provisions of this Urban Renewal Plan.

All real property acquired by the Commission for redevelopment in the Area shall be disposed of for development for the uses permitted in the Plan at its fair re-use value. All persons and entities obtaining property from the Commission shall use the property for the purposes designated in this Plan, and shall commence and complete development of the property within a period of time which the Commission fixes as reasonable, and shall comply with other conditions which the Commission deems necessary to carry out the purposes of this Plan.

To provide adequate safeguards to insure that the provisions of this Plan will be carried out to prevent the recurrence of blight, all real property disposed of by the Commission, as well as all other real property the development of which is assisted financially by the Commission, shall be made subject to this Plan. Leases, deeds, contracts, agreements, and declarations of restrictions by the Commission may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan.

B. Redeveloper's Obligations

Any person or entity that acquires Commission property within the URA ("Redeveloper"), and the Redeveloper's successors and assigns, in addition to the other controls and obligations stipulated and required of the Redeveloper by the provisions of this Plan, shall also be subject to such requirements as may be determined by the Commission, including, but not limited to:

1. The Redeveloper shall obtain necessary approvals of proposed developments from all federal, state and/or local agencies which may have jurisdiction on properties and facilities to be developed within the Area.
2. The Redeveloper and the Redeveloper's successors or assigns shall develop such property in accordance with the land use provisions and building requirements specified in this Plan.

3. The Redeveloper shall submit all plans and specifications for construction of improvements on the land to the Commission for plan and design review and distribution to appropriate reviewing bodies as stipulated in this Plan and existing City codes and ordinances. Such plans and specifications shall comply with this Plan and the requirements of existing City codes and ordinances.
4. The Redeveloper shall accept all conditions and agreements as may be required by the Commission in return for receiving financial assistance from the Commission.
5. The Redeveloper shall commence and complete the development of such property for the uses provided in this Plan within a reasonable period of time as determined by the Commission.
6. The Redeveloper shall not effect or execute any agreement, lease, conveyance, or other instrument whereby the real property or part thereof is restricted upon the basis of age, race, color, religion, sex, sexual orientation or national origin in the sale, lease or occupancy thereof.
7. The Redeveloper shall maintain developed and/or undeveloped property under Redeveloper's ownership within the area in a clean, neat, and safe condition, in accordance with the approved plans for development.

IX. RELOCATION POLICIES AND PROCEDURES

If in the implementation of this Plan, persons or businesses should be displaced by the action of the Commission, the Commission will provide assistance in finding replacement facilities to those persons or businesses displaced. Such displacees will be contacted to determine their individual relocation needs. All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 35.500-35.530 (which replaced ORS 281.045-281.105), the Commission's adopted Relocation Regulations in effect at the time of relocation, and any other applicable laws or regulations. The Commission's Relocation Regulations in effect at the time of Plan adoption were adopted on September 16, 1998 by Resolution No. 5169.

The Commission maintains information in its office relating to the relocation programs and procedures, including eligibility for and amounts of relocation payments, services available and other relevant matters.

X. RELATIONSHIP TO LOCAL PLANS AND OBJECTIVES

ORS 457.095 (3) requires that a City's governing body find that an urban renewal plan conforms with the City's Comprehensive Plan. Portland's Comprehensive Plan contains goals, policies, and objectives that apply to the entire city. It became effective on January 1, 1981, and was last revised July 2004. In addition to the goals and policies of the Comprehensive Plan, other area-specific plan documents apply: The Willamette Greenway Plan, the Guild's Lake Industrial Sanctuary Plan, and the Albina Community Plan. The following plan goals, policies, and objectives apply to the Willamette Industrial Urban Renewal Area:

A. Portland Comprehensive Plan**Citywide Goal 1: Metropolitan Coordination**

The Comprehensive Plan shall be coordinated with federal and state law and support regional goals, objectives and plans adopted by the Columbia Region Association of Governments and its successor, the Metropolitan Service District, to promote a regional planning framework.

Policies**1.4 Intergovernmental Coordination**

Insure continuous participation in intergovernmental affairs with public agencies to coordinate metropolitan planning and project development and maximize the efficient use of public funds.

Response: The Plan is consistent with the Metropolitan Coordination Goal. PDC has engaged public agencies in the formulation of this Plan, and intends to continue this coordination over time as the Plan is implemented in accordance with Section III of the Plan.

Citywide Goal 2: Urban Development

Maintain Portland's role as the major regional employment, population and cultural center through public policies that encourage expanded opportunity for housing and jobs, while retaining the character of established residential neighborhoods and business centers.

Policies**2.2 Urban Diversity**

Promote a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population.

2.7 Willamette Greenway Plan

Implement the Willamette River Greenway Plan which preserves a strong working river while promoting recreation, commercial and residential waterfront development along the Willamette south of the Broadway Bridge.

2.14 Industrial Sanctuaries

Provide industrial sanctuaries. Encourage the growth of industrial activities in the city by preserving industrial land primarily for manufacturing purposes.

2.19 Infill and Redevelopment

Encourage infill and redevelopment as a way to implement the Livable City growth principles and accommodate expected increases in population and employment. Encourage infill and redevelopment in the Central City, at transit stations, along Main Streets, and as neighborhood infill in existing residential, commercial and industrial areas.

2.26 Albina Community Plan

Promote the economic vitality, historic character and livability of inner north and inner northeast Portland by including the Albina Community Plan as a part of this Comprehensive Plan.

Response: The Plan is consistent with this Comprehensive Plan goal and objectives. The goals of the Urban Renewal Plan (set forth in Section II) encourage urban infill development. The Plan also acknowledges the imperative that new development comply with applicable requirements of the Willamette Greenway regulations and of the Albina Community Plan District.

Citywide Goal 5: Economic Development

Foster a strong and diverse economy which provides a full range of employment and economic choices for individuals and families in all parts of the city.

Policies**5.1 Urban Development and Revitalization**

Encourage investment in the development, redevelopment, rehabilitation, and adaptive reuse of urban land and buildings for employment and housing opportunities.

Objectives:

- A. Ensure that there are sufficient inventories of commercially and industrially-zoned, buildable land supplied with adequate levels of public and transportation services.
- C. Retain industrial sanctuary zones and maximize use of infrastructure and intermodal transportation linkages with and within these areas.
- F. Recognize and support environmental conservation and enhancement activities for their contribution to the local economy and quality of life for residents, workers and wildlife in the city.

5.2 Business Development

Sustain and support business development activities to retain, expand and recruit businesses.

5.4 Transportation System

Promote a multi-modal regional transportation system that encourages economic development.

5.8 Diversity and Identity in Industrial Areas

Promote a variety of efficient, safe and attractive industrial sanctuary and mixed employment areas in Portland.

5.9 Protection of Non-industrial Lands

Protect non-industrial lands from the potential adverse impacts of industrial activities and development.

5.12 Guild's Lake Industrial Sanctuary Plan

Encourage the economic stability of the Guild's Lake Industrial Sanctuary, maintain its major public and private investments in multimodal infrastructure, protect its industrial lands and job base, and enhance its capacity to accommodate future industrial growth by including the Guild's Lake Industrial Sanctuary Plan as part of this Comprehensive Plan.

Response: The Plan is consistent with this Comprehensive Plan goal and objectives. The goals of the Urban Renewal Plan (set forth in Section II) address the intention of assisting in new business investment, including attracting new businesses to the URA as well as encouraging existing businesses to remain and expand. The Plan authorizes funding for transportation improvements to support business investment. It also is intended to maintain the industrial sanctuary character of the URA.

Citywide Goal 6: Transportation

Develop a balanced, equitable, and efficient transportation system that provides a range of transportation choices; reinforces the livability of neighborhoods; supports a strong and diverse economy; reduces air, noise, and water pollution; and lessens reliance on the automobile while maintaining accessibility.

Policies**6.1 Coordination**

Coordinate with affected state and federal agencies, local governments, special districts, and providers of transportation services when planning for and funding transportation facilities and services.

TRANSPORTATION FUNCTION POLICIES:**6.12 Regional and City Travel Patterns**

Support the use of the street system consistent with its state, regional, and city classifications and its classification descriptions.

6.15 Transportation System Management

Give preference to transportation improvements that use existing roadway capacity efficiently and improve the safety of the system.

6.16 Access Management

Promote an efficient and safe street system, and provide adequate accessibility to planned land uses.

LAND USE AND TRANSPORTATION POLICIES:**6.17 Coordinate Land Use and Transportation**

Implement the Comprehensive Plan Map and the 2040 Growth Concept through long-range transportation and land use planning and the development of efficient and effective transportation projects and programs.

PEDESTRIAN AND BICYCLE POLICIES:**6.22 Pedestrian Transportation**

Plan and complete a pedestrian network that increases the opportunities for walking to shopping and services, schools and parks, employment, and transit.

6.23 Bicycle Transportation

Make the bicycle an integral part of daily life in Portland, particularly for trips of less than five miles, by implementing a bikeway network, providing end-of-trip facilities, improving bicycle/transit integration, encouraging bicycle use, and making bicycling safer.

PUBLIC TRANSPORTATION POLICY:**6.24 Public Transportation**

Develop a public transportation system that conveniently serves City residents and workers 24 hours a day, seven days a week and can become the preferred form of travel to major destinations, including the Central City, regional and town centers, main streets, and station communities.

PARKING AND DEMAND MANAGEMENT POLICIES:**6.25 Parking Management**

Manage the parking supply to achieve transportation policy objectives for neighborhood and business district vitality, auto trip reduction, and improved air quality.

6.27 Off-Street Parking

Regulate off-street parking to promote good urban form and the vitality of commercial and employment areas.

6.28 Travel Management

Reduce congestion, improve air quality, and mitigate the impact of development-generated traffic by supporting transportation choices through demand management programs and measures and through education and public information strategies.

FREIGHT, TERMINALS, AND TRUCK POLICIES:**6.29 Freight Intermodal Facilities and Freight Activity Areas**

Develop and maintain an intermodal transportation system for the safe, efficient, and cost-effective movement of freight, goods, and commercial vehicles within and through the City on Truck Streets and for access and circulation in Freight Districts.

6.30 Truck Movement

Provide a complete, safe, and reliable system of Major and Minor Truck Streets for local truck movement, connecting Freight Districts, intermodal facilities, and commercial areas.

TRANSPORTATION DISTRICTS POLICIES:**6.34 North Transportation District**

Reinforce neighborhood livability and commercial activity by planning and investing in a multimodal transportation network, relieving traffic congestion through measures that reduce transportation demand, and routing non-local and industrial traffic along the edges of the residential areas.

Objectives:

- A. Improve truck and freight movement in North Portland through changes to the street system, street classifications, and signing to enhance the economic vitality of the area and minimize impacts on residential, commercial, and recreational areas.
- F. Support improvements to transit service that will link North Portland to areas outside the downtown, especially to the Rose Quarter transit center and industrial areas within and outside the district.
- G. Encourage transit coverage and frequency improvements, as well as bus stop improvements, within the district and within commercial and employment centers, including Portland International Raceway, Swan Island, and Rivergate.
- K. Develop additional east/west and north/south bicycle routes to serve commuter and recreational bicyclists and provide connections to Northeast Portland bikeways.
- L. Complete the sidewalk system in North Portland, including enhanced pedestrian crossings on streets with high volumes of vehicle traffic.
- M. Consider extension of the Willamette Greenway Trail south from its current designation that ends at Edgewater and connecting to the trail on Swan Island, following the outcome of a feasibility study.

6.39 Northwest Transportation District

Strengthen the multimodal transportation system in the Northwest District by increasing public transit use, encouraging transportation demand management measures, and improving pedestrian and bicycle access.

Objectives:

- A. Incorporate pedestrian and bicycle access improvements into all transportation projects, especially along arterials and at crossing locations.
- B. Preserve and enhance freight mobility and industrial access in the Freight District by maintaining or improving truck operations on Front Avenue, Yeon Avenue, Nicolai Street, St. Helens Road, and the 114th and 16th Avenues couplet.

Response: The Plan supports this Comprehensive Plan goal, policies and objectives. It reinforces the industrial character of the area, thereby acknowledging the City's intention to support the industrial sanctuary through the provision of adequate streets and other infrastructure. The Plan also provides for funding of transportation improvements, including streets and sidewalks, with the intention of thereby assisting business investment (See Goal 11 in Section II of this Plan).

Goal 7 Energy

Promote a sustainable energy future by increasing energy efficiency in all sectors of the city by ten percent by the year 2000.

Policies**7.5 Energy Efficiency in Commercial and Industrial Facilities**

The City shall encourage energy efficiency in existing commercial buildings and institutions by facilitating utility, local, state, and federal financial and technical assistance.

7.6 Energy Efficient Transportation

Provide opportunities for non-auto transportation including alternative vehicles, buses, light rail, bikeways, and walkways. The City shall promote the reduction of gasoline and diesel use by conventional buses, autos and trucks by increasing fuel efficiency and by promoting the use of alternative fuels.

7.8 Energy Supply

The City shall promote conservation as the energy resource of first choice. The City shall also support environmentally acceptable, sustainable energy sources, especially renewable resources such as solar, wind, hydroelectric, geothermal, biomass (wood, farm and municipal waste), cogeneration, and district heating and cooling.

7.9 Waste Reduction and Recycling

The City shall promote energy-saving activities such as 1) reduced use of excess materials, such as packaging; 2) recovery of materials from the waste stream for direct reuse and remanufacture into new products; 3) recycling; and 4) purchase of products made from recycled materials.

Response: The Plan is supportive of this Comprehensive Plan goal, by encouraging business investment in areas which currently enjoy ample access in a variety of modes. This contrasts with, for instance, new business investment on the periphery of the region, which would necessitate heavy new infrastructure investment and would also entail an inefficient use of energy.

Goal 8: Environment

Maintain and improve the quality of Portland's air, water and land resources and protect neighborhoods and business centers from detrimental noise pollution.

WATER QUALITY Policies**8.7 Land Use and Capital Improvements Coordination**

Maintain coordination of land use planning and capital improvement to insure the most efficient use of the city's sanitary and stormwater run-off facilities.

8.8 Groundwater Protection

Conserve domestic groundwater and surface water resources from potential pollution through a variety of regulatory measures relating to land use, transportation, and hazardous substances.

LAND RESOURCES Policies**8.11 Special Areas**

Recognize unique land qualities and adopt specific planning objectives for special areas.

Objective:**H. Willamette River Greenway**

Protect and preserve the natural and economic qualities of lands along the Willamette River through implementation of the city's Willamette River Greenway Plan.

8.14 Natural Resources

Conserve significant natural and scenic resource sites and values through a combination of programs which involve zoning and other land use controls, purchase, preservation, intergovernmental coordination, conservation, and mitigation. Balance the conservation of significant natural resources with the need for other urban uses and activities through evaluation of economic, social, environmental, and energy consequences of such actions.

8.15 Wetlands/Riparian/Water Bodies Protection

Conserve significant wetlands, riparian areas, and water bodies which have significant functions and values related to flood protection, sediment and erosion control, water quality, groundwater recharge and discharge, education, vegetation, and fish and wildlife habitat. Regulate development within significant water bodies, riparian areas, and wetlands to retain their important functions and values.

Response: The Plan is supportive of environmental goals and objectives including sustainable development and preservation and enhancement of natural resources. New development will be encouraged to incorporate low impact designs that reduce impact of stormwater on the Willamette River. Urban renewal funds can also assist with riparian resource enhancements as required in conjunction with new development or redevelopment.

Goal 9: Citizen Involvement

Improve the method for citizen involvement in the on-going land use decision-making process and provide opportunities for citizen participation in the implementation, review and amendment of the adopted Comprehensive Plan.

Policies**9.1 Citizen Involvement Coordination**

Encourage citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public.

Response: The formation of the Plan entailed public involvement, and PDC will continue to involve the public in the implementation of the Plan, as required in Section III.

GOAL 11A: Public Facilities

Provide a timely, orderly and efficient arrangement of public facilities and services that support existing and planned land use patterns and densities.

GOAL:11B Public Rights-of-Way

Improve the quality of Portland's transportation system by carrying out projects to implement the 2040 Growth Concept, preserving public rights-of-way, implementing street plans, continuing high-quality maintenance and improvement programs, and allocating limited resources to identified needs of neighborhoods, commerce, and industry.

Policies**11.9 Project Selection**

Through the capital improvement program process, give priority consideration to transportation projects that will contribute to a reduction in vehicle miles traveled per capita, while supporting economic vitality and sustainability.

Response: The Plan supports public facility goals of the City, by providing a funding source for infrastructure investments that will in turn support new business investment.

B. Willamette Greenway Plan

Goal

The goal of the Willamette Greenway Plan is to protect, conserve, maintain, and enhance the scenic, natural, historical, economic, and recreational qualities of lands along the Willamette River. The Plan addresses the quality of the natural and human environment along the river. The Willamette River and the lands adjacent to it are a unique and valuable natural resource which require special protection. The Plan is part of Portland's Comprehensive Plan.

Objectives

C. To restore the Willamette River and its banks as a central axis and focus for the City and its neighborhoods and residents.

D. To increase public access to and along the Willamette River.
To achieve this, the Greenway Plan identifies a continuous recreational trail extending the full length on both sides of the Willamette River, but not necessarily adjacent to the river for the entire length. The Greenway Plan also identifies trail and river access points, viewpoints and view corridors, and provides direction as to their design. The purposes to be achieved by designating and requiring property owners to dedicate right-of-way or recreational trail easements include increasing recreational opportunities, providing emergency vehicle access, assisting in flood protection and control, providing connections to other transportation systems and helping to create a pleasant, aesthetically pleasing urban environment.

E. To conserve and enhance the remaining natural riverbanks and riparian habitat along the river.

To achieve this, the Greenway Plan identifies significant wildlife habitat along the river which is to be preserved, and requires the conservation of wildlife habitat where practical. The Greenway Plan requires the development and restoration of riparian habitat and encourages the use of natural bank treatments, particularly in areas of low human use. The Greenway Plan encourages the use of native plants. The Greenway Plan requires landscape review, and provides direction on riverbank and landscape treatment.

F. To provide an attractive quality environment along the Willamette River.

To achieve this, the Greenway Plan includes design guidelines which require public and private developments to complement and enhance the riverbank area, particularly with regard to riverbank treatment, landscape enhancement, and the relationship of buildings to the Greenway Trail, access points, viewpoints, and view corridors.

G. To maintain the economic viability of Portland's maritime shipping facilities, based on the overall economic importance of deep-channel shipping to Portland's and Oregon's economy.

H. To reserve land within the Greenway for river-dependent and river-related recreational uses.

To achieve this, the Greenway Plan provides an overlay zone reserved primarily for river-dependent and river-related recreational uses.

Response: The Plan supports the Willamette Greenway Plan and its related goals and objectives. The Plan goals recognize the importance of integrating suitable greenway improvements into new development, and it also provides a funding source to assist businesses in complying with Greenway standards as applicable.

C. Albina Community Plan

The Albina Community Plan, including its associated Neighborhood Plans, was adopted by City Council on September 30, 1993. It articulates, in more detail than the citywide Comprehensive Plan, a vision for the revitalization of much of north and northeast Portland, including the Swan Island and Mock's Bottom sub-areas of the Willamette Industrial Urban Renewal Area. The Willamette Industrial Urban Renewal Plan is structured to implement the following policy language from the Albina Community Plan.

Land Use Policies

General Land Use

Encourage residential, recreational, economic and institutional developments that reinforce Plan Area neighborhoods; increase the attractiveness of Albina to residents, institutions, businesses and visitors; and create a land use pattern that will reduce dependence on the automobile.

Economic Development

Foster development of distinct, well-anchored commercial, institutional and industrial nodes and centers that serve the needs of the community, attract shoppers from throughout the region and take advantage of the close proximity of the district to the Central City, Oregon Convention Center and Columbia Corridor. Ensure that institutions have opportunities for growth that meet their needs. Support the expanding and new industrial firms that provide family wage jobs to Albina Community residents. Protect residential neighborhoods from negative impacts associated with commercial, institutional and/or industrial growth.

Transportation Policies

Take full advantage of the Albina Community's location by improving its connections to the region. Emphasize light rail transit as the major transportation investment while improving access to freeways to serve industrial and employment centers. Protect neighborhood livability and the viability of commercial areas when making transportation improvements. Provide safe and attractive routes for bicyclists and pedestrians.

Objective 10

Provide transportation access to jobs and training opportunities. Link commercial, employment and residential areas with an efficient multimodal transportation system.

Business Growth and Development Policies

Stimulate investment, capital formation, and job creation benefiting Albina enterprises and households. Expand and diversify the area's industrial, commercial, and institutional employment base. Aggressively market the Albina Community to investors, developers, business owners, workers, households, and tourists.

Policies**A Business Investment and Development**

Build a sustainable and robust economic activity and employment base in the Albina Community. Use public policies and resources to capture and direct the benefits of growth in community institutions and Albina Impact Area industries to Albina Community enterprises and households. Improve the competitive position and performance of the community's retail and service sectors. Maintain the public infrastructure necessary to support the expansion of economic activities and employment.

B Commercial, Institutional and Employment Centers

Recruit, retain, and encourage expansion of economic activities and institutions which enhance neighborhood livability. Conserve community assets and resources. Use public programs and resources to encourage more efficient design and utilization in the Albina Community's commercial, institutional and industrial centers.

C: Household Income and Employment

Use public resources to stimulate the creation of new sources of household income and family-wage employment for community residents.

Focus economic development activities to produce the greatest positive impact on those portions of Albina suffering most severely from under-utilization of human resources.

Jobs and Employment Policy

Reduce the unemployment rate among Albina residents. Strengthen programs that provide education, job training, job retention skills and services that prepare area residents for long-term employment and that create opportunities for career advancement. Ensure that job training programs include comprehensive services that are ethnically and culturally sensitive.

Environmental Values Policy

Maintain a strong commitment to preserving and improving the environment within the community and its neighborhoods, including air, water, and soil quality and related natural values.

Response: The Plan is supportive of the applicable sections of the Albina Community Plan. The Plan is intended to result in business investment (for both new business development as well as existing businesses) that will provide extensive new employment opportunities for residents in the nearby neighborhoods within the Albina Community Plan District.

D. Guild's Lake Industrial Sanctuary Plan**Jobs and Economic Development Policy Statement:**

Maintain and expand industrial business and employment opportunities in the Guild's Lake Industrial Sanctuary. Stimulate investment in the area's public and private infrastructure and industrial facilities.

Objectives:

1. Provide new employment opportunities by reusing or redeveloping reclaimed, underutilized and vacant land and buildings in the GLIS.
2. Foster a business and public policy environment that promotes continued private and public sector investments in infrastructure, facilities, equipment and jobs.
3. Enhance the GLIS as a competitive and forward-thinking industrial area by fostering innovative and environmentally-sensitive industrial projects and practices that improve the operational efficiency of GLIS firms while conserving natural resources and reducing pollution.

Transportation Policy Statement:

Maintain, preserve and improve the intermodal and multimodal transportation system to provide for the smooth movement of goods and employees into and through the Guild's Lake Industrial Sanctuary.

Objectives:

1. Maintain, protect, and enhance the public and private multimodal transportation investments in the GLIS, including rail and marine terminal facilities, to ensure its continued viability as a major center for the import and export of industrial products in the state of Oregon.
2. Maintain operational characteristics on roads and at intersections that support truck movements and industrial economic growth, while accommodating traffic, transit, and emergency access needs.
3. Minimize traffic conflicts between industrial and nonindustrial uses.
4. Manage congestion on highways and roads within the GLIS through regional and area-wide systems planning and maximize the efficiency of transportation facilities for all modes of travel, with the participation of private industry.
5. Develop alternative transportation options for employees of the GLIS, including transit, carpools, bicycling, and walking to reduce parking needs, vehicle emissions, and congestion levels.

6. Locate safe pedestrian and bicycle routes within the GLIS that minimize conflicts with industrial traffic. Improve pedestrian and bicycle connections to nearby residential areas to reduce congestion levels and auto emissions, preserve capacity of the street system, and reduce parking needs.

Land Use Policy Statement:

Preserve and protect land primarily for industrial uses, and minimize land use conflicts in the Guild's Lake Industrial Sanctuary. Allow compatible nonindustrial uses within the GLIS that provide retail and business services primarily to support industrial employees and businesses.

Objectives:

1. Preserve the overall industrial character of the Guild's Lake Industrial Sanctuary.
2. Preserve the physical continuity of the area designated as Industrial Sanctuary within the Guild's Lake Industrial Sanctuary.
3. Minimize conflicts between industrial and nonindustrial land uses.
4. Prohibit new residential uses within the GLIS.
5. Allow the provision of support services to employees and businesses in the GLIS to reduce trips outside of the GLIS.
6. Preserve the GLIS's Willamette River waterfront as a location for river-dependent and river-related industrial uses.
7. Recognize the Willamette River as a valuable economic, transportation, natural, and recreational resource for the entire city. Coordinate *GLIS Plan* policies and implementation measures with ongoing and future citywide planning efforts that address the significance of the river and the city's industrial land supply.
8. The industrial character and economic viability of the Guild's Lake Industrial Sanctuary must continue to be the priority when considering the public need for expanded access to the river. Design and implement any greenway enhancements along the river so as to avoid or minimize negative impacts on industrial operations.
9. Contribute to the maintenance and enhancement of all of Northwest Portland as a diverse urban environment that includes opportunities for housing, commercial services, and industrial employment in relatively close proximity.

Response: The Plan is supportive of the Guild's Lake Industrial Sanctuary Plan, primarily because the Plan is intended to stimulate business investment consistent with the industrial sanctuary character of the area.

XI. LAND USE PLAN

Land use within the Area is governed by the City of Portland's Comprehensive Plan and implementing ordinances. Any adopted change in the Comprehensive Plan or implementing ordinance shall automatically amend Section XI of this Urban Renewal Plan, as applicable, without the necessity of any further formal action. This Section XI and Exhibit 3 (Comprehensive Plan and Zoning Designations) shall thereafter incorporate the relevant amendments, additions or deletions. On Exhibit 3 all areas have the same designation under the Comprehensive Plan Map and Zoning Map. To the extent this Section XI and Exhibit 3 conflict with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

A Comprehensive Plan and Zoning Designations

The comprehensive plan and zoning designations (as defined within Title 33, Planning and Zoning Code of the City of Portland) which apply within the Area are shown in Exhibit 3 and are listed below. These designations are modified by overlay zones (indicated by small letters) and Plan Districts, as set forth below:

IG2	General Industrial
EG2	General Employment
IH	Heavy Industrial
R2	Multi-Dwelling
c	Environmental Conservation Overlay
i	River Industrial Overlay
g	River General Overlay
n	River Natural Overlay
p	Environmental Protection Overlay
	Albina Community Plan District
	Guild's Lake Industrial Sanctuary Plan District
	Swan Island Plan District

A. Additional Land Use Provisions

The following are in addition to conditions, limitations or restrictions previously identified in this Section XI.

1. The Commission shall facilitate coordination of regulatory procedures related to applications for land use approvals of all private and public development activities for which it provides financial assistance.

2. The Commission shall be notified of land use requests (greenway permits, conditional uses, zone changes and comprehensive plan map amendments, and so forth) within the Area.

3. Plan and Design Review of private and public development shall be as follows:

(a) Within the Area, Plan and Design Review shall follow procedures established in Title 33, Planning and Zoning Code of the City of Portland

(b) Redevelopers, as defined in this Plan, shall comply with the Redeveloper's Obligations, Section VIII (B) of this Plan, which provides for supplementary plan and design review by the Commission.

XII. PLAN FINANCING

The Commission is authorized to finance the projects contained in the Plan using all legal sources of funding and specifically including funds raised under Article IX, Section 1c of the Oregon Constitution as authorized in Chapter 457 of Oregon Revised Statutes.

A. General Description of the Proposed Financing Methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues, described in more detail below;
- Advances, loans, grants and any other form of financial assistance from the Federal, State or local governments or other public body;
- Loans, grants, dedications or other contributions from private developers and property owners; and
- any other source, public or private.

Revenues obtained by the Commission will be used to pay or repay costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by funds allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450. To the extent practical, the Commission shall seek a balance between revenues and expenditures of tax increment funds within each of the four sub-areas of the URA.

C. Maximum Indebtedness

The maximum indebtedness that may be issued or incurred under the Plan is \$200,000,000. This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebted

D. Prior Indebtedness

Any indebtedness permitted by law and incurred by the Commission or the City of Portland in connection with the preparation of this Plan or prior planning efforts related to this Plan may be repaid from tax increment revenues from the Area when and if such funds are available.

XIII. 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:

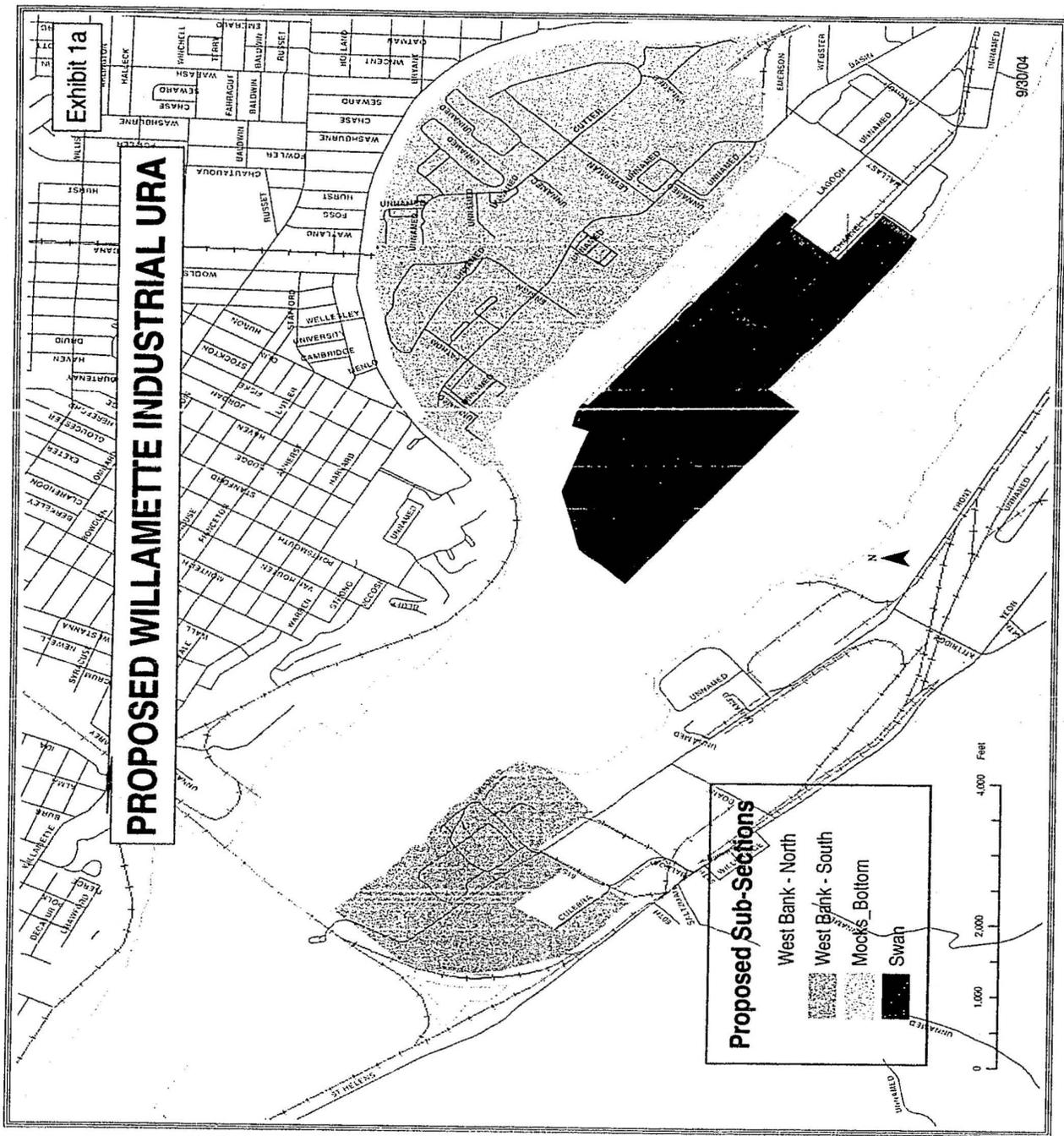
- Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.
- Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.

Substantial amendments shall require the same notice, hearing and approval procedure required of the original Plan, including public involvement, consultation with taxing districts, presentation to the Planning Commission and adoption by the City Council by non-emergency ordinance after a hearing notice of which is provided to individual households within the City of Portland.

B. Council-Approved Amendments

Council-approved amendments consist solely of the following amendments:

- Material changes to the Goals of the Plan.
- Addition or expansion of a project, which adds a cost in 2004 dollars of more than \$750,000 and which is materially different from projects previously authorized in the Plan.
- Identification of a property to be acquired for private redevelopment through eminent domain.



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Council-approved amendments require approval by the Portland Development Commission by resolution and by the City Council, which may approve the amendment by resolution. Council-approved amendments do not require the same notice as required for the formation of a new Plan or for substantial amendments to the Plan.

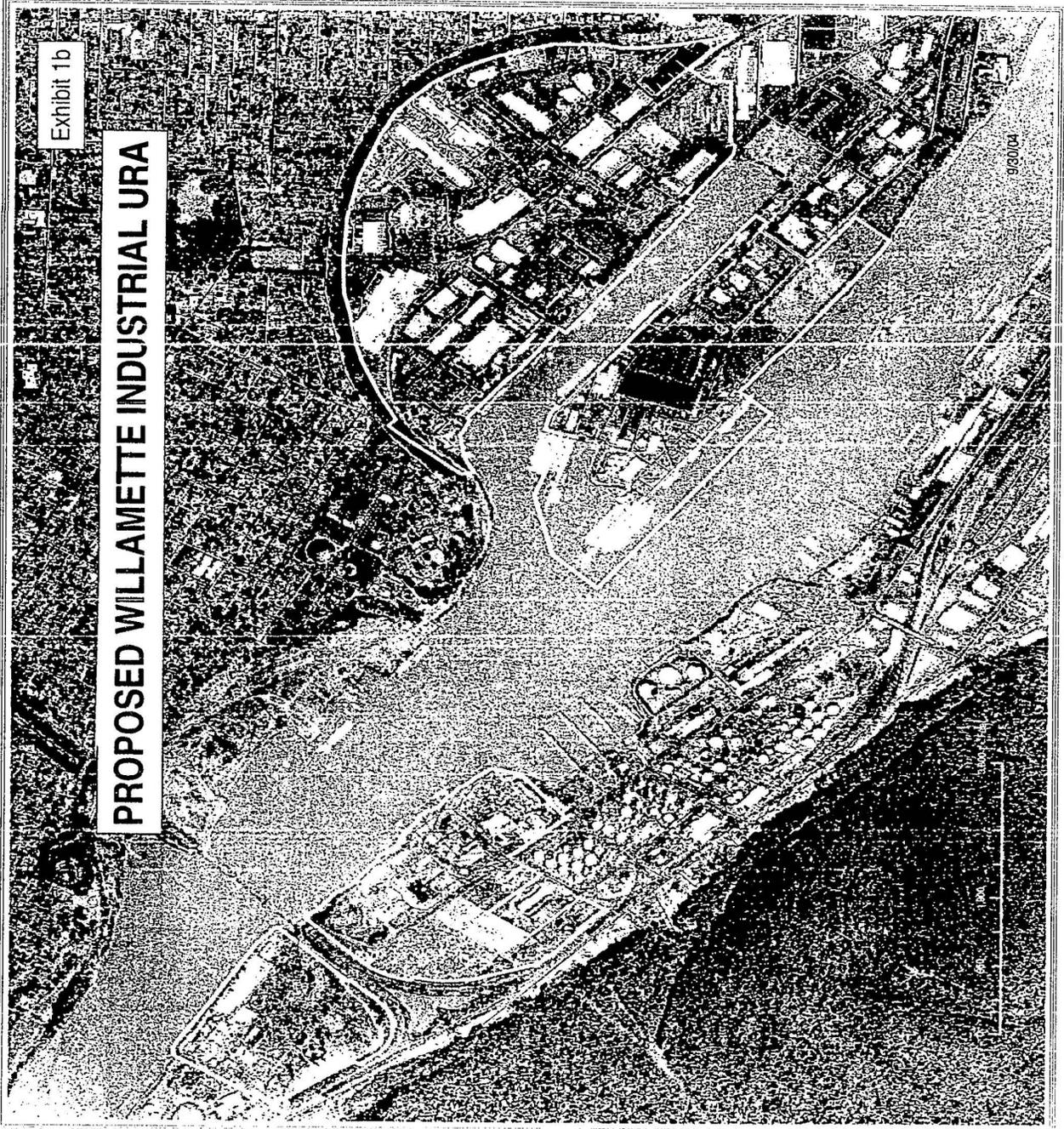
C. Minor Amendments

Minor amendments are amendments that are not substantial or Council-approved amendments. Minor amendments are effective upon adoption by the Portland Development Commission by resolution.

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Exhibit 1b

PROPOSED WILLAMETTE INDUSTRIAL URA



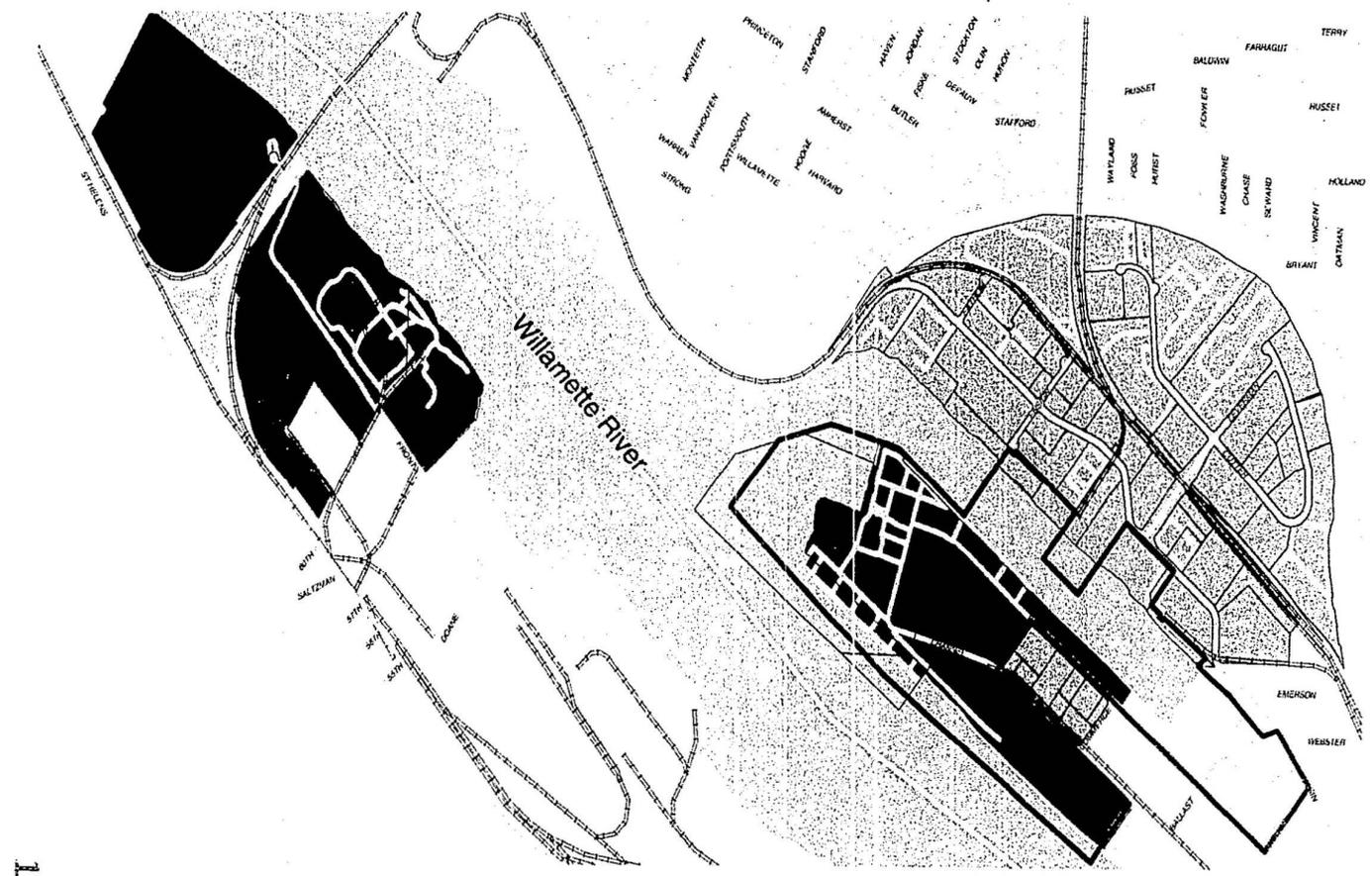
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Exhibit 3A: Willamette Industrial Urban Renewal Area Zoning



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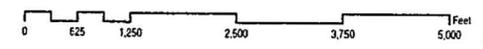
- ZONING**
- IH - Heavy Industrial
 - ▨ IG2 - General Industrial 2
 - ▩ EG2 - General Employment 2
 - R2 - Residential 2,000

- PLAN DISTRICTS**
- ▭ Guild's Lake Industrial Sanctuary
 - ▭ Swan Island



Investing in Portland's Future

PDC
 PORTLAND DEVELOPMENT COMMISSION



**LEGAL DESCRIPTION
WILLAMETTE INDUSTRIAL
URBAN RENEWAL AREA BOUNDARY**

(SWAN)

A tract of land situated in the Southeast and Southwest One-Quarters of Section 17, the Southeast One-Quarter of Section 18 and the Northeast and Northwest One-Quarters of Section 20, Township 1 North and Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, being more particularly described as follows:

Beginning at the Northwest corner of Parcel 1 of Partition Plat No. 2004-008, said point also being on the South Ordinary High Waterline of the Swan Island Lagoon; thence Southeast, tracing the North line of said Parcel 1 and said South Ordinary High Waterline and continuing along the North line of Parcel 2 of said Partition Plat No. 2004-008, a distance of 3,878 feet, more or less to the Northeast corner of said Parcel 2; thence Southwest, tracing the East line of said Parcel 2 a distance of 139 feet, more or less to the Southeast corner of said Parcel 2, said corner lying on the North right-of-way line of North Lagoon Avenue; thence Northwest, tracing the South line of said Parcel 2 and said North right-of-way line, a distance of 120 feet, more or less to the point of intersection with the West right-of-way line of North Commerce Street extended Northeast to intersect said North right-of-way line; thence Southwest, tracing said extended West right-of-way line, a distance of 710 feet, more or less to a point of intersection with the South right-of-way line of North Channel Avenue, said point also lying on the North line of Parcel 3 of Partition Plat 2003-038; thence Southeast, tracing said South right-of-way line and said North line of Parcel 3, a distance of 820 feet, more or less to the Northeast corner of said Parcel 3; thence Southwest, tracing the East line of said Parcel 3, a distance of 500 feet, more or less to the Southeast corner of said Parcel 3, said corner also lying on the North Ordinary High Waterline of the Willamette River; thence Northwest tracing the South line of said Parcel 3 and said North Ordinary High Waterline, a distance of 2700 feet, more or less to the Southwest corner of said Parcel 3, said corner also being the Southeast corner of said Parcel 1 of Partition Plat 2004-008; thence Southwest, tracing the Westerly line of Parcel 3 of Partition Plat 2003-038 and the North Ordinary High Waterline, a distance of 17 feet, more or less to the point of intersection with the Southeast line of that submerged property described in deed to Portland Shipyard L.L.C. and recorded in Document No. 2000-119795, Multnomah County Deed Records; thence leaving said Ordinary High Waterline and tracing the Southerly, Westerly and Northerly lines of the Submerged lands deeded to said Portland Shipyard L.L.C. the following courses and distances: Southwest, a distance of 567 feet, more or less; Northwest, a distance of 7.76 feet, more or less; Northeast, a distance of 78.68 feet, more or less; Northwest, a distance of 3166 feet, more or less; Northeast, a distance of 689 feet, more or less; Northeast, a distance of 809 feet, more or less; Southeast, a distance of 923 feet, more or less to the west line of said Parcel 1; thence North, tracing the West line of said Parcel 1, a distance of 208 feet, more or less to the point of beginning .

Containing an area of 192 acres, more or less.

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(MOCKS BOTTOM)

A tract of land situated in the Northwest and Southwest One-Quarters of Section 16, Northeast, Northwest, Southwest and Southeast One-Quarters of Section 17, Township 1 North, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, being more particularly described as follows:

Beginning at the Northwest corner of Lot 2 of Andersen Addition, a duly recorded plat in Multnomah County; thence East, tracing the North line of said Lot 2 and continuing along the North line of Lot 1 of said Andersen Addition, a distance of 782 feet, more or less to the Northeast corner of said Lot 1, said corner also being the Northwest corner of Lot 1, Block 7 of 1951 Commissioners Addition at Mocks Bottom Phase IV, a duly recorded plat in Multnomah County; thence East, tracing the North line of said Lot 1, Block 7 and continuing along the North line of Lot 2 of said Block 7, a distance of 1961 feet, more or less to the Northeast corner of said Lot 2, said corner also lying on the Northeast line of Lot 8, Block 1 of 1951 Commissioners Addition at Mocks Bottom Phase I & II, a duly recorded Plat in Multnomah County; thence Southeast, tracing said Northeast line of Lot 8 and continuing along the East lines of Lots 7, 6, 5 and 4 of said Block 1, a distance of 2940 feet, more or less to the most Southerly Southeast corner of said Lot 4, said corner also falling on the Northeast right-of-way line of the Oregon-Washington Railroad & Navigation Company Railroad; thence Northwest, tracing said Northeast right-of-way line, a distance of 713 feet, more or less to a point of intersection with the Southeast line of that property described in deed to Bt-Oh, LLC and recorded in Document No. 2001-00796, Multnomah County Deed Records, extended Northeast to intersect said Northeast right-of-way line; thence Southwest tracing said extended Southeast line, a distance of 210 feet more or less to the most Southerly Southeast corner of said Bt-Oh, LLC property, said corner also being the most East Northeast corner of that property described in deed to Bt-Oh, LLC and recorded in Document 2001-00796, Multnomah County Deed Records; thence South tracing the East line of said Bt-Oh, LLC property described in Document No. 2001-00796, a distance of 311 feet, more or less to the Southeast corner of said Bt-Oh, LLC property; thence West tracing the South line of said Bt-Oh, LLC property, a distance of 803 feet, more or less to the Southwest corner of said Bt-Oh, LLC property, said corner also lying on the East right-of-way line of North Basin Avenue; thence Southwest, leaving said East right-of-way line, a distance of 82 feet, more or less to the most Easterly Southeast corner of that property described in deed to Port of Portland and recorded in Book 1198, Page 1954, Multnomah County Deed Records, said corner also lying on the West right-of-way line of said North Basin Avenue; thence West, tracing the South line of said Port of Portland property, a distance of 125 feet, more or less to the Southwest corner of said Port of Portland Property, said corner also lying on the North Ordinary High Waterline of Swan Island Basin; thence Northwest, tracing said North Ordinary High Waterline, a distance of 5500 feet, more or less to the most Westerly Southwest corner of that property described in deed to United States of America and recorded in Book 792, Page 1454, Multnomah County Deed Records, said corner also lying on the Southeasterly right-of-way line of North Basin Avenue; thence Northwesterly, a distance of 120 feet more or less to the southerly corner of that property described in deed to the Port of Portland and recorded in Book 1884, Page 274, Multnomah County Deed Records; thence Northeasterly tracing the Northwesterly line of said Port of Portland property, a distance of 1149 feet, more or less to the most northerly northwest corner of said Port of Portland Property; thence Southeasterly tracing the Northeasterly line of said Port of Portland property, a distance of 131 feet, more or less to the Northwesterly right-of-way line of said Oregon-Washington Railroad & Navigation Company Railroad: thence

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Northeast tracing said Northwesterly right-of-way line, a distance of 88 feet, more or less to the most Westerly corner of that property described in deed to Freightliner Corporation and recorded in Document No. 99-16940, Multnomah County Deed Records, said corner also lying on the Northwesterly right-of-way line of said Oregon-Washington Railroad & Navigation Company Railroad; thence Northeast tracing the North line of said Freightliner Corporation Property, a distance of 2150 feet, more or less to the Northeast corner of said Freightliner Corporation Property, said corner also lying on the West right-of-way line of said Oregon-Washington Railroad & Navigation Company Railroad; thence East leaving said West right-of-way line, a distance of 150 feet more or less to the point of beginning.

Containing an area of 360 acres, more or less.

(WEST BANK - NORTH)

A tract of land situated in the Northeast and Northwest One-Quarters of Section 13 and in the Southwest One-Quarter of Section 12, Township 1 North and Range 1 West of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, being more particularly described as follows:

Beginning at the point of intersection of the Northwesterly right-of-way line of the Northern Pacific Railroad and the South Ordinary High Waterline of the Willamette River, said point of intersection also being the Northeast corner of that property described in deed to Wacker Siltronic Corporation and recorded in Book 1404, Page 2180, Multnomah County Deed Records; thence Southwest, tracing said Northwesterly right-of-way line and the Easterly and Southerly lines of said Wacker Siltronic Corporation property, a distance of 3,600 feet, more or less, to the Southwest corner of said Wacker Siltronic Corporation property, said corner lying on the Easterly right-of-way line of NW Front Street; thence Northeasterly and Northerly, tracing said Easterly right-of-way line to the Northwesterly extension of the Northeasterly line NW Front Avenue vacated by Ordinance 146215; thence Northwesterly, along said Northwesterly extension, a distance of 50 feet more or less to the West line of the Milton Doane Donation Land Claim No. 39; thence Northeast, along said West line, a distance of 1015, feet more or less to said South Ordinary High Waterline of the Willamette River; thence Southeast, tracing said South Ordinary High Waterline, a distance of 2,500 feet, more or less to the point of beginning.

Containing an area of 79 acres, more or less.

(WEST BANK - SOUTH)

A tract of land situated in the Northeast and Southeast One-Quarters of Section 13, Township 1 North, Range 1 West and in the Northwest and Southwest One-quarters of Section 18, Township 1 North, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, being more particularly described as follows:

Beginning at the point of intersection of the Southeasterly right-of-way line of the Northern Pacific Railroad and the Southwesterly Ordinary High Waterline of the Willamette River, said point of intersection also being the most Northerly corner of the duly recorded plat of Northwest

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Industrial Area Center as recorded in Plat Book 1263 Pages 47- 49 on June 18, 2004, Multnomah County Plat Records; thence Southeast, tracing said Southwesterly Ordinary High Waterline and the Easterly line of said Northwest Industrial Area Center, a distance of 3000 feet, more or less to the most Easterly corner of said Northwest Industrial Area Center; thence Southwesterly tracing the Easterly line of said Northwest Industrial Area Center to the most Northeasterly corner of that property conveyed to Genstar Roofing Company Inc. by deed recorded February 20, 1985 in Book 1805 Page 2592, Multnomah County Deed Records; thence Southeasterly continuing along said Ordinary High Waterline , a distance of 660 feet, more or less to the most Easterly Southeast corner of said Genstar Roofing Company, Inc. property; thence tracing the Southeasterly line of said Genstar Roofing Company, Inc. Property, a distance of 590 feet, more or less to the most Southerly Southwest corner of said Genstar Roofing Company, Inc. property, said corner also lying on the Northeast right-of-way line of NW Front Avenue; thence Northwest tracing said Northeast right-of-way line, a distance of 870 feet, more or less to its intersection with the Northeasterly extension of the Northwesterly right-of-way line of NW 61st Avenue; thence Southwest, tracing said extension and the Northwesterly right-of-way line of said NW 61st Avenue, a distance of 440 feet, more or less to the most Easterly corner of that property described in deed to Metro and recorded in Book 2312, Page 718, Multnomah County Deed Records; thence Northwest tracing the Northeasterly line of said Metro property, a distance 817 feet, more or less to the most Northerly corner of said Metro property; thence Southwest, tracing the Westerly line of said Metro property, a distance of 574 feet, more or less to the most Westerly corner of said Metro property; thence Southeasterly, tracing the Southwesterly line of said Metro property, distance of 817.43 feet, more or less to the most Southerly corner of said Metro property, said corner also lying on said Northwesterly right-of-way line of NW 61st Avenue; thence Southwest, tracing said Northwesterly right-of-way line and the Southwesterly extension of said right-of-way line to the most Easterly corner of that property described in deed to Aventis Cropscience USA LP and recorded in Document No. 2000-92675, Multnomah County Deed Records; thence Southwesterly along the Easterly line of said Aventis Cropscience USA LP property, a distance of 289.19 feet, more or less to the most Southerly corner of said Aventis Cropscience USA LP property, said corner also lying on the Northeast right-of-way line of the aforesaid Northern Pacific Railroad; thence Northwesterly tracing said Northeast right-of-way line, a distance of 3,950 feet, more or less to the point of beginning.

Containing an area of 120 acres, more or less.

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Portland Development Commission
WILLAMETTE INDUSTRIAL URBAN RENEWAL REPORT

October 13, 2004
Revised October 27, 2004

12-7-04

WILLAMETTE INDUSTRIAL URBAN RENEWAL REPORT

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I. INTRODUCTION

This Urban Renewal Report (the "Report") accompanies the Willamette Industrial Urban Renewal Plan (the "Plan") and contains information and analysis in support of Plan boundaries, policies and projects. An important source of information for this Report is the *Industrial Urban Renewal Area Draft Feasibility Report*, a study prepared in September, 2004 by the staff of the Portland Development Commission (PDC) with financial analyses prepared by the firm of Tashman Johnson, LLC. The study examined the feasibility and eligibility of the Urban Renewal Area (the "Area") for urban renewal. It also contains base information regarding physical and other conditions of the Area.

This Report also draws from city-wide studies related to industrial land supply, including the Portland Harbor Industrial Land Study and the Citywide Industrial Land Inventory and Assessment. Both of these reports were completed in 2003.

The Willamette Industrial Urban Renewal Area represents an enormous opportunity to strengthen the Portland economy. Urban renewal will allow for public investments to address the challenges which property owners in the area face, such as environmental contamination. Urban renewal will also help the City to address the severe shortage of industrial land within the harbor area, which is a fundamental challenge to the City's economic health.

II. PHYSICAL CONDITIONS

A. Land Use and Zoning

The proposed URA as described in this Report consists of approximately 751 acres of land lying on both the east and west sides of the Willamette River. The Area includes portions of Swan Island and Mocks Bottom on the east side, as well as properties lying on the west side of the River between St. Helens Road (Highway 30) and the River, in the vicinity of the historic Railroad Bridge.

The URA is divided into four sub-areas, as indicated in the map attached as Exhibit 1. These sub-areas are Swan Island and Mocks Bottom (both of which are located on the east side of the Willamette River), and West Bank-North and West Bank-South, lying on the west side of the River. Note that for the purposes of this Plan and Report "Mocks Bottom" includes all industrial lands between the Swan Island Lagoon and Mocks Bluff. Mocks Bottom includes "Mocks Landing" which is limited to property on the east side of the main rail line.

Almost all of the proposed Urban Renewal Area falls within either the IG-2, General Industrial, or IH, Heavy Industrial, base zones. All of the Mocks Bottom sub-area falls within the IG-2 zone, except for approximately 1/2 acre of steep, undevelopable property on Mocks Bluff, lying below the University of Portland, which is zoned R2. Another 18.5 acres towards the southern end of the Swan Island sub-area is also zoned IG-2. A very small portion of the Swan Island sub-area (1/2 acre) is zoned EG-2, General

Employment. The balance of the proposed URA (consisting of the remaining acreage of Swan Island as well as all the west bank properties) falls within the IH zone. Table 1 indicates the acreage in each sub-area, by zoning.

Table 1: Zoning by Sub-area

Sub-Section	IH	IG-2	EG-2	R2
West Bank North	79	0	0	0
West Bank South	120	0	0	0
Swan Island	173.5	18.5	.5	0
Mocks Bottom	0	360	0	.5
Totals:	372.5	378.5	.5	.5

Both the IG-2 and IH zones are classified as "industrial sanctuary" zones, meaning that there are strong restrictions on non-industrial uses. Industrial sanctuary zones are intended to preserve lands for industrial, manufacturing and warehousing activities. Both the IG-2 and IH zones allow a broad range of industrial uses, including manufacturing, as well as warehousing, light processing and fabrication activities. A very small, undevelopable parcel on the hillside above Mocks Bottom's is zoned R2, a multi-family residential zone. The constraints of this site preclude any actual development. There is also a thin sliver of EG-2 zoned land on the southern tip of the Swan Island sub-area. This zone allows various industrial uses.

Portions of the proposed URA (including all of the Swan Island sub-area, and those portions of the Mocks Bottom, West Bank North and West Bank South sub-areas lying close to the River) lie within the i, River Industrial, overlay zone and are subject to its requirements in addition to the base zone requirements. The i overlay zone is one of five Willamette Greenway overlay zones. The intent of the i zone is to "encourage and promote the development of river-dependent and river-related industries which strengthen the economic viability of Portland as a marine shipping and industrial harbor, while preserving and enhancing the riparian habitat and providing public access where practical." Under the provisions of the Swan Island Plan District, some waterfront properties in Swan Island and Mocks Bottom are exempt from greenway review under certain circumstances, in recognition of the particular needs of river-dependent industries; a mitigation plan is required in lieu of the greenway review.

Consistent with the zoning designations, the predominant land uses within the URA are industrial, including manufacturing and warehousing. Table 2 indicates the number of sites and acreage by land use within the URA. Note that 127 acres are dedicated to transportation rights-of-way and open space (streets, railroads, and so forth).

Table 2: Sites and Acreage by Land Use

Facility Type	All Sites	All Acres
Occupied Sites	60	526
General Industrial	13	254
Distribution	22	151
Multi-Tenant	12	76
Industrial Services	10	39
Non-Industrial	3	6
Unoccupied Sites	9	110
Non-Sites (r.o.w., etc.) (submerged taxlot area)	--	115
Total	69	751

Source: Bureau of Planning and PDC, *Industrial Lands Atlas, 2004*.

B. Streets, Utilities and Infrastructure

This description of infrastructure conditions is based upon visual observations as well as consultation with staff from various City agencies, including the Portland Office of Transportation, the Bureau of Environmental Services, and the Bureau of Parks & Recreation.

Street Classifications

Streets within the proposed URA have the following classifications in the City's Transportation System Plan:

- Basin Avenue in Mocks Bottom is a neighborhood (traffic) collector street, community transit street, City bikeway, City walkway (as are all streets in that section of Mocks Bottom lying east of the Union Pacific main line), and major emergency response street.
- Lagoon Avenue and Channel Avenue, running parallel to each other in Swan Island, are classified as neighborhood (traffic) collector streets, transit access streets, City bikeways, City walkways, and major emergency response streets.
- Dolphin Street, towards the northern end of Swan Island, has the same classifications as Lagoon and Channel, except that it is not a Major Emergency Response Street.
- Front Avenue which runs through the West Bank-South sub-area and terminates immediately north of the Railroad Bridge, is classified as a neighborhood collector street, community transit street, City bikeway, and major emergency response street.
- Finally, the entire proposed URA is classified as a freight district.

The following describes the intended purpose of these street classifications (taken from the Transportation System Plan):

- Freight Districts are intended to provide for safe and convenient truck movement in areas serving large numbers of truck trip ends and to accommodate the needs of intermodal facilities.
- Neighborhood Collectors are intended to serve as distributors of traffic from Major City Traffic Streets or District Collectors to Local Service Streets and to serve trips that both start and end within areas bounded by Major City Traffic Streets and District Collectors.
- Transit Access Streets are intended for district-oriented transit service serving main streets, neighborhoods, and commercial, industrial, and employment areas.
- Community Transit Streets are intended to serve neighborhoods and industrial areas and connect to citywide transit service.
- City Bikeways are intended to serve the Central City, regional and town centers, station communities, and other employment, commercial, institutional, and recreational destinations.
- City Walkways are intended to provide safe, convenient, and attractive pedestrian access to activities along major streets and to recreation and institutions; provide connections between neighborhoods; and provide access to transit.
- Major Emergency Response Streets are intended to serve primarily the longer, most direct legs of emergency response trips.

Street Conditions

- In the Swan Island sub-area, there appears to be adequate road, rail, and ship access for current uses. There is limited road access to certain undeveloped portions at the northern end of the sub-area, however.
- The Mocks Bottom sub-area appears to have adequate transportation infrastructure for current uses, including road and rail access.
- On the West Bank North sub-area, Siltronic appears to have good transportation access to the developed portions of the property. Undeveloped portions will require additional access, however. There is rail access also just beyond the western edge of the property.
- The West Bank South sub-area has good road and ship access for the eastern portions of the sub-area. However, the tax lots in the western section of this sub-area have limited street access. There is a rail line just beyond the western edge of the sub-area.

In short, the transportation infrastructure is generally sufficient for existing development. However, future new development on vacant properties, and more intensive utilization of existing developed parcels, will need additional infrastructure due to added impacts. The existing streets are inadequate for significant increases in employment levels implicit in the Plan. Absent specific redevelopment plans for most of the potential redevelopment parcels within the URA, it is difficult to forecast specific additional street requirements (additional capacity, signalization, and so forth) which will be necessary to support new business investment. Therefore, the Plan anticipates the likelihood of such infrastructure investments by including future street improvements as a Plan project. The Plan also recognizes the importance of effectively integrating transportation demand management programs into facility planning, to reduce reliance on single occupancy vehicles and to thereby reduce transportation system demands.

The zoning maps for some properties within the URA include a trail designation – certain levels of redevelopment or private properties will trigger construction of public trails to standards set forth in the regulations of the Willamette Greenway overlay zone. As with other public improvement requirements, the Plan anticipates the need to assist in the funding of required trails.

Utilities

As with streets, it is difficult to predict the exact nature of utility requirements for future business investment within the URA. The Plan anticipates the likelihood that urban renewal funds will be needed to assist businesses with infrastructure improvements such as water service, sewers and stormwater detention and treatment. Few if any of the existing uses in the URA have been developed to current City standards regarding stormwater treatment and detention. As properties are redeveloped, urban renewal funds will likely be necessary to assist in financing utility improvements.

C. Land and Improvement Values

Table 3 (below) indicates the 2003 improvement to land value ratio. This ratio is a useful indicator of the degree of utilization of a property or area. Areas with low improvement to land value ratios are characterized by low density development and/or vacant sites. Areas with high ratios are characterized by high density development. A ratio of at least 4:1 is considered to be indicative of a healthy development density for industrial areas, based on comparison with existing developed industrial properties, although this ratio is obviously lower for some distribution and logistics businesses which rely on exterior truck storage and other low improvement value features. As Table 3 demonstrates, all of the sub-areas within the proposed URA fall short of this minimally desirable ratio, with the exception of the West Bank-North sub-area, which is anomalous due to the existing Siltronic facility. Even this property, however, will accommodate more intensive investment and is therefore considered under-utilized, given the possible new \$466,000,000 fabrication plant that Siltronic is considering building at this site. The

Siltronic property includes even more opportunities for redevelopment both regard to the older fabrication plants on this site as well as the approximately 20 acre vacant land on the western edge of the site.

It is important to note that in order to achieve a higher improvement to land value ratio, the Plan does not generally contemplate replacement of existing "under-utilized" businesses; instead the Plan anticipates that higher improvement values will be achieved by modernizing or expanding businesses. Therefore, an important component of the Plan is financial and other assistance in modernization or expansion.

Table 3: 2003 Improvement to Land Value Ratios

Subarea	Land Area Acres	Total Real Market Value (RMV)		I:L Ratio	RMV: Land Value \$ per Acre
		Improvement \$	Land \$		
Swan Island	192	\$7,693,230	\$9,822,900	0.78	\$50,634
Mocks Bottom	360	\$180,175,000	\$78,491,650	2.30	\$215,046
West Bank					
North	79	\$183,813,130	\$8,431,240	21.80	\$105,391
West Bank					
South	120	\$8,057,040	\$3,685,810	2.19	\$30,973
Total	751	\$379,738,400	\$100,431,600	3.78	\$132,496

Source: Multnomah County Assessment and Taxation, 2004.

* Note that this table uses Real Market Values, as opposed to Taxable, or Assessed, Values, shown in Table 4. The values are therefore not comparable. Note also that approximately 60 acres in the Swan Island sub-area are submerged, resulting in a distorted real market land value per acre.

There are in excess of 100 acres of vacant land within the proposed industrial URA. Much of this is in small lots, and all of it faces some constraints on new development due to factors such as known or potential environmental contamination, limitations related to LCDC Goal 5 and other environmental resource policies, access, and diverse ownership.

In addition to the vacant land, there are a number of parcels within the proposed URA that are relatively underutilized, as suggested in Table 3 above. Some of these sites have significant redevelopment potential, particularly in light of the severe shortage of industrial sites in Portland's harbor area. Redevelopment of these under-utilized sites can entail either completely new structures and uses. More likely, redevelopment will entail the expansion and modernization of existing facilities, i.e. distribution and logistic facilities. For instance, urban renewal funds can be used to assist in the construction of structured, multi-level parking, thereby allowing for more intensive use of surface parking lots. Some new appreciation in value may be due to increases in personal as opposed to real property, i.e., equipment.

The Portland Harbor Industrial Lands Study (2003) notes that "in the Region as well as in the City of Portland, there is a shortage of available, ready-to-develop land to accommodate industrial growth". This Study projects a regional demand of 6,310 acres for industrial development by the year 2020 (813 acres in Multnomah County alone).

And yet the Study identifies only 33 acres of "Tier A" (ready to build) riverfront industrial land (all of it outside of the proposed URA). Industrial lands near the riverfront are considered particularly desirable because of their access to all modes of transportation – rail, truck, and, of course, the River. The Study includes an exhaustive list of harbor industrial properties, noting that virtually every property in the general area faces one or more constraints, which render these sites unfeasible for new industrial investment at this time.

The Portland Harbor Industrial Lands Study identifies the challenge of addressing environmental and other regulatory constraints which further diminishes the financial feasibility of new industrial development, in addition to the issue of the shortage of available industrial land in the harbor area. For this reason, formation of the URA is critical to provide resources to facilitate redevelopment of these unused/underutilized sites. Once again, while new investment may entail a change to a more intensive use, it is more likely that increased utilization will be in the form of plant expansion and modernization of existing businesses.

Formation of the URA will also provide the means by which to assemble property so as to create adequately sized and configured sites for new or expanded manufacturing investment. Facilitation of site assembly, site preparation, and site remediation by PDC will greatly improve the economic viability of property located within the proposed URA, by increasing the amount of "shovel ready" developable industrial land within the region, allowing existing transportation infrastructure to be fully utilized while simultaneously increasing the City's tax base.

D. Environmental Conditions

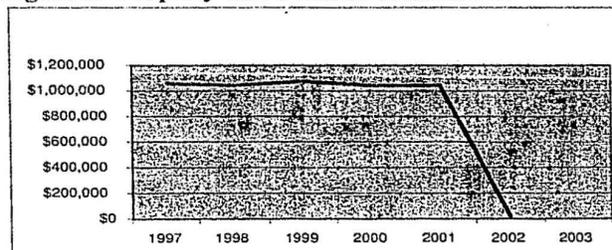
Perhaps the greatest single impediment to new investment within the URA is environmental contamination. Many properties are or may be contaminated. Within the proposed URA boundaries, there are currently 13 DEQ (Department of Environmental Quality) cleanups or investigations underway. At least two of these sites (comprising 67 acres) are totally unoccupied, and many of the rest are highly underutilized. All properties within the URA on the west bank of the Willamette are sites with known or suspected contamination such as gasoline, diesel, oil, metals, coal tar, PCB's, pesticides and herbicides. Several of these sites have been remediated but may require additional assistance before the sites are ready to be redeveloped. Some properties on Swan Island are currently being evaluated by DEQ for the presence and extent of contamination. In the Mocks Bottom area there are several properties that have known or suspected contamination; additional sites may be identified as DEQ continues its investigations.

The challenge with most of these contaminated properties is that they may not be redeveloped by the private sector without some additional public financial assistance, as it is currently not financially feasible to redevelop through conventional (private) financing sources. While the cost of remediation varies considerably depending on the level and type of contamination, it is common for clean-up costs to be so high that

redevelopment does not provide a sufficient rate of return with respect to private financing. Even *with* urban renewal funding assistance, the costs of remediation can be so high that it is unfeasible to take the necessary remediation actions to return a contaminated site to productive use. However, the strategic use of urban renewal funds in some cases can make the difference in whether a contaminated site is redeveloped. PDC assistance is not intended to remove the obligations, financial or otherwise, of parties responsible for contaminated conditions.

The Atofina property, located in the West Bank – South sub-area of the URA, illustrates the effects of contamination on property values and redevelopment potential. At one time this property was one of the ten highest tax revenue sources in the City. In 2002 the Tax Assessor re-assessed this site in light of its contaminated condition, leading to a dramatic decline in tax revenues received by local taxing jurisdictions, including the City's General Fund, as depicted in the following graph:

Figure 1: Property Tax Decline: Atofina Site



Source: Multnomah County Assessment and Taxation, R483779 and R324210, 2004.

Based on a \$60 million drop in market value, this site's annual contribution to property taxes fell by over \$1 million in just one year.

Formation of an industrial URA is a major component of a comprehensive strategy to facilitate industrial brownfield redevelopment, thereby restoring once productive land that has become a financial and environmental liability. Urban renewal funds can be used for financial and technical assistance related to the assessment, mitigation, and/or remediation of these sites. As noted elsewhere, however, urban renewal funds are not intended to assume the obligations of responsible parties.

III. SOCIAL AND ECONOMIC CONDITIONS

A. Population, Income and Employment

Unlike most urban renewal areas, the land within the proposed Willamette Industrial URA is zoned exclusively for industrial uses. As such, there is no existing or proposed residential development within the URA boundary.

There is considerable employment within the proposed URA. The most recent estimates (2002) show approximately 7,000 jobs within the boundary. Typically these jobs are quality, high-paying positions. For instance, according to the Portland Harbor Industrial Lands Study (2003), a typical employee in the manufacturing sector earns about \$51,800 per year, compared with a city-wide average for all jobs of about \$36,700. As a result, manufacturing jobs have a stronger "multiplier effect" – higher paying jobs result in more discretionary income, thereby creating more secondary jobs. The aforementioned study notes that the 34,270 jobs in the harbor industrial areas (this comprises a much larger area than the proposed URA) generate an additional 46,890 jobs throughout the metropolitan area.

In light of the benefits of manufacturing jobs to the general economy, one of the primary goals of the Plan is the encouragement of new business investment that will result in a higher density of well-paying jobs.

B. Economic Conditions

Many properties within the proposed URA are not achieving their full economic potential. Sections II-C and II-D describe the under-utilization of these properties, with a particular focus on the contaminated condition of some properties.

As noted above, there were approximately 7,000 jobs within the boundaries of the proposed URA in 2002. This number represents a significant decrease since 1996 and 2000, when there were approximately 9,900 and 10,800 jobs, respectively. This drop in job numbers can probably be attributed in part to factors far beyond the influence of urban renewal (such as the recession in the national economy over the last several years). However, the reduction in job count can be attributed in part to conditions identified in this Report, conditions which urban renewal can address, such as the contaminated condition of certain sites.

The redevelopment of vacant or under-utilized sites represents an opportunity to generate increased employment numbers within the URA boundary. To the extent that it can help spur new private investment in the area, urban renewal is critical to the significant improvement of economic conditions within the proposed URA.

C. Service Impacts

The Willamette Industrial Urban Renewal Plan is not anticipated to have significant impacts on most services, in as much as there will be no residential development. Increase in residential population can require additional City services, such as parks and schools. Because there are no residentially zoned properties within the URA, this issue is largely moot.

As noted earlier in the Plan (Section II B), it is anticipated that new development could trigger the need for additional infrastructure such as street improvements and utilities. The Plan allows for expenditures on these improvements to accommodate new development which is supportive of the Plan goals.

IV. CONFORMANCE WITH LAND AREA AND ASSESSED VALUE LIMITS

ORS 457.420(2)(a)(A) provides that the assessed value of an urban renewal area, when added to the total assessed values previously certified by the assessor for all other active urban renewal areas, may not exceed 15% of the total assessed value of the municipality (i.e. the City of Portland), exclusive of any increased assessed value for other URA's.

ORS 457.420 (2)(a)(B) provides that the total land area of a proposed urban renewal area, when added to the land area of existing active urban renewal plans, may not exceed 15% of the City's total land area.

Data assembled from the Multnomah County Assessor indicates that the 2003 total assessed valuation for real property within the proposed urban renewal area boundary is \$377,623,620. Staff estimates that the value it will carry at the time of certification of the frozen base will total \$381,399,856, and that when Personal Property accounts are added, the certified frozen base will total approximately \$423,777,618. Table 4 shows the certified values and acreage for all of Portland's renewal areas, and how values and acreage in the proposed industrial URA would influence the 15% limits.

Table 4 – Indication of Compliance with 15% Acreage and Assessed Value Requirements

Urban Renewal Area	Acreage	Assessed Value
Oregon Convention Center	601	\$247,728,838
Downtown Waterfront	309	\$70,866,644
Airport Way	2,780	\$129,701,177
South Park Blocks	161	\$378,055,680
Central Eastside	681	\$224,605,349
Lents Town Center	2,472	\$640,177,922
River District	310	\$358,684,364
Gateway Regional Center	653	\$307,174,681
North Macadam	409	\$180,450,967
Interstate Corridor	3,744	\$1,033,372,876
Total Current URA	12,120	\$3,570,818,498
Proposed Industrial URA	751 *	\$423,777,618
Total with Proposed URA	12,871	\$3,994,596,116
Total City of Portland	92,614 **	\$37,695,449,753
Total Percentage URA Acreage	13.91%	10.60%

Source: Tax Supervising and Conservation Commission, Multnomah County Assessment and Taxation, Tashman Johnson LLC, and PDC, 2004.

* Preliminary Estimates.

** 2003 Tax Year.

V. REASONS FOR SELECTION OF THE AREA

The area of the proposed Willamette Industrial Urban Renewal Plan was chosen in order to remove blighting conditions within the four sub-areas constituting the Plan. This proposed URA represents a tremendous opportunity for the City of Portland to fulfill over-arching economic development goals related to the attraction and retention of industrial enterprises which provide good paying jobs, as well as capitalizing on the transportation infrastructure provided by the urban growth boundary, which concentrates industrial uses in order to optimize transportation investment. This Plan is necessary to fully realize this opportunity and to achieve the above goals.

This Report addresses the core issues that drive the selection of the area – environmental contamination and under-utilization of key industrial opportunity parcels, particularly in light of the City's severe lack of developable industrial land. The boundary includes sites on both the east and west sides of the River that are likely to remain in their current blighted condition without formation of the proposed URA. Inclusion of these properties within the URA will allow the area to achieve its potential, through the provision of important funding tools that are

necessary to make new development, including re-investment in existing facilities, financially feasible.

Each of the four sub-areas is characterized by the blighted conditions (environmental contamination and/or under-utilization of land) which urban renewal can help to ameliorate, thereby justifying inclusion in the URA boundary:

- The 192 acre Swan Island sub-area features several major vacant parcels, including a 30 acre Port-owned property on the main channel of the Willamette River, and the Cascade General property which has experienced a major decline in employment due to changing market conditions and industry trends. As noted earlier, there are infrastructure deficiencies associated with the Cascade General property – a major redevelopment is likely to trigger substantial public infrastructure requirements.
- The Mock's Bottom sub-area, at 360 acres, is the largest of the four sub-areas, is fairly well developed, though some properties are developed at relatively low improvement to land value ratios and/or include buildings that are functionally obsolete. Urban renewal represents a means by which to more fully utilize this existing development, though plant modernization and expansion. There are vacant properties in Mock's Bottom which with urban renewal assistance can be redeveloped.
- West Bank North is partially developed with the Siltronic facility. However, Siltronic's ownership includes major opportunities for reinvestment, reinvestment that will not occur without inclusion of this property in the proposed URA. Urban renewal funds are essential to re-investment in Siltronic's existing fabrication plants as well as the approximately \$466,000,000 fabrication plant Siltronic is contemplating developing on this site, which would generate about 500 good-paying jobs. The site also includes an additional 25 acres that could accommodate further expansion, if urban renewal funding is available to assist.
- West Bank South faces arguably the greatest challenges to redevelopment among the four sub-areas. As noted earlier in this report, the major holdings in this sub-area suffer from severely environmental contamination, and it is very unlikely that major new development will occur on these properties without the funding assistance that urban renewal provides. Even with urban renewal funding, it may not be possible to return some of these sites to productive use, but without urban renewal the restoration of these sites appears unfeasible.

The proposed URA includes numerous river-front parcels. Formation of the urban renewal area will provide funding sources to upgrade the river-front, to assist with enhancing fish and wildlife habitat and with greenway trail improvements where required.

The proposed URA does not include the Willamette River, except as private parcels extend into the River. The River has not been included in the URA study boundary for the following reasons:

- Inclusion of non-privately held river "lands" would not serve the essential purposes of the proposed URA, i.e. to assist in new industrial/manufacturing investment which will create new quality jobs.
- The non-privately held River area is not taxable property, and therefore would not generate any tax increment, which is related to the aforementioned purpose of the URA (i.e. new increment to assist in new job-generating private investment).
- Inclusion of the River would add a considerable amount of non-taxable acreage. This is a concern because of the statutory limitation on the total acreage in the City that may fall within an Urban Renewal Area (see Section IV).
- Even if non-privately held portions of the Willamette River were included in the proposed URA, direct contamination clean-up costs in the Willamette River (bank to bank, as opposed to the adjacent developable shores) are not TIF eligible expenses because such a project would not prevent or eliminate blight in the proposed URA as required by ORS Chapter 457. Contamination in the Willamette River is not one of the constraints that has created blight and prevented development of the properties in the proposed URA. Absent that link, TIF may not be used to clean up the Willamette River.

VI. RELATIONSHIP BETWEEN PROJECTS TO BE UNDERTAKEN AND EXISTING CONDITIONS IN AREA

The projects to be undertaken under the Plan are designed to remove blighted conditions within the District. The projects are directly related to conditions within the District. The major expenditure categories include business assistance, addressing environmental contamination, infrastructure investment, and land acquisition.

The Portland Development Commission's various financial assistance programs for businesses include the Quality Jobs Program, the Economic Opportunity Fund, Deferred Loan Program and the Industrial Development Opportunity Services Program. Use of these various funding programs in the URA will allow PDC to assist existing businesses to expand, and new businesses to locate in the URA. Financial assistance to new business investment, such as the proposed \$466,000,000 Siltronic fabrication plant, is the primary impetus for the URA. Urban renewal is essential to attracting new investment on vacant and under-utilized properties within the URA boundary.

Environmental contamination in the proposed URA is another major challenge that urban renewal funds could remedy. As noted in this Report, there are numerous properties within the proposed URA that are constrained by environmental contamination. The proposed URA will provide a possible funding source to assist in the redevelopment of these properties, through the assessment, remediation, and/or mitigation of environmental conditions. Without this assistance, these properties could remain abandoned or underutilized, which not only prevents increased tax revenue but also continues to endanger the health and safety of humans and of wildlife.

Infrastructure development (streets, water, sewer, storm drainage, habitat improvements pedestrian amenities) will occur as an incentive to private development. New development will require additional infrastructure, and in some cases will also trigger public improvement requirements related to the Willamette Greenway.

The Plan authorizes a comprehensive set of projects to eliminate blight in the area and to generate a significant amount of jobs and private business investment, in accordance with the aspirations set forth in the Plan.

VII. ESTIMATED COSTS AND REVENUES

Estimated revenues and costs, including capital and operating costs, are shown on Exhibit 2, Project Revenue and Expenditure Summary. Costs were estimated in 2004 dollars and converted to year of expenditure dollars assuming annual inflation of 3%. Revenues are obtained from urban renewal bond proceeds and the proceeds of short term urban renewal notes.

The capacity for urban renewal bonds and notes is based upon projected tax increment, which in turn is based upon projections related to development within the proposed URA. Development projections represent moderately conservative assumptions regarding new investment on vacant and under-utilized properties, as well as growth in the assessed value (AV) for existing development.

Specifically, tax increment revenues are assumed to derive from three separate sources, or categories of tax generating activity. These sources are:

- A. Redevelopment of low valued lots. This includes more intensive utilization of existing businesses which would remain in place.
- B. Appreciation from lots that are not projected to completely redevelop but some of which are likely to experience new investment due to plant expansion and modernization.
- C. Increment generated through Siltronic investment.

Annual assessed value appreciation of existing properties that are not projected to be redeveloped (generally, all properties with a total Real Market Value for land plus improvements of \$6.50 per square foot or greater) is estimated at 1.5% initially, growing to 3% over time. This is a "blended" rate, consisting of commercial-assessed properties which are assumed to grow in assessed value at 3% annually (the maximum rate allowed under Measure 50), as well as industrial-assessed development, which appreciates in value at a lower rate, due to depreciation and other factors. The increase in the projected growth rate accounts for business expansion facilitated through formation of the district.

Appreciation in value of land due to redevelopment was estimated by assuming that some sites with a total (land and improvements) Real Market Value of less than \$6.50 per square foot would redevelop. The mix of redevelopment would vary by sub-area based on their particular characteristics, according to the following divisions:

Table 5: Redevelopment Assumptions (includes plant modernizations) by Sub-area with Urban Renewal

Sub-area	Redevelopment Potential (Acreage)	Warehouse %	Factory %	Office %
Swan Island	110.9	35%	50%	15%
Mocks Bottom	13.3	45%	40%	15%
West Bank North	24.7	60%	40%	0%
West Bank South	108.0	75%	25%	0%

Source: Portland Development Commission and Tashman Johnson LLC, 2004.

For these redevelopment projections, a non-build factor of .25 was assumed, meaning that of the lots projected to be redeveloped, 25% would remain vacant after 20 years. The table above indicates acreage slated for redevelopment before this non-build factor is applied. Of the three development types, warehouse developments are estimated to have a total value of \$22.96 per square foot of site area, factory developments are estimated at \$46.80 per square foot of site area, and office developments are estimated at \$74.75 per square foot of site area. Note that any new office development in the UKA is assumed to be ancillary to adjoining industrial development, in accordance with zoning restrictions. These redevelopment assumptions result in a total new development/redevelopment value of \$300.3 million over 20 years. These figures do not include the proposed Siltronic silicon wafer fabrication plant.

Based on these assumptions, total revenues of \$105.7 million are expected to be available for projects from the bond and note proceeds, *not including* Siltronic. In nominal dollars, costs total \$101.9 million. In addition, the Siltronic investment would require business assistance of approximately \$65.3, based on revenues of \$66 million.

Total costs for the URA (including Siltronic) would therefore total \$167.1 million, and revenues total \$171.7. Based on these projections, revenues are sufficient to cover expenditures, and the Plan is therefore financially feasible.

VIII. ANTICIPATED PROJECT SCHEDULE

The anticipated schedule of each urban renewal activity is shown on Exhibit 2. Projects are anticipated to be complete when the last expenditure is undertaken as indicated on Exhibit 2. Activities are anticipated to be undertaken starting in FY 2005/2006 and ending in FY 2024/2025.

IX. FINANCIAL ANALYSIS

Exhibit 2 indicates that projected revenues are sufficient to cover projected expenditures and that the Plan, therefore, is financially feasible.

Exhibit 3 indicates that projected urban renewal taxes are sufficient to support bonded indebtedness to the extent necessary to provide project revenues. Additional revenues are provided by short term urban renewal notes, repaid on an annual basis from the ending fund balances. It is projected that all indebtedness pursuant to this plan will be retired or otherwise provided for 2028-2029.

X. FISCAL IMPACT STATEMENT

The amendments to the Oregon Constitution passed by voters in May, 1997 resulted in a shift in Oregon's property tax valuation system. The existing tax bases and most continuing levies by taxing districts were subsequently reduced and then converted to "permanent rates." These permanent rates were sufficient to levy the amount of revenue that each taxing district was authorized to levy in 1997-98.

Since FY 98/99, the maximum revenues for each taxing district that maintains a permanent rate is determined by applying the permanent rate to the assessed value within the taxing district. Under this revised taxation system, the fiscal impact of urban renewal consists primarily of tax revenues foregone by taxing districts.

To a lesser extent, impacts in terms of increased tax rates to tax payers will result from any levy other than permanent rates. For example, if a local option levy or exempt bond levy is approved by voters, the tax rate necessary to raise the amount approved may be higher as a result of the existence of the Plan.

It is projected that \$101.9 million of tax increment funds will be required to implement the Plan (other than the proposed Siltronic project). In addition, the Siltronic project would require another \$65.3 million of tax increment funds. It is projected that by the end of FY 2027/2028, sufficient urban renewal tax revenues will have been collected to retire all outstanding bonded indebtedness necessary to finance the Plan. Urban renewal tax collections would therefore be projected to cease in 2028. Table 5 shows the projected revenues foregone by the taxing districts that levy taxes within the Area through FY 2028. The permanent rates are based on FY 2003/2004 rates. No other rate adjustments were made since many of them require voter approval or will not exist for a significant duration of the plan. Also, bond rates may be different due to changes in debt service requirements.

The foregone revenues are those revenues resulting from taxes on the level of development that would occur *without* urban renewal. Based on recent trends, PDC projects that new investment within the proposed URA will be limited if the URA is not formed. For instance, the proposed Siltronic investment (\$466,000,000) will not occur without urban renewal. Moreover, some

properties will actually lose value (or at least not appreciate in value) due to such factors as environmental contamination and depreciation of existing plant and equipment. The example of Atofina illustrates this scenario (see Section II.D). In addition, it is projected that appreciation of existing lots will be lower without urban renewal, due to less business growth and expansion.

To estimate investment in the area without formation of the proposed URA, significantly less redevelopment is expected to occur compared to redevelopment projections with urban renewal. Moreover, the mix of uses is assumed to be more heavily weighted toward lower value uses (e.g., warehouse and flex space). Redevelopment assumptions that are projected without formation of the URA are shown below by sub-area and development types:

Table 6: Redevelopment Assumptions by Sub-area without Urban Renewal

Sub-area	Redeveloped Acreage	Warehouse %	Factory %	Office %
Swan Island	110.9	70%	20%	10%
Mocks Bottom	13.3	70%	20%	10%
West Bank North	24.7	80%	20%	0%
West Bank South	108.0	80%	20%	0%

Source: Portland Development Commission and Tashman Johnson LLC, 2004.

For the non-urban renewal scenario, a non-build factor of 50% was assumed for Swan Island, Mocks Bottom, and West Bank North. Given the significantly contaminated properties in the West Bank South sub-area, a much higher 80% non-build factor was assumed.

With these assumptions, these areas are expected to generate a total incremental Assessed Value of \$331.8 million over 20 years assuming that the urban renewal area *is not* formed. This compares to a total incremental Assessed Value of \$720.7 million assuming the URA is formed.

Consequently the foregone revenues to tax-affected jurisdictions are relatively modest. Exhibit 4 indicates the foregone revenues for these jurisdictions on a year by year basis. Table 7 below is extracted from Exhibit 4; it indicates total estimated losses to permanent rate authorities over the 20 year life of the URA¹:

¹ This only includes permanent rates.

Table 7: Impacts to Local Taxing Jurisdictions; Foregone Revenues

<u>Tax Affected Districts</u>	<u>Rate</u>	<u>20 yr NPV at 3%</u>	<u>Average/yr. Current \$</u>
Port of Portland Permanent	0.0701	156,245	7,102
City of Portland Permanent	4.577	10,201,600	463,709
Metro Permanent	0.0966	215,310	9,787
Multnomah County Permanent	4.3434	9,680,933	440,042
Multnomah County ESD Permanent	0.4576	1,019,937	46,361
PCC Permanent	0.2828	630,328	28,651
SD1 PPS Permanent	4.7743	10,641,359	483,698
Totals:	14.6018	32,545,713	1,479,351

Source: Tashman Johnson, LLC, 2004.

Because of the increased assessed value that is projected to occur within the proposed URA as a result of urban renewal through FY 2025, even with minimal growth in assessed value after 2025 (4% annually), in present value terms the taxing districts are projected to recoup all foregone revenues within 11 years from the cessation of collection of urban renewal taxes (in FY 2027/28), or by FY 2038/39.

XI. RELOCATION REPORT

ORS 457.085 (3) (i) requires a relocation report as part of the Report to an Urban Renewal Plan. The following addresses the components of the relocation report.

A. Analysis of Existing Residents or Businesses Required to Relocate

No properties have been specifically identified for acquisition in the Plan. Therefore, there are no existing residents or businesses which will be required to relocate. Any residents or businesses which are required to relocate as a result of Commission-sponsored projects will be eligible for relocation assistance in accordance with the Commission's Relocation Policy, adopted by Resolution 5169 on September 16, 1998.

B. Methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 281.045 to 281.105

Again, the Commission has adopted a Relocation Policy which conforms to the requirements of ORS 35.500 to 35.530. The Portland Development Commission Relocation Policy is incorporated herein by reference.

An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

There are no housing units within the area, and zoning regulations prohibit new housing development. Therefore this provision does not apply.

12-7-04

EXHIBIT 2: PROJECT REVENUES AND EXPENDITURES

Fiscal Year Ending June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Beginning Balance	0	379,743	22,830,536	6,221,759	5,523,346	5,327,470	563,490	1,003,240	1,010,156	1,077,477
Long Term Bond Proceeds	1,209,993	45,125,123	3,077,992	0	4,934,833	0	5,871,584	0	5,858,454	0
Short Term Bond Proceeds	0	0	3,028,390	3,256,447	1,984,784	2,421,711	2,739,142	3,110,390	2,058,273	2,730,471
Interest	0	3,797	228,305	62,218	55,233	53,275	5,635	10,032	10,102	10,775
Total	1,209,993	45,508,664	29,165,223	9,540,424	12,488,197	7,802,455	9,179,850	4,123,662	8,936,983	3,818,723
Expenditures										
Bond Issuance Costs	30,250	1,128,128	78,464	1,628	124,363	1,211	148,159	1,555	147,490	1,365
Materials & Services	500,000	200,000	515,000	530,450	546,364	562,754	579,637	597,026	614,937	633,385
Environmental Mitigation										
Assessments (Level 1 and 2)	0	0	1,000,000	150,000	500,000	250,000	250,000	250,000	1,000,000	250,000
Remediation	0	0	500,000	0	2,500,000	0	2,500,000	0	2,500,000	0
Financial Assistance										
Industrial DOS	0	0	50,000	10,000	50,000	50,000	65,000	0	100,000	50,000
Environmental Insurance	100,000	50,000	250,000	250,000	500,000	100,000	250,000	100,000	500,000	500,000
Quality Jobs Program	0	50,000	250,000	50,000	450,000	100,000	250,000	250,000	500,000	400,000
Economic Opportunity Fund	0	50,000	250,000	25,000	500,000	175,000	450,000	250,000	250,000	400,000
Siltronic Assistance	0	20,000,000	20,000,000	3,000,000	2,000,000	6,000,000	1,683,814	1,464,925	997,079	579,366
Land Acquisition	0	0	0	0	0	0	1,000,000	0	1,000,000	0
Infrastructure	100,000	0	50,000	0	0	0	1,000,000	200,000	250,000	0
Transfer to DS Fund	160,000	1,200,000	0	0	0	0	0	0	0	0
Total	830,250	22,678,128	22,943,464	4,017,078	7,170,727	7,238,965	8,176,610	3,113,506	7,859,507	2,814,116
Ending Balance	379,743	22,830,536	6,221,759	5,523,346	5,327,470	563,490	1,003,240	1,010,156	1,077,477	1,004,607
Fiscal Year Ending June 30										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Beginning Balance	1,004,607	1,005,136	945,556	1,322,157	1,333,348	1,307,706	1,332,490	1,344,529	1,339,293	1,389,640
Long Term Bond Proceeds	6,758,894	0	8,051,713	0	8,588,168	0	8,884,767	0	9,654,107	0
Short Term Bond Proceeds	1,701,785	4,513,706	3,152,719	4,281,374	2,908,418	4,352,220	4,559,622	6,211,367	4,568,981	6,129,832
Interest	10,046	10,051	9,456	13,222	13,333	13,077	13,325	13,445	13,393	13,896
Total	9,476,332	5,528,893	12,159,443	5,616,752	12,843,267	5,673,002	14,790,204	7,569,341	15,575,773	7,533,369
Expenditures										
Bond Issuance Costs	169,848	2,257	202,869	2,141	216,158	2,176	224,399	3,106	243,637	3,065
Materials & Services	652,387	671,958	692,117	712,880	734,267	756,295	778,984	802,353	826,424	851,217
Environmental Mitigation										
Assessments (Level 1 and 2)	750,000	250,000	1,000,000	525,000	1,500,000	200,000	250,000	250,000	0	0
Remediation	2,000,000	0	2,500,000	1,500,000	4,750,000	0	500,000	500,000	500,000	500,000
Financial Assistance										
Industrial DOS	100,000	100,000	100,000	100,000	250,000	100,000	250,000	250,000	250,000	0
Environmental Insurance	500,000	400,000	500,000	150,000	500,000	300,000	1,250,000	1,375,000	450,000	625,000
Quality Jobs Program	1,500,000	500,000	1,600,000	200,000	750,000	300,000	1,900,000	1,000,000	900,000	550,000
Economic Opportunity Fund	1,500,000	600,000	1,500,000	250,000	850,000	400,000	1,750,000	1,000,000	750,000	825,000
Siltronic	198,961	1,809,122	1,242,301	843,383	485,136	132,041	1,642,292	1,049,589	675,464	318,307
Land Acquisition	1,100,000	0	1,500,000	0	750,000	1,150,000	2,750,000	0	5,450,000	0
Infrastructure	0	250,000	0	0	750,000	1,000,000	2,150,000	0	4,140,608	0
Transfer to DS Fund	0	0	0	0	0	0	0	0	0	2,500,000
Total	8,471,196	4,583,337	10,837,287	4,283,404	11,535,552	4,340,512	13,445,675	6,230,046	14,166,133	6,172,588
Ending Balance	1,005,136	945,556	1,322,157	1,333,348	1,307,706	1,332,490	1,344,529	1,339,293	1,389,640	1,360,781

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EXHIBIT 3: PROJECTED URBAN RENEWAL TAXES AND BONDED INDEBTEDNESS SCHEDULE

Fiscal Year Ending June 30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues											
Beginning Balance	0	0	185,661	4,878,714	5,168,937	4,964,248	5,430,061	5,430,061	5,984,297	5,984,297	6,537,294
Tax Increment Revenues											
Current Year (@ 95%)	0	199,876	5,726,741	7,692,948	7,340,403	7,221,947	7,193,389	8,620,495	8,371,875	8,436,220	8,547,183
Prior Year (@4%)	0	0	8,416	241,126	323,914	309,070	304,082	302,880	362,968	352,500	355,209
Interest	0	0	1,857	48,787	51,689	49,642	54,301	54,301	59,843	59,843	65,373
Transfer from Project Fund	0	100,000	1,200,000	0	0	0	0	0	0	0	0
Total	0	299,876	7,122,675	12,861,575	12,884,943	12,544,907	12,981,833	14,407,736	14,778,984	14,832,860	15,505,059
Expenditures											
Debt Service											
Long Term											
Bond 1		114,215	2,243,961	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707
Bond 2				290,541	290,541	290,541	290,541	290,541	290,541	290,541	290,541
Bond 3						465,813	465,813	465,813	465,813	465,813	465,813
Bond 4								554,236	554,236	554,236	554,236
Bond 5										552,997	552,997
Bond 6											
Bond 7											
Bond 8											
Bond 9											
Bond 10											
Total Long Term Bonds	0	114,215	2,243,961	4,664,248	4,664,248	5,130,061	5,130,061	5,684,297	5,684,297	6,237,294	6,237,294
Long Term Bond Reserve	0	114,215	2,243,961	4,664,248	4,664,248	5,130,061	5,130,061	5,684,297	5,684,297	6,237,294	6,237,294
Short Term Bonds	0	0	0	3,028,390	3,256,447	1,984,784	2,421,711	2,739,142	3,110,390	2,058,273	2,730,471
Total Expenditures	0	228,429	4,487,922	12,356,886	12,584,943	12,244,907	12,681,833	14,107,736	14,478,984	14,532,860	15,205,059
Ending Balance	0	71,446	2,634,753	504,689	300,000	300,000	300,000	300,000	300,000	300,000	300,000

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EXHIBIT 3: PROJECTED URBAN RENEWAL TAXES AND BONDED INDEBTEDNESS SCHEDULE

Fiscal Year Ending June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Beginning Balance	6,537,294	7,175,380	7,175,380	7,935,405	7,935,405	13,119,774	8,746,067	9,875,267	9,584,726	10,496,005
Tax Increment Revenues	8,789,997	10,947,227	11,015,458	11,373,615	11,721,119	12,101,948	14,376,531	14,501,471	14,969,830	15,476,354
Current Year (@ 95%)	359,881	370,105	460,936	463,809	478,889	493,521	509,556	605,328	610,588	630,309
Prior Year (@4%)	65,373	71,754	71,754	79,354	79,354	131,198	87,461	98,753	95,847	104,960
Interest	0	0	0	0	0	0	0	0	0	0
Transfer from Project Fund	15,752,545	18,564,466	18,723,528	19,852,183	20,214,767	25,846,441	23,719,615	25,080,818	25,260,991	26,707,628
Total										
Expenditures										
Debt Service										
Long Term	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707	4,373,707
Bond 1	290,541	290,541	290,541	290,541	290,541	290,541	290,541	290,541	290,541	290,541
Bond 2	465,813	465,813	465,813	465,813	465,813	465,813	465,813	465,813	465,813	465,813
Bond 3	554,236	554,236	554,236	554,236	554,236	554,236	554,236	554,236	554,236	554,236
Bond 4	552,997	552,997	552,997	552,997	552,997	552,997	552,997	552,997	552,997	552,997
Bond 5	638,086	638,086	638,086	638,086	638,086	638,086	638,086	638,086	638,086	638,086
Bond 6			760,025	760,025	760,025	760,025	760,025	760,025	760,025	760,025
Bond 7					810,662	810,662	810,662	810,662	810,662	810,662
Bond 8							838,659	838,659	838,659	838,659
Bond 9									911,279	911,279
Bond 10										
Total Long Term Bonds	6,875,380	6,875,380	7,635,405	7,635,405	8,446,067	8,446,067	9,284,726	9,284,726	10,196,005	10,196,005
Long Term Bond Reserve	6,875,380	6,875,380	7,635,405	7,635,405	12,819,774	8,446,067	9,575,267	9,284,726	10,196,005	5,822,298
Short Term Bonds	1,701,785	4,513,706	3,152,719	4,281,374	-1,351,074	8,654,307	4,559,622	6,211,367	4,568,981	10,389,325
Total Expenditures	15,452,545	18,264,466	18,423,528	19,552,183	19,914,767	25,546,441	23,419,615	24,780,818	24,960,991	26,407,628
Ending Balance	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000

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EXHIBIT 4: TAX AFFECTED DISTRICTS FOREGONE REVENUES

Fiscal Year Ending June 30		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Incremental AV w/out UR		-510,436	-973,459	1,058,145	3,199,481	16,606,253	31,029,884	47,062,037	63,516,048	81,808,710	99,841,766	119,925,709	140,648,373
Taxing District	Rate												
Port of Portland Permanent	0.0701	-36	-69	74	224	1,164	2,175	3,299	4,452	5,735	6,999	8,407	9,859
City of Portland Permanent	4.5770	-2,336	-4,458	4,843	14,644	76,007	142,024	215,403	290,713	374,429	456,976	548,900	643,748
Metro Permanent	0.0965	-49	-94	102	309	1,604	2,997	4,546	6,136	7,903	9,645	11,585	13,587
Multnomah County Permanent	4.3434	-2,217	-4,228	4,596	13,897	72,128	134,775	204,409	275,876	355,319	433,653	520,865	610,892
Multco ESD Permanent	0.4576	-234	-445	484	1,464	7,599	14,199	21,536	29,065	37,435	45,688	54,878	64,361
PCC Permanent	0.2626	-144	-275	299	905	4,696	8,775	13,309	17,862	23,135	28,235	33,915	39,775
SD1 PPS Permanent	4.7743	-2,437	-4,648	5,052	15,275	79,283	148,146	224,688	303,245	390,570	476,675	572,561	671,498

Fiscal Year Ending June 30		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Incremental AV w/out UR		162,028,335	164,084,683	206,637,031	230,305,533	254,510,898	279,474,405	305,217,916	331,763,894	354,430,139	377,776,372	401,822,991
Taxing District	Rate											
Port of Portland Permanent	0.0701	11,358	12,904	14,499	16,144	17,841	19,591	21,396	23,257	24,846	26,482	28,168
City of Portland Permanent	4.5770	741,604	842,556	946,693	1,054,108	1,164,895	1,279,154	1,396,982	1,518,483	1,622,227	1,729,082	1,839,144
Metro Permanent	0.0965	15,652	17,783	19,980	22,248	24,586	26,997	29,484	32,048	34,238	36,493	38,816
Multnomah County Permanent	4.3434	703,754	799,553	898,376	1,000,309	1,105,443	1,213,869	1,325,683	1,440,993	1,539,432	1,640,634	1,745,278
Multco ESD Permanent	0.4576	74,144	84,237	94,649	105,388	116,464	127,887	139,668	151,815	162,187	172,870	183,874
PCC Permanent	0.2626	45,822	52,059	58,494	65,130	71,976	79,035	86,316	93,823	100,233	106,835	113,636
SD1 PPS Permanent	4.7743	773,572	878,876	987,502	1,099,548	1,215,111	1,334,295	1,457,202	1,583,940	1,692,156	1,803,618	1,918,424

Tax Affected Districts	Rate	Totals	NPV at 3%	Average Yr. Current \$
Port of Portland Permanent	0.0701	258,772	156,245	7,102
City of Portland Permanent	4.5770	16,895,825	10,201,600	463,709
Metro Permanent	0.0965	356,595	215,310	9,787
Multnomah County Permanent	4.3434	16,033,499	9,680,833	440,042
Multco ESD Permanent	0.4576	1,889,213	1,019,937	46,361
PCC Permanent	0.2626	1,043,948	630,328	28,651
SD1 PPS Permanent	4.7743	17,624,150	10,641,359	483,699
Totals	14.6018	53,902,000	32,545,713	1,479,351

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