

ORDINANCE NO. **163153**

BARBARA CLARK  
Auditor of the City of Portland

By Mary Hanagan  
Deputy

Make certain determinations and findings related to and adopting the Second Amendment to the Central Eastside Urban Renewal Plan.

The City of Portland ordains:

BOOK 2317 PAGE 1923

Section 1. The Council finds:

1. On August 27, 1986, the Council of the City of Portland, by Ordinance No. 158940, adopted the Central Eastside Urban Renewal Plan, hereinafter called "Plan," pursuant to the provisions of ORS 457 and conforming to the Comprehensive Plan of the City of Portland.
2. The Portland Development Commission (PDC), as the duly designated urban renewal agency of the City of Portland, is carrying out an urban renewal project known as the Central Eastside Urban Renewal project, hereinafter called the "Project," in accordance with the Plan.
3. PDC staff has now identified certain public acquisitions of real property which would be advantageous to the implementation of the Plan. Staff has prepared a Second Amendment to the Central Eastside Urban Renewal Plan (the "Amendment") and a Report on the Second Amendment (the "Report"). The Amendment is attached hereto and incorporated herein by this reference as Exhibit "A." The Report is attached hereto and incorporated herein by this reference as Exhibit "B." The Amendment has been reviewed and adopted by the Portland Development Commission by Resolution No. 3953 on May 9, 1990.
4. On May 22, 1990, the Amendment and Report were forwarded to the Portland Planning Commission who reviewed the Amendment and recommended approval of the Amendment by a report to City Council, which is attached hereto as Exhibit "C" and incorporated herein by this reference (the "Planning Commission Report").
5. On June 6, 1990, the Council held a public hearing to review and consider the Amendment, the Report and the Report of the Planning Commission, and does by this Ordinance desire to approve the Second Amendment.
6. The City Council hereby determines that the Amendment complies with all the requirements of ORS Chapter 457, in that:
  - a. The Central Eastside project is located within the Central Eastside Urban Renewal Area, which Renewal Area is blighted pursuant to ORS 457 because of vacant land, insufficient streets and utilities, and underutilized land parcels, all as more fully described in Sections 100 and 200 of the Report;

- b. The property acquisition proposed in the Amendment is necessary to protect the public health, safety and welfare of the City of Portland because the blighted conditions identified in the Report can be eliminated through redevelopment of the specific parcels in conformance with the Central Eastside Urban Renewal Plan goals;
- c. The Amendment conforms to the City's Comprehensive Plan and the Economic Development Plan which is part of the Comprehensive Plan, as more fully described in the Planning Commission Report.
- d. The Amendment adds specific property acquisitions to the outline for accomplishing the urban renewal goals presently stated in the Plan;
- e. No residential displacement will occur as a result of the renewal actions proposed in the Amendment;
- f. Public acquisition of real property is proposed by the Amendment. The acquisitions are necessary to carry out the objectives proposed in the Amendment as further described in Section 300 and the Introduction of the Report;
- g. Adoption and carrying out of the Amendment is economically sound and feasible, in that the proposed acquisitions will be paid for with the proceeds of tax increment debt described more fully in Sections 500, 600 and 700 of the Report;
- h. Prior to the development of Parcel 5, the Portland Development Commission will submit the riverfront park and recreation study for Planning Commission review, as specified in the Planning Commission Report; and
- i. The City of Portland shall assume and complete any activities prescribed to it by the Amendment.

**NOW THEREFORE, the Council directs:**

1. The Amendment having been duly reviewed and considered by the Council, is hereby approved and adopted.
2. The City Auditor shall forward forthwith to the Portland Development Commission and to the Portland Planning Commission certified copies of this Ordinance.
3. The Portland Development Commission shall file in the Records of Multnomah County, Oregon, a copy of this Ordinance and the Amendment.
4. The City Auditor, in accordance with ORS 457.115, shall publish notice of the adoption of this Ordinance approving the Second Amendment in the newspaper having the greatest circulation in the City of Portland within four days following adoption of this Ordinance.

Passed by the Council, **JUN 13 1990**

Mayor J.E. Clark  
June 6, 1990  
PDC:JKS:cw

**BARBARA CLARK**  
Auditor of the City of Portland  
By *Maej Sanagan* Deputy

## EXHIBIT "A"

SECOND AMENDMENT TO  
THE CENTRAL EASTSIDE URBAN RENEWAL PLAN






The original Central Eastside Urban Renewal Plan was approved by the Portland City Council By Ordinance No. 158940 on August 27, 1986. The Second Amendment to this Plan allows for acquisition of five parcels of property. There are no deletions from or changes to the existing language in the Plan, only the addition of new language to Section 602 - Property Acquisition and Redevelopment, as follows:

1. Subparagraph C is hereby amended to incorporate additional acquisition language:

Real property which may be acquired by the Development Commission is shown on the Property Acquisition Map (Exhibit 3). Parcels shown on the Central Eastside Property Acquisition map are for use as follows:

<u>Parcel</u>	<u>Intended Use</u>
1. Glacier Park Area	Redevelopment for industrial/ commercial business uses
2. Portland Traction Yard	Industrial/commercial redevelopment and public streets and transportation
3. North OMSI Riverfront	Riverfront parks and recreation
4. Kuzman Parcel	Riverfront parks and recreation
5. ODOT West of Water Avenue	Industrial/commercial redevelopment/ parks and recreation

- Exhibit 3  
Central Eastside Property Acquisition

- 1  Glacier Park Area
- 2  Portland Traction Yard
- 3  North OMSI Riverfront
- 4  Kuzman Parcel
- 5  ODOT West of Water Ave.

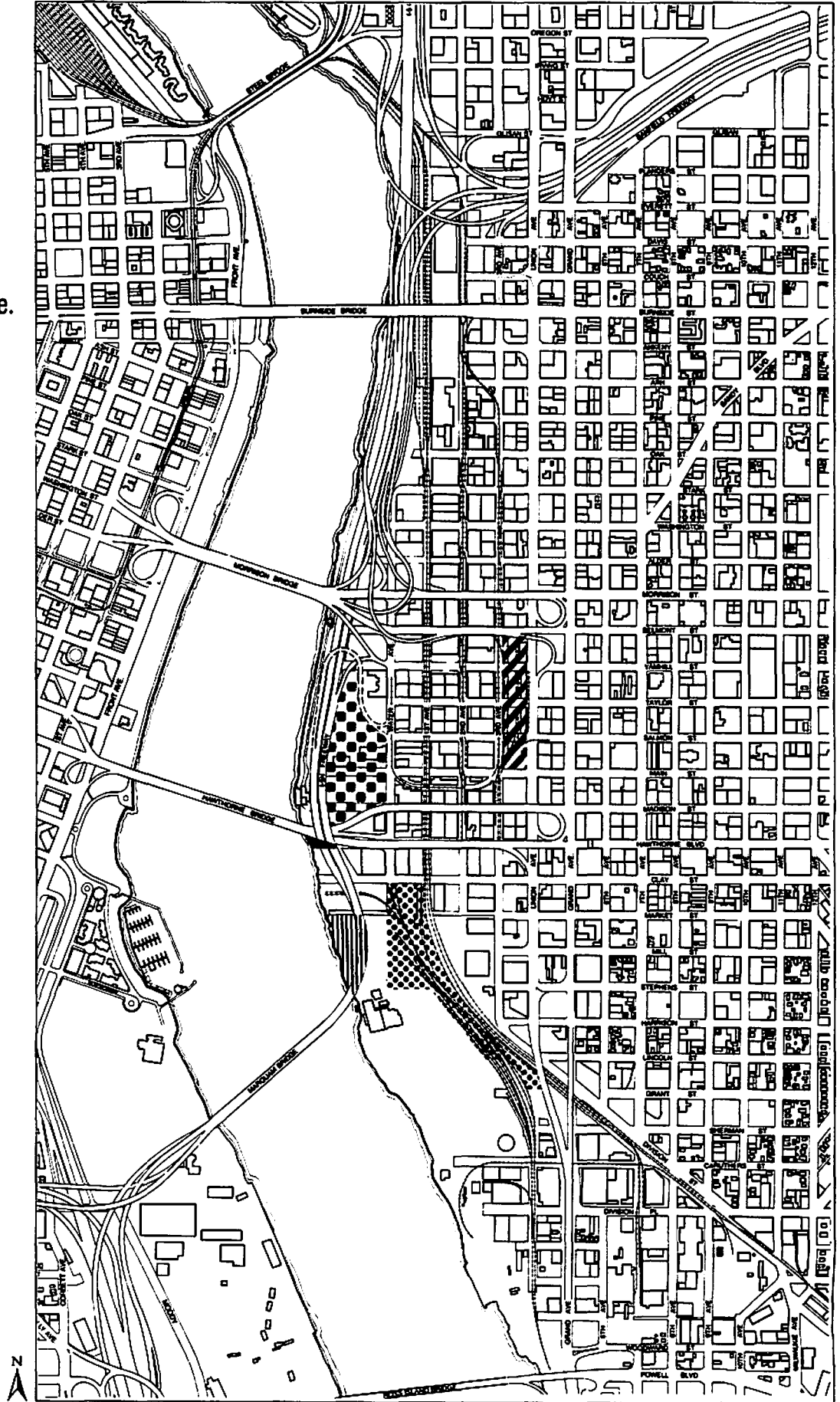


EXHIBIT "B"

CITY OF PORTLAND, OREGON

REPORT ON THE SECOND AMENDMENT TO THE  
CENTRAL EASTSIDE URBAN RENEWAL PLAN

May 9, 1990

PORTLAND DEVELOPMENT COMMISSION  
1120 SW Fifth Avenue, Suite 1102  
PORTLAND, OREGON 97204-1968

REPORT ON THE SECOND AMENDMENT TO THE  
CENTRAL EASTSIDE URBAN RENEWAL PLAN

PLAN ADOPTED August 27, 1986

BY CITY COUNCIL ORDINANCE NO. 158940

FIRST AMENDMENT ADOPTED May 9, 1990

SECOND AMENDMENT ADOPTED June 13, 1990

BY CITY COUNCIL ORDINANCE NO. 163153

**REPORT ON THE SECOND AMENDMENT TO THE  
CENTRAL EASTSIDE URBAN RENEWAL PLAN**

**Table of Contents**

		<b>PAGE</b>
	Foreword	i
	Introduction	1
	Description of Changes or Additions to the Central Eastside Urban Renewal Plan	4
SECTION 100	A Description of the Physical, Social and Economic Conditions in the Urban Renewal Area	5
SECTION 200	The Expected Impact, Including Fiscal, of the Plan Amendment	9
SECTION 300	Reasons for Selection of each Project in the Plan Amendment	10
SECTION 400	The Relationship Between Each Project to be Undertaken Under the Plan Amendment and the Existing Conditions in the Area	11
SECTION 500	The Estimated Total Cost of Each Project and the Sources of Money to Pay Such Costs, and the Anticipated Completion Date for Each Project or Activity	12
SECTION 600	The Estimated Amount of Tax Increment Money Required Under ORS 457.420 to 457.440 and the Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided for Under ORS 457.440	14
SECTION 700	A Financial Analysis of the Plan with Sufficient Information to Determine Feasibility	15
SECTION 800	Relocation Report	16

**List of Exhibits**

- Exhibit 1 - Central Eastside Urban Renewal Area Boundary
- Exhibit 2 - Central Eastside Zoning & Comprehensive Plan Designation
- Exhibit 3 - Central Eastside Property Acquisition

FOREWORD

Section 457.095 (3) of Oregon's Urban Renewal Law requires that the Urban Renewal Plan and amendments be accompanied by a report. This document shall constitute the required report to accompany the Second Amendment to the Central Eastside Urban Renewal Plan, prepared pursuant to the provisions of ORS Chapter 457 by the Development Commission.

The titles at the beginning of each section are paraphrased from ORS 457.085 (3) and the text and referenced tables and exhibits (contained in the Appendix of this Report) address the required subject matter.

The definitions, set forth in Section 200 of the Central Eastside Urban Renewal Plan shall have the same meaning and use in this Report as they have in the Urban Renewal Plan.

All reports referred to herein are available at the Portland Development Commission, 1120 SW Fifth Avenue, Portland, Oregon, and will be provided upon request.

## INTRODUCTION

The Central Eastside Urban Renewal Plan was adopted by the City Council on August 27, 1986.

The Central Eastside Urban Renewal Area contains approximately 681 acres and is hereinafter referred to as the "Area" or "Renewal Area." A written legal description of the Renewal Area is set forth in Section 300 of the Plan and is described on each graphic exhibit included in such Plan. Further, the boundary of the Renewal Area is graphically delineated on each figure located in the Appendix of this Report.

The Urban Renewal Plan is known as the Central Eastside Urban Renewal Plan and is hereinafter referred to as the "Plan" or "Renewal Plan."

This Report has been prepared by the City of Portland's Urban Renewal Agency, known as the Portland Development Commission, hereinafter referred to as the "Development Commission."

The specific goals of the Central Eastside Urban Renewal Plan to be furthered through this amendment authorizing the acquisition of specific properties include:

I. Urban Development

A. General Goal

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

B. Specific Goals

1. **Urban Diversity:** Promote a range of employment opportunities and living environments for Portland residents in order to attract and retain a stable and diversified population.
2. **Utilization of Vacant Land:** Provide for full utilization of existing vacant land except in those areas designated as open space.

II. Business Retention and New Business Development

A. General Goal

Improve the level, distribution and stability of jobs and income for resident industry, business and people in accordance with the Economic Development Policy adopted by the City Council.

B. Specific Goals

1. **Public/Private Partnership:** Foster a development partnership between the public and private sectors that is responsive to the economic needs of Portland's business and residents.
2. **Jobs and Income:** Encourage long-term employment opportunities that enhance broad vocational and income opportunities, decrease unemployment, and increase the disposable income of City residents.
3. **District Economic Development:** Encourage the development and maintenance of business and industrial district organizations.
4. **Business and Industry:** Encourage in-city business to remain and expand and promote the recruitment of new business and industry by keeping Portland competitive with other regional and national centers.

III. **Central Eastside Revitalization Program**

A. General Goal

Maintain and enhance the Central Eastside District as a near-in job center featuring a diverse industrial base with compatible, supportive and appropriately located commercial and residential activities. Encourage the vitality of existing firms, provide an attractive climate of opportunity for complimentary ventures, and offer a positive environment for adjacent neighborhoods.

B. Specific Goals

1. **Preserve and enhance the unique characteristics of the Central Eastside Industrial District as a near-in employment center with a diverse industrial base complimented by concentrations of commercial and residential uses in appropriately designated areas.**
2. **Increase the attractiveness of the Central Eastside as an industrial center, particularly for specialty manufacturing and distribution firms desiring convenient access to regional transportation network.**
3. **Enhance business and development opportunities for existing firms, recognizing the importance of providing industrial sanctuaries for certain industrial activities while affording opportunities for commercial housing development within appropriately designated sub-areas.**

4. Create an attractive environment featuring high quality design standards for new and existing businesses in a manner which is complementary to the overall business climate while recognizing the Central Eastside Industrial District (CEID) is both the "front door" to nearby residential neighborhoods and highly visible to Portland's Central Business District.
7. Improve the transportation system and parking resources to meet the CEID's business needs and redevelopment objectives while respecting the traffic concerns of adjacent neighborhoods.

IV. Riverfront Access

Willamette River Greenway Plan and Esplanade Development: 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. Increase accessibility to the river and enhance the Greenway area as a public resource and improve the environmental quality of life for adjacent and nearby neighborhoods.

DESCRIPTION OF CHANGES OR ADDITIONS TO THE CENTRAL EASTSIDE URBAN RENEWAL PLAN

The amendment to the Urban Renewal Plan will authorize the Portland Development Commission to acquire real property in furtherance of existing urban renewal goals. Specific properties are identified in Exhibit 3 and acquisition plans relevant to them are described below:

1. Property Acquisition for Redevelopment: Business retention and new business development opportunities are constrained in the Central Eastside because of the lack of large, clear sites for business expansion and redevelopment. The parcels identified in areas 1, 2 and 5 afford the opportunity to provide development sites to accommodate buildings with ground level floor areas from 20,000 square feet to 60,000 square feet in size.

Large work areas on a single level are key to efficient industrial production and distribution practices. Large industrial development projects frequently incorporate second story or loft components to accommodate office and support functions ancillary to production and distribution activities which are concentrated on the ground level.

2. Property Acquisition for Public Utility Improvements: Area 2 includes approximately 30,000 square feet of property which is earmarked for an extension of Water Avenue to the OMSI development site and related improvements and widening of Clay Street east of Water Avenue. The extension of Water Avenue and utilities would provide a public street to the alignment of Bull Run pipe-line, which is located within public right-of-way and is earmarked as a point of public access to the riverfront through the OMSI site.

The planned extension of Water Avenue may also be utilized to serve future industrial development on property generally east of the proposed extension and may be followed by a second phase extension of Water Avenue to provide a connection with SE Division Place.

3. Property Acquisition for Parks and Recreation:

Parcels 3 and 4 are proposed for the inclusion in future parks and recreation improvements in conjunction with the Eastbank Riverfront Park. These parcels, in combination with adjacent lands in public ownership, provide the largest potential land area available for development of riverfront parks and recreational facilities along the eastbank of the Willamette River in Portland's Central City. The feasibility and appropriateness of Parcel 5 for Park and Open space development will also be examined as part of a comprehensive Riverfront Park development study to be undertaken in 1990-91.

In summary, the proposed Amendment to the Central Eastside Urban Renewal Plan will provide for property acquisition to meet existing urban renewal goals related to business development and redevelopment, public utility improvements and parks.

**SECTION 100 - A DESCRIPTION OF PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREA**

Information on the physical, social and economic conditions found within the Central Eastside Urban Renewal Area is contained in the Report on Central Eastside Urban Renewal Plan, approved by the City of Portland Development Commission in July 1986. The City Council reviewed and approved the Central Eastside Urban Renewal Plan and Report as per City Ordinance No. 158940, on August 27, 1986.

Following is a summary of specific conditions found within the property acquisition site areas.

**1. Land Area:**

Parcel 1 This property is located on four blocks, ranging in size from approximately 30,000 to 36,000 square feet for a total land area of approximately 138,000 square feet.

Parcel 2 This parcel comprises approximately seven (7) acres. The precise definition of boundaries and public rights-of-way affecting the total developable area is subject to survey and further analysis. Preliminary analysis indicates that approximately 40% of the site development potential is limited because of easements and public rights-of-way through and/or over the area.

Parcel 3 The total area of this parcel is approximately 48,000 square feet with approximately 20,000 square feet of that area within the easement area of the I-5/Marquam Bridge ramps.

Parcel 4 The total land area is 1,742 square feet.

Parcel 5 The total land area is approximately 240,000 square feet, with easements and rights-of-way affecting approximately 70,000 square feet of the parcel.

**2. Existing Land Use and Zoning:**

Parcel 1 The easterly half of the three (3) southerly blocks are zoned Commercial Employment with a Design overlay zone (CED). The remainder of the area is zoned General Industrial (GI). The maximum potential zoning on the entire parcel as per the Comprehensive Plan is CED.

The existing land use is primarily outdoor storage, uncontrolled parking and vacant. The easterly 52 feet of the three (3) northern blocks include wholesale distribution, produce and retail uses.

Parcel 2 The entire parcel is zoned General Industrial with Sign Control and River Development overlay designations (Gi-1 Srd). The Comprehensive Plan designation is General Employment (GE).

The land use is primarily storage of rail cars, vacant and parking, loading and storage of truck trailers. Portions of the site are in active use for trucking and distribution uses and railroad car repair and restoration business.

Parcel 3 The parcel is zoned General Industrial with Sign Control and River Development overlay designations (GI-1 S rd). The Comprehensive Plan designations is General Employment (GE).

The primary use in the area is parking and office use in support of the current OMSI development project.

Parcel 4 The parcel is zoned General Industrial with Sign Control and River Development overlay designations (GI-1 S rd) and is in conformance with the Comprehensive Plan designation.

The parcel is vacant with no building structures on it.

Parcel 5 The parcel is zoned General Industrial with a Sign Control overlay designation and is in conformance with the Comprehensive Plan.

The property is predominantly vacant, with the majority of the site recently in interim use as a surface parking lot. The property was acquired by the Oregon Department of Transportation in preparation for the planned improvements to I-5 in that section of the City. There are temporary uses sited in a cross-dock truck terminal facility on approximately 25,000 square feet of the site.

### 3. Condition of Buildings and Dwelling Units:

There are no dwelling units known to exist on any of the acquisition parcels.

The Urban Renewal Report graded buildings in the district according to the following designations and definitions:

- "A" - Substantially up to current building codes.
- "B" - Older buildings - exhibit code deficiencies, but appear to be economically feasible for rehabilitation.
- "C" - Buildings which appear to be deteriorated beyond their ability to be economically rehabilitated.

Our survey of the acquisition parcels and review of urban renewal report provided the following findings:

Parcel 1 Two industrial buildings less than 8,500 square feet each, constructed in 1935, grade "B."

One industrial building, less than 7,000 square feet constructed in 1917, grade "C."

One office/dispatch facility, less than 5,000 square feet grade "C."

Parcel 2 One transloading industrial building, approximately 10,000 square feet, grade "B."

Two rail car maintenance buildings, approximately 8,000 square feet total area, grade "C."

One vacant rail office building, approximately 4,000 square feet, grade "C."

Parcel 3 One metal utility building, approximately 5,000 square feet, grade "A."

One vacant wood-frame building, less than 2,000 square feet, grade "C."

Parcel 4 No buildings.

Parcel 5 One industrial cross-dock loading building, approximately 25,000 square feet, grade "C."

Summary of Buildings

	<u>A</u>	<u>B</u>	<u>C</u>
Industrial		3	4
Commercial			2
Utility/Quasi Public	<u>1</u>		<u>1</u>
Total	1	3	7

It is noted that the Report on the Central Eastside Urban Renewal Plan found that 38.1% of the buildings in the district fell in the "C" category. The current survey finds that 64% of the buildings located within the proposed property acquisition areas are in the "C" category.

4. Condition of Public Infrastructure:

The infrastructure throughout the area is basically sound, although improvements to utilities within specific parcels may have to be made. The level of required infrastructure improvements depends both on the specific site and the type of development to be provided. The general magnitude of requirements is as follows:

Parcel 1 Third Avenue and Martin Luther King, Jr. Boulevard are lacking adequate curbs, sidewalks, gutters and lighting.

Parcel 2 Adequate utilities are available to the site, but on-site water, sewer, sidewalks, curbs, streets and gutters are non-existent or do not meet current standards.

Parcel 3 Sewer and water utilities reach the site, future needs depend on future uses. Shoreline stabilization and public trail needs.

Parcel 4 No known utilities to the site. Future needs include public trail improvements.

Parcel 5 Adequate utilities to site; inadequate local streets, sidewalks, gutters and lighting.

5. Environmental Conditions:

There is historic evidence to suggest that properties within the acquisition areas have a relatively high probability of soil contamination because of fuel pumps, underground storage tanks, and the transport or generation of hazardous materials.

Environmental assessments will be conducted and all appropriate corrections will be provided for or required prior to acquisition of properties.

6. Social and Economic Conditions:

- a. Population: There are no known residents within the acquisition areas.
- b. Relationship of Value of Improvements to the Value of Land: The aggregate value of land within all of the acquisition areas is estimated to be \$3,303,500. The total value of improvements is estimated to be \$831,000, for an Improvement to Land Value ratio (I:L ratio) of 0.25:1.

As a general rule of thumb according to Patterson, Stewart and Associates, most healthy, non single-family areas of cities have an overall ratio in excess of 4.0:1. In other words, the level of improvements on the acquisition parcels is approximately 6% of what would be expected in a typical city location.

In summary, the parcels proposed for acquisition, both individually and collectively, demonstrate significant evidence of blight and blighting influences because of low development values and densities, the lack of fully improved on-site utilities, the condition of buildings, and probable environmental conditions.

**SECTION 200 - THE EXPECTED IMPACT, INCLUDING FISCAL, OF THE PLAN AMENDMENT**

The Plan Amendment is expected to result in positive economic and social impacts both within the acquisition areas and beyond. The anticipated impacts are indicated below in terms of anticipated industrial development footage, jobs, taxable real estate and public amenities.

1. Anticipated Industrial Development: Approximately 504,000 square feet of land suitable for industrial development is included among the proposed acquisition parcels. The total anticipated new industrial development on these parcels is expected to reach 350,000 square feet within five (5) years of acquisition. The value of the new development and land to be on the tax roles upon completion is expected to be \$14,800,000, assuming an average land value of \$7.00 per square foot and an improvement value of \$35.00 per square foot.
2. Jobs: The number of permanent jobs sited directly on the acquisition sites is anticipated to increase from a current 50-55 jobs to a new total of 450 to 530 jobs within five (5) years of acquisition, assuming a modest level of one job per 600 to 750 square feet of developed space, for a net increase of more than 400 jobs.
3. Property Taxes: The anticipated acquisition, sale and redevelopment is expected to result in a net increase in real property values within the area in the amount of approximately \$12,500,000. At the current tax rate of approximately \$34.00 per \$1,000 value, the increased annual property tax collection would be expected to be \$425,000.
4. Secondary Economic Impacts: In addition to the on-site impacts, the potential redevelopment activities and transportation improvements will both generate additional jobs and economic activity off-site tied directly to the new development, and will also increase the productivity of nearby areas because of the improvements to the transportation system.
5. Amenities: Numerous previous studies and plans, including but not limited to the Central Eastside Revitalization Program, the Central Eastside Urban Renewal Plan, and the Eastside Esplanade Concept Plan, include goals and objectives supportive of new parks and open space within the Central City's eastside. The potential acquisition of the riverfront parcels identified herein would result in positive social impacts within and around the area by virtue of the increased recreational opportunities that will be created.
6. Utilities: Improvements to utilities as needed to facilitate full development of the acquisition parcels could result in positive impacts and increased development capacity off-site as well.

**Section 300 - REASONS FOR SELECTION OF EACH PROJECT IN THE PLAN AMENDMENT**

The Plan Amendment does not identify specific projects beyond the proposed acquisition of property. Each of the parcel areas was selected to accommodate either one or a combination of the following activities: 1) Business development and redevelopment; 2) Transportation and Infrastructure and; 3) Riverfront Parks and Recreation. The anticipated capacity of development associated with each of the parcels is identified below. The development of each of these parcels will conform with all applicable zoning and land use regulations of the City of Portland.

Parcel 1 Business Development and Redevelopment could include 90,000 square feet of new industrial facilities with 120 to 140 parking spaces and approximately 150 jobs.

Parcel 2 Business Development and Redevelopment could include 120,000 square feet of new industrial facilities with 140 to 200 parking spaces and approximately 160 jobs. Improvements to streets and utilities are necessary for development of the new Oregon Museum of Science and Industry as well as nearby industrial lands.

Parcel 3 Park and Riverfront Recreation facilities could be established here to tie together with similar facilities to the north, creating a unique riverfront park facility on central Portland's east side. The facilities may include marinas, fishing piers, trails, overlook areas, grassy bowl areas, etc.

Parcel 4 Same anticipated uses as parcel 3.

Parcel 5 Business Development and Redevelopment could include 130,000 square feet of new industrial facilities with up to 350 parking spaces and approximately 175 to 220 jobs.

Collectively, the five (5) parcels are proposed for acquisition because they provide an opportunity to establish new facilities and more intensive uses which can become a stimulant and model for future private development activities in the area. Future street improvements, requiring approximately 30,000 square feet of parcel 2, are needed to provide access to the future OMSI facility and ensure compatibility with nearby industrial businesses, both now and in the future. In addition to the positive economic and social impacts of the business development parcels, the parks and open space along the riverfront cannot be duplicated anywhere else in the Central Eastside because of limitations on land area and access.

**SECTION 400 - THE RELATIONSHIP BETWEEN EACH PROJECT TO BE UNDERTAKEN UNDER THE PLAN  
AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA**

All property acquisitions authorized in this Plan Amendment are intended to correct the deficiencies described in sections 100 and 200 of this Report. It will also meet the urban renewal goals related to business development/redevelopment and riverfront park and esplanade trail improvements.

**SECTION 500 - THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEY TO PAY SUCH COSTS, AND THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT OR ACTIVITY**

**A. Estimated Project Costs**

Parcel 1 The anticipated total cost of planning, acquisition, relocation, site preparation and capital improvements is \$1,920,000.

Parcel 2 The anticipated total cost of planning, acquisition, relocation, site preparation and capital improvements is \$2,900,000.

Parcel 3 The anticipated total cost of planning, acquisition, relocation, site preparation and capital improvements is \$550,000.

Parcel 4 The anticipated total cost of planning, acquisition, site preparation and capital improvements is \$20,000.

Parcel 5 The anticipated total cost of planning, acquisition, relocation, site preparation and capital improvements is \$680,000.

**B. Project Financing Sources**

The costs associated with implementation of the aforementioned projects will be paid for with tax increment proceeds arising from growth in the taxable value of property located within the Central Eastside Urban Renewal Area as provided for in ORS 457.440. Project activity costs may also be financed in part from sources other than tax increment proceeds as provided for in ORS 457.190.

Parcel 1 All project costs for property acquisition and preparation for resale for private development are expected to be paid from the Urban Renewal Area's tax increment financing proceeds.

Parcel 2 Project costs for property acquisition and public improvements will be paid through a combination of tax increment financing proceeds, and other public funds possibly including a grant and loan from the State of Oregon's Special Public Works fund.

Parcel 3 Project costs for property acquisition and public improvements will be paid through the Urban Renewal Area's tax increment financing proceeds, Oregon Highway Department funds, and other public and private funds which may be available for riverfront parks and recreation facilities at or before the time of project development and implementation.

Parcel 4 Project costs for property acquisition and public improvements will be paid through the Urban Renewal Area's tax increment financing proceeds, Oregon Highway Department funds, Multnomah County Bridge improvement funds, and other public and private funds which may be available for riverfront parks and recreation facilities at or before the time of project development and implementation.

Parcel 5 Project costs for property acquisition and public improvements will be paid through the Urban Renewal Area's tax increment financing proceeds, Oregon Highway Department funds, and other public and private funds which may be available for preparation and development of this site at the time of project development and implementation.

It is anticipated that tax increment funds available for projects in the area through bonding within the next two years will total \$6,500,000. Funds available through resale of property within the area over the next five years may total \$3,000,000. Funds available through the State of Oregon special public works fund for the purpose of transportation and utility improvements to acquired sites may total \$1,000,000. Funds available from the Oregon Department of Transportation for Esplanade and riverfront improvements within and adjacent to the proposed acquisition parcels may total approximately \$1,600,000. No estimate of other public or private funds which may be available for property acquisition and development has been prepared. However, private investment on the order of \$12,000,000 is anticipated to occur on the 3 sites which might be acquired for purposes of industrial development.

C. Anticipated Completion Date

Parcel 1 This parcel is anticipated to develop as a phased project with completion of the first phase by 1993 and completion of the second and final phase by 1996.

Parcel 2 This parcel is anticipated to accommodate both public infrastructure improvements as well as industrial development. The public infrastructure may proceed in two phases with the first phase (extension of Water Avenue to the Bull Run right-of-way) to be completed by 1992. A second phase might include further extension of Water Avenue, in which case it would be expected to be completed by 1997. The industrial development elements of this project are expected to be completed by 1997.

Parcel 3 This parcel is anticipated to be developed as a riverfront park facility with completion by 1994.

Parcel 4 This parcel is anticipated to be developed as a riverfront park facility with completion by 1994.

Parcel 5 This parcel is anticipated to be developed for uses which might include industrial/commercial facilities as well as parks/open space with project completion by 1997.

**SECTION 600 - THE ESTIMATED AMOUNT OF TAX INCREMENT MONEY REQUIRED IN EACH URBAN RENEWAL AREA UNDER ORS 457.420 TO 457.440 AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED OR OTHERWISE PROVIDED FOR UNDER ORS 457.440**

Estimates of funding requirements under ORS 457.420 to 457.440 are provided in Section 500 above. It is anticipated that the maximum annual debt service of \$677,720 will be retired by 2010.

**SECTION 700 - A FINANCIAL ANALYSIS OF THE PLAN WITH SUFFICIENT INFORMATION TO DETERMINE FEASIBILITY**

Sufficient tax increment proceeds from the Central Eastside Urban Renewal Area are available to PDC to finance the proposed project activities. Net annual tax increment proceeds available for debt service for Fiscal Year 1991-92 will be approximately \$762,000. Maximum annual debt service necessary to finance the project is estimated to be \$677,720.

## SECTION 800 - RELOCATION REPORT

AN ANALYSIS OF EXISTING RESIDENTS OR BUSINESSES REQUIRED TO RELOCATE PERMANENTLY OR TEMPORARILY AS A RESULT OF DEVELOPMENT COMMISSION ACTIONS UNDER ORS 457.170

A DESCRIPTION OF THE 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 - 281.105.

Relocation assistance will be provided to all persons and businesses located in the urban renewal area who may be required to move. The Development Commission has adopted relocation regulations which implement the requirements of ORS 281.045 to 281.105.

The relocation staff will interview all occupants to determine relocation needs and problems. All occupants will be informed of the availability of relocation benefits and assistance. No occupant will be required to move without at least 90 days written notice.

Businesses will be provided assistance and information on the availability of potential relocation sites. Residential occupants will not be required to move until referrals have been made to available comparable replacement dwellings which are decent, safe and sanitary and which are within the financial means of the family or individual being displaced. Relocation payments will be paid promptly to those displaced upon receipt of documentation establishing eligibility for the payment. Assistance in documenting a relocation claim will be provided when desired.

There are no known residential units within the proposed boundaries.

RELOCATION STRATEGY

There are a total of five (5) businesses currently operating within the boundaries of the proposed Central Eastside acquisition parcels. All business will probably be displaced although some may be allowed to remain for a temporary period of time. The predominant business uses are industrial wholesale trade, trucking and transportation services. One firm services and restores rail cards and another firm provides both wholesale and retail trade of lumber products.

EXHIBITS



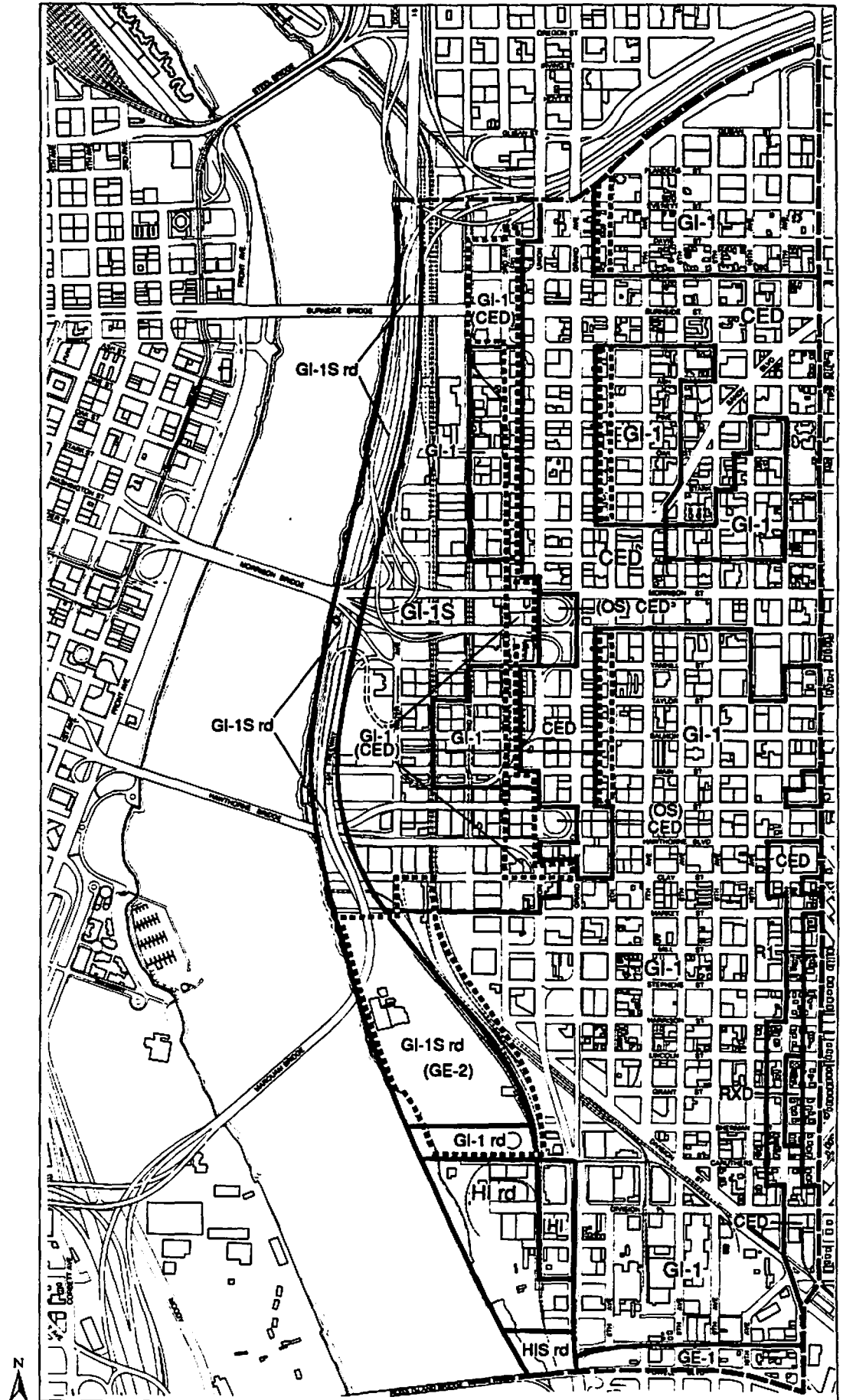
Central Eastside Zoning and Comprehensive Plan Designation

**ZONING**






- CE Commercial Employment
- R1 Medium Density Multi-Family
- RX Central Multi-Family Residential
- GE General Employment
- GI General Industry
- HI Heavy Industrial
- D Design Overlay
- S Sign Control
- RD River Development
- (OS) Open Space

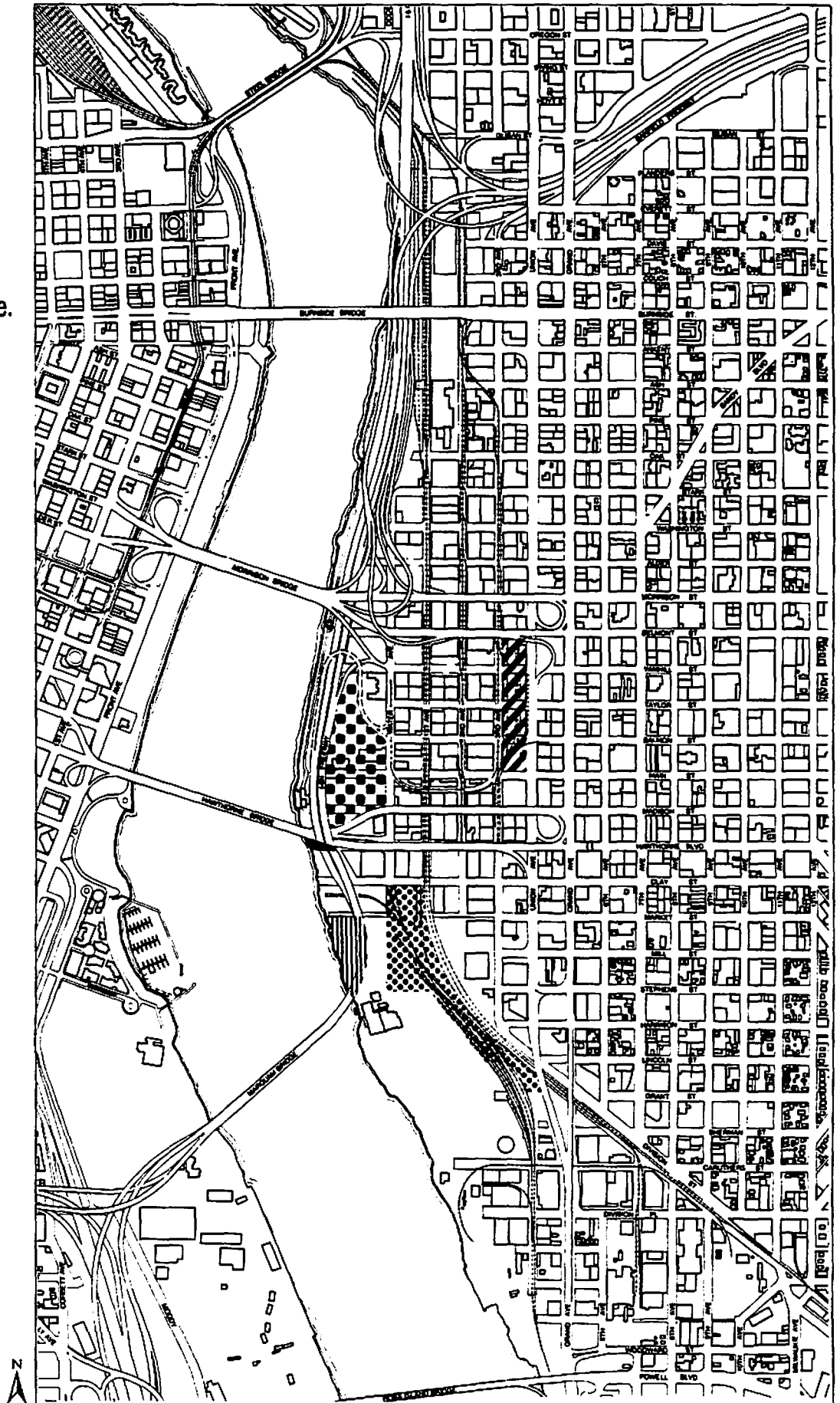
**COMPREHENSIVE PLAN DESIGNATIONS**

Same as zoning except in    areas where designation is indicated: (xx-x)



# Exhibit 3 Central Eastside Property Acquisition

- 1  Glacier Park Area
- 2  Portland Traction Yard
- 3  North OMSI Riverfront
- 4  Kuzman Parcel
- 5  ODOT West of Water Ave.



**Report of the Bureau of Planning to the  
City Council on the  
SECOND AMENDMENT TO THE  
CENTRAL EASTSIDE URBAN RENEWAL PLAN**

**A. Background**

The Central Eastside Urban Renewal area generally extends from the Willamette river on the west to 12th Avenue on the east and from I-84 on the north to Powell Boulevard on the south. It covers an area of 681 acres.

The Urban Renewal Plan for the Central Eastside Urban Renewal Area was originally approved by the City Council of the City of Portland on August 27, 1986 by Ordinance No. 158940.

On March 24, 1988, the City Council adopted the Central City Plan. One of the districts included in the Central City Plan is the Central Eastside. The Central Eastside Renewal Area and the Central Eastside District in the Central City Plan are coterminous.

The overall policy for the Central Eastside in the Central City Plan is to preserve the area as an industrial sanctuary while improving freeway access and expanding the area devoted to the Eastbank Esplanade.

**B. Urban Renewal Plan and Amendment Requirements**

State Statute ORS 457.085 sets forth the content requirements for an Urban Renewal Plan which in part specifies that amendments identified as "substantial" require the same notice, hearing and approval procedure required of the original plan.

Section 900 of the original Central Eastside Urban Renewal Plan defines "minor" and "substantial" changes as follows:

"Minor changes ... such as clarification of language, procedures or minor modifications in or to the area's infrastructure which will not change the basic planning or engineering principles" of the plan. Such changes may be approved by the Portland Development Commission and do not require action by the Planning Commission and City Council.

On May 9, 1990, the Portland Development Commission adopted the First Amendment to the Central Eastside Urban Renewal Plan as a minor plan change to clarify the plan language, make minor changes in format and integrate the revised zoning for the Central Eastside since the original adoption of the Urban Renewal Plan.

Section 900 of the original plan defines "substantial changes" (to) "include but are not limited to revisions of project boundaries, acquisitions of real property not specifically authorized by this Plan, and other elements which will change the basic planning principles of (the) Plan."

The Second Amendment to the Central Eastside Renewal Plan was adopted as a substantial change by the Portland Development Commission on May 9, 1990 because it involves acquisition of real property not originally authorized by the Plan. As a "substantial" change to the original plan, the Second Amendment must be reviewed by the Planning Commission prior to submittal to the City Council.

ORS 457.085 requires that an Urban Renewal Plan be accompanied by a report with nine specific items to be addressed. ORS 457.085 also requires that an Urban Renewal Plan and the accompanying report be forwarded to the Planning Commission of the municipality for recommendation prior to presenting the Plan to the governing body of the municipality for approval. As noted, this also holds for "substantial" amendments.

Another relevant passage in the State Statute, ORS 457.095, sets forth the determinations and findings to be included in the ordinance adopted by the governing body. One of the findings to be made relates to conformance of the Urban Renewal Plan with the City's Comprehensive Plan and the Economic Development Plan.

**C. Proposed Second Amendment**

A complete Urban Renewal Plan document for the Central Eastside is on file at the City Auditor's office and the Portland Development Commission office.

The only new language which would be added to the existing document (as amended by the First Amendment) would be in Section 602--Property Acquisition and Redevelopment. This section would be amended as follows:

1. Subparagraph C is hereby amended to incorporate additional acquisition language:

Real property which may be acquired by the Development Commission is shown on the Property Acquisition Map (Exhibit 3). Parcels shown on the Central Eastside Property Acquisition Map are for use as follows:

<u>Parcel</u>	<u>Intended Use</u>
1. Glacier Park Area	Redevelopment for industrial/ commercial business uses.
2. Portland Traction Yard	Industrial/commercial redevelopment and public streets and transportation
3. North OMSI Riverfront	Riverfront parks and recreation
4. Kuzman Parcel	Riverfront parks and recreation
5. ODOT West of Water Avenue	Industrial/commercial redevelopment

The zoning of these properties is as follows:

Parcel 1. The easterly half of the three (3) southerly blocks are zoned Commercial Employment with a Design overlay zone (CED). The remainder of the area is zoned General Industrial (GI). The maximum potential zoning on the entire parcel as per the Comprehensive Plan is CED.

Parcel 2. The entire parcel is zoned General Industrial with Sign Control and River Development overlay designations (GI-I Srd). The Comprehensive Plan designation is General Employment (GE).

Parcel 3. The parcel is zoned General Industrial with Sign Control and River Development overlay designations (GI-I Srd). The Comprehensive Plan designation is General Employment (GE).

Parcel 4. The parcel is zoned General Industrial with Sign Control and River Development overlay designations (GI-1 Srd) and is in conformance with the Comprehensive Plan designation.

Parcel 5. The parcel is zoned General Industrial with a Sign Control overlay designation.

The proposed uses on Parcels 1, 2 and 5 are in conformance with the current zoning. Open space use of Parcels 3 and 4 is a permitted use and therefore also conforms with the zoning.

**D. Accompanying Report (see attachment)**

As stated in ORS 457.085, an Urban Renewal Plan report must accompany the Urban Renewal Plan or amendments and cover the following:

- 1) a description of physical, social and economic conditions, including expected impact and fiscal impact;
- 2) the reasons for the selection of the area;
- 3) the relationship between Plan projects and existing conditions;
- 4) the estimated total cost of each project and sources of monies to pay such costs;
- 5) the estimated completion date for each project;
- 6) the estimated money required and the anticipated year indebtedness will be retired;
- 7) a financial analysis sufficient to determine feasibility;
- 8) a fiscal impact statement estimating the impact of tax increment financing; and
- 9) a relocation report.

See attached Portland Development Commission report for information on each item.

**E. Determinations and Findings of Compliance with ORS 457.095 Requirements**

The following provides a statement of the seven requirements under 457.095 and of compliance of the Second Amendment to the Central Eastside Urban Renewal Plan with those requirements. These items must be addressed in the ordinance adopted by City Council approving the Second Amendment. The factual basis for the following determinations and findings is, in part, the Report on the Plan Amendment referred to in Section D. above. The Report is incorporated by reference into these findings.

1. Each urban renewal area is blighted.

ORS 457.010 defines blighted areas as follows:

"Blighted areas" means areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures or any combination of these factors are detrimental to the safety, health or welfare of the community.

ORS 457.010 lists a number of characteristics of blighted areas. The following has particular relevance to the proposed property acquisition.

"(h) 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."

The 1986 study prepared by PDC prior to the establishment of the Central Eastside Urban Renewal Area documented that the area was blighted and included an evaluation of the condition of buildings in the Central Eastside area.

In the original survey of the central Eastside, 38.1 percent of the buildings in the district were classified as "buildings which appear to be deteriorated beyond their ability to be economically rehabilitated." Of the 11 structures on the property currently proposed for acquisition, seven buildings (64%) are so classified and an additional three buildings are older buildings which exhibit code deficiencies.

Most of the property in question, however, is vacant or in limited use for outdoor storage, intermittent rail yard use, and limited parking use.

Replacement of the existing structures and uses with the proposed industrial and commercial use will contribute to the tax base.

The value of the new development and land to be on the tax roles upon completion is expected to be \$14,800,000 for an increase of real property values within the area of \$12,500,000.

2. The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality.

The linkage between the existence of a blighted area and a menace to the public health, safety or welfare of the municipality is specified in ORS 457.020, which reads in part:

BOOK 2317 PAGE 1957

It is hereby found and declared:

- (1) That within the state there exist blighted areas.
- (2) That such areas impair economic values and tax revenues.

The property involved for the most part is extremely under-utilized with a very low ratio of value of improvements to value of land. The total value of the land being acquired is estimated to be \$3,303,500 while the total value of improvements is estimated to be only \$831,000 for an Improvement to Land Value ratio of 0.25:1.

According to the report on the Second Amendment, "the level of improvements on the acquisition parcels is approximately six percent of what would be expected in a typical city location."

The expected net increase in real property values of approximately \$12,500,000 is projected to result in an increased annual property taxation of some \$425,000.

3. The urban renewal plan (amendment) conforms to the comprehensive plan and economic development plan, if any, of the municipality as a whole and provides an outline for accomplishing the urban renewal projects the urban plan (amendment) proposes.

The City of Portland's Comprehensive Plan, effective January 1, 1981, provides a guide for all land use related development within the city. The Central City Plan, adopted March 24, 1988 (effective date, July 1, 1988), is incorporated in the Comprehensive Plan and includes more specific goals and guidelines for Central City development, including district policies for the Central Eastside.

The Second Amendment to the Central Eastside Urban Renewal Plan is supportive of a number of major goals and policies in the Comprehensive Plan, and in the Central City Plan, particularly goals and policies related to urban development, economic development, parks and recreation, and transportation. the following specific goals and policies are particularly applicable.

### Comprehensive Plan

#### 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.*

The Second Amendment contributes to this goal because the acquisition and development of the parcels planned for industrial and commercial use is anticipated to result in an increase from a current estimated 50-55 jobs on these properties to some 450 to 530 jobs.

It also reinforces the Central Eastside, one of the major employment centers in the city, as a center of business and industry. The Central Eastside is one of the older industrial areas of the city. Its location close to downtown is important for industries requiring a central location in the region and it serves as an incubator for small industries. It is also conveniently located with respect to inner-city residential neighborhoods.

The resultant increased job opportunities will help strengthen the district's role as a major center of employment. Reinforcing the city's central area job base will help stabilize surrounding housing and neighborhoods.

#### **Policy 2.6 Open Space**

*Provide opportunities for recreation and visual relief by preserving Portland's parks, golf courses, trails, parkways and cemeteries. Establish a loop trail that encircles the city, and promote the recreation use of the city's rivers, creeks, lakes, and sloughs.*

#### **Policy 2.7 Willamette River Greenway Plan**

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

The Second Amendment helps implement these policies and the Willamette River Greenway Plan by securing for open space use an area of almost 50,000 square feet (Parcels 3 and 4) adjacent to the Willamette River. Of this total, approximately 20,000 sq. ft. are within the easement area of the I-5/Marquam Bridge ramps.

The area being acquired for open space use consists of two parcels. One parcel of approximately 48,000 sq. ft. is immediately adjacent to the new OMSI site. The other parcel of some 1,742 sq. ft. is immediately south of the Hawthorne Bridge. These parcels are part of the largest single site between the eastbank freeway and the Willamette River on the stretch of riverfront from the Marquam Bridge to the Broadway Bridge. As such, the entire site has the best potential for riverfront park use along this section of the river.

The area between the two parcels which are proposed for acquisition is owned by the Oregon Department of Transportation. The O-DOT property accounts for approximately 400 feet of river front. This property has been acquired by O-DOT as part of a program to connect McLoughlin Boulevard and I-5. Upon completion of this project, it would be desirable to link both the PDC proposed acquisitions and the O-DOT properties into a riverfront park.

### **2.12 Transit Corridors**

*Provide a mixture of activities along major transit routes to augment travel options. Encourage development of commercial uses and medium density apartments, and allow labor-intensive industrial activities which are compatible with the surrounding area.*

In the Central Eastside, the Central City Plan designates Grand Avenue from I-84 to Hawthorne Boulevard as a proposed transit corridor. As also is Hawthorne Boulevard from Grand Avenue across the Hawthorne Bridge from Downtown.

The Plan also shows a transit corridor extending south from Hawthorne down First Avenue to the OMSI property, then generally skirting the eastern edge of the OMSI property and eventually continuing south along Union Avenue.

Development of Parcel 1 (Glacier Park) will result in more intense commercial and industrial use close to the Grand Avenue transit corridor.

Development of Parcel 2 (Portland Traction Co.) will result in replacing existing largely vacant property with industrial and commercial uses adjacent to an extended Water Avenue and a possible future McLoughlin light rail line.

### **Policy 2.14 Industrial Sanctuaries**

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

The Second Amendment supports this policy because it actively seeks to develop into more intensive industrial use land which is designated for industrial use in the Central Eastside industrial area. Specifically, Parcels 1, 2 and 5, all of which are zoned industrial, are currently under-utilized. The amendment will result in PDC redeveloping these sites so they can be utilized for new industrial/commercial development.

(The possible use of a portion of Parcel 5 for open space is discussed later in this report).

**Policy 2.18 Utilization of Vacant Land**

*Provide for full utilization of existing vacant land except in those areas designated as open space.*

The Second Amendment supports this policy because all the parcels which will be acquired are either currently vacant, or partially vacant, or underutilized.

**2.24 Central City Plan**

*Encourage continued investment within Portland Central City while enhancing its attractiveness for work, recreation and living.*

Private development of the properties proposed for industrial/commercial use is hampered in part by poor infrastructure and by the fragmentation of properties due to unutilized public right-of-way and easements. Acquisition will facilitate the provision of adequate infrastructure and result in new private investment.

**Goal 3 Neighborhoods**

*Preserve and reinforce the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses and insure the city's residential quality and economic vitality.*

One of the problems of older industrial areas such as the Central Eastside is that some businesses when they become successful outgrow their existing facilities or are hampered by the limitations of older structures. As a result, they sometimes relocate to new sites, often outside the city.

Acquisition of the properties proposed for industrial/commercial use under the Second Amendment would enable the Portland Development Commission to offer such businesses alternative facilities and thereby help retain long-term businesses in the Central Eastside.

**Policy 3.6 Neighborhood Plan**

*Maintain and enforce neighborhood plans that are consistent with the Comprehensive Plan and that have been adopted by City Council.*

The Central City Plan is one of the city's neighborhood plans and was incorporated into the city's Comprehensive Plan as Policy 2.24. As

described below under the Central City Plan conformance evaluation, the Second Amendment is supportive of the Central City Plan, with the qualification that the eventual use of part of Parcel 5 needs further evaluation.

The property to be acquired falls into two city neighborhoods--Buckman and Hosford-Abernethy. Both neighborhoods and Southeast Uplift have been notified of the proposed amendment.

### **Goal 5 Economic Development**

*Increase the quantity and quality of job opportunities through the creation of an environment which promotes and supports business and industry and attracts new investment.*

The Second Amendment supports this policy because following acquisition and redevelopment of the property it will add an estimated 400 to 480 new jobs over the current level supported by existing development.

Development of Parcel 1 could include 90,000 sq. ft. of new industrial facilities with approximately 150 jobs. Development of Parcel 2 could include 120,000 square feet of new industrial facilities and approximately 160 jobs; and development of Parcel 5 could include 130,000 square feet of new industrial facilities and approximately 175 to 220 jobs.

The proposal is supportive of the following economic policies in the Comprehensive Plan.

#### **5.1 Business Retention and Recruitment. Develop opportunities for local businesses to grow.**

*Objective 5.1B. When the needs of businesses or industries cannot be met at the present location, the city may provide assistance to relocate the enterprise within the same district.*

Opportunities for businesses to expand in the Central Eastside are limited by the size of the standard city block, the age and condition of older structures, the lack of parking, and the general condition of the existing infrastructure in some areas.

The proposed amendment will help meet the needs of industries whose businesses have outgrown their current location and therefore is supportive of the above policy.

## **5.2 Jobs and Income**

*The city shall encourage long-term employment opportunities that enhance broad vocational and income opportunities, decrease unemployment and increase the disposable income of city residents.*

The amendment supports this policy because acquisition and development of the properties proposed for industrial/commercial use will eventually result in new private development on the site. The areas are currently under-utilized with limited employment opportunities. New private development will result in temporary construction jobs as well as an eventual increase over current employment of some 400 to 480 jobs.

## **5.8 Public/Private Partnership**

*The city shall foster a development partnership between the public and private sectors that is responsive to the economic needs of Portland business and residents.*

By acquiring properties for eventual industrial and commercial use, assembling parcels of suitable size, and providing the necessary street and utility improvements, the city can foster their redevelopment for eventual private use. Therefore, the amendment is supportive of this policy.

## **Goal 6 Transportation**

*Promote an efficient and balanced urban transportation system, consistent with the Arterial Streets Classification Policy, to encourage energy conservation, reduce air pollution, lessen the impact of vehicular traffic on residential neighborhoods, and improve access to major employment and commercial centers.*

The Second Amendment is supportive of the goal of promoting an efficient and balanced urban transportation system, particularly the acquisition and redevelopment of Parcel 2 (Portland Traction Co.). This parcel lies immediately west of the new OMSI facility which is currently in the process of Design Review.

In order to provide access to the OMSI site, it is necessary to extend Water Avenue southward to the OMSI development site and to widen Clay Street east of Water Avenue. Acquisition of Parcel 2 will meet this immediate need to provide access to OMSI, a facility which will be of region-wide significance.

In addition, the extension of Water Avenue to eventually link up with S.E. Division Place would be facilitated by the acquisition of Parcel 2. The

acquisition could also help accommodate a possible light rail line and light rail station in the vicinity of OMSI.

The Central City Plan indicates a proposed transit corridor extending south from Hawthorne Boulevard down First Avenue.

The Office of Transportation has reviewed the proposal and their comments are attached.

#### **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.*

As part of the citizen involvement provisions of this goal, notice was sent 20 days before the scheduled Planning Commission hearing on the Second Amendment to the Eastside Urban Renewal Plan to all individual property owners within 100 feet of the proposed acquisitions. In addition, neighborhood and business groups within the area were also notified.

#### **Goal 11 Public Facilities**

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

The amendment is supportive of this goal because it will result in public improvements which will be supportive of development of the properties to be acquired.

Specifically, the amendment will facilitate street and sidewalk improvements and improvements to utilities needed to permit full development of the acquisition parcels.

Acquisition of Parcel 2 will allow the extension of Water Avenue to the OMSI development site and related improvements and widening of Clay Street east of Water Avenue.

#### **Policy 11.47 New Parkland**

*Increase the supply of parkland, giving priority to areas where geographical and service levels exist.*

The Central Eastside has been found to be an area seriously deficient in parkland. Acquisition of the land proposed for park use will help overcome this deficiency and is therefore supportive of the above policy.

All of the goals, policies and objectives of the Comprehensive Plan have been reviewed against the proposed Second Amendment to the Central Eastside Urban Renewal Plan and those discussed have been determined to be applicable. The Second Amendment conforms with the city's zoning and comprehensive plan and will serve to implement plan goals and policies.

### Central City

The Second Amendment to the Central Eastside Urban Renewal Plan conforms with the Central City Plan with one possible exception; namely the proposed use of Parcel 5, which will be discussed further. The amendment is especially supportive of the following Plan policies.

#### **Policy 1. Economic Development**

*Build upon the Central City as the economic heart of the Columbia Basin, and guide its growth to further the city's prosperity and livability.*

*D. Support and maintain manufacturing and distribution as significant components in the Central City economy.*

The Second Amendment and subsequent redevelopment of the properties proposed for industrial/commercial use will contribute to the economic development policy of the Central City Plan by providing new jobs and new private investment. Redevelopment of these properties with accompanying infrastructure improvements will enhance the overall economic environment of the Central Eastside.

The Central Eastside is the main center of manufacturing and distribution activity in the Central City and the Second Amendment will assist in helping maintain these activities as significant components of the economy.

*F. Support the retention and expansion of existing businesses while attracting and encouraging new businesses in the Central City.*

The amendment will help support this policy because although most Central Eastside businesses may wish to remain in the Central Eastside, they often experience difficulty in meeting expansion needs due to the lack of available parcels of 30,000 square feet or more.

Assembly of such parcels is complicated by the district's predominant 200' by 200' block size, parcelization and various easements, rights-of-way, and competing uses. The proposed acquisitions will help meet that need and thereby help retain and accommodate the expansion of existing businesses and help attract new businesses.

**Policy 2. The Willamette Riverfront**

*Enhance the Willamette River as the focal point for views, public activities and development which knits the city together.*

- A *Recapture the east bank of the Willamette Riverfront between the Marquam and Steel Bridges by expanding and enhancing the space available for nonvehicular uses.*

Parcels 3 and 4 both front on the Willamette River. Acquisition of these properties for park and recreational use is supportive of the Willamette Riverfront policy of the Central City Plan and specifically helps recapture the east bank of the river between the Marquam and Steel Bridges for nonvehicular use as recommended by the Plan.

The two parcels, however, are separated by property currently owned by the Oregon Department of Transportation. As mentioned previously, there is a need for an overall scheme to eventually link these properties into a riverfront park.

- R 9. *Complete the development of the Greenway Trail within the Central City*

The Willamette Greenway Trail System will eventually extend from the city line south of the Sellwood Bridge, on the east bank of the river north to St. Johns and Kelly Point Parks.

Acquisition of Parcels 3 and 4 and development of a park scheme for this segment of the river will result in the development of a segment of the Greenway Trail which can then link the existing trail north of the Hawthorne Bridge and that portion of the trail which will be developed on the OMSI property.

**Policy 4. Transportation**

*Improve the Central City's accessibility to the rest of the region and its ability to accommodate growth by extending the light rail system and by maintaining and improving other forms of transit and the street and highway system, while preserving and enhancing the city's livability.*

- A Develop the Central City as the region's transportation hub through construction of a regional light rail transit system.*

While there are no immediate plans for light rail construction to serve this area, the Central City Plan includes proposed transit corridors along S.E. Grand, a segment of S.E. Hawthorne, and a line southward along First Avenue and then generally bordering the OMSI property.

Acquisition of Parcel 2 could help accommodate any future transit line which might serve OMSI and adjacent properties. Acquisition of this parcel could also lead to overall circulation improvements in the area. Thus, acquisition of Parcel 2 is particularly supportive of the Central City Plan's transportation goal.

**Policy 8. Parks and Open Space**

*Build a park and open space system of linked facilities that tie the Central City districts together and to the surrounding community.*

- B Meet the open space and recreation needs of each of the Central City districts.*

In the final reports for the Central City Plan, the Parks and Recreation Committee concluded that:

"The Downtown District is the only area within the Central City which is adequately served by park and open space resources. The Inner Eastside has long been identified as deficient in park and recreation facilities and programs."

Acquisition of Parcels 3 and 4 will help fill this deficiency and help meet the open space and recreation needs of the Central Eastside District.

**Policy 20. Central Eastside**

*Preserve the Central Eastside as an industrial sanctuary while improving freeway access and expanding the area devoted to the Eastbank Esplanade.*

The Second Amendment helps to not only preserve the Central Eastside as an industrial sanctuary, but to actively encourage new industrial development in the area.

The acquisition of the three parcels proposed primarily for industrial use will facilitate necessary infrastructure improvements to streets, sidewalks and utilities and permit their early development for new industrial

development. The total anticipated new industrial development on these parcels is expected to reach 350,000 square feet within five years of acquisition.

### Central Eastside: Proposals for Action

The following proposals for action are incorporated in the Central City Plan and were adopted through City Council Resolution. "These projects, programs and regulations are a starting place. As studies are undertaken, some actions will need to be amended, or in some cases, replaced with other proposals found to be better or more feasible."

*CE 3. Develop a park at the east end of the Hawthorne Bridge. Consider using a part of the park for waterfront recreation for handicapped people and their families.*

*CE 11. Acquire and develop parks and open spaces to meet the needs of district residents and employees.*

The acquisition of Parcels 3 and 4 for parks and recreation are supportive of these proposals.

However, the Central City Plan designates a substantially larger area at the east end of the Hawthorne Bridge as proposed open space. The area involved extends from S.E. Main on the north to S.E. Market on the south, Water Avenue on the east and the Willamette River on the west.

This area therefore includes that portion of Parcel 5 which is south of S.E. Main Street which is proposed as industrial/commercial use under the Second Amendment as currently submitted.

While the area is zoned for industrial use, the Central City Plan Map shows it as proposed open space. Proposed open space is not a comprehensive plan land use designation, but a plan element. The plan states that proposed open space areas "are specific locations where development of additional public open space is proposed."

During the development of the Central City Plan, both the Park and Recreation Committee and the Riverfront Committee identified the area south of Main Street and west of Water Avenue to the Hawthorne Bridge as parks and open space.

An attached memorandum from the Bureau of Parks and Recreation states:

"Development of a sizable community park at this location meets the needs of the park deficient neighborhoods of inner southeast, as well as enhancing the potential for establishment of a more substantial riverfront park than is possible within the existing boundaries of the Eastside Esplanade area including the addition of the north OMSI riverfront property (Parcel 3)."

*CE 4. Complete the Eastbank Esplanade improvements, including pedestrian and bicycle connections at all bridges.*

The acquisition of Parcels 3 and 4 will help link the Eastbank Esplanade and the OMSI property. They can help provide an eventual pedestrian and bicycle connection between the Convention Center and OMSI with connections at the bridges.

*CE 15. Preserve the publicly held land and right-of-way from the river bank to Water Avenue to ensure this land is not sold for private use. City will have first right of refusal on an option to purchase this property.*

The Second Amendment is supportive of this proposal as the city is seeking to acquire land from its current owner, O-DOT. The proposal, however, has ramifications for the ultimate disposal of property which is acquired, but this is not within the scope of the current application.

*CE 18. Foster superblock development in particular locations.*

Parcels 2, 3, 4 and 5 are all within an area of the Central Eastside in which superblock development is encouraged. Public acquisition of these parcels, particularly Parcel 2 and Parcel 5, will permit them to be developed on a superblock basis.

**F. The Second Amendment provides an outline for accomplishing the urban renewal plan projects proposed by the amendment.**

The accompanying report on the Second Amendment to the Central Eastside Renewal Plan lists the activities required for implementation of the project and provides estimated costs for planning, acquisition, relocation, site preparation and capital improvements.

The report also identifies funding sources for the project activities and documents the financial feasibility of implementing the acquisition and redevelopment of the property. The report contains a time schedule for completion of the project.

**G. Provision has been made to house displaced persons.**

There are no residences on the property, so no people will be displaced.

**H. If acquisition of real property is provided for, that it is necessary.**

Acquisition of the subject properties is necessary for the following reasons:

- a) To help provide access to the new OMSI site
- b) To help ensure development which will be complementary to the OMSI development and the proposed esplanade development along the east bank of the Willamette River
- c) To secure needed park and recreation space which will help achieve the Willamette Greenway goal, the city's goals for riverfront property and meet local needs for park and open space
- d) To assure conversion of under-utilized sites for more productive use
- e) To foster early redevelopment which will bring new employment and business to the area
- f) To develop the necessary public improvements needed prior to redevelopment

**I. Adoption and carrying out the urban renewal plan (amendment) is economically sound and feasible.**

According to the accompanying report on the Second Amendment to the Eastside Urban Renewal Plan, the estimated total cost of the project is \$6,070,000.

PDC verifies that there are sufficient revenues to repay the maximum estimated project debt. It is anticipated that tax increment funds available for projects in the area through bonding within the next two years will total \$6,500,000. Additional funds will be available through resale of property in the area, the State of Oregon special public works fund and the Oregon Department of Transportation.

The Plan Amendment does not create a new tax increment district or expand an existing one, therefore, there is no affect on existing tax rates.

- J. The municipality shall assume and complete any activities prescribed it by the urban renewal plan (amendment).**

Upon adoption of the Second Amendment to the Central Eastside Urban Renewal Plan by ordinance, the City of Portland shall assure and complete all activities prescribed by the Central Eastside Urban Renewal Plan, as amended.

### **Conclusion**

The proposal is supportive of the Comprehensive Plan and conforms with the Portland Zoning Code. The Central City Plan includes as proposed open space (which is defines as "Specific locations where development of additional public open space is proposed") an area at the east end of the Hawthorne Bridge which includes part of Parcel 5, which in the Second Amendment as originally submitted was proposed for industrial/commercial use.

### **Recent Discussion**

Following discussions with Planning Bureau staff, PDC has submitted a revised Exhibit A which includes park and recreation use as an intended use of Parcel 5. As originally submitted, Parcel 5 was designated solely for industrial/commercial use.

Planning Bureau staff also understands that the Portland Development Commission will be undertaking a comprehensive riverfront park development study in 1990-91 and that the feasibility and appropriateness of Parcel 5 for park and open space development will be examined as part of that study.

### **Planning Commission Recommendation**

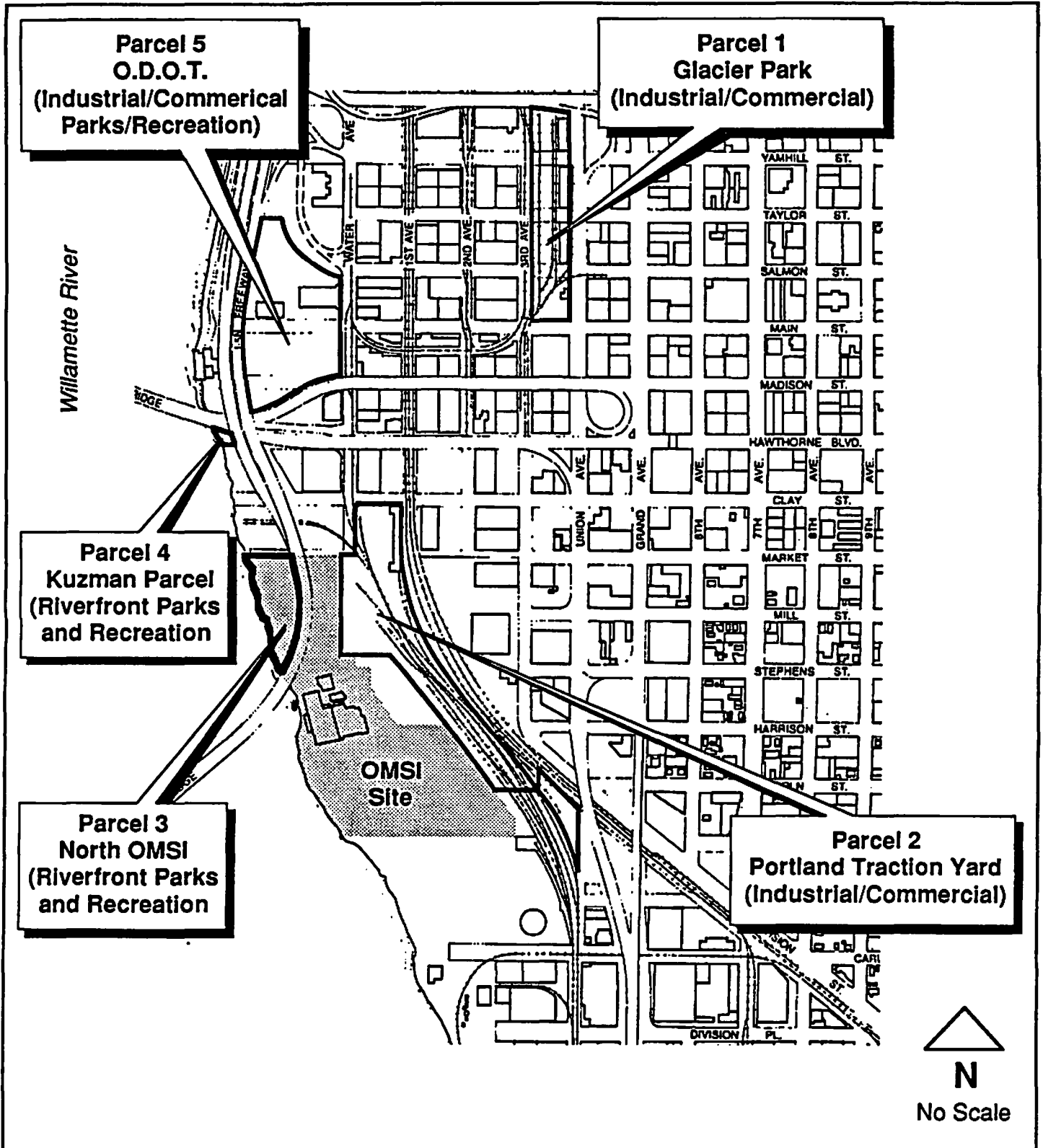
Bureau of Planning staff recommends approval of the proposed Second Amendment to the Central Eastside Urban Renewal Plan, as revised May 11 (attached), with the following condition:

Prior to the development of Parcel #5, the Portland Development Commission will submit the riverfront park and recreation study for Planning Commission review.

The Planning Commission also encourages the Portland Development Commission to work with the Bureau of Parks and Recreation and the

Oregon Department of Transportation to develop a riverfront park in the area between the Hawthorne Bridge and OMSI to be developed after the completion of the East Marquam ramps project.

ATS:mch  
LR Hard Disk:0510.2



# Second Amendment to the Central Eastside Urban Renewal Plan



CITY OF PORTLAND  
BUREAU OF PARKS AND RECREATION



1120 S.W. 5TH, ROOM 502  
PORTLAND, OREGON 97204-1976  
(503) 796-5193

BOOK 2317 PAGE 1973

MIKE LINDBERG, Commissioner

CHARLES JORDAN, Superintendent

MEMORANDUM

May 8, 1990

TO: Alf Siddal, Bureau of Planning  
FROM: John Sewell, Bureau of Parks & Recreation  
SUBJECT: PDC Planned Acquisition in Central Eastside

Park Bureau supports PDC's proposed second amendment to the Central Eastside Urban Renewal Plan allowing for acquisition of five parcels of property. However, Park Bureau strongly recommends that at least half if not all of Parcel 5 (ODOT property west of Water Avenue) be set aside for development of a park and recreational facilities adjacent to the Eastside Esplanade.

Central City Plan Policy 20: Central Eastside calls for development of a major park in the area bounded by S.E. Main on the north, Water Avenue on the east, S.E. Market Street on the south, and the river. Acquisition of Parcels 3, 4, and 5 provides a perfect opportunity for realization of this plan.

Development of a sizable community park at this location meets the needs of the park deficient neighborhoods of inner southeast, as well as enhancing the potential for establishment of a more substantial riverfront park than is possible within the existing boundaries of the Eastside Esplanade area including the addition of the north OMSI riverfront property (Parcel 3).

The Central City Plan reflects the community's vision and aspiration for Portland's development and City Council's adoption of the plan endorses those dreams. In compliance with the Central City Plan, the second amendment to the Central Eastside Urban Renewal Plan should include acquisition of Parcel 5 primarily for the purpose of developing a riverfront park and a community recreational facility.

JS:zss



CITY OF  
**PORTLAND, OREGON**  
OFFICE OF TRANSPORTATION


Earl Blumenauer, Commissioner  
Felicia Trader, Director  
1120 S.W. Fifth Avenue  
Suite 702  
Portland, Oregon 97204-1957  
(503) 796-7016  
FAX (503) 796-7576

BOOK 2317 PAGE 1974

May 9, 1990

MEMORANDUM

TO: Alf Siddal, Bureau of Planning

FROM: John Gillam, Office of the Director 

SUBJECT: Proposed Amendments to the  
Central Eastside Urban Renewal Plan

The Office of Transportation has reviewed this proposal and offers the following comments:

1. The basic proposal to authorize acquisition of specific parcels in the Central Eastside Urban Renewal Plan area does not conflict with transportation policies or transportation plans.
2. Development of the parcels affected by this proposal will be required to conform with the policies of the Arterial Streets Classification Policy and accommodate planned transportation facilities.
3. Development of the parcels affected by this proposal should be compatible with the recommendations of the Central Eastside Transportation Study.
4. Specifically, the plan amendment should recognize the need to preserve and/or dedicate rights-of-way for the light rail transit corridor and station location options, the Water Avenue Extension, the East Marquam Ramps Project, and pedestrian and bicycle routes and access ways to the Willamette Greenway.

JG:db

cc: Steve Dotterrer

EXHIBIT "A"

SECOND AMENDMENT TO  
THE CENTRAL EASTSIDE URBAN RENEWAL PLAN






The original Central Eastside Urban Renewal Plan was approved by the Portland City Council By Ordinance No. 158940 on August 27, 1986. The Second Amendment to this Plan allows for acquisition of five parcels of property. There are no deletions from or changes to the existing language in the Plan, only the addition of new language to Section 602 - Property Acquisition and Redevelopment, as follows:

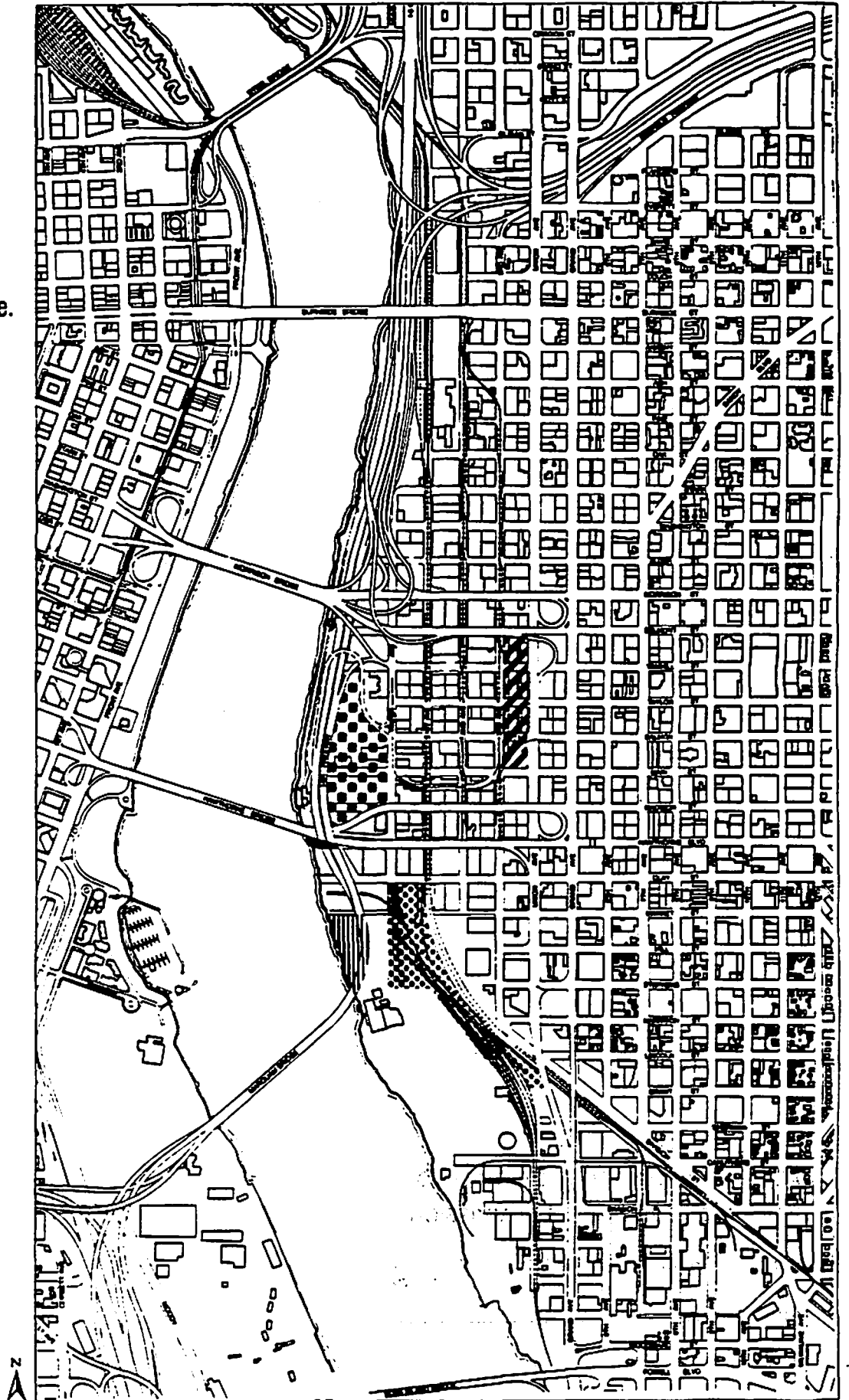
1. Subparagraph C is hereby amended to incorporate additional acquisition language:

Real property which may be acquired by the Development Commission is shown on the Property Acquisition Map (Exhibit 3). Parcels shown on the Central Eastside Property Acquisition map are for use as follows:

<u>Parcel</u>	<u>Intended Use</u>
1. Glacier Park Area	Redevelopment for industrial/ commercial business uses
2. Portland Traction Yard	Industrial/commercial redevelopment and public streets and transportation
3. North OMSI Riverfront	Riverfront parks and recreation
4. Kuzman Parcel	Riverfront parks and recreation
5. ODOT West of Water Avenue	Industrial/commercial redevelopment/ parks and recreation

# Exhibit 3 Central Eastside Property Acquisition

- 1  Glacier Park Area
- 2  Portland Traction Yard
- 3  North OMSI Riverfront
- 4  Kuzman Parcel
- 5  ODOT West of Water Ave.



056981

AFTER RECORDING PLEASE RETURN TO:  
PORTLAND DEVELOPMENT COMMISSION  
1120 S.W. 5th  
Portland, Oregon 97204-1968  
Attn: REAL ESTATE

STATE OF OREGON }  
Multnomah County }

ss.

I, a Deputy for the Recorder of Conveyances, in and for said County, do hereby certify that the within instrument of writing was received for record and recorded in the record of said County

90 JUN 28 AM 10: 51

RECORDING SECTION  
MULTNOMAH CO. OREGON

In Book

On Page

**BOOK 2317 PAGE 1923**

witness my hand and seal of office affixed.

Recorder of Conveyances

*N. Walden*

Deputy

"D.H."

BOOK 2317 PAGE 1977