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ORDINANCE NO. 187074 (AS AMENDED)

WILLAMETTE INDUSTRIAL URBAN RENEWAL PLAN

[Attached]

[This cover sheet should be included as part of the attached document]

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 7th day of April 2015
MARY HULL CABALLERO
Auditor of the City of Portland
By Susan Parsons
Deputy

ORDINANCE No. 187074

Approve the Second Amendment to the Willamette Industrial Urban Renewal Plan to cease collections of tax increment. (Ordinance).

The City of Portland ordains:

Section 1. The Council finds:

1. The Willamette Industrial Urban Renewal Area Plan ("Original Plan") was adopted by Portland City Council on November 24, 2004 by Ordinance No. 178904 to provide tax increment funding and urban renewal authority to foster the development and redevelopment to protect the public health, safety, and welfare of the City of Portland.
2. The Original Plan was subsequently amended one time, (as amended, the "Plan"),by the Portland Development Commission, the duly organized and acting urban renewal agency of the City of Portland ("PDC").
3. The Council adopted Resolution No. 37072 on May 7, 2014 directing PDC and the Office of Management and Finance ("OMF") to prepare proposed amendments to the URA as part of a package of amendments to six urban renewal areas.
4. The Council also directed PDC and OMF to work with the Bureau of Planning and Sustainability and the Portland Housing Bureau, to coordinate with partner taxing jurisdictions, and engage community stakeholders to consider, discuss and finalize the proposed amendments.
5. PDC and OMF have completed this coordination process including the appointment of an advisory committee that has reviewed the proposed amendment.
6. PDC has prepared a Second Amendment to the Plan ("Second Amendment"), which is attached to this ordinance as Exhibit A and incorporated herein by this reference to cease collections of tax increment and to allow existing bond proceeds to continue to be used in the Willamette Industrial Urban Renewal Plan Area to fund manufacturing loans to businesses operating in the Area.
7. The termination of tax increment collections will return the assessed value of 756 acres from the URA to the tax rolls returning a projected $12,626,196 of tax increment to taxing jurisdictions through FY 2023-24 and reduce the acreage in the City of Portland that is in urban renewal areas.
8. On December 11, 2014, the PDC Board of Commissioners held a public hearing and, after considering testimony and other information presented to it, recommended approval of the Second Amendment (PDC Resolution Number 7084).
9. The Second Amendment is being adopted as a council approved amendment pursuant to Section XIII of the Plan. The City and PDC have complied with all of the requirements for adoption of the Second Amendment.

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

_____ day of _____

MARY HULL CASALLERO
Auditor of the City of Portland

By _____
Deputy

NOW THEREFORE, the Council directs:

a. The Second Amendment to the right, attached hereto as Exhibit A, and incorporated herein by this reference, having been duly reviewed and considered by Council, is hereby approved, to become effective July 1, 2015.

b. The Report on the Second Amendment to the Willamette Industrial Urban Renewal Plan attached hereto as Exhibit B, and incorporated herein by reference, is hereby approved.

c. The City Auditor shall forward to the PDC certified copies of this Ordinance upon adoption by Council.

d. PDC shall file in the Deed Records of Multnomah County, Oregon, a copy of this Ordinance and the Second Amendment upon adoption by Council.

e. PDC shall notify the Multnomah County Assessor of the Second Amendment and the decision to cease collections of tax increment revenue.

Passed by the Council: APR 01 2015

Mary Hull Caballero
Auditor of the City of Portland
By Susan Parsons
Deputy

Mayor Hales
Prepared by: Justin Douglas
Date Prepared: February 16, 2015

Exhibit A

SECOND AMENDMENT TO

THE WILLAMETTE INDUSTRIAL URBAN RENEWAL PLAN

The Second Amendment to the Willamette Industrial Urban Renewal Plan (the "Plan") amends Section XII of the Plan to delete the authority to use tax increment revenues as a financing method for completing projects specified in the Plan and to remove all of the acreage from the URA designation for the purposes of tax increment collections and computation of acreage in urban renewal.

Section XII.A. is amended as follows. Deletions are shown as ~~strikeouts.~~

A. General Description of 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 4576 in connection with the implementation of this Plan. 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.

~~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.~~

Exhibit B

187074

Report on Willamette Industrial Urban Renewal Area Second Amendment

I. COMPLIANCE WITH LAND AREA AND ASSESSED VALUE LIMITATIONS

This chart changes with the termination of the Willamette Industrial Urban Renewal Area, leaving more acreage and more assessed value capacity for future urban renewal areas. The overall limitation is urban renewal may account for up to 15% of the city. The termination of the Willamette Industrial Urban Renewal Area reduces both assessed value and acreage in urban renewal.

The reduction of 755.5 acres from the WIURA will reduce the overall acreage in urban renewal in the city. The total acreage is within the 15% area limit contained in Chapter 457 of the Oregon Revised Statutes (13.35%). The frozen base assessed value reduction of $481,443,135 reduces the overall assessed value in urban renewal in the city to 10.09% of the city's total assessed value, within the statutory 15% restriction.

Table 1 – Compliance with AV and Acreage City-wide Limitations

Urban Renewal Area	Frozen Base Assessed Value	Acres
Airport Way	$124,710,301	1,841.4
Central Eastside	$230,387,869	708.5
Downtown Waterfront	$55,674,313	233.1
South Park Blocks	$305,692,884	98.0
Oregon Convention Center	$214,100,689	410.0
North Macadam	$622,412,373	447.0
River District	$461,577,974	351.2
Interstate	$1,293,389,062	3,990.0
Gateway	$307,174,681	658.5
Lents	$736,224,033	2,846.3
Neighborhood Districts (NPIs)	$498,707,491	803.7
Total	$4,850,051,670	12,387.7
Total Acreage, City of Portland		92,773
Total Assessed Value City of Portland Less Incremental Assessed Value in Urban Renewal Areas	$48,067,669,054	
Percent of Portland AV in Urban Renewal Areas	10.09%	
Percent of Portland Area in Urban Renewal Area		13.35%

II. FISCAL IMPACT STATEMENT ON TAX COLLECTIONS

The 2014 amendment to the Willamette Industrial Urban Renewal Area (WIURA) ceases collections of tax increment. This change will produce the projected tax increment to be shared by the taxing jurisdictions in the manner identified in the following table. This information is provided by the City of Portland Office of Management and Finance. These estimates are in nominal dollars and are projected through projected repayment of all debt related to the original plan. The total tax increment returned to the taxing jurisdictions for the life of the urban renewal plan prior to this amendment is estimated at $12,626,196 (PV $9,884,985) as shown in the last column in the table.

Table 2 – Willamette Industrial Cessation of Tax Increment Collections, Benefits Tax Increment to Taxing Jurisdictions

Fiscal Year	Incremental AV Returned	City $4.5770	County $4.3434	PPS $4.7743	Library $1.1800	PCC $0.2828	Mult. ESD $0.4576	Metro $0.0966	EMSC $0.1000	Port $0.0701	TOTAL $15.8818
2015-16	$76,401,999	$349,692	$331,844	$364,766	$90,154	$21,606	$34,962	$7,380	$7,640	$5,356	$1,213,401
2016-17	80,977,346	370,633	351,717	386,610	95,553	22,900	37,055	7,822	8,098	5,677	1,286,066
2017-18	85,590,105	391,746	371,752	408,633	100,996	24,205	39,166	8,268	8,559	6,000	1,359,325
2018-19	87,408,227	400,067	379,649	417,313	103,142	24,719	39,998	8,444	8,741	6,127	1,388,200
2019-20	89,235,440	408,431	387,585	426,037	105,298	25,236	40,834	8,620	8,924	6,255	1,417,219
2020-21	91,071,789	416,836	395,561	434,804	107,465	25,755	41,674	8,798	9,107	6,384	1,446,384
2021-22	92,917,320	425,283	403,577	443,615	109,642	26,277	42,519	8,976	9,292	6,514	1,475,694
2022-23	94,772,078	433,772	411,633	452,470	111,831	26,802	43,368	9,155	9,477	6,644	1,505,151
2023-24	96,636,110	442,303	419,729	461,370	114,031	27,329	44,221	9,335	9,664	6,774	1,534,755
TOTAL Nominal		$3,638,763	$3,453,048	$3,795,618	$938,112	$224,829	$363,797	$76,798	$79,501	$55,730	$12,626,196
TOTAL Present Value		$2,848,769	$2,703,374	$2,971,570	$734,443	$176,017	$284,815	$60,125	$62,241	$43,631	$9,884,985

Source: City of Portland Office of Management and Finance

Note: FY 2015-16 amounts will require City Council approval of UR-50 that indicates $0 increment value to use since plan amendment will not release value to overlapping taxing jurisdictions until FY 2016-17.

III. BOND FUND

PDC will continue promote economic development in the Willamette Industrial Urban Renewal Area (WIURA) by providing assistance to manufacturing companies with the remaining bond proceeds. The assistance will likely be in the form of grants or loans to existing businesses located in WIURA or to businesses seeking to relocate to WIURA. Anticipated activities that may be eligible for financial assistance include property acquisition, environmental remediation, building rehabilitation, equipment purchase, seismic improvements, and other capital investments. PDC will establish financial assistance guidelines for the expenditure of WIURA bond proceeds that will be presented in a timely manner to the PDC Board of Commissioners for formal approval.