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Portland Development Commission  
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**2015-050294**



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**ORDINANCE NO. 187070 (AS AMENDED)**  
**CENTRAL EASTSIDE URBAN RENEWAL PLAN**

**[Attached]**

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

5

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

7<sup>th</sup> day of April 2015

MARY HULL CABALLERO  
Auditor of the City of Portland

By [Signature]  
Deputy

**ORDINANCE No. 187070 As Amended**

Approve the Eleventh Amendment to the Central Eastside Urban Renewal Plan to add plan area and projects, extend the duration of the Plan and increase the maximum indebtedness (Ordinance).

The City of Portland ordains:

Section 1. The Council Finds:

1. Ordinance No. 158940, passed by the Council on August 26, 1986 authorized the creation of the Central Eastside Urban Renewal Plan ("Original Plan") to provide tax increment funding and urban renewal authority to eliminate blight and foster development and redevelopment within the Central Eastside Urban Renewal Area ("Area") in order to protect the public health, safety, and welfare.
2. The Original Plan was subsequently amended through the Tenth Amendment to the Original Plan (as amended, the "Plan").
3. The Council adopted Resolution No. 37072 on May 7, 2014 directing the Portland Development Commission, the duly organized and acting urban renewal agency of the City of Portland, ("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 ("Eleventh Amendment"). The Eleventh Amendment has been prepared in conformance with ORS Chapter 457 and with public involvement in all stages of the development of the Amendment.
6. The Eleventh Amendment adds property and projects, including the property in close proximity to Clinton Station on the Portland Milwaukie Light Rail Line, as shown in the attached Eleventh Amendment to the Plan.
7. The maximum indebtedness is increased by 20% in this Eleventh Amendment and the time frame to issue long term debt is increased by 5 years to August 26, 2023;
8. Section 900 – Procedures for Changes or Amendments in the Plan of the Central Eastside Urban Renewal Plan requires any amendment that increases the maximum indebtedness or adds property in excess of one percent of the existing plan area is a substantial amendment to the Plan. The Eleventh Amendment to the Plan is a substantial amendment and the approval procedures required by ORS 457.095 were followed, and special published and mailed notice of the December 17, 2014 Council hearing as required by ORS 457.120 was sent on November 25, 2014.

9. The Area, as a whole, is blighted based on the information set forth in Section IV of the Report Accompanying the Eleventh Amendment, attached and incorporated herein as Exhibit "B" (Report). The indices of blight identified in the Report include:
- i. Section III(A)(1)(d) of the Report describes building conditions in the Area and identifies a number of buildings as being built prior to 1978, indicating a likely presence of lead-based paint, PCBs and asbestos. Because of possible safety issues arising from the presence of lead based paint, PCBs and asbestos, such buildings are unfit for their intended purpose due to the defective quality of physical construction and therefore constitute blight in accordance with ORS 457.010(1)(a)(A);
  - ii. Based on information from the Portland Bureau of Transportation, Section III(A)(1)(e) of the Report identifies street segments within the Area that need to be rebuilt or are in bad condition. Such inadequate rights of way constitute blight in accordance with ORS 457.010(1)(e).
  - iii. Based on information from the Bureau of Environmental Services, Section III(A)(1)(g) there are sewer and stormwater lines in the Area that require replacement, repair or additional piping. Such inadequate utilities constitute blight in accordance with ORS 457.010(1)(e).
  - iv. Section III(A)(3)(b) of the Report relates information provided from the Bureau of Planning and Sustainability model on development capacity. It indicates that there are parcels in the Area that are quantified as significantly underutilized. As a result of such depreciated and underutilized properties, the Area is characterized by a growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare, and therefore blighted in accordance with ORS 457.010(1)(h);
  - v. An analysis of improvement to land value ratios (I:L) summarized in Section III(A)(3)(c) of the Report identifies properties with I:L ratios below 2.5:1 as depreciated and underutilized compared to their potential capacity and productivity. As a result of such depreciated and underutilized properties, the Area is characterized by a growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare, and therefore blighted in accordance with ORS 457.010(1)(h);
10. The stagnant and unproductive condition of the land, combined with the defective quality of the physical construction of buildings and inadequate rights of way set forth in Report result in the Area, as a whole, being blighted as defined by ORS 457.010(1). Rehabilitation and redevelopment is necessary to protect the public health, safety and welfare of the community by curing the identified blight.
11. The Plan as amended by the Eleventh Amendment conforms to the City's Five-Year Economic Development Strategy based on the information as set forth in Section 800

of the Plan and the Plan provides an outline for accomplishing the urban renewal projects the Plan proposes.

12. Section 600 (7) of the Plan as amended by the Eleventh Amendment establishes the procedures for the relocation of displaced persons in accordance with ORS 281.045 to 281.105. The Eleventh Amendment does not change this section.
13. Acquisition of real property is necessary to carrying out the Plan. The parcels to be acquired are designated in Section 1100 of the Plan. The Eleventh Amendment does not change this section. No housing displacement is anticipated in the Plan. If displacement occurs, provisions for such displacement will be made in accordance with ORS 35.500 to 35.530.
14. Adoption of and carrying out the Plan and the Eleventh Amendment is economically sound and feasible, based in part on the Financial Analysis of the Plan as set forth in Sections X and XI of the Report.
15. The City shall assume and complete any activities prescribed to the City by the Plan.
16. Pursuant to ORS 457.085(5), notice of the intended the Eleventh Amendment was forwarded to the governing body of each affected taxing district on November 21, 2014. PDC has consulted and conferred with such taxing districts; and the City Council has not received any written recommendations from these districts.
17. On December 9, 2014 the Portland Planning and Sustainability Commission (Planning Commission) met and after considering testimony and other information presented, including information set forth in the Findings of Compliance attached and incorporated as Exhibit 4 to the Eleventh Amendment, the Planning Commission found declined to vote on the conformance of the Eleventh Amendment with the Comprehensive Plan and requested more information on the implementation of affordable housing goals identified in the Plan.
18. The Plan as amended through the Eleventh Amendment conforms with the Portland Comprehensive Plan as explained in the findings prepared by the Bureau of Planning and Sustainability staff contained in Exhibit A.
19. 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 Eleventh Amendment (PDC Resolution Number 7081). The PDC Executive Director, under authorization from the PDC's Board of Commissioners, submitted the Eleventh Amendment and Report on the Eleventh Amendment, along with supporting materials, to the Council for final approval in accordance with the terms of the Plan and ORS 457.095.
20. PDC met with the Multnomah County Board of Commissioners on December 11, 2014 to review the Eleventh Amendment including the projects and properties to be added and the increase in maximum indebtedness and increase in time frame of the Plan.
21. On December 17, 2014 the City Council held a public hearing to review and consider the Eleventh Amendment, the Report, the Planning and Sustainability Commission Recommendation, and to receive public testimony.

22. Pursuant to ORS 457.095, City Council has considered any public testimony on the Eleventh Amendment and Report, the materials provided by the Agency, and any Planning Commission recommendations.

NOW, THEREFORE, the Council directs:

- a. The Eleventh Amendment to the Central Eastside Urban Renewal Plan, attached hereto as Exhibit A, and incorporated herein by reference, is hereby approved effective July 1, 2015.
- b. The Report on the Eleventh Amendment to the Central Eastside Urban Renewal Plan, attached hereto as Exhibit B, and incorporated herein by reference, is hereby approved.
- c. PDC shall administer the implementation of the Plan.
- d. The Plan shall be financed, in part, by division of taxes as provided in ORS 457.420 to 457.450.
- e. The City Auditor shall forward to the PDC and the Planning Commission certified copies of this Ordinance upon adoption by the Council.
- f. PDC shall record in the Deed Records of Multnomah County, Oregon, a copy of this Ordinance and the Eleventh Amendment to the Central Eastside Urban Renewal Plan upon adoption by the Council.
- g. PDC shall send a copy of this Ordinance and the Eleventh Amendment to the Central Eastside Urban Renewal Plan to the Multnomah County Assessor.
- h. PDC, in accordance with ORS 457.115, shall publish notice of adoption of this Ordinance approving the Eleventh Amendment, including the provisions of ORS 457.135, in the newspaper having the greatest circulation in the City within four days following adoption of this Ordinance.

Passed by the Council: APR 01 2015

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

Mary Hull Caballero  
Auditor of the City of Portland

By

  
Deputy