

OFFICE OF  
AUDITOR OF THE CITY OF PORTLAND  
City Hall Room 140  
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Portland, Oregon 97204

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CITY OF PORTLAND }

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I, **GARY BLACKMER**, Auditor of the City of Portland, do hereby certify that I have compared the following copy of Ordinance No. 176737, passed by the Portland City Council on July 10, 2002, Adopt the 8th Amendment to the Central Eastside Urban Renewal Plan to establish authority to acquire property at 424-436 East Burnside Street, with the original thereof and that the same is a full, true and correct copy of such original Ordinance and of the whole thereof as the same appears on file and of record in my office and in my care and custody.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the City of Portland affixed this July 15, 2002.

**GARY BLACKMER**  
Auditor of the City of Portland

By

*Susan Parsons*

Deputy



56  
After recording please return document to:  
Kate Staples  
Portland Development Commission  
1900 SW Fourth Avenue Suite 7000  
Portland, OR 97201

Adopt the 8<sup>th</sup> Amendment to the Central Eastside Urban Renewal Plan to establish authority to acquire property at 424-436 East Burnside Street (Ordinance)

**The City of Portland ordains:**

**Section 1. The Council finds:**

1. The City Council of the City of Portland (the "Council") adopted the Oregon Convention Center Urban Renewal Plan (the "Plan") by Ordinance No. 158940 dated August 27, 1986. The Plan has been subsequently amended through the Seventh Amendment.
2. The Council wishes to further amend the Plan to establish authority to purchase property located at 424 - 436 East Burnside Street in the Central Eastside Urban Renewal District.
3. The Portland Development Commission, the duly organized and acting urban renewal agency of the City of Portland (the "Commission") has prepared a 8th Amendment to the Plan (the "8th Amendment"), which is attached to this Ordinance as Exhibit A, and incorporated herein by this reference.
4. The Commission has caused the preparation of a report accompanying the Amendment (the "Report"), dated March 14, 2001, which is attached to this Ordinance as Exhibit B, and incorporated herein by this reference.
5. The Commission has forwarded the 8th Amendment and the Report to the City of Portland Planning Commission for its recommendations, and on May 24, 2001, the Planning Commission did not recommended adoption of the 8th Amendment based on the Findings of Fact in its Report to the City Council ("Planning Commission Report"), which is attached to this ordinance as Exhibit C, and incorporated herein by this reference.
6. The Commission has forwarded a copy of the 8th Amendment and the Report to the governing bodies of the taxing districts that levy taxes within the area of the Plan, consulted and conferred with them, and no written communications have been received from such governing bodies.
7. The Commission has complied with the public involvement requirements by notifying interested citizens, neighborhood associations and business associations of the 8th<sup>h</sup> Amendment. Public response received is attached as Exhibit D.
8. On July 3, 2002, the Council held a public hearing regarding the adoption of the 8th Amendment.
9. The Council has considered the materials presented by the Portland Development Commission, all information presented and all matters discussed at the meetings described above, and the recommendations of the Planning Commission and finds

that the 8th Amendment is necessary to fulfill the goals of the Plan.

**Section 2:** The Council further finds and determines, based upon the information contained in the Report accompanying the Plan (Exhibit B), the Planning Commission Report to the City Council (Exhibit C), and public response (Exhibit D) that:

1. A finding of blight was made in the original ordinance adopting the Plan, Ordinance No. 158940, dated August 27, 1986. The 8th Amendment does not affect any change in the boundaries of the original Plan area, and Council finds that, since the original Plan has not been completed, the findings of the existence of blight continues to be accurate. Therefore, Council finds that the Central Eastside Urban Renewal Plan area is blighted.
2. The original Plan and its subsequent substantial amendments were adopted based upon findings of the existence of blight in the Plan area; that accomplishing the goals of the Plan was necessary to eliminate such blight; and that by eliminating blight, the public health, safety or welfare is protected. Council finds that since the Plan has not been completed and the public health, safety of welfare are still threatened by the existence of blight, the Plan continues to be necessary to protect such public health, safety or welfare.
3. The original Plan and its subsequent substantial amendments were adopted after review and recommendation by the Planning Commission and upon a finding by the Council that the Plan conformed to the City of Portland Comprehensive Plan and economic development plan, and that it provided an outline for accomplishing the urban renewal projects proposed by the Plan. The 8th Amendment adds a new parcel of land that may be acquired under the Plan, but does not alter any of the other activities contemplated under the original Plan or the other amendments. The 8th Amendment has been reviewed by the Planning Commission, which did not, recommended approval of the 8<sup>th</sup> Amendment. Notwithstanding the Planning Commission recommendation, the Council finds that the amendment does conform to the City's applicable goals and policies of continuing to enhance Portland's economic environment by ensuring that sufficient land and infrastructure exists and promoting private development activity. The amendment meets the goals and objectives of the Central Eastside Urban Renewal Plan by stimulating private investment and economic growth in the Lower Burnside area of the city. Accordingly, the Council finds that the Plan continues to conform to the City of Portland Comprehensive Plan and economic development plan, and provides an outline for accomplishing the projects proposed in the Plan.
4. The 8th Amendment will allow the Commission to acquire the property located at 424-434 East Burnside Street located in the Central Eastside Urban Renewal District. Adoption of the original plan and its subsequent amendments was based on a finding that the acquisition of real property as provided for in the Plan was necessary to achieve the goals of the Plan.

The property that may be acquired under the 8<sup>th</sup> Amendment is a 3,150 square foot building that has two tenant storefronts containing a restaurant on one side and vacant office space on the other. The Commission desires to acquire the property to facilitate redevelopment of the block as outlined in the Lower Burnside Redevelopment Plan adopted by Commission Resolution 5228, February 17, 1999 and Council Resolution 35784, April 8, 1999.

The 8<sup>th</sup> Amendment conforms to Section 400 of the Plan, which is to “improve the condition and appearance of the Area, eliminate blight and blighting influences, to expand and improve public facilities and to stimulate private investment and economic growth in the Central Eastside Urban Renewal District”. Accordingly, the Council finds that the acquisition of property authorized by the original Plan, subsequent amendments and the 8<sup>th</sup> Amendment is necessary to achieve the goals redevelopment and revitalization activities with the urban renewal area and the city, thus promoting the Plan’s goals.

5. Adoption of the original Plan and its subsequent and its subsequent substantial amendments was based upon findings that the adoption and carrying out the Plan are economically sound and feasible. There are sufficient tax increment proceeds to finance the purchase of this property, as specifically shown in Section 700 of the Report. Council finds that with the approval of the 8<sup>th</sup> Amendment, the completion of the Plan continues to be economically sound and feasible.
6. The City shall assume and complete any activities prescribed to it by the Plan.
7. Section 605 of the original Plan provides for Commission assistance in finding replacement facilities for those persons or businesses displaced by acquisition under the Plan. Section 605 has not been amended by subsequent amendments or by the 8<sup>th</sup> Amendment. Adoption of the original Plan was based on a finding that provision was made to house displaced persons and relocate displaced businesses in accordance with ORS 281.045 to 281.105. Accordingly, Council finds that with approval of the 8<sup>th</sup> Amendment the Plan continues to so provide.

NOW THEREFORE, the Council directs:

- a. The 8th Amendment to the Central Eastside Urban Renewal Plan, attached hereto as Exhibit A, and incorporated herein by this reference, having been duly reviewed and considered by Council, is hereby adopted.
- b. The authority to acquire the property located at 424-436 East Burnside Street granted by this Ordinance shall be automatically rescinded and become null and void on December 31, 2002, unless either the Commission and the property owners have reached an agreement for the sale of the property or the Commission has filed a condemnation proceeding to acquire the property.
- c. The City Auditor shall forward to the Portland Development Commission and to the City of Portland Planning Commission certified copies of this Ordinance upon adoption by Council.

- d. The Portland Development Commission shall file in the Deed Records of Multnomah County, Oregon, a copy of this Ordinance and the 8th Amendment upon adoption by Council.
- e. The City Auditor, in accordance with ORS 457.115, shall publish notice of the adoption of this Ordinance approving the 8th Amendment, including the provisions of ORS 457.135, in the newspaper having the greatest circulation in the City of Portland within four days following the adoption of this Ordinance.

Passed by the Council: JUL 10 2002

**GARY BLACKMER**  
Auditor of the City of Portland

By

  
Deputy

Mayor Katz  
PDC: D. Mazziotti/A. Farkas/  
D. McGriff  
July 3, 2002

## Exhibit "A"

**EIGHTH AMENDMENT TO  
THE CENTRAL EASTSIDE URBAN RENEWAL PLAN**

The eighth Amendment to the Central Eastside Urban Renewal Plan authorizes acquisition of property for private development pursuant to Section 602C of the Urban Renewal Plan. Redevelopment of property through new construction and through Rehabilitation is authorized by Sections 601 B and C of the Central Eastside Urban Renewal Plan.

The acquisition of property is necessary to carry out the following goals and objectives of the Central Eastside Urban Renewal Plan:

**Goal 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 neighborhoods and business centers.

**Goal II. Business Retention and New Business Development**

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

**Goal III. Central Eastside Revitalization Program**

- A. General Goal. Maintain and enhance the Central Eastside District's 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 complementary ventures, and offer a positive environment for adjacent neighborhoods.
- B5. Maintain and bolster the function of the CEID as a business incubator for new industrial and commercial business.

The acquisition of this property also conforms to the goals and objectives set forth in the following relevant City policy documents

1. City of Portland Comprehensive Plan

The Oregon Central Eastside Urban Renewal Plan was prepared in conformity with the City of Portland Comprehensive Plan, effective January 1, 1981. The Comprehensive Plan policies that are relevant to this project include:

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 center.

**Policy 5.1 Business Retention and Recruitment:** Develop policies and programs, which provide opportunities for local businesses to operate and grow in Portland. Continue efforts that attract new business and investment in the region.

**Policy 5.3 Economic Environment:** Continue efforts to enhance Portland's economic environment by ensuring that sufficient land and infrastructure exists or can be provided and that public actions support and promote private development activity.

## 2. Economic Development Policy

The Portland City Council adopted an Economic Development Policy as part of the Comprehensive Plan in June 1988. The following policies are relevant to this project:

Direct technical, financial or investment assistance for economic development to industrial and commercial districts within, or in close proximity to, neighborhoods where percentages of unemployed and economically disadvantaged workers exceed Citywide levels.

Encourage equal opportunities for employment, career advancement and business development for those segments of the population, which have historically not participated fully in the Portland economy.

## 3. Prosperous Portland, January 1994

Some elements of this plan have been incorporated in the City's Comprehensive Plan. Relevant sections include:

**Policy 4-** Sustain aggressive business and workforce development activities. The City will sustain an aggressive business development program which promotes the achievement of community defined and driven goals, and includes physical revitalization, job creation, business and property ownership, provision of retail and neighborhood services and housing development.

**Policy 5A:** The City will assume the role of facilitator and broker, will provide technical and financial support and will promote partnerships designed to achieve community goals.

**Policy 14:** Encourage urban development and redevelopment. The City of Portland will tailor its programs and regulations to meet the needs of and encourage investment in the development and redevelopment of urban land and buildings for employment and housing opportunities.

Central City Sub-districts: Central Eastside Strategy B: The City will continue to assemble large sites or provide infrastructure for the expansion of area business.

4. Report for the Second Amendment to the Central Eastside Urban Renewal Plan

The Report for the Second Amendment to the Central Eastside Urban Renewal Plan, adopted May 9, 1990 contains the following language relevant to the project:

1. Property Acquisitions for Redevelopment: Business retention and new business development opportunities are constrained in the Central Eastside because the lack of .....sites for business expansion and redevelopment.

176737

Exhibit "B"

REPORT ON THE EIGHTH AMENDMENT  
TO THE  
CENTRAL EASTSIDE URBAN RENEWAL PLAN  
City of Portland, Oregon

Portland Development Commission  
March 14, 2001

## **Chapter I -- Introduction**

The Eighth amendment to the Central Eastside Urban Renewal Plan makes the following changes to the Plan:

- Add one property to the list properties to be acquired pursuant to Section 602 C of the Renewal Plan. The property is to be acquired for development by the private sector.

The Central Eastside Urban Renewal Plan ("Plan") was adopted by City Council on August 27, 1986. The Plan noted, "It is anticipated that this Plan will be changed or modified from time to time or amended as development potential and conditions warrant, as planning studies are completed, as financing becomes available, or as local needs dictate." Subsequent to adoption of the Plan, additional planning work has been completed and additional changes in conditions have occurred, warranting an Amendment to the Plan.

ORS 457.085(3) required that an urban renewal plan amendment, which is a significant change requiring a substantial amendment to the plan, be accompanied by a report which describes:

- A. A description of physical, social and economic conditions in the urban renewal areas of the plan, and the expected impact, including the fiscal impact, of the plan [or changed] in light of the added services or increased population;
- B. Reasons for selection of each urban renewal area in the plan;
- C. The relationship between each project to be undertaken and the existing conditions in the urban renewal area;
- D. The estimated total cost of each project and sources of monies to pay such costs;
- E. The anticipated completion date for each project;
- F. A relocation report which shall include:
  1. An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions, under ORS 457.170;
  2. 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 285.045 -.105; and

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

This report will address each of the required information categories.

## **Chapter II – A Description of Physical, Social and Economic Conditions in the Urban Renewal Areas**

This Plan Amendment does not change the analysis of the physical, social and economic conditions in the urban renewal area contained in the original Report on the Plan.

The following is a summary of specific conditions found within the property acquisition site area:

1. Land area:

Block 106, Lot 8: This property consists of one tax lot containing 3,150 square feet.

2. Existing land use and zoning:

The parcel is zoned Exd, Central Employment zone with a design review overlay.

3. Condition of Building and dwelling units:

There are no dwelling units on this parcel. The property consists of a multi-tenant 3,150 square foot single story building. The overall condition of the building is deteriorating. It was formerly a three-story arced building constructed in 1903. A fire in the past 30 years caused the two upper stories and the arcade to be removed.

4. Condition of Public Infrastructure

All public facilities and services are available at the site.

5. Environmental Conditions

A Level I Environmental Assessment has been conducted on the entire Block 106 and no environmental conditions were found. Additional studies will be conducted prior to acquisition.

6. Economic Conditions

The aggregate value of the land is estimated to be \$67,320 and the value of the improvements is \$152,040.

**Chapter III – The Expected Impact, Including the Fiscal Impact of the Plan Amendment in Light of Added Services or Increased Population**

This Plan Amendment will not create a need for added services and will not increase population within the plan area. This Plan Amendment, therefore, will not change any elements of the analysis in the original Report accompanying the Plan.

**Chapter IV – Reasons for Selection of Each Urban Renewal Area in the Plan Amendment**

This Plan Amendment does not affect the area of the Central Eastside Urban Renewal Area, nor does it affect the purpose and objective of the Plan.

**Chapter V – The Relationship between Each Project to be Undertaken under the Plan Amendment and the Existing Conditions in the Urban Renewal Area.**

“Project” is a defined term in ORS Chapter 457. It includes both single-site activities and implementation of programs necessary to achieve the goals of the urban renewal plan.

This Plan Amendment adds one (1) property to the list of properties to be acquired for private redevelopment. Acquisition of property for private redevelopment is authorized in Section 602C of the Central Eastside Urban Renewal Plan. Property acquisition and redevelopment is intended to correct the deficiencies described in Chapter II of the original Report on the Plan.

**Chapter VI – The Estimated Total Cost of each Project or Activity and It’s Anticipated Completion Date**

The property acquisitions authorized in the Amendment will be carried out within the \$66,274,00 maximum indebtedness for the Plan. All acquisition authorized by this Amendment will be concluded by the termination date of the Plan, and property dispositions will be completed as soon as reasonably possible after acquisition, in order to accomplish the goals of the Plan.

**Chapter VII – The Estimated Amount of Money Required Under ORS457.420 to 457.440 and The Anticipated Year in which Indebtedness will be Retired or Otherwise Provided for Under ORS457.440**

This Plan Amendment does not affect the maximum indebtedness for the Plan, or the anticipated year in which indebtedness will be retired.

**Chapter VIII – Financial Analysis of the Plan with Sufficient Information to Determine Feasibility**

This Amendment does not change the financial analysis of the Plan under the Fifth Amendment, incorporated herein by this reference, since all property acquisition will be completed within the maximum indebtedness allowed under the Plan.

**Chapter IX- Relocation Report**

**A. An Analysis of Existing Residents or Businesses Required to Relocate Permanently or Temporarily As a Result of Development Commission Action Under ORS 457.170**

The acquisition authorized in this amendment will require the relocation of two businesses. The businesses are a restaurant and an office housing a youth service organization. Neither the type of business uses, nor the type of property the businesses occupy should pose an obstacle to the relocation of the businesses. No residential relocations will result from this Plan Amendment.

**B. A Description of the Methods To Be Used For Temporary or Permanent Relocation of Persons Living In and Businesses Situated in the Renewal Area In Accordance with ORS 281.045 through 282.105**

The Portland Development Commission has adopted a Relocation Policy that conforms to the requirements of ORS 281.045 through 282.105 and maintains information in its office relating to the relocation program and procedures, including eligibility for and amounts of relocation payments, services available and other relevant matters. This Relocation Policy will apply to all persons and businesses required to relocate by the acquisition authorized in this amendment.

**C. An Enumeration by Cost Range of the Existing Housing Units in the Renewal Area of the Plan to be Eliminated or Altered, and New Unites to Be Added.**

No existing housing units are proposed to be eliminated, or added by this Plan Amendment.

Central Eastside Urban Renewal Plan  
Proposed Plan text language

**Section 602C- the Eighth Amendment to the Central Eastside Urban Renewal Plan amends section 602C of the Plan to add a property to the list of real property which may be acquired by the Portland Development Commission. New text is shown in underline.**

Section 602- Property Acquisition and Redevelopment

- D. Land Acquisition by Urban Renewal Plan Amendments – Land acquisition other than specifically listed in Section D shall be accompanied by the following procedures for amending this Plan as set forth in Section 900 of this Plan.

Assembling land for development by the private sector

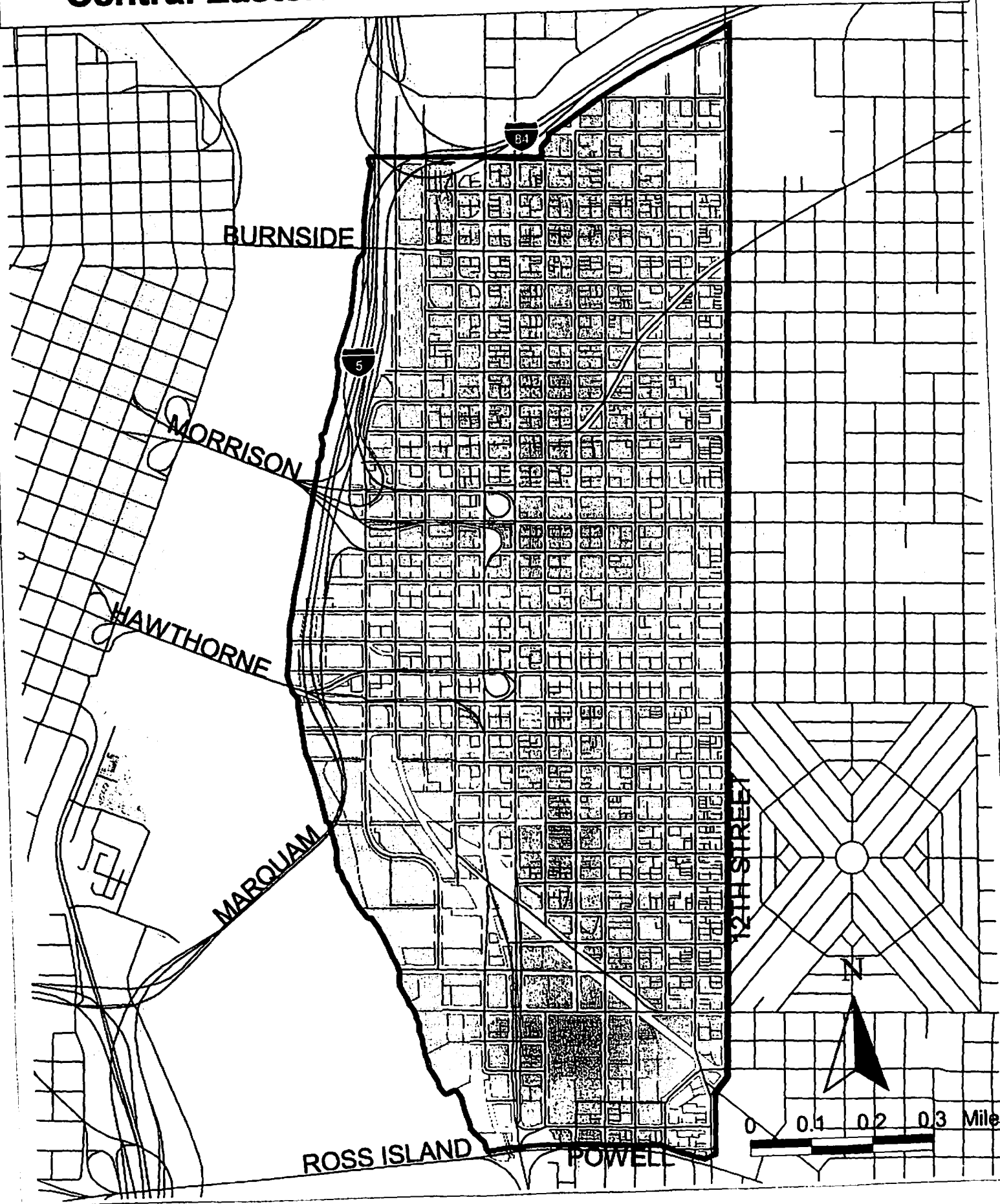
Real property that may be acquired by the Portland Development Commission is shown on the Central Eastside Property Acquisition Map, (Exhibit 3, and 4). Parcels shown on the property acquisition map are as follows:

Parcel	Intended Use
<u>6. Exhibit 4 (Block 106*- lot 8 :George parcel)</u>	<u>redevelopment commercial/retail uses</u>

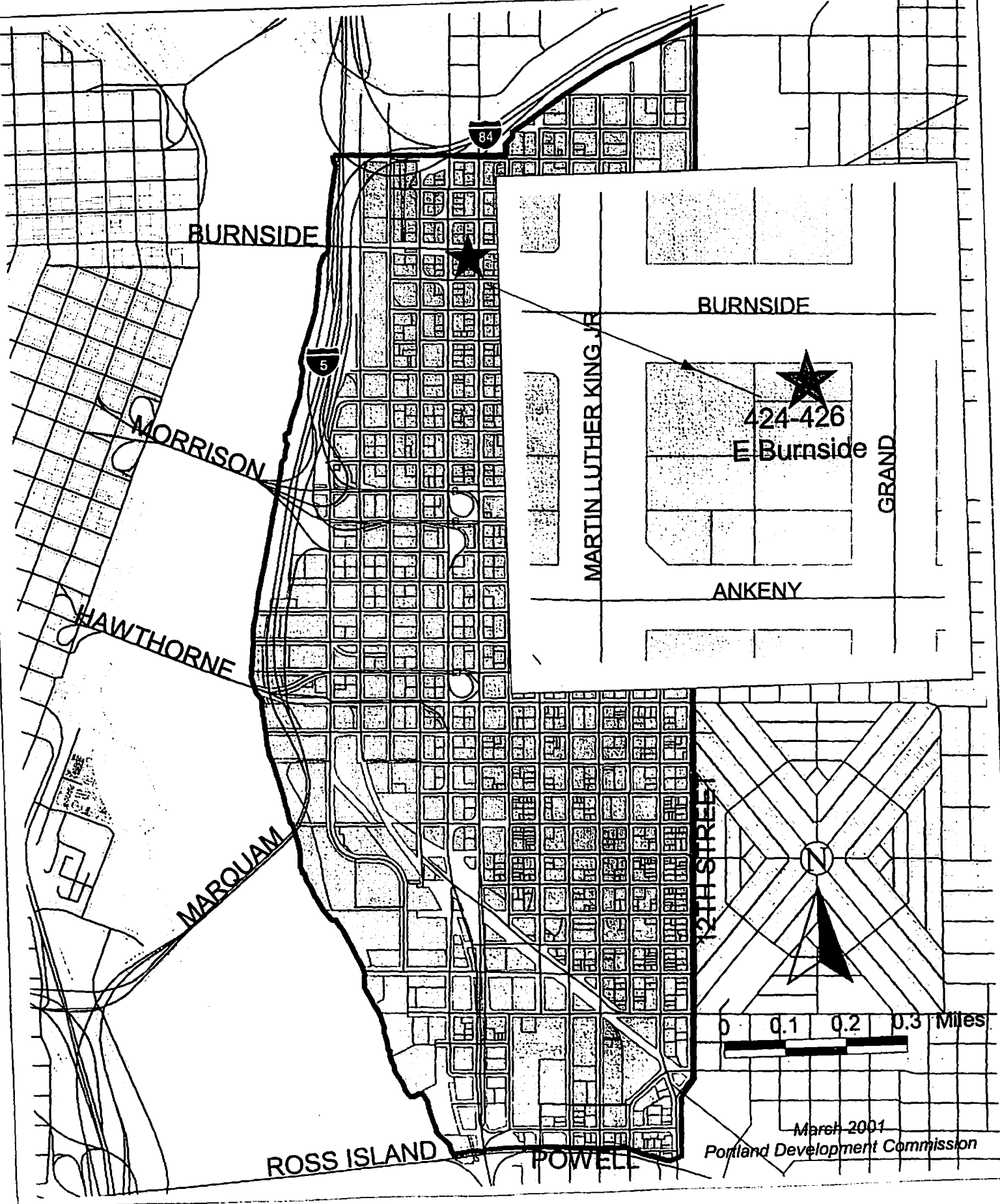
\*Block 106 is identified in the Lower Burnside Redevelopment Plan as the Block bounded by SE Ankeny Street, SE Martin Luther King Jr. Boulevard, East Burnside Street and SE Grand Avenue

# Exhibit 1

## Central Eastside Urban Renewal Area Boundary



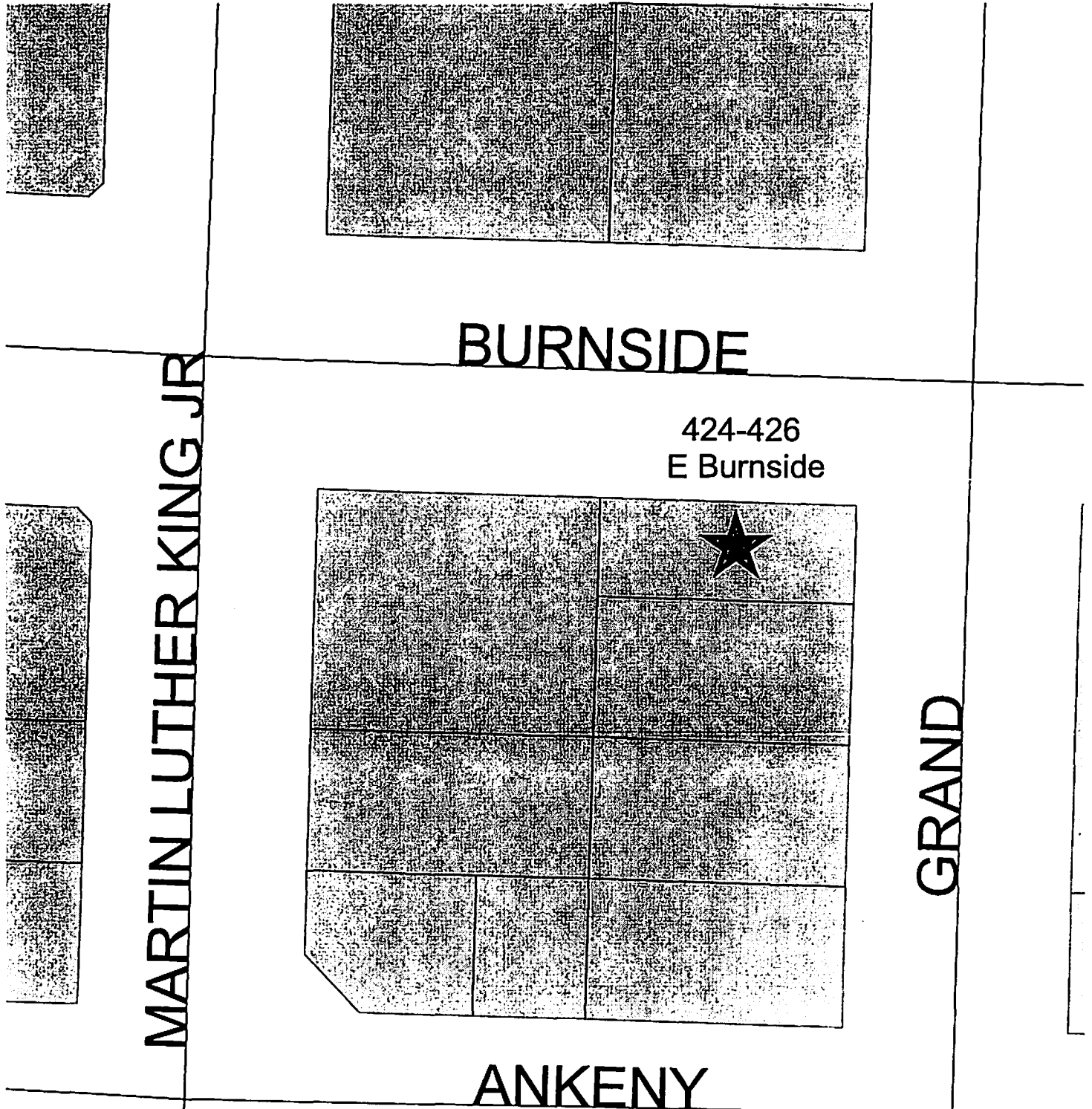
# Exhibit 4: George Parcel Property Acquisition Central Eastside Urban Renewal Area Boundary



# Exhibit 4A: George Parce Detail

176737

## Central Eastside Urban Renewal Area Boundary



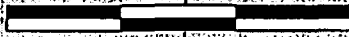
424-426  
E Burnside

MARTIN LUTHER KING JR.

GRAND

ANKENY

0 30 60 90 Feet



March 2001  
Portland Development Commission



176737

# **Exhibit C**

## **Report to the Portland City Council**

### **From the Portland Planning Commission**

# **Eighth Amendment to the *Central Eastside Urban Renewal Plan***



May 2002  
Bureau of Planning  
Portland, Oregon

176737

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## **Acknowledgments**

### **Portland City Council**

Vera Katz, Mayor  
Jim Francesconi, Commissioner of Public Utilities  
Charlie Hales, Commissioner of Public Safety  
Dan Saltzman, Commissioner of Public Affairs  
Eric Sten, Commissioner of Public Works

### **City of Portland Planning Commission**

Richard Michaelson, President  
Steve Abel, Vice President  
Amanda Fritz  
Rick Holt  
Marcy McInelly  
Ruth Scott  
Ingrid Stevens

### **Portland Bureau of Planning**

Mayor Vera Katz, Commissioner-in-Charge  
Gil Kelley, AICP, Planning Director

### **Bureau of Planning Project Staff**

Barbara Sack, AICP City Planner  
Allison O'Dell, Clerical Specialist

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## Summary

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On April 27, 2001, the Portland Development Commission (PDC) forwarded an amendment to the *Central Eastside Urban Renewal Plan* to the Planning Commission for their consideration and recommendation to City Council. This amendment would add a site located at 424-436 East Burnside Street to the list of properties authorized for acquisition, including by condemnation, in the urban renewal plan. The *Central Eastside Urban Renewal Plan* allows for the acquisition of property, if needed, to achieve the objectives of the plan. City Council must approve a formal amendment to the plan to assemble land for development by the private sector, where the developer of the land is other than the owner. State law requires that substantial changes to an urban renewal plan undergo the same review as the plan. PDC requested this amendment to the urban renewal plan and forwarded it to the Planning Commission for their review and recommendation to satisfy this requirement.

The property that is the subject of this amendment is a 3,100 square foot site occupying the northeast corner of the block bounded East Burnside and SE Ankeny Streets and Grand Avenue and Martin Luther King Jr. Boulevard. The site is covered by a one-story commercial building, which contains an existing business, the La Casita restaurant, and a vacant storefront space. A Wentworth Subaru's auto sales lot and several other one-story buildings that face Grand Avenue cover the rest of the block. The acquisition of the site would allow the construction of a larger commercial building that PDC anticipates would cover one-third to one-half of the block. Wentworth Subaru would occupy a portion this building. The remaining space would be leased.

The Planning Commission held a hearing on this amendment on May 8, 2001 and recommended that the amendment not be approved. They found that the redevelopment project described for the block by PDC staff did not make sufficient use of the allowed development potential to justify the possible condemnation of the site and the relocation of an existing business. At least one Planning Commission member stated that the City might wait until a larger development that makes greater use of the development potential of this block is proposed before considering action to acquire it.

The development standards for the block allow much more intense development than currently exists. This entire site is designated Central Employment with a design overlay zone (EXd). This designation allows a full range of residential, commercial and light industrial uses. Development is subject to design review. The allowed floor area ratio (FAR) on the block is 9:1 and the maximum height limit is 200 feet. The existing building on the site has a FAR of 1:1. The larger building occupying one-third to one-half the block might not have a FAR much greater than 1:1.

Also, the Planning Commission found that the amendment is not supportive of the objective of the Central Eastside Policy of the *Central City Plan* that calls for strengthening the commercial spine of the district on Grand Avenue and Martin Luther King Jr. Boulevard for transit and pedestrians.



# CITY OF PORTLAND, OREGON PLANNING COMMISSION

176737

c/o BUREAU OF PLANNING  
1900 S.W. FOURTH AVENUE, ROOM 4100  
PORTLAND, OREGON 97201-5350  
TELEPHONE: (503) 823-7708  
FAX: (503) 823-7800

May 24, 2001

Honorable Vera Katz and Members of the Portland City Council  
Portland City Hall  
1221 SW 4th Avenue  
Portland, Oregon 97204-1966

**RE: Eighth Amendment to the *Central Eastside Urban Renewal Plan***

Dear Mayor Katz and Members of the Council:

The Portland Planning Commission has completed the review of the eighth amendment to the *Central Eastside Urban Renewal Plan*. The Portland Development Commission (PDC) requested this amendment to acquire a site at 424-436 East Burnside Street, which would allow potential condemnation. This site is located on a block bounded by East Burnside Street, SE Grand Avenue, SE Ankeny Street and SE Martin Luther King Jr. Boulevard. The acquisition of this site would allow the construction of a new building on this block. This redevelopment would require an existing business, a restaurant, to be relocated.

On May 8, 2001, the Planning Commission held a public hearing on the proposed amendment. Bureau of Planning (BOP) staff sent out a notice of the hearing to local business and neighborhood organizations and other interested parties. Those interested in the amendment were invited to testify. After hearing public testimony and obtaining information from BOP and PDC staff, the Commission voted not to approve the urban renewal plan amendment. The Commission did not find that the possible future condemnation of this site was warranted. The proposed redevelopment, as described by PDC staff, was not sufficiently supportive of adopted city plans and policies to justify possible condemnation of this site and relocation of an existing business. The BOP had recommended approval of this amendment with additional recommendations to ensure that it conformed with adopted city policy.

The details of the Commission's concerns about this urban renewal plan amendment follow. The first is a concern about site acquisition amendments in general and this amendment in particular. The second concern is related to consistency with adopted city plans for the area.

Approval criteria for site acquisition amendments is not clear.

There appear to be no clear criteria for the Planning Commission to use in evaluating substantial amendments to urban renewal plans for site acquisition through condemnation. The Commission therefore looked broadly at the issue, reviewing whether the proposal was consistent with the *Comprehensive Plan*, and whether condemnation was an appropriate tool in this case.

Acquisition of property where there is a willing seller, and under some other limited circumstances, is not a "substantial" amendment of an urban renewal plan and therefore does not come before the Planning Commission. The Planning Commission only has a review role when a property owner is unwilling to sell a property and condemnation might be needed for acquisition.

The Planning Commission feels that extra caution should be exercised when government takes land from an unwilling seller. For this reason, the Commission considered the broader question of the benefit to the public of acquiring this property to allow an adjacent property owner to expand their business. The proposed redevelopment described to us at the hearing does not appear to warrant the acquisition of a property from an unwilling seller and the relocation of an existing business.

Redevelopment proposal is insufficiently supportive of adopted city plans:

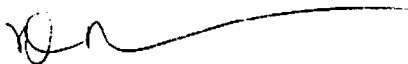
Commission members felt that an adequate policy justification had not been laid for acquiring this site. While the acquisition of this site would allow an existing business to expand, Commission members did not find the site acquisition, and subsequent redevelopment, to be supportive of adopted city plans and policies, particularly the current *Central City Plan* policy for the Central Eastside.

The scale of the proposed redevelopment that was described at the hearing by PDC staff was not a marked improvement over the current development of this block. More intense utilization of this Central City block would make it generally consistent with adopted city plans for inner city areas and Portland's Central City in particular. The described redevelopment might not have a floor area ratio (FAR) any higher than 1:1 on a block that allows a FAR of 9:1 for development. FAR is the ratio of building square footage to site area. Some Commission members felt that it would be better not to redevelop this site at this time since the project envisioned for it did not significantly increase the scale of development that currently exists on the site.

Recommendation

The Portland Planning Commission recommends the City Council not approve the eighth amendment to the *Central Eastside Urban Renewal Plan*, which would allow potential future condemnation. The amendment allows acquisition through condemnation of the site at 424-436 East Burnside Street. The Commission cannot find that this amendment is consistent with adopted city plans because the policy foundation and public benefit of the acquisition this site has not been established to the Commission's satisfaction.

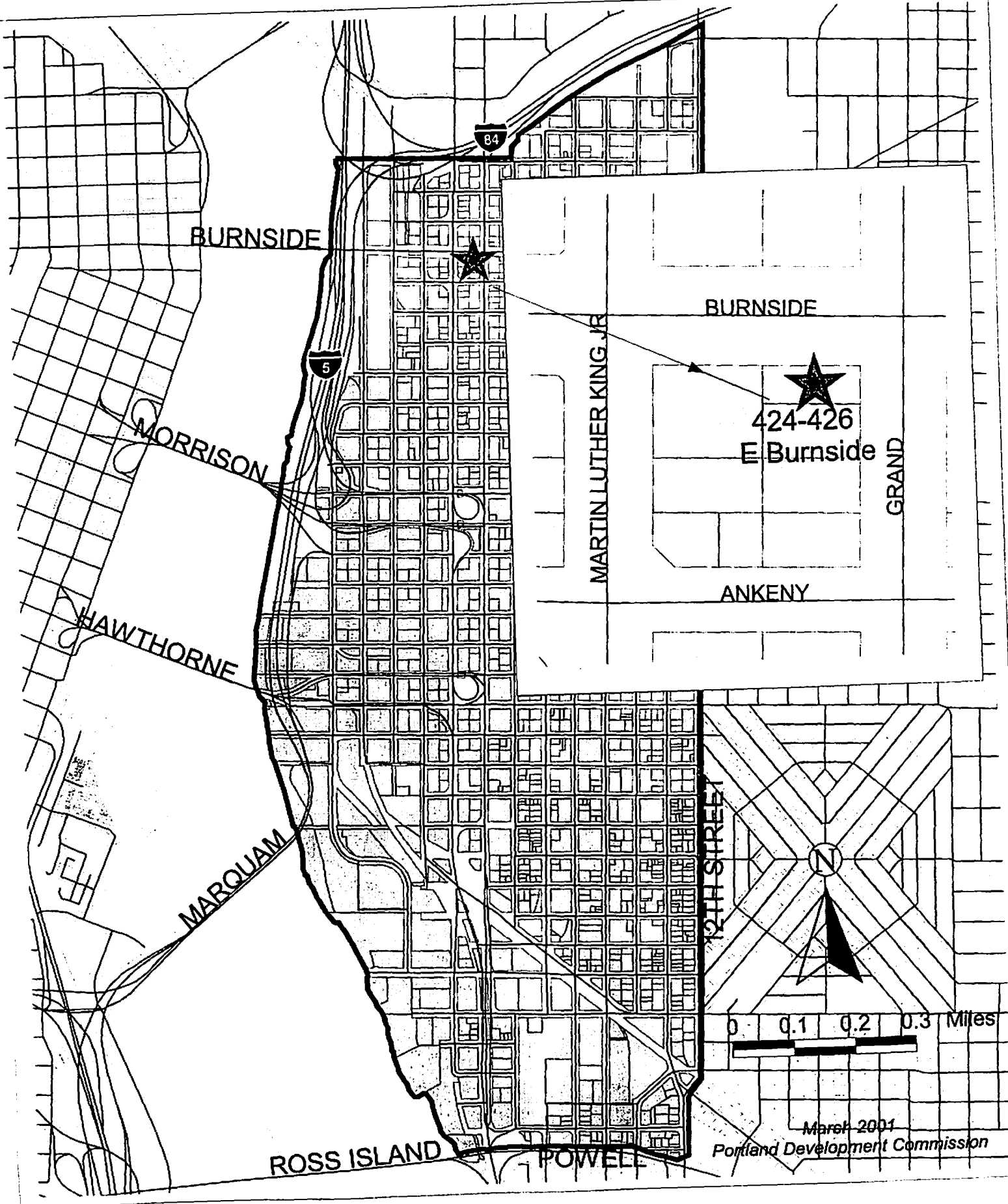
Sincerely,



Rick Michaelson, President,  
Portland Planning Commission

cc: Members of the Portland Planning Commission  
Gil Kelley, AICP, Planning Director  
Cary Pinard, AICP, Chief Planner

# Exhibit 4: George Parcel Property Acquisition Central Eastside Urban Renewal Area Boundary



March 2001

Portland Development Commission

## **Recommendation**

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The Portland Planning Commission recommends that the Portland City Council not approve the eighth amendment to the *Central Eastside Urban Renewal Plan*. The proposed amendment would allow the acquisition of the site at 424-436 East Burnside Street. The acquisition of this site would allow the construction of a larger commercial building on this block and the expansion of an existing business, an auto dealership. The site is covered by a one-story commercial building, which contains one existing business and a vacant storefront commercial space. Redevelopment of this site would cause the existing business, a restaurant, to be displaced. The Planning Commission found that the acquisition, which will possibly require condemnation, does not provide a clear public benefit and does not have an adequate policy foundation to warrant recommendation of approval.

## **Background**

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### **Urban Renewal Plan Authority**

Authority for the use of urban renewal was established by the Oregon Legislature and codified as Chapter 457 of the *Oregon Revised Statutes* (ORS). The statutes include criteria for the establishment of an urban renewal district, the development of eligible urban renewal areas, and the content of an urban renewal plan and urban renewal plan report.

Chapter 15, Article 1, of the Portland City Charter assigns all general powers and duties to the Portland Development Commission. The commission is designated as the body that will serve as the City's urban renewal and redevelopment agency. PDC is responsible for carrying out all urban renewal functions. Proposed urban renewal plans and urban renewal plan amendments are prepared by the Portland Development Commission staff and approved by the Portland Development Commission prior to their submission to the Portland Planning Commission and Portland City Council.

On March 14, 2001, the Portland Development Commission held a public hearing on the proposed amendment to the *Central Eastside Urban Renewal Plan* and approved the proposed amendment by Resolution No. 5649.

### **Overview of ORS 457.085 Requirements**

ORS 457 requires that the City's Planning Commission review urban renewal plans and substantial amendments to urban renewal plans. The Planning Commission's recommendations on urban renewal plans or renewal plan amendments are submitted to the Portland City Council for consideration in their decision on the plan or on a substantial plan amendment.

Portland's City Council has final review and approval authority over urban renewal plans and urban renewal plan amendments. Such plans and amendments may be approved only after a public notice, a public hearing, consideration of public testimony, and consideration of the recommendations of the Planning Commission. Approval of the renewal plan or renewal plan amendment must be by a nonemergency ordinance that incorporates the plan by reference and includes determinations and findings of compliance with the requirements of ORS 457.095.

The *Oregon Revised Statutes* requirements for urban renewal plans and urban renewal plan amendments are in two parts. The ORS requires specific content to be included in the renewal plan. The statutes also require specific content to be included in the renewal plan report. There are also eight elements that must be included in urban renewal plans. There are nine elements that must be included in an urban renewal plan report.

#### Required Urban Renewal Plan Contents

An urban renewal plan must include the following eight elements:

1. A description of each urban renewal project to be undertaken;
2. An outline of the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal plan;
3. A map and legal description of the urban renewal areas of the plan;
4. An explanation of the plan's relationship to local objectives, land uses, traffic and other public improvements;
5. A description of proposed land use densities and building requirements;
6. A description of relocation methods for persons or businesses;
7. An indication of the property which may be acquired and its proposed disposition; and
8. A description of the type of future amendments that are so substantial as to require notice, hearing and approval.

### Required Urban Renewal Plan Report Contents

An urban renewal plan report must include the following nine elements:

1. A description of physical, social and economic conditions, including expected impacts and fiscal impacts;
2. The reasons for selection of the area;
3. The relationship between the plan's 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 monies required and the anticipated year in which 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.

### Compliance with ORS Plan and Plan Report Requirements

The urban renewal report and plan for the Central Eastside urban renewal area have already fully complied with the content provisions of the ORS. The *Report on the Eighth Amendment to the Central Eastside Urban Renewal Plan* also complies with the content provisions of the ORS. It is included with this report in Appendix C.

The amendment, however, is not entirely consistent with the *Central Eastside Urban Renewal Plan*. The Planning Commission found that the amendment does not entirely support the implementation of the plan. This amendment is supportive of one applicable goal of the urban renewal plan, but not a second applicable goal. The first goal is taken from Portland's *Comprehensive Plan* (Policy 5.3) and is listed as specific goal 4, Business and Industry, under General Goal II, Business Retention and New Business Development:

"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."

The amendment does allow an existing business to expand but would involve the relocation of another existing business, a restaurant.

The Planning Commission did not find that the amendment was consistent with another goal of the urban renewal plan. This is specific goal 6 of General Goal III, Central Eastside Revitalization Program, states:

"Intensify property utilization at locations not suitable for industry (on a conditional basis) and increase the number of compatible businesses and retail services along commercial corridors."

The Planning Commission did not find that PDC presented evidence that they would select a project of that sufficiently utilizes the development potential of this block, which includes the site.

The *Central Eastside Urban Renewal Plan* and district was originally adopted by City Council Ordinance No. 158940 in August 1986. The renewal plan has been amended seven times since its adoption.

# Urban Renewal Plan Amendment Description and Findings

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## Land Acquisition and Redevelopment

The findings for the amendment to the *Central Eastside Urban Renewal Plan* are first described in scope, then followed by a section, which lists how the amendment relates to the goals and objectives of the plan. A section then follows which specifies the section of the plan that is related to the amendment. Finally, the conclusion states how the amendment does or does not implement the plan.

### A. Amendment Description

The amendment supplements subsection 602 C of the *Central Eastside Urban Renewal Plan* by adding the site at 424-436 East Burnside Street, Portland, Oregon for acquisition. This property is within the Central Eastside Urban Renewal District. (See page 4 for the *Central Eastside Urban Renewal Plan* Eighth Amendment Site Map.) Currently, a single story building containing a restaurant and a vacant storefront covers this site. The Portland Development Commission (PDC) wants to acquire the property to allow the construction of a larger building on this block.

This amendment authorizes PDC to acquire the property for redevelopment to allow an existing business to expand in the Central Eastside District. This amendment is consistent a business retention goal of the *Central Eastside Urban Renewal Plan* described below. However, the Planning Commission found that the amendment was not consistent with a second applicable goal of the urban renewal plan, which calls for more intense use to be made of land not suitable for industry.

### B. Relationship to Goals and Objectives

The proposed amendment conforms to the following goal of the *Central Eastside Urban Renewal Plan*:

Specific goal 4 under General Goal II, Business Retention and New Business Development states:

"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."

An existing business, Wentworth Subaru, intends to locate in a larger building that will be built on this site and other portions of the block. This will enable them to expand while remaining in the Central Eastside District. However, this

expansion would require the relocation of another existing business, a restaurant.

The Planning Commission found that the amendment was not consistent with another goal of the urban renewal plan. This is specific goal 6 of General Goal III, Central Eastside Revitalization Program, which states:

"Intensify property utilization at locations not suitable for industry (on a conditional basis) and increase the number of compatible businesses and retail services along commercial corridors."

Currently, an older one-story building is located on this site. The acquisition of this site will allow the construction of a larger building on this block. From the information they were supplied by PDC staff at the hearing, the Planning Commission found that the redevelopment of this site and other portions of the block would be not significantly more intense than its current development. They considered the redevelopment of the block not just the site to be acquired since the redevelopment would cover an area on the block greater than the site.

### **C. Authorization for Amendment**

Amendments for property acquisition are authorized by the following subsection of Section 600, Urban Renewal Activities, of the *Central Eastside Urban Renewal Plan*:

"Section 602 - Property Acquisition and Redevelopment

- A. Intent. It is the intent of this plan to acquire property within the Area, if necessary, by any legal means to achieve the objectives of this plan, and specifically, where one or more of the conditions listed in Subsection 602-C below are found to exist.
- B. Method. At the time of this plan's adoption, no specific property has been identified for acquisition. However, property acquisition, including limited interest acquisition, is hereby made a part of this Plan and may be used to achieve the objectives of this plan.
- C. Land acquisition by urban renewal amendment. Land acquisition for any purpose other than specifically listed in Section D shall be accomplished only following procedures for amending this plan as set forth in Section 900 of this Plan.

Assembling land for development by the private sector where the developer of such land is a person or group other than the owner of record of such land to be acquired, shall be accomplished only following a formal amendment to this Plan. Therefore, each such development and the property acquisition required shall be processed on a case-by case basis and no such acquisition shall be undertaken until the City Council authorizes same in conjunction with or by formal amendment to this Plan."

## **D. Conclusion**

The amendment provides for acquisition of 424-436 East Burnside Street, Portland, Oregon, which could be authorized under Section 602 C of the urban renewal plan. The rationale for the amendment is that the property owner of the majority of the block, Wentworth Suburu, is unable to achieve specific goal 4 of Goal II, Business Retention and New Business Development, of the plan. Acquisition of the property will allow redevelopment of the site and the expansion of Wentworth Suburu, an existing business on the block. However, the acquisition would require the relocation of another business, the restaurant on the site. The Planning Commission found that the amendment is not supportive of specific goal 6 of General Goal III, Central Eastside Revitalization Program, which calls for making more intense use of land not suitable for industry. Since the amendment partially supports one goal but not another goal that is applicable to this site acquisition, the Planning Commission found that this amendment is not consistent with the *Central Eastside Urban Renewal Plan*.

## Appendix A

### Findings of Fact for Consistency with Applicable State, Regional and Portland Goals and Policies

#### 1. Applicable State Land Use Planning Goals Findings

State planning statutes require cities to adopt and amend comprehensive plans and land use regulations in compliance with the state land use goals. Because of the limited scope of the proposed eighth amendment to the *Central Eastside Urban Renewal Plan*, only the state goals addressed below apply.

**Goal 1, Citizen Involvement**, requires provision of opportunities for citizens to be involved in all phases of the planning process. The amendment is supportive of this goal in the following ways:

- a) The Portland Development Commission held a hearing on the amendment on March 14, 2001. They approved the amendment and forwarded it to the Planning Commission.
- b) The Planning Bureau mailed a notice of the proposed amendment and the Planning Commission hearing to local business and neighborhood associations and other interested parties on April 6, 2001.
- c) The Planning Bureau made a report on the amendment available on April 27, 2001.
- d) The Planning Commission held a public hearing on May 8, 2001.
- e) City Council held on a public hearing on the amendment in the summer of 2002.

The Planning Commission found, however, that they did not have sufficient notice of and involvement in the plans for redeveloping this block.

**Goal 2, Land Use Planning**, requires the development of a process and policy framework which acts as a basis for all land use decisions and ensures that decisions and actions are based on an understanding of the facts relevant to the decision. The amendment is not entirely consistent with this goal. PDC staff did complete the *Report on the Eighth Amendment to the Central Eastside Urban Renewal Plan* for the Portland Development Commission hearing on March 14, 2001. At that hearing, the Portland Development Commission did approve the amendment. However, the Planning Commission held a public hearing on May 8, 2001 and recommended not approving the amendment at the end of that hearing. They found that the amendment was not consistent with an objective of the *Central Eastside Urban Renewal Plan* that calls for more intense use of land not suitable for industry. The

Planning Commission also found that that the amendment was not sufficiently consistent with other adopted city plans and policies to warrant their recommendation of approval.

**Goal 3, Agricultural Lands**, requires the preservation and maintenance of the state's agricultural land, generally located outside of urban areas. The Planning Commission found that this amendment is not supportive of this goal because it is not clear that the amendment facilitates a redevelopment project that will make more intense use of urban land. More intense use of urban land reduces the need for urban growth boundary expansions. Maintaining the urban growth boundary will reduce the need to convert agricultural lands to urban uses.

**Goal 4, Forest Lands**, requires the preservation and maintenance of the state's forest lands, generally located outside of urban areas. The Planning Commission found that this amendment is not supportive of this goal because it is not clear that the amendment facilitates a redevelopment project that will make more intense use of urban land. Maintaining the urban growth boundary reduces the need to convert forest lands to urban uses.

**Goal 5, Natural, Historic, Cultural and Scenic Resources**, requires protection natural, historic, cultural and scenic resources. This amendment is not consistent with this goal because it is not clear that the amendment facilitates a redevelopment project that will make more intense use of urban land. More intense use of urban land will help preserve natural and scenic resources because it will reduce the amount of raw land that needs to be developed to accommodate new development at the city's edge and reduce the pressure to allow new development in designated view corridors.

**Goal 6, Air, Water and Land Resource Quality**, requires the maintenance and improvement of the quality of air, water and land resources. The Planning Commission found that this amendment is not supportive of this goal because it is not clear that the amendment facilitates a redevelopment project that will make more intense use of this site and the remainder of this block in the Central Eastside District. Redevelopment of underused sites in the Central City will help conserve the city's supply of developable sites.

**Goal 9, Economic Development**, requires provision of adequate opportunities for a variety of economic activities vital to public health, welfare, and prosperity. The Planning Commission found that this amendment is not supportive of this goal. While the acquisition of this site will allow an existing Central Eastside business to expand, it will require the relocation of an existing business on the site. It was not clear how much, if at all, employment would increase on the block. Also, the proposed redevelopment, as described to the Planning Commission, did not make sufficient use of the allowed development

potential of the site and the remainder of the block. The Central Employment *Comprehensive Plan* map designation which covers the block is designed to allow intense light industrial and commercial development on inner city sites.

**Goal 11, Public Facilities and Services**, requires planning and development of timely, orderly and efficient public service facilities that serve as a framework for urban and rural development. The Planning Commission found that this amendment is not supportive of this goal. The Planning Commission found that the described redevelopment of the site and other portions of the block would not result in significantly more intense use than exists now. More intense development of urban land that has adequate infrastructure and urban services makes efficient use of these resources. The *Comprehensive Plan* and zoning map designations, as well as the Central City plan district regulations, allow intense development of this site and block.

**Goal 12, Transportation**, requires provision of a safe, convenient and economic transportation system. The Planning Commission found that this amendment is not supportive of this goal because they found that the site acquisition was not for the purpose of significantly more intense commercial development. More intense use of land on this block, which has excellent transit service, would reduce the need for employees and customers to travel by automobile.

**Goal 13, Energy Conservation**, requires development of a land use pattern that maximizes the conservation of energy based on sound economic principles. The Planning Commission found that this amendment is not supportive of this goal. The Planning Commission has no assurance that the proposed redevelopment on the site and the remainder of the block will be significantly more intense than the current development on the block. More intense commercial use of underdeveloped sites in the Central City helps conserve the city's supply of developable sites and the energy resources needed to develop raw land at the city's edge.

**Goal 14, Urbanization**, requires provision of an orderly and efficient transition of rural lands to urban use. The Planning Commission found that this amendment is not supportive of this goal because they found that the site acquisition would not result in significantly more intense commercial development on the site and the remainder of the block. More intense use of urban land minimizes the amount of rural land that must be transitioned to urban use to provide for new commercial development.

## **2. Metro Urban Growth Management *Functional Plan* Findings**

Metro, the regional government, requires cities to adopt and amend land use regulations in compliance with the urban growth management goals set out in the *Functional Plan*. Because of the limited scope of the proposed eighth amendment to the *Central Eastside Urban Renewal Plan*, only the titles addressed below apply.

**Title 1, Requirements for Housing and Employment Accommodation,** requires that each jurisdiction contribute its fair share to increasing the development capacity of land within the urban growth boundary. This requirement is to be generally implemented through citywide analysis based on calculated capacities from land use designations. The Planning Commission found that this amendment is not supportive of this title because they found that the site acquisition would not result in significantly more intense commercial development on the site and the remainder of the block. More intense commercial development could lead to the provision of more employment on the site than currently exists. Also, the acquisition of this site would lead to the relocation of an existing business, which could possibly decrease the employment on this block.

**Title 2, Regional Parking Policy,** regulates the amount of parking permitted by use for jurisdictions in the region. The Planning Commission found that this amendment is not supportive of this title because they found that the site acquisition would not result in significantly more intense commercial development on the site and the remainder of the block. The proposed redevelopment project would allow an existing auto sales lot to expand and would require the relocation of an existing restaurant. It is not clear if the number of employees on the block would be greater after the redevelopment than before. More intense use of this Central City site for employment uses could reduce the need for employees to commute to work. This site has excellent transit service reducing the need to provide off-street parking for employees and customers. Both Grand Avenue and East Burnside Street are classified in the *Central City Transportation Management Plan* as Major Transit Priority Streets and have bus service.

**Title 3, Water Quality and Flood Management Conservation,** calls for the protection of the beneficial uses and functional values of resources within Metro-defined Water Quality and Flood Management Areas by limiting or mitigating the impact of development in these areas. The Planning Commission found that this amendment is not supportive of this title because it is unclear if it facilitates a project that will make more intense use of urban land for development. More intense use of a site that is not located in a Metro-defined Water Quality or Flood Management Area reduces the need to allow development of sites in those environmentally constrained areas.

**Title 5, Neighbor Cities and Rural Reserves**, defines Metro's policy regarding areas outside of the urban growth boundary. The Planning Commission found that this amendment is not supportive of this title because it is unclear if it facilitates a project that will make more intense use of urban land for development. More intense use of a site in an urban area reduces the need to expand the urban growth boundary and the need to designate additional lands for rural reserves.

**Title 6, Regional Accessibility**, recommends street design and connectivity standards that better serve pedestrian, bicycle and transit travel and that supports the *2040 Growth Concept*. The Planning Commission found that this amendment is not supportive of this title because it is unclear if it facilitates a project that will make more intense use of land in the Central City close to transit. More intense use of Central City land will reduce the need for automobile travel by customers and employees. Reducing vehicle miles traveled by automobile will help reduce unacceptable levels of traffic congestion.

### 3. City of Portland *Comprehensive Plan* Findings

The *Central Eastside Urban Renewal Plan* was prepared in conformity with the *Comprehensive Plan* of the City of Portland. The City's *Comprehensive Plan* was adopted by the Portland City Council on October 16, 1980, and was acknowledged as being in conformance with the statewide planning goals by the Land Conservation and Development Commission on May 1, 1981. The Planning Commission found that the proposed eighth amendment to the *Central Eastside Urban Renewal Plan* is not consistent with the following *Comprehensive Plan* policies:

**Goal 1, Metropolitan Coordination**, calls for the *Comprehensive Plan* to be coordinated with federal and state law and to support regional goals, objectives and plans. The Planning Commission found that this amendment is not supportive of this goal because it is unclear if it facilitates a project that will make more intense commercial use of this site. A more intense commercial use that caters to employees and visitors to the district would be supportive the Central Eastside Policy objective of the *Central City Plan* that calls for reinforcing the commercial spine of the district along Grand and Martin Luther King Jr. Boulevard for pedestrians and transit. The redevelopment of this site would allow the expansion of an auto sales business and require the relocation of an existing restaurant. The Planning Commission found that the redevelopment of this site would not necessarily be supportive of this goal.

**Goal 2, Urban Development**, calls for maintenance of Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The Planning Commission found that this amendment is not supportive of this goal. While the acquisition of this site will allow an existing Central Eastside business to expand, it would require the relocation of an existing business on the site. It is not clear whether more employment opportunities on the site and the remainder of the block would be created than currently exist.

**Goal 5, Economic Development**, calls for promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the city. The Planning Commission found that this amendment is not supportive of this goal. While the acquisition of this site will allow an existing Central Eastside business to expand, it would require the relocation of an existing business on the site. It is not clear whether more employment opportunities on the site and the remainder of the block would be created than currently exist.

The Planning Commission found that the amendment was not supportive of the following relevant economic development policies:

- a. **Policy 5.1, Urban Development and Revitalization**, calls for encouraging investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and

housing opportunities. The Planning Commission found that this amendment is not supportive of this goal. While the acquisition of this site will allow an existing Central Eastside business to expand, it would require the relocation of an existing business on the site. It is not clear whether more employment opportunities on the site and the remainder of the block would be created than currently exist.

- b. **Policy 5.2, Business Development**, calls for sustaining and supporting business development activities to retain, expand and recruit businesses. The Planning Commission found that this amendment is not supportive of this goal. While the acquisition of this site will allow an existing Central Eastside business to expand, it would require the relocation of an existing business on the site. It is not clear whether the existing business that would be displaced could be relocated in the Central Eastside.

**Goal 6, Transportation**, calls for protection of the public interest and investment in the public right-of-way and transportation system by:

- Encouraging development of a balanced, affordable and efficient transportation system consistent with the Arterial Streets Classifications and Policies;
- Providing adequate accessibility to all planned land uses;
- Providing safe and efficient movement of people and goods while preserving, enhancing, or reclaiming neighborhood livability;
- Minimizing the impact of interregional trips on city neighborhoods, commercial areas, and the city street system;
- Reducing reliance on the automobile and per capita vehicle miles traveled;
- Building the use of the city street system to control air pollution, traffic, and livability problems; and
- Maintaining the infrastructure in good condition.

The Planning Commission found that this amendment is not supportive of this goal. While the acquisition of this site will allow an existing Central Eastside business to expand, it will require the relocation of an existing business on the site. It is not clear whether more employment opportunities on the site and the remainder of the block would be created than currently exist. Providing more job opportunities in an area well served by transit will reduce the need for employees to commute to work by automobile. This will reduce air pollution and traffic congestion on the city street system. Also, the Planning Commission found that the redevelopment of this block would not be significantly more intense than the development that currently exists. Redevelopment with significantly more intense uses that reinforce the commercial area along Grand Avenue and MLK Jr. Boulevard, which are well served by transit, would be consistent with this goal.

**Goal 7, Energy**, calls for promotion of a sustainable energy future by increasing energy efficiency in all sectors of the city by ten percent by the year 2000. The Planning Commission found that this amendment is not supportive

of this goal because it did not find that the site acquisition would result in significantly more intense commercial development on the site and the remainder of the block. Significantly more intense use of this site would promote energy efficiency because high-density buildings minimize heat loss through the use of common walls/floors-ceilings.

**Goal 8, Environment,** calls for maintenance and improvement of the quality of Portland's air, water, and land resources, as well as protection of neighborhoods and business centers from noise pollution. The Planning Commission found that this amendment is not supportive of this goal because they found that the site acquisition would not result in significantly more intense commercial development on the site and the remainder of the block. Significantly more intense development of this site would be supportive of this goal because it would allow the conservation of land resources and support transit use, which would result in a decrease in the need for automobile travel. Decreasing the need for automobile travel will help improve Portland's air quality.

**Goal 9, Citizen Involvement,** calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process. The Planning Commission found that the amendment is consistent with this goal in some ways and inconsistent in others. Business and neighborhood organizations were notified of opportunities to be involved with the planning process on this amendment. The Planning Commission did not find, however, that they did not have sufficient notice of and involvement in the plans for redeveloping this block.

**Goal 11, Public Facilities,** calls for provision of a timely, orderly, and efficient arrangement of public facilities and services that support existing and planned land use patterns and densities. The Planning Commission found that this amendment is not supportive of this goal because they found that the site acquisition would not result in significantly more intense commercial development on the site and the remainder of the block. Significantly, more intense development of this site would be supportive of this goal because it would support the efficient use of infrastructure in the Central City.

**Goal 12, Urban Design,** calls for the enhancement of Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations. The Planning Commission found that this amendment is not supportive of this goal because they found that the site acquisition would not result in significantly more urban and attractive development on the site and the remainder of the block.

#### 4. **Central City Plan Findings**

City Council adopted the *Central City Plan* on March 24, 1988. The policies and objectives of the plan were adopted by reference as part of Portland's *Comprehensive Plan*. The *Central Eastside Urban Renewal Plan* is supportive of the *Central City Plan* which encourages investment in the Central City and enhancement of its attractiveness as an employment, residential, cultural and recreational center. The Planning Commission found that the amendment to the urban renewal plan was not consistent with relevant general *Central City Plan* policies and District Policy 20: Central Eastside.

#### General Central City Plan Policies

**Central City Policy 1, Economic Development**, calls for strengthening the Central City as the heart of the region and utilization of the Central City's growth to foster the city's prosperity and livability. The Planning Commission found that the redevelopment of this site and other portions of the block would not be significantly more intense than its current development and result in increased employment. While the amendment would facilitate the expansion of an existing Central Eastside business, it would require the relocation of the existing business on the site.

**Central City Policy 4, Transportation**, calls for actions that will improve accessibility to the Central City from the rest of the region and extend the Central City's ability to accommodate growth while enhancing livability. The Planning Commission found that this amendment is not supportive of this goal. While the acquisition of this site will allow an existing Central Eastside business to expand, it would require the relocation of the existing business on the site. It is not clear whether more employment opportunities on the site and the remainder of the block would be created than currently exist. Providing more job opportunities in an area well served by transit will reduce the need for employees to commute to work by automobile. This will reduce air pollution and traffic congestion on the city street system.

**Central City Policy 12, Urban Design**, calls for actions that will enhance the Central City as a livable, walkable area that focuses on the Willamette River and captures the excitement of urban living. The Planning Commission found that this amendment is not supportive of this goal. They found that the site acquisition would not result in a significantly more pedestrian-oriented and attractive development on the site and the remainder of the block. They also felt that the scale of the proposed redevelopment was much smaller than envisioned for this area in the *Central City Plan*.

## District Policy and Objectives

**Policy 20: Central Eastside** calls for preserving the Central Eastside as an industrial sanctuary while improving freeway access and expanding the area devoted to the Eastbank Esplanade. The Planning Commission found that the redevelopment of this site and other portions of the block would not be significantly more intense than its current development and result in increased employment. While the amendment would facilitate the expansion of an existing Central Eastside business, it would require the relocation of the existing business on the site. The Planning Commission found that the amendment is not supportive of one relevant objective under this policy:

**Objective E** of Policy 20 calls for developing Union Avenue (now Martin Luther King Jr. Boulevard) and Grand Avenue as the principal north-south connection and commercial spine in the district for transit and pedestrians. The Planning Commission did not find that the proposed redevelopment on this block allowed by the amendment would be supportive of this objective. While the redevelopment would allow an existing business on the block, an auto dealership, to expand, it would require an existing business on the site, a restaurant, to relocate. The existing business on the site is supportive of the commercial area and can serve employees and visitors to the Central Eastside.

## 5. *Buckman Neighborhood Plan Findings*

City Council adopted the *Buckman Neighborhood Plan* on June 24, 1991. The policies and objectives of the plan were adopted as part of Portland's *Comprehensive Plan* by Ordinance 164489. The *Central Eastside Urban Renewal Plan* is supportive of the *Buckman Neighborhood Plan*, which calls for maintaining and improving the quality and urban character of Buckman's physical environment. One neighborhood plan policy is relevant to the amendment and the Planning Commission found that the amendment is not consistent with it.

**Policy 1, Urban Design and Livability**, calls for maintaining and improving the quality and urban character of Buckman's physical environment and attracting compatible development. The Planning Commission found that this amendment is not supportive of this goal because they found that the site acquisition would not result in significantly more urban and attractive development on the site and the remainder of the block.

**Appendix B**

Portland Development Commission Director Letter and  
Resolution 5649

**PORTLAND DEVELOPMENT COMMISSION**

**MEMORANDUM**

**Martin Brantley**  
Chairman

**Douglas C. Blomgren**  
Commissioner

**John W. Russell**  
Commissioner

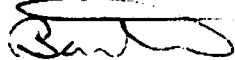
**Carl B. Talton**  
Commissioner

**Noell Webb**  
Commissioner

**DATE:** April 27, 2001  
**TO:** The City of Portland Planning Commission  
**FROM:** The Portland Development Commission  
**SUBJECT:** Eighth Amendment to the Central Eastside Urban Renewal Plan

At a public meeting held on March 14, 2001, the Portland Development Commission considered the Eighth Amendment to the Central Eastside Urban Renewal Plan, and voted unanimously to pass the attached Resolution, forwarding the attached Eighth Amendment Text and Report on the Eighth Amendment to the Planning Commission for consideration at its May 8, 2001 meeting.

Thank you.



**Baruti Artharee**  
Interim Executive Director

**Vera Katz**  
Mayor

**Baruti L. Artharee**  
Interim Executive Director

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**PORTLAND DEVELOPMENT COMMISSION**  
Portland, Oregon

**RESOLUTION NO.**

**AUTHORIZE THE APPROVAL OF THE 8<sup>TH</sup>  
AMENDMENT TO THE CENTRAL EASTSIDE URBAN  
RENEWAL PLAN**

**WHEREAS**, the Portland Development Commission is undertaking the Central Eastside Urban Renewal Project, herein after referred to as the "Project", pursuant to an urban renewal plan adopted on August 27, 1986, by City Council Ordinance No. 158940; as subsequently amended; and

**WHEREAS**, ORS 457.085 (2)(g); requires an indication of land which may be required under an urban renewal plan and anticipated timeframes for acquisition and disposition; and

**WHEREAS**, the Commission has adopted the Lower Burnside Redevelopment Plan which recommends redevelopment of a portion of Block 106, bounded by SE Ankeny Street, SE Martin Luther King, East Burnside Street and SE Grand Avenue as part of a first phase of a redevelopment project; and

**WHEREAS**, the Commission desires to authorize acquisition of property in Block 106 for private development; and

**WHEREAS**, Section 602 C of the Central Eastside Urban Renewal Plan requires that this amendment require a formal amendment of the Plan, and will require approval of the amendment by the City Council; and

**WHEREAS**, the Commission has reviewed staff findings labeled Exhibit "A" in support of the necessity and purpose of this acquisition; now, therefore, be it

**RESOLVED** that the Commission hereby finds and determines that renewal action, including the acquisition of property including by condemnation if necessary, is required to carry out the Central Eastside Urban Renewal Plan goals; and be it

**FURTHER RESOLVED** that the Commission does hereby accept the Report, which is by reference is made a part hereof, and approve the 8th Amendment; and be it

**FURTHER RESOLVED** that the Commission forward their recommendation to the City Council to adopt an ordinance declaring that the Plan shall be amended as provided; and be it

**FURTHER RESOLVED** that this resolution shall become effective immediately upon its adoption.

**ADOPTED by the Commission March 14, 2001**

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Martin Brantley, Chair

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Douglas C. Blomgren, Secretary

## Exhibit "A"

**EIGHTH AMENDMENT TO  
THE CENTRAL EASTSIDE URBAN RENEWAL PLAN**

The eighth Amendment to the Central Eastside Urban Renewal Plan authorizes acquisition of property for private development pursuant to Section 602C of the Urban Renewal Plan. Redevelopment of property through new construction and through Rehabilitation is authorized by Sections 601 B and C of the Central Eastside Urban Renewal Plan.

The acquisition of property is necessary to carry out the following goals and objectives of the Central Eastside Urban Renewal Plan:

**Goal 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 neighborhoods and business centers.

**Goal II. Business Retention and New Business Development**

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

**Goal III. Central Eastside Revitalization Program**

- A. General Goal. Maintain and enhance the Central Eastside District's 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 complementary ventures, and offer a positive environment for adjacent neighborhoods.
- B5. Maintain and bolster the function of the CEID as a business incubator for new industrial and commercial business.

The acquisition of this property also conforms to the goals and objectives set forth in the following relevant City policy documents

**I. City of Portland Comprehensive Plan**

The Oregon Central Eastside Urban Renewal Plan was prepared in conformity with the City of Portland Comprehensive Plan, effective January 1, 1981. The Comprehensive Plan policies that are relevant to this project include:

- Goal 2. Urban Development: Maintain Portland's role as the major regional employment, population and cultural center through public policies that

**Appendix C**

Report on the Eighth Amendment to the Central  
Eastside Urban Renewal Plan with the proposed plan  
text change

176737

REPORT ON THE EIGHTH AMENDMENT  
TO THE  
CENTRAL EASTSIDE URBAN RENEWAL PLAN  
City of Portland, Oregon

Portland Development Commission  
March 14, 2001

## **Chapter I -- Introduction**

The Eighth amendment to the Central Eastside Urban Renewal Plan makes the following changes to the Plan:

- ~~Expands the Goals section of the plan to include reference to the Lower Burnside Redevelopment.~~
- Add one property to the list properties to be acquired pursuant to Section 602 C of the Renewal Plan. The property is to be acquired for development by the private sector.

The Central Eastside Urban Renewal Plan ("Plan") was adopted by City Council on August 27, 1986. The Plan noted, "It is anticipated that this Plan will be changed or modified from time to time or amended as development potential and conditions warrant, as planning studies are completed, as financing becomes available, or as local needs dictate." Subsequent to adoption of the Plan, additional planning work has been completed and additional changes in conditions have occurred, warranting an Amendment to the Plan.

ORS 457.085(3) required that an urban renewal plan amendment, which is a significant change requiring a substantial amendment to the plan, be accompanied by a report which describes:

- A. A description of physical, social and economic conditions in the urban renewal areas of the plan, and the expected impact, including the fiscal impact, of the plan [or changed] in light of the added services or increased population;
- B. Reasons for selection of each urban renewal area in the plan;
- C. The relationship between each project to be undertaken and the existing conditions in the urban renewal area;
- D. The estimated total cost of each project and sources of monies to pay such costs;
- E. The anticipated completion date for each project;
- F. A relocation report which shall include:
  1. An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions, under ORS 457.170;
  2. 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 285.045 -.105; and

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

This report will address each of the required information categories.

## **Chapter II – A Description of Physical, Social and Economic Conditions in the Urban Renewal Areas**

This Plan Amendment does not change the analysis of the physical, social and economic conditions in the urban renewal area contained in the original Report on the Plan.

The following is a summary of specific conditions found within the property acquisition site area:

1. Land area:

Block 106, Lot 8: This property consists of one tax lot containing 3, 150 square feet.

2. Existing land use and zoning:

The parcel is zoned Exd, Central Employment zone with a design review overlay.

3. Condition of Building and dwelling units:

There are no dwelling units on this parcel. The property consists of a multi-tenant 3,150 square foot single story building. The overall condition of the building is deteriorating. It was formerly a three-story arced building constructed in 1903. A fire in the past 30 years caused the two upper stories and the arcade to be removed.

4. Condition of Public Infrastructure

All public facilities and services are available at the site.

5. Environmental Conditions

A Level 1 Environmental Assessment has been conducted on the entire Block 106 and no environmental conditions were found. Additional studies will be conducted prior to acquisition.

6. Economic Conditions

The aggregate value of the land is estimated to be \$67,320 and the value of the improvements is \$152,040.

**Chapter III – The Expected Impact, Including the Fiscal Impact of the Plan Amendment in Light of Added Services or Increased Population**

This Plan Amendment will not create a need for added services and will not increase population within the plan area. This Plan Amendment, therefore, will not change any elements of the analysis in the original Report accompanying the Plan.

**Chapter IV – Reasons for Selection of Each Urban Renewal Area in the Plan Amendment**

This Plan Amendment does not affect the area of the Central Eastside Urban Renewal Area, nor does it affect the purpose and objective of the Plan.

**Chapter V – The Relationship between Each Project to be Undertaken under the Plan Amendment and the Existing Conditions in the Urban Renewal Area.**

“Project” is a defined term in ORS Chapter 457. It includes both single-site activities and implementation of programs necessary to achieve the goals of the urban renewal plan.

This Plan Amendment adds one (1) property to the list of properties to be acquired for private redevelopment. Acquisition of property for private redevelopment is authorized in Section 602C of the Central Eastside Urban Renewal Plan. Property acquisition and redevelopment is intended to correct the deficiencies described in Chapter II of the original Report on the Plan.

**Chapter VI – The Estimated Total Cost of each Project or Activity and It’s Anticipated Completion Date**

The property acquisitions authorized in the Amendment will be carried out within the \$66,274,00 maximum indebtedness for the Plan. All acquisition authorized by this Amendment will be concluded by the termination date of the Plan, and property dispositions will be completed as soon as reasonably possible after acquisition, in order to accomplish the goals of the Plan.

**Chapter VII – The Estimated Amount of Money Required Under ORS457.420 to 457.440 and The Anticipated Year in which Indebtedness will be Retired or Otherwise Provided for Under ORS457.440**

This Plan Amendment does not affect the maximum indebtedness for the Plan, or the anticipated year in which indebtedness will be retired.

**Chapter VIII – Financial Analysis of the Plan with Sufficient Information to Determine Feasibility**

This Amendment does not change the financial analysis of the Plan under the Fifth Amendment, incorporated herein by this reference, since all property acquisition will be completed within the maximum indebtedness allowed under the Plan.

**Chapter IX- Relocation Report**

**A. An Analysis of Existing Residents or Businesses Required to Relocate Permanently or Temporarily As a Result of Development Commission Action Under ORS 457.170**

The acquisition authorized in this amendment will require the relocation of two businesses. The businesses are a restaurant and an office housing a youth service organization. Neither the type of business uses, nor the type of property the businesses occupy should pose an obstacle to the relocation of the businesses. No residential relocations will result from this Plan Amendment.

**B. A Description of the Methods To Be Used For Temporary or Permanent Relocation of Persons Living In and Businesses Situated in the Renewal Area In Accordance with ORS 281.045 through 282.105**

The Portland Development Commission has adopted a Relocation Policy that conforms to the requirements of ORS 281.045 through 282.105 and maintains information in its office relating to the relocation program and procedures, including eligibility for and amounts of relocation payments, services available and other relevant matters. This Relocation Policy will apply to all persons and businesses required to relocate by the acquisition authorized in this amendment.

**C. An Enumeration by Cost Range of the Existing Housing Units in the Renewal Area of the Plan to be Eliminated or Altered, and New Unites to Be Added.**

No existing housing units are proposed to be eliminated, or added by this Plan Amendment.

Central Eastside Urban Renewal Plan  
Proposed Plan text language

**Section 602C- the Eighth Amendment to the Central Eastside Urban Renewal Plan amends section 602C of the Plan to add a property to the list of real property which may be acquired by the Portland Development Commission. New text is shown in underline.**

Section 602- Property Acquisition and Redevelopment

D. Land Acquisition by Urban Renewal Plan Amendments – Land acquisition other than specifically listed in Section D shall be accompanied by the following procedures for amending this Plan as set forth in Section 900 of this Plan.

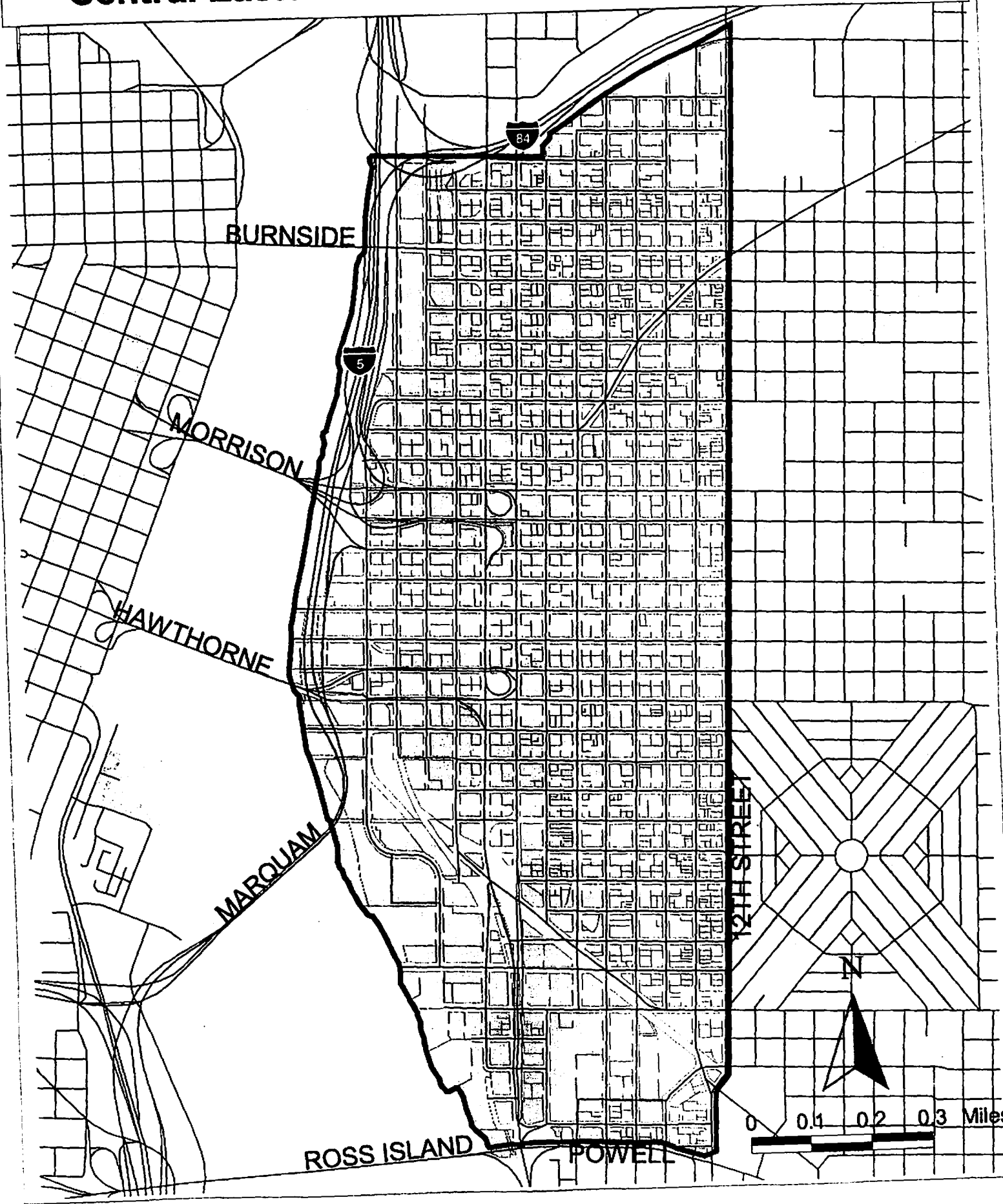
Assembling land for development by the private sector

Real property that may be acquired by the Portland Development Commission is shown on the Central Eastside Property Acquisition Map, (Exhibit 3, and 4). Parcels shown on the property acquisition map are as follows:

Parcel	Intended Use
6. <u>Exhibit 4 (Block 106*- lot 8 :George parcel)</u>	<u>redevelopment commercial/retail uses</u>

\*Block 106 is identified in the Lower Burnside Redevelopment Plan as the Block bounded by SE Ankeny Street, SE martin Luther King Jr. Boulevard, East Burnside Street and Se Grand Avenue

# Exhibit 1 Central Eastside Urban Renewal Area Boundary



# Exhibit 4: George Parcel Property Acquisition Central Eastside Urban Renewal Area Boundary

