Disclaimer

The City of Portland Bureau of Planning and Sustainability (BPS) with support from the Portland Development Commission (PDC) commissioned this study to help inform future decision-making regarding the feasibility of future urban renewal activity on the west side of central Portland.

BPS asked ECONorthwest (ECO) to evaluate four subdistricts in the west side of the central city for their viability in forming one or more new urban renewal areas. By gathering information about possible future private development that might generate tax increment revenue, preliminarily identifying public infrastructure projects that could catalyze redevelopment in the area, and a preliminary, general discussion of blighting characteristics in the study area, ECO has been able to render conditioned findings and conclusions.

Throughout the report we have identified sources of information and assumptions used in the analysis. Within the limitations imposed by uncertainty and the project budget, ECO, BPS, and PDC have made every effort to check the reasonableness of the data and assumptions and to test the sensitivity of the results of our analysis to changes in key assumptions. ECO, BPS, and PDC acknowledge that any forecast of the future is uncertain. The fact that we evaluate assumptions as reasonable does not guarantee that those assumptions will prevail.

We have also described our analytic techniques and their limitations. BPS, PDC, and the Office of Management and Finance have reviewed our analysis for reasonableness. As time passes the results in this report should not be used without correcting for changes in urban renewal policies and procedures, changes in capacity for redevelopment, and market conditions and assessed values.

The contents of this document do not necessarily reflect views or policies of the City of Portland, Bureau of Planning and Sustainability, or the Portland Development Commission. The inclusion of a property in this evaluation does not directly imply that the site either will or will not be included in any future URA or further feasibility studies.
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Executive Summary

BACKGROUND

STUDY PURPOSE

This study was produced in response to a recommendation from the Urban Renewal Advisory Group (URAG) to evaluate the possibility of creating a new urban renewal area (URA) in Portland’s Central City as two older URAs (South Park Blocks and Downtown Waterfront) near retirement. It is a technical study that is intended to inform a coming decision-making process that will determine: (1) whether or not a new URA (or URAs) will be formed in the Central City; (2) where the boundaries might be located; and (3) what projects or programs the new URA would fund if it is formed.

This report is an important first step in the process of planning for a new URA: it provides an analysis of the financial feasibility of a potential new URA in the vicinity of Portland’s Westside Central City, and assesses the ability of such a URA to contribute to implementation of current and future City goals, policies, plans and processes.

The City of Portland’s Bureau of Planning and Sustainability (BPS) and the Portland Development Commission (PDC) funded this study to determine the redevelopment potential of portions of the Central City and its surroundings, and to evaluate the likelihood that property tax revenue (tax increment) generated by that redevelopment could support debt repayment for needed public investments in the area. More specifically, the report measures the amount of tax increment (or urban renewal revenues) that might be generated in the study area. It also identifies projects that might require public-sector support in the urban renewal area(s) in the coming years.

The study results also inform the City’s update of its Comprehensive Plan, and, specifically, the Central Portland Plan. The Central Portland Plan will identify critical infrastructure updates that are necessary to support a vibrant, efficient, sustainable, and economically-viable downtown. Its goals may include increasing the portion of affordable and work-force housing in

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1 The Portland Development Commission formed the Urban Renewal Advisory Group (URAG) in May of 2007 to make recommendations regarding the future of three downtown URAs. URAG members included PDC Commissioners, a citizen representative, and City and County elected officials. This study builds on the results of the URAG’s recommendations, which are summarized in The Future of Downtown Urban Renewal: River District, Downtown Waterfront, and South Park Blocks, published March 4, 2008, and available at www.pdc.us/four.
the Central City, supporting continued job-growth, and supporting continued investment in Portland’s public transportation system, all of which are projects that might be supported with urban renewal funds. In other words, a new URA, if formed, will be an important implementing tool for the updated Central Portland Plan.

This study provides important groundwork for public decisions about the use of urban renewal and tax increment financing in the Central City. However, this document is not an urban renewal area plan. The City is in an early, exploratory phase, and would need additional legal and financial analysis; consideration of the costs of public projects and revenue generation; and additional outreach to land and business owners, taxing districts, neighborhood organizations, and others before making decisions about creating an urban renewal area(s).

**WHAT IS TIF / URBAN RENEWAL?**

Urban renewal is a state-sanctioned program used by over 50 cities and counties in Oregon to help them, through partnerships with the private-sector, implement adopted plans to revitalize specified areas within their jurisdiction. The purpose of an urban renewal area is to strategically invest in an under-developed area to catalyze private investment that will generate tax revenue that would not otherwise be available to taxing jurisdictions. Urban renewal, through the provision of tax increment financing, can provide for capital improvements such as parks, streets, parking garages, and transit systems that stimulate private investment and attract new businesses, jobs, and residents. It can also be used to assist with private development activities that are approved in an Urban Renewal Plan such as financing for affordable housing or mixed-use transit-oriented development.

Tax increment financing (TIF) is the primary funding vehicle used within URAs. Tax increment revenue is generated within a URA when a designated area is established and the property taxes within that area are ‘frozen’ (called the frozen base). In future years, any taxes generated within the area in excess of the frozen base becomes the increment. Growth in property tax collection can result from appreciation or new taxable investments. Taxing jurisdictions continue to collect tax revenue from the frozen base, but release tax revenue generated by the increment assessed value to the URA. Figure ES-1 shows how this process works. The URA then can issue long-term bonds and other forms of debt (such as lines of credit) to pay for identified public improvements and/or investments in private projects that serve the public interest and are identified in the URA plan. The tax increment revenue is used to repay these bonds.

In Oregon, planning and analysis associated with the creation of new
URAs is guided by state statute (Oregon Revised Statutes [ORS] Chapter 457, included in Appendix E of this report). State statutes stipulate that URA plans must find that the proposed URA is eligible for urban renewal because of existing blight, typified by conditions such as deteriorated buildings, low improvement to land value ratios, and/or lack of adequate infrastructure. The plan must also contain goals and objectives, authorized urban renewal projects, a limit on the expenditures, specific provisions regarding acquisition and disposition of land, and provisions regarding how the plan may be amended in the future. This study’s intention is to lay the groundwork for future, more detailed planning as required by these statutes.

The full report contains an appendix (Appendix F) that provides definitions of key urban renewal terms.

**Boundaries**

Exhibit ES-2 shows the study area boundaries. ECO used boundaries suggested by BPS and PDC. The initial study area boundaries were consistent with the Central City Plan District boundaries, but were expanded to include some additional areas that are expected to see significant change and redevelopment in the future. These additional areas include known redevelopment projects capable of generating tax increment and/or potential public projects that could be partially funded with tax increment revenue.

The boundary generally excludes areas zoned exclusively for lower-density residential uses, which typically do not generate large amounts of increment or require major public infrastructure improvements. While the boundary does include land that is currently in the South Park Blocks and Downtown Waterfront URAs, it does not include land that is in the River District URA (including land amended into the River District in 2008) or in the North Macadam URA. The boundary also excludes areas in the Downtown Waterfront URA North of Burnside Street, because that area was thoroughly studied as part of the URAG process and River District annexation in 2007 and 2008.

*It is important to note that the inclusion of a property in this evaluation does not directly imply that the site either will or will not be included in any future URA or further feasibility studies.* The study area boundary is almost certainly different from any boundary (or boundaries) for potential future URAs.
Exhibit ES-2: Preliminary Westside Central City Urban Renewal Study boundaries, Portland, Oregon, 2009

Source: ECONorthwest, 2009
KEY ISSUES ADDRESSED

The full report provides detailed results about the study area that will help decision-makers better understand the implications of forming a new URA (or URAs) in terms of:

- **Project uses.** The study preliminarily identifies the projects that might benefit from inclusion in an urban renewal area and public-sector investment. These projects are likely to spur redevelopment and create additional tax increment: (1) catalytic private-sector redevelopment projects, and (2) public-sector infrastructure and other projects (such as affordable housing) needed to support redevelopment.

- **Blight.** Oregon statutes (Oregon Revised Statutes (ORS) 457, exhibit “r”) require that new urban renewal areas meet requirements for blight. State statutes stipulate that URA plans must find that the proposed URA is eligible for urban renewal because of existing blight, typified by conditions such as deteriorated buildings, low improvement to land value ratios, and/or lack of adequate infrastructure. This study includes a preliminary, general discussion of blighting characteristics in the study area. It does not provide the full legal review that would be required in a detailed urban renewal area plan and report.

- **Tax increment production.** The study identifies how much tax increment might be generated in the study area over the life of the URA. If a URA is formed, the City would borrow against that revenue stream to pay for urban renewal projects.

- **Acreage / assessed value limitations.** Oregon statutes place legal limitations on the percentage of a jurisdiction’s acreage and assessed value that can be in an urban renewal area at any given time. The study area considered in this report is nearly too large to be included without exceeding those limits (the study area has about 603 net new acres and $1.3 billion of assessed value not already in an urban renewal area; PDC has estimated that the City of Portland can only add 665.5 acres and approximately $1.9 billion of assessed value). This study provides details about portions of the study area that would generate the largest amount of TIF (referred to in this study as tax increment nodes).

- **Effect on existing URAs.** The study area includes properties that are already in the South Park Blocks or the Downtown Waterfront.

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2 Additionally, concurrent studies are considering possible changes to other urban renewal areas in the City (such as reducing Airport Way or expanding Interstate), which potentially also could affect the total acreage and AV available.
URAs. These properties are contributing to the ability of these URAs to meet their debt obligations. The City has estimated that about $400 M in AV could be removed from the South Park Blocks URA and about $200 M from Downtown Waterfront URA and still allow these URAs to make their debt obligations.

METHODS

OVERVIEW

Answering questions about how a new URA might perform financially required a multi-stepped methodology:

• **STEP 1: Determine increment generation and identify potential projects that would require TIF funds (uses)**

  First, ECO projected TIF revenue (including the identification of specific redevelopment projects) and uses (projects that might require TIF funding) and how these might be phased throughout the study area. Details of this methodology are included in the full report and in Appendix A.

• **STEP 2: Tax increment node evaluations**

  Since this study’s focus is on the financial implications of creating a new URA and the overall study area boundary is too large both in terms of acreage and assessed value to become a new URA due to ORS 457 constraints on total acreage and assessed value that may be approved for urban renewal within a city at any one time (see Limitations, below), ECO identified the portions of the study area that have the potential to generate the most revenue for a new URA. ECO mapped the Step 1 results to identify “tax increment nodes”, or areas with concentrations of properties with the potential to create tax increment revenue. For each of these tax increment nodes, we describe sources and uses and considered the Step 3 issues below.

• **STEP 3: Qualitative analysis and blight**

  The analysis also considers the extent to which including the nodes in a new URA could help to meet other City goals (e.g., provision of affordable housing, job creation and economic development goals, open space goals, and goals around support for the retail core). Additionally, ECO considered the extent to which the tax increment nodes and surrounding areas exhibit characteristics that suggest blight. The discussion of blight is preliminary; it is intended to assess whether or not future, more detailed blight studies might find sufficient blight to meet state standards, so that decision-makers can make reasonably informed decisions about the formation of a new
URA. It does not provide the necessary legal review to meet state requirements, and future reviews may provide different results.

**ASSUMPTIONS**

This analysis required assumptions about future development mix, rate of development, future market values of properties, development code and policy about property tax assessment and collection, market cycles, and many other variables that are difficult, if not impossible, to accurately predict for a 20-year time period. Because this report was produced as the starting point for a decision-making process that will require additional and ongoing analysis, ECO created a model with assumptions that can be updated to reflect changing market conditions or to test hypotheses about the likely effects of various redevelopment scenarios.

Key assumptions are summarized here; more detail is included in the report and associated appendices.

- For TIF revenue calculations, ECO assumed that the assessed value of the area will be frozen in fiscal year (FY) 2008-09.
- While it is expected that the last date to issue debt for a new URA would be 20 years from its formation date and that the URA would remain in existence after this date until bonds are fully repaid, this study has only estimated TIF revenues for the first 20 years.
- ECO modeled four scenarios, which reflect four possible futures ranging from no development (base case) to a high estimate of what might be developed over 20 years. The scenarios can be adjusted. All scenarios modeled for this report are informed by studies of previous development rates in Portland’s downtown and surrounding area, and advice from local appraisers and developers. Exhibit ES-3 below shows the assumptions that underlie those scenarios.
- All scenarios use conservative growth estimates for the early years of a potential new URA, to account for challenges in the current market for new development.

**Exhibit ES-3: Redevelopment assumptions for total study area for three development scenarios, and base case, 2009-2028**

<table>
<thead>
<tr>
<th>% of potential redevelopment sites that redevelop over 20 years</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30%</td>
<td>20%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>Average sq. ft. of new development each year</td>
<td>1,184,792</td>
<td>965,270</td>
<td>729,766</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, 2009
LIMITATIONS

The City will set a *maximum indebtedness* limit for the URA, per ORS 457, that caps the amount of debt that a URA can issue. It is possible that the maximum indebtedness figure would reduce the actual spending power of the URA. This study does not estimate the maximum indebtedness limit.

Additionally, ECO estimated TIF revenue generation, but did not estimate the bonding capacity of potential URA(s). Estimates of TIF revenue do not directly correlate to URA spending power, because some of the revenue must be used to finance interest and other borrowing costs. Also, TIF revenue generated beyond the 20-year timeline modeled in this analysis can be used to repay debt incurred by the potential URA, which could increase the borrowing capacity of the URA.

Though the tax increment node analysis provides useful data about acreage and assessed value that can support future decisions, because this study does not identify specific boundaries, it cannot definitively answer questions about acreage and AV limitations for the URA.

At the time of writing and publication of this report, the U.S. economy is experiencing severe economic fluctuations; financial and real estate markets are particularly volatile. Readers of this report should keep the unusual market climate in mind when assessing the applicability of ECO’s conclusions in the future.
RESULTS

If the total study area shown in Exhibit ES-2 were included in a new URA, it would generate increment in the following range of TIF revenue over a 20-year period:

- Base case: $198.8 M
- Low: $432.5 M
- Medium: $496.8 M
- High: $575.1 M

However, the City may elect not to include the entire study area in a new URA. The study area covers about 897 acres, 294 acres of which are within existing urban renewal areas for about 603 net new acres. The study area also includes about $3.1 billion of assessed value in the frozen base (about $1.9 billion in net new assessed value that is not already in an existing URA). State statutes limit the total amount of land and assessed value that can be included in urban renewal areas to 15% of the total acreage and 15% of the assessed value (excluding urban renewal incremental assessed value) of the jurisdiction. In the City of Portland, PDC estimates that only 665.5 acres of land and approximately $1.9 billion of AV can be added to new URAs, unless portions of existing URAs are released. If the entire study area were included in one or more new URAs, it would seriously limit the City’s ability to create or expand other urban renewal areas in the future. This is among the reasons that the study area boundaries should not be viewed as proposed boundaries for a new URA.

Given the fact that the study area is too large (both in terms of acreage and assessed value) to include in its entirety in a new URA, ECO evaluated the study area to determine which portions provide a maximum financial benefit if they are included. Those “tax increment nodes” are shown in Exhibit ES-4. The tax increment node boundaries are not intended to suggest the best portions of the study area to include in a new URA, but rather to identify the areas that have the greatest potential to generate increment. There are many other factors that should be considered when drawing the boundary for a URA, including need for public assistance, impact on other taxing jurisdictions, the mix of uses within the boundary, and others.

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Summary: Study Area Totals and Fast Facts

| TIF revenue generation over 20 years for study area: |
| $432.5 (low estimate) to $575.1 (high estimate), in millions of constant 2008 dollars. |

| Sample public projects: |
| Stronger connections over I-405 to reconnect neighborhoods; streetcar system improvements; public private partnerships to provide improved parking availability; affordable housing contributions; etc. |

| Sample public-private partnerships: |
| Mixed-use transit oriented development, commercial development to support business expansion and job creation. |

| Total acres in study area: |
| About 897 acres (about 603 net new acres, not already in another URA) |

| Total assessed value in study area: |
| $3.1 billion in 2009 *** |

| Estimated square footage of new development per year: |
| 730,000 (low) to 1,185,000 (high) square feet on average between 2009 and 2028. |

***This figure includes $1.6 billion in real, personal, and utility property already within existing URAs.
Together, the tax increment nodes comprise 242.4 acres (about 153.8 of which are not already in an existing urban renewal area), and generate (in the low scenario) $178 M in TIF revenue. In other words, these nodes comprise about 27% of the total acreage in the study area, but generate about 41% of the total increment revenue in the study area. From a financial perspective, these are the areas that are the most strategic additions to a new URA boundary (or boundaries). Exhibit ES-5, below, provides details.

Findings related to Exhibit ES-5:

• More revenue is generated by development that occurs in the early years of an urban renewal area. Known projects (mapped in yellow throughout the study) are typically expected to develop earlier in the life of the URA; the potential redevelopment sites (mapped in blue) are assumed to develop later in the life of the URA. Nodes with large yellow sites that are expected to develop as taxable uses (such as node A in the northwest portion of the study area) therefore generate more increment than those with many blue sites (such as node G).

• Because of the limited size of these nodes (in terms of acreage and assessed value), all seven nodes could be included in one or more new urban renewal areas without exceeding the statutory limitations on the amount of land and assessed value within URAs in the City of Portland.

• Several of these nodes (D, E, and F) contain properties that are already within existing urban renewal areas. Based on estimates from the Office of Management and Finance (OMF), it would be possible for the Downtown Waterfront and South Park Blocks urban renewal areas to meet their financial obligations even if these tax increment nodes were removed from the existing URAs and included in a new URA.

• Tax Increment Node A in the Northwest subdistrict has the greatest TIF revenue potential for the 20-year period of our analysis, ranging from $72 M in the low scenario to $106 M in the high scenario. The proposed redevelopment of the Con-way site is responsible for the large TIF revenue potential in this area. This is especially true in the high scenario, which assumes that the Con-way redevelopment receives an increase in allowable floor area ratio (FAR). This assumption adds to uncertainty about achieving the high scenario in Node A.

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4 The percentage of total TIF revenue attributable to the tax increment nodes varies for each development scenario. The full range for each scenario is: High: 47%, Medium: 45%, Low: 41%, and Base Case: 18%.

5 Note, however, that these nodes would all have to be connected to one another to be included in one URA, as recent court decisions have support the need for contiguous boundaries.

6 This is especially true in the high scenario, which assumes that the Con-way redevelopment receives an increase in allowable floor area ratio (FAR). This assumption adds to uncertainty about achieving the high scenario in Node A.
user of urban renewal dollars if included in a URA. Further analysis of the net contribution of the Con-way site to other urban renewal area objectives is required.

- Tax increment node D contains $142 M of real property assessed value in the Downtown Waterfront URA. This represents 70% of the real property value that OMF estimates could be removed from Downtown Waterfront without compromising the ability to meet outstanding financial obligations. Any removal of property from Downtown Waterfront must be carefully considered in future phases of this study.
### Exhibit ES-5. Quantitative results by tax increment node

<table>
<thead>
<tr>
<th>Tax Increment Node</th>
<th>Increment Generation Potential (over 20-years):</th>
<th>% of total study area increment generated in node (low scenario)</th>
<th>AV removed from existing URAs</th>
<th>Acreage / % total study area acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Northwest</td>
<td>Base case: $7.0 M Low: $72.2 M Medium: 102.4 M High: $105.9</td>
<td>16.7%</td>
<td>None</td>
<td>64.6 acres / 7.2%</td>
</tr>
<tr>
<td>B: Northwest</td>
<td>Base case: $1.6 M Low: $7.7 M Medium: $9.2 M High: $12.9 M</td>
<td>1.8%</td>
<td>None</td>
<td>18.3 acres / 2.0%</td>
</tr>
<tr>
<td>C: Goose Hollow</td>
<td>Base case: $4.7 M Low: $25.5 M Medium: $30.0 M High: $43.1 M</td>
<td>5.9%</td>
<td>None</td>
<td>33.8 acres / 3.8%</td>
</tr>
<tr>
<td>D: Downtown North of Market</td>
<td>Base case: $6.6 M Low: $14.6 M Medium: $18.2 M High: $26.8</td>
<td>3.4%</td>
<td>$92.9 M from South Park Blocks (about 23% of the total property that can be removed)</td>
<td>40.0 acres / 4.5%</td>
</tr>
<tr>
<td>E: Downtown North of Market</td>
<td>Base case: $10.1 M Low: $23.0 M Medium: $26.0 M High: $32.8 M</td>
<td>5.3%</td>
<td>$141.9 M from Downtown Waterfront (about 70% of the total property that can be removed)</td>
<td>34.1 acres / 3.8%</td>
</tr>
<tr>
<td>F: Downtown South of Market</td>
<td>Base case: $5.7 M Low: $32.1 M Medium: $35.3 M High: $43.1 M</td>
<td>7.4%</td>
<td>$24.3 M from South Park Blocks (about 6% of the total property that can be removed)</td>
<td>36.5 acres / 4.1%</td>
</tr>
<tr>
<td>G: Downtown South of Market</td>
<td>Base case: $0.9 M Low: $3.2 M Medium: $4.1 M High: $6.3 M</td>
<td>0.7%</td>
<td>None</td>
<td>15.1 acres 1.7%</td>
</tr>
<tr>
<td>TOTALS for nodes</td>
<td>Base case: $36.6 M Low: $178.3 M Medium: $225.3 M High: $270.8 M</td>
<td>41.2%</td>
<td>$259.2 M</td>
<td>242.4 acres / 27%</td>
</tr>
</tbody>
</table>


Note: Assessed Value figures are for real property only and do not include utility or personal property.
ECO also evaluated how including these tax increment nodes in a new urban renewal area might be beneficial from perspectives other than financial ones. We considered the ways in which development in the nodes could help to achieve other City goals, what types of public- and private-sector projects are likely to occur in the nodes, and whether the area is likely to meet statutory findings for blight when a more detailed review is completed if the City decides to initiate the process to create a new URA. Following are key findings from that qualitative analysis (see full report for details in each of the nodes):

• Strategic investments in the development of each node could help to support other City goals:
  • Progress could be made toward the City’s goals for increasing employment opportunities in the Central City and for creating a more advantageous jobs / housing balance. Other economic development goals, including increasing the vitality and strength of the retail core, could be achieved through development in these nodes.
  • Node development could support progress toward implementing 20-minute neighborhoods, in which shopping, entertainment, housing, and employment are located within a 20-minute walk.
  • Development in the nodes could help to meet affordable housing provision goals.
  • Goals around sustainable development and potential Eco-Districts could be achieved in the nodes.
  • The City could help to improve educational infrastructure. A strong university and public education system supports growth not just in the study area, but in the City and the region.
  • The City could help to improve public transit infrastructure, as well as access for pedestrians, bicyclists, and automobiles to major employment and retail centers in downtown Portland.

While a more detailed analysis of the node will be needed to confirm the presence of blight, a preliminary review of the existing conditions in the node suggests the following blighting characteristics:

• All of the nodes have at least some surface-level parking lots and a low average improvement-to-land value ratio. The concentration of such surface parking lots is suggestive of a growing or total lack of proper utilization of the area, and resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).
• Most of the nodes have buildings that show signs of obsolescence, deterioration, or dilapidation. Many, especially historic ones, may be unfit or unsafe to occupy for their intended purposes because they do not meet current seismic safety codes and/or are constructed of unreinforced masonry, which may be suggestive of defective design and quality of physical construction consistent with ORS 457.010(1)(a)(A).

• Connectivity is an issue in most of the nodes. Node A lacks an appropriate street grid and accompanying infrastructure to support urban development. Nodes A and B lack adequate access to regional highway facilities, which is constrained by congestion on neighborhood collectors. Access across I-405 is an issue for pedestrian, bicycle traffic, and automobile traffic in Nodes C, F, and G. Such inadequacies in the streets, rights-of-way, open spaces and utilities also potentially limits the ability of the node to grow and be properly utilized, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).

**Conclusions**

The results of this technical analysis shows that including at least portions of the study area in one or more new URAs could provide sufficient tax increment revenues that, when converted to bonding capacity, would provide substantial financial resources to further City and public benefits. From a financial perspective, the area has the ability to generate revenue even if no new development happens. Development in the study area could be strategically implemented to help meet multiple City goals (economic development and jobs, affordable housing, connectivity, regional retail center strength, and others). The preliminary blight discussion suggests that blighting characteristics exist in the study area and, specifically, in the tax increment nodes that this study evaluated.

However, the study’s scope is limited to technical aspects of creating a new urban renewal area, and many other considerations have not yet been analyzed (many of these are described below as recommendations for additional analysis). Further, this study does not consider the ongoing work that the City is undertaking to consider the possibility of expanding or otherwise changing other existing urban renewal areas. The results of these studies and future analysis in this study area will almost certainly affect decisions about the creation of a new URA downtown.
Future studies should more carefully consider the balance between the costs of public projects and the revenue available to the URA(s).

- Strategic investment could move the increment projections closer to the “high” scenario, and future analysis should provide details about what types of investments are most advantageous. The tax increment nodes were selected because they have the potential to generate new increment yet they have development challenges that will require public investment: they have characteristics that suggest opportunity (proximity to or location in downtown, vacant lots, etc.) that has not yet been met. In most cases, there is some reason that these nodes have not yet met their potential. For example, the analysis found that several of the nodes have major infrastructure needs and would require public sector investment to catalyze the redevelopment that this study suggests is possible in the “high” scenario. The purpose of an urban renewal area is to strategically invest in an under-developed area to catalyze private investment that will generate tax revenue that would not otherwise be available to taxing jurisdictions. To put it plainly: the urban renewal area will have to spend money to make money.

- Some of the tax increment nodes considered in this study would require less public investment to catalyze redevelopment. Node D, for example, presents opportunities for redevelopment, but doesn’t require major infrastructure investments to support it. Because these areas have a solid base of development already, these nodes generate substantial increment even in the base case scenario, which assumes no new development. It also presents the best ability to strengthen the City’s ability to increase employment downtown through partnerships with businesses and support for the downtown retail core.

- In contrast, Node A in Northwest is the strongest generator of revenue, but may also have among the highest public costs to improve the street grid, provide public transit access, etc. This study preliminarily identified uses of URA funds (such as improvements to rights-of-way to increase access, investments in open space and transit infrastructure, etc.), but did not quantify these costs.

- Because urban renewal areas must have a contiguous boundary, each tax increment node that is included in a new URA will need to be connected to other nodes geographically.

The boundary should be carefully chosen to:

- **Limit the size of the study area considered in this analysis.** The total study area is too large (in terms of assessed value), and nearly too large (in acres) to be included in a new URA.
• **Keep existing URAs whole.** We found that one of the areas that is most likely to generate increment in the Downtown core (node E) also contains 70% of the assessed value that can be removed from the Downtown Waterfront URA. If the City were interested in including this node in a new URA, it would need to carefully consider the boundary to ensure that the limit is not exceeded. The other nodes that this study considered did not have as large an impact on the existing URAs.

• **Assure a balance of uses (residential, office, retail, etc.) and limit the City’s risk to meet bonding requirements.** If the City moves forward with a new URA or URAs, it should carefully consider the mix of uses in the boundary. A single, bigger urban renewal area (as opposed to multiple smaller URAs) would probably generate a more reliable revenue stream and contain a more diverse mix of uses, and would therefore be looked upon more favorably for bonding purposes. Similarly, the existing URAs (Downtown Waterfront and South Park Blocks) which may lose property to the new URA, should be left with a balance of uses so as not to affect their ability to continue to meet bonding requirements.

• **Possibly include the expansion of existing URAs.** For example, expansion of the North Macadam URA (which can still add approximately 19% of its base area or about 48 acres) may be an option for including property at the southern end of the study area, to help to address acreage limitation issues.

Some additional financial and technical analysis will be required, especially once the boundaries are known:

• This analysis describes how much revenue could be generated in the study area, but it doesn’t describe how much the URA could spend if the City forms one. Generally, URA’s pay for public improvements through bonds backed by the promise of future TIF revenue. This study forecasts potential TIF revenue for a 20-year period, which is not equal to the value of bonds the City will be able to issue based on this revenue stream. Additional work should be done to determine the bonding capacity of the new URA or URAs, if the City decides to move forward.

• The next phases of the analysis should calculate the amount of taxable value that would be returned to the taxing districts because of removing property from existing URAs. If property is removed from an existing URA and included in a new URA, the difference between its original frozen base (when the URA was created) and the new frozen base (the assessed value in the year that a new URA is
created) would be released back to the taxing jurisdictions and would not accrue to the new URA.

- This study does provide, when available, preliminary costs associated with public infrastructure projects needed to support development. Additional research would be needed to better understand these projects and their associated costs.
- As mentioned elsewhere in this summary, a full legal review is required as part of a detailed urban renewal area plan and report before a new URA (or URAs) could be formed.

**NEXT STEPS**

An Advisory Group will be established which will begin a process to develop recommendations to the City Council on whether a new URA should be established within the study area. If the group ultimately recommends establishing a new URA, they would define the priorities, key goals, boundaries and maximum indebtedness of such an urban renewal area. There will be substantial opportunities for stakeholders and neighborhood members to weigh in on this next phase of the project.
Chapter 1  Background

This chapter introduces the technical study, provides an overview of the report and a brief introduction to urban renewal before describing the planning context in which the report was written. It has the following sections:

- What is this report?
- What is urban renewal and tax increment financing?
- What are the study area boundaries?
- Context: Other Central City and economic development strategies
- Organization of this report

1.1 What is this Report?

This report provides an analysis of the financial feasibility of a potential new urban renewal area (or areas, URAs) in the vicinity of Portland’s Westside Central City, and the ability of such a URA to contribute to implementation of ongoing City plans and processes. In an urban renewal area, the property taxes generated from appreciation of existing taxable improvements and new taxable development are used to pay for the infrastructure and encourage private-sector investments in that area through the issuance of debt. This process is described in more detail in the next section of this chapter.

The City of Portland’s Bureau of Planning and Sustainability (BPS) and the Portland Development Commission (PDC) funded this study to determine the redevelopment potential of portions of the Central City and its surrounding, and to evaluate the likelihood that property tax revenue (tax increment) generated by that redevelopment could support debt repayment for needed public investments in the area. More specifically, the report measures the amount of tax increment (or urban renewal revenues) that might be generated in and near Portland’s downtown. It also outlines projects that might require public-sector support in the urban renewal area(s) in the coming years.

The study results are also expected to support the City’s update of its Comprehensive Plan, and, specifically, the Central Portland Plan. This update of the 1988 Central City Plan will identify critical infrastructure updates that are necessary to support a vibrant, efficient, sustainable, and economically-viable downtown. Its goals may include increasing the
portion of affordable and work-force housing in the Central City, supporting continued job-growth, and supporting continued investment in Portland’s public transportation system, all of which are projects that might be supported with urban renewal funds.

This study provides important groundwork for public decisions about the use of urban renewal and tax increment financing in the Central City of Portland; however, it is not an urban renewal area plan. The City is in an early, exploratory phase, and would need a full legal review of blight; consideration of the costs of public projects and revenue generation; and more outreach to land and business owners, taxing districts, neighborhood organizations, and others before making decisions about creating an urban renewal area(s).

The study was initiated based on recommendations from the Urban Renewal Advisory Group¹ (URAG) that the City consider the possibility of a new URA downtown. Throughout the analysis and in reporting results, ECO relied on the criteria that the URAG agreed were useful for evaluating whether a given area should be included in an urban renewal area. Exhibit 1-1 provides an overview of those criteria, along with discussion of how this study evaluates the study area against the criteria.

Exhibit 1-1 provides an overview of the purpose and scope of this study. The study is intended to help answer the highlighted criteria at the top of the table, but it provides relevant and useful information in other criteria categories as well.

¹ The Portland Development Commission formed the Urban Renewal Advisory Group (URAG) in May of 2007 to make recommendations regarding the future of three downtown URAs. URAG members included PDC Commissioners, a citizen representative, and City and County elected officials. This study builds on the results of the URAG’s recommendations, which are summarized in The Future of Downtown Urban Renewal: River District, Downtown Waterfront, and South Park Blocks, published March 4, 2008, and available at www.pdc.org
### Exhibit 1-1. Summary of study purpose and scope: Urban Renewal Advisory Group “Criteria for Evaluation of a Potential URA” compared to this technical study scope

<table>
<thead>
<tr>
<th>URAG Criteria</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary criteria evaluated in this report:</strong></td>
<td></td>
</tr>
<tr>
<td>To what extent is the area poorly planned, underutilized, deteriorating, lack appropriate infrastructure, or has other real estate based needs?</td>
<td>This analysis assessed the study area to determine the likelihood that it would meet requirements with both qualitative (i.e.: structure condition) and quantitative (i.e.: improvement to land value ratio) measures. It identifies infrastructure projects that might be supported with urban renewal funds.</td>
</tr>
<tr>
<td>Would the URA produce increment and generate revenues sufficient to achieve area goals at a reasonable pace and within the life of the district?</td>
<td>Projections of revenues and identification of public-sector projects are the major focus of this study. Results are in Chapter 3.</td>
</tr>
<tr>
<td>What are the potential development opportunities and is there willingness to redevelop?</td>
<td>The report describes these opportunities and expectations for redevelopment.</td>
</tr>
<tr>
<td><strong>Secondary criteria not intended to be directly evaluated in detail in this report:</strong></td>
<td></td>
</tr>
<tr>
<td>To what extent would the URA and related strategies meet citywide goals and priorities?</td>
<td>This study provides a qualitative assessment of how the URA might contribute to these City goals, but does not provide a detailed evaluation.</td>
</tr>
<tr>
<td>• Economic development and job creation</td>
<td></td>
</tr>
<tr>
<td>• Housing development and affordable housing preservation</td>
<td></td>
</tr>
<tr>
<td>• Commercial and retail revitalization</td>
<td></td>
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<tr>
<td>• Neighborhood plans</td>
<td></td>
</tr>
<tr>
<td>• Regional and local capital improvement plans</td>
<td></td>
</tr>
<tr>
<td>To what extent would this action impair the ability of other taxing jurisdictions to deliver services to their constituents?</td>
<td>This study does not estimate the amount of taxes foregone by other taxing jurisdictions; this would be done at later stages of URA planning.</td>
</tr>
<tr>
<td>Is there a high level of community support in the area?</td>
<td>Because this study is primarily fact-based and not outreach-based, it did not explore this criterion in detail.</td>
</tr>
<tr>
<td>What is the likelihood that the URA would significantly leverage City investment with private, state, or federal government investment?</td>
<td>When applicable, this study preliminarily notes other public, non-profit, and/or private resources.</td>
</tr>
<tr>
<td>Will the proposed URA meet the technical, legal, and financial criteria as stipulated by state statutes (ORS 457), including citywide acreage and assessed value limitations?</td>
<td>This report preliminarily assesses the technical and legal ability of the area(s) to meet state statutes, including consideration of the impact that a new URA might have on the financial capacity of existing URAs and a preliminary, general discussion of blighting characteristics in the study area. However, more study would be needed before a full urban renewal area could be formed.</td>
</tr>
<tr>
<td>What are the other urban renewal area options that would be foregone if this area were established?</td>
<td>This study focuses on the west side of Portland’s Central City, and does not evaluate the effect on other possible future urban renewal areas. It does consider the financial effect of removing properties from existing URAs to include them in a potential new URA.</td>
</tr>
<tr>
<td>How does the project or program investment directly advance goals of other taxing jurisdictions?</td>
<td>This study does not explore this criterion in detail, but does report relevant findings. At this early stage of planning, the answer to this question requires further work.</td>
</tr>
</tbody>
</table>


Note: Highlighted criteria are those that are intended to be the focus of this study.
1.2 WHAT IS URBAN RENEWAL AND TIF?²

Urban renewal is a state-sanctioned program used by over 50 cities and counties in Oregon to help them, through partnerships with the private-sector, implement adopted plans to revitalize specified areas within their jurisdiction. Urban renewal, through the provision of tax increment financing, can provide for capital improvements such as parks, streets, parking garages, and transit systems that stimulate private investment and attract new businesses, jobs, and residents. It can also be used to assist with private development activities that are approved in an Urban Renewal Plan such as financing for affordable housing or mixed-use transit oriented development.

Exhibit 1-2: Tax Increment Illustration

Tax increment financing (TIF) is the primary funding vehicle used within URAs. Tax increment revenue is generated within a URA when a designated area is established and the normal property taxes within that area are ‘frozen’ (often called the frozen base). Any new taxes generated within that area through either property appreciation or new taxable investment becomes the increment. Taxing jurisdictions continue to collect tax income from the frozen base but agree to release assessed value above the frozen base to the URA. The URA then can issue long-term bonds and other forms of debt (such as lines of credit) to pay for identified public improvements and/or investments in private projects that are in the public interest. The tax increment revenue is used to repay the bonds.

² For a more detailed look at how urban renewal has been used in Oregon, we recommend: “Urban Renewal In Oregon: History, Case Studies, Policy Issues, and Latest Developments”, Johnson and Tashman, 2002. This overview was produced with funding from the Portland Development Commission on behalf of the Association of Oregon Redevelopment Agencies.
In Oregon, planning and analysis associated with the creation of new URAs is guided by state statute (ORS Chapter 457). State statutes stipulate that URA plans must find that the proposed URA is eligible for urban renewal because of existing blight, typified by conditions such as deteriorated buildings, low improvement to land value ratios, and/or lack of adequate infrastructure. The plan must also contain goals and objectives, authorized urban renewal projects, a limit on the expenditures, specific provisions regarding acquisition and disposition of land, and provisions regarding how the plan may be amended in the future. This study’s intention is to lay the groundwork for future, more detailed, planning as required by these statutes.

1.3 WHAT ARE THE STUDY AREA BOUNDARIES?

Exhibit 1-3 shows the study area boundaries. ECO used boundaries suggested by the BPS and the PDC. The initial study area boundaries were consistent with the Central Portland Plan study area boundaries. The study area includes some areas outside the current Central City Plan District. These areas are expected to see significant change and redevelopment in the future. As this study progressed, some additional areas were added to include known redevelopment projects or potential public projects that could be recipients of tax increment revenue. **It is important to note that the inclusion of a property in this evaluation does not directly imply that the site either will or will not be included in any future URA or further feasibility studies.**

The boundary generally excludes areas zoned exclusively for lower-density residential uses, which typically do not generate large amounts of increment or require major public infrastructure improvements. While the boundary does include land that is currently in the South Park Blocks and Downtown Waterfront URAs, it does not include land that is in the River District URA (including land amended into the River District in 2008) or in the North Macadam URA. The boundary also excludes areas in the Downtown Waterfront URA North of Burnside Street, because that area was thoroughly studied as part of the URAG process and River District annexation in 2007 and 2008.

The study area boundary is almost certainly different from any boundary (or boundaries) for potential future URAs. If they are formed, future URAs would not include some properties that are in the study area boundary, and might include some properties that were not evaluated in this study.
Exhibit 1-3: Preliminary Westside Central City Urban Renewal Study boundaries, Portland, Oregon, 2009

Source: ECONorthwest, 2009
1.4 **CONTEXT: OTHER CENTRAL CITY AND ECONOMIC DEVELOPMENT PLANS**

Most technical studies produced in the public-sector are intended to contribute in one way or another to policy decisions or planning processes. In the case of this report, the results contribute to several ongoing or future planning processes:

- **The Portland Plan and Central Portland Plan.** The Portland Bureau of Planning and Sustainability (BPS) is beginning an effort to update the City’s Comprehensive Plan. This effort includes an update of the land use plan that guides long-term development in the Central City. This update of the 1988 Central City Plan will identify critical infrastructure updates that are necessary to support a vibrant, efficient, sustainable, and economically-viable downtown. BPS co-funded this technical study about urban renewal potential with the Portland Development Commission to explore the possibility that tax increment could contribute to the implementation of the Central City Plan through funding infrastructure projects and supporting private development and redevelopment in the City’s core. The evaluation of assessed value and redevelopment potential in the study area may also be useful to the Central City plan process.

- **The Portland Economic Development Strategy.** The Portland Development Commission is creating an economic development strategy that will guide the City’s economic development agenda for the next five years. The strategy outlines the City’s goals and strategies for creating a vibrant and sustainable City economy.

- **Concurrent and future urban renewal planning efforts.** This report will help the City decide whether or not to go forward with more detailed planning that may lead to the formation of new urban renewal area(s). Forming new URAs may be an especially critical component of the City’s strategy for funding Central City projects because two existing URAs (the South Park Blocks and the Downtown Waterfront) cannot issue any new debt to pay for projects. This report lays the groundwork for the planning required in Oregon’s state statutes should the City decide to go forward with the steps needed to form one or more new URAs.

- **North / Northeast Economic Development Initiative.** This report was produced in the context of examination of possible changes in other URAs, especially the Interstate and other URAs in North and Northeast Portland. Because state statutes limit the amount of assessed value and acreage that can be in an urban renewal area for any given jurisdiction, decisions about whether and how north and
northeast Portland URAs are expanded can affect decisions about creating a new URA in the west side of the Central City.

- **Portland State University (PSU) Economic Development and Physical Framework Plan.** PSU is one of the major property owners in the study area. It is currently working toward aligning its academic and other interests with the City’s emerging economic development strategy (described above) to better support economic growth in the region. PSU’s economic development strategy will be integrated with a new physical development plan that will outline where and how the University will accommodate its expected growth over the next thirty years. Urban renewal funds might help to support PSU’s economic development initiatives and its physical growth.

- **Regional and Statewide Planning Goals.** In addition to City goals, the use of urban renewal to stimulate redevelopment of the study area would also support statewide planning goals and regional objectives. Although these state and regional goals are not discussed explicitly in this report, they will be continue to be considered in future phases of analysis.

### 1.5 Organization of This Report

The remainder of this report is organized as follows:

- **Chapter 2 Framework for Analysis**
- **Chapter 3 Results Summary**
- **Chapter 4 Conclusions**

A number of technical appendices support the analysis in the previous chapters and provide additional detail:

- **Appendix A: Detailed Methodology for TIF Estimation** describes the step-by-step process taken to estimate the TIF
- **Appendix B: Interview Summaries** provides an overview of the results of interviews conducted as part of this analysis.
- **Appendix C: Details: TIF Sources (Projects)** provides details about the expected private-sector redevelopment projects that will contribute to tax increment growth in the study area.
- **Appendix D: Details: TIF Revenue Uses** provides preliminary details about the public-sector and public-private partnership projects that might help to catalyze redevelopment in the study area.
• **Appendix E: ORS 457.010, Definitions** provides the text of the state statues that define “blight” for Oregon URAs.

• **Appendix F: Definitions and Explanations** provides definitions of key terms related to urban renewal that are used in this study.
Chapter 2  Framework for Analysis

This chapter provides methods and other discussion necessary for understanding the results that follow in Chapter 3. It describes, in general terms, how ECO approached the analysis from a technical perspective. It has the following sections:

• Overview of methods
• Assumptions and limitations

This chapter is supported by more detailed descriptions of methods in Appendix A.

2.1 Overview of Methods

In general, this study determines the benefit of including the study area (or portions of the study area) in one or more new urban renewal areas from a financial perspective. It assumes these areas will meet state statutory requirements for establishing urban renewal area(s) and it answers these questions:

• How much TIF revenue might the study area generate over a 20-year period?
• What might be the costs of potential public improvements?
• What parts of the study area generate the most revenue? Which have the highest need for public-sector investment?
• If one or more new urban renewal areas are created, will they be viable?

Answering these questions required a multi-stepped methodology. We provide an overview here, and more details about each of the steps in the sections that follow.

• **STEP 1: Determine increment generation and identify potential projects that would require TIF funds (uses)**
  First, ECO projected TIF revenue (including the identification of specific redevelopment projects) and uses (projects that might require TIF funding) and how these might be phased throughout the study area. Details of this methodology are included in the full report and in Appendix A.

• **STEP 2: Tax increment node evaluations**
  Since this study’s focus is on the financial implications of creating a new URA and the overall study area boundary is too large both
in terms of acreage and assessed value to become a new URA due to ORS 457 constraints on total acreage and assessed value that may be approved for urban renewal within a city at any one time (see Limitations, below). ECO identified the portions of the study area that have the potential to generate the most revenue for a new URA. ECO mapped the Step 1 results to identify “tax increment nodes”, or areas with concentrations of properties with the potential to create tax increment revenue. For each of these tax increment nodes, we describe sources and uses and considered the Step 3 issues below.

- **STEP 3: Qualitative analysis and blight**
  The analysis also considers the extent to which including the nodes in a new URA could help to meet other City goals (e.g., provision of affordable housing, job creation and economic development goals, open space goals, and goals around support for the retail core). Additionally, ECO considered the extent to which the tax increment nodes and surrounding areas exhibit characteristics that suggest blight. The discussion of blight is preliminary; it is intended to assess whether or not future, more detailed blight studies might find sufficient blight to meet state standards, so that decision-makers can make reasonably informed decisions about the formation of a new URA. It does not provide the necessary legal review to meet state requirements, and future reviews may provide different results.

This report was produced as the starting point for a decision-making process. Using the evaluation results, maps, and data created through this study, the City and PDC will be able to draw alternative boundaries to identify the greatest need and areas that exhibit characteristics suggestive of blight, TIF revenue generation potential and costs of public infrastructure around possible URA boundaries, to support decision-making about the viability and location of one or more possible future urban renewal areas. The City and PDC then can determine bonding capacity and maximum indebtedness of possible URAs.

### 2.1.1 STEP 1: SOURCES AND USES

ECO’s first step was to determine the redevelopment potential in the study area as a whole. We estimated the amount of tax increment that might be generated, and gathered preliminary information about potential public projects, including estimated costs and possible financing sources.
Data for Step 1

This analysis builds from these data sources:

- **2007-8 Central City Development Capacity Study (Capacity Study)** created by Portland’s Bureau of Planning and Sustainability: a parcel-by-parcel assessment of the redevelopment potential of the area. The Capacity Study covered nearly the entire geographic area that we examined in our evaluation. The capacity study used information on individual tax lots to determine which blocks (or portions of blocks) have potential to develop or redevelop in upcoming years, and which blocks appear to be fully developed.3

GIS data from the Capacity Study were used to define the universe of tax lots and determine future development potential. The City provided ECO with relevant information on all tax lots within the Goose Hollow study area. The Bureau of Planning and Sustainability compiled this data from several other data sets, originally created by the Bureau of Planning and Sustainability and the Multnomah County Assessors Office.

The data set includes, among other data layers, the following information for each parcel: tax lot ID; site address; owner’s name; assessed value of land, improvements, and total property; maximum allowed floor area ratio (FAR) with bonus4; maximum allowed building height with bonus; acreage of parcel; location in historic district; and comprehensive zone designation.

- **Interviews** and follow-up conversations were conducted with about 60 individuals, including local developers and property owners, real estate appraisers, government agencies, non-profit and cultural institutions, neighborhood associations, and others. From these interviews, we gained information on the likelihood and timing that certain properties might develop in the future.

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3 The 2007-8 Central City Capacity Study used several criteria to identify parcels as redevelopable. The primary criteria for redevelopable sites were (1) sites with a ratio of improvement value to land value of less than 0.50, and (2) sites using less than 20% of the allowable floor area ratio (FAR). Additionally, because of the difficulty of redeveloping small parcels, sites with an area less than 10,000 sf. were excluded from the analysis.

4 Floor Area Ratio (FAR) is a common measurement of development density. City code limits the maximum allowable FAR depending on zone. Developers frequently want to construct buildings with FAR greater than that allowed by City code. In some areas (including much of our study area), the City allows new development in excess of FAR restrictions, if the developers are willing to make certain concessions. This additional FAR can be obtained through development bonuses or transfers. Development bonuses and transfers have become increasingly common in the Central City in recent years.
• **Assessed value data** for fiscal year (FY) 2008-09 were provided from the Multnomah County Assessor’s database. These were used to calculate the frozen base for the study area. In some areas, historical assessed value data was also used to project growth rates.

• **Property ownership map** provided by the PDC illustrates the ownership of certain properties that are likely to redevelop. This information supplemented data from interviews, the capacity study, and GIS data sets, to identify potential redevelopment projects (large areas in single ownership) and redevelopment sites.

• **A study area tour** with PDC and BPS staff was conducted to observe uses, conditions, and physical characteristics of various capacity study sites.

### Developing TIF projections

Exhibit 2-1 provides a big-picture look at the steps that ECO took to calculate tax increment generation potential in each subdistrict. In general, we took a market-driven approach to determining redevelopment potential, and based assumptions about future development on previous market performance. A more detailed description of each of the steps and the assumptions made is contained in Appendix A.

ECO modeled four separate scenarios for development potential and TIF revenue over a 20-year timeframe for each of the four subdistricts. Each of the scenarios followed the same steps outlined in Exhibit 2-1 above, and applied a different set of assumptions. The assumptions are supported by recent research about development (absorption) rates in and around downtown, and reflect a realistic range of development that might be expected in a market-driven context (See Appendix A for details). In other words, the “high” estimates are realistic rather than aspirational, while still reflecting the upper end of what might be developed in 20 years.
Exhibit 2-1. Overview of methodology for calculating tax increment generation potential

<table>
<thead>
<tr>
<th>STEP</th>
<th>Overview description</th>
</tr>
</thead>
</table>
| 1: Determine redevelopment capacity by tax lot | We categorized each tax lot by its potential for redevelopment based on data inputs from the Bureau of Planning and Sustainability, interviews with property owners, and review of site development plans when available. We developed three general categories of properties:  
  • Known projects with defined development programs and high likelihood of redevelopment. Some of these sites are already under construction, or may be soon. These are mapped in YELLOW throughout this report.  
  • Potential Redevelopment Sites had characteristics that suggest redevelopment is likely and/or were identified in the Bureau of Planning and Sustainability’s Capacity Study, though no specific development program is available. These are mapped in BLUE throughout this report.  
  • Other properties, which are not as likely to redevelop |
| 2: Determine assessed value | For each category of redevelopment potential above, we applied a different set of assumptions to estimate the future assessed value of development on the property. We include assessed value from real property, utilities, and personal property. We then combined the assessed value for all categories to create scenarios for possible future revenue generation. [These scenarios and the assumptions underlying them are described below.] |
| 3: Use assessed value to calculate TIF revenue | We compared estimated 2008 assessed value (or the frozen base) to estimated future assessed value from Step 2 to determine increase in value, applied effective tax rates, and estimated tax increment generated during the 20-year life of the URA. |

Source: ECONorthwest
Notes: (1) We use 2008-09 AV as the frozen base because this is the assumed year in which a new URA might be formed. (2) Effective tax rates include permanent rates for education and general government, as well as special levies and voter-approved, general obligation bonds approved before Oct. 2001. (3) 20 years is a typical lifetime for a URA, but the City could choose a longer or short timeframe if it decides to go forward with more detailed planning for a URA. (4) Historic (landmark) properties and abated properties were not assumed to generate TIF. More detail about how we address these properties is included in Appendix A.

• **Scenario 1: Low-growth** scenario assumes a slow, but conceivable pattern of development and redevelopment. On average, we assume about 730,000 sq. ft. of new development will be constructed in the study area each year. We assume no changes in zoning or floor area ratios (FAR) in this scenario.

• **Scenario 2: Medium-growth** scenario assumes moderate future development patterns and TIF revenue generation over the next 20 years. On average, we assume about 965,000 sq. ft. of new development will be constructed in the study area each year. We assume some changes in zoning and increases in FAR in some parts of the study area, where our interviews lead us to believe that development programs would be more aggressive if allowed by City code.
• **Scenario 3: High-growth** scenario assumes more rapid development, and greater generation of TIF revenue. On average, we assume about 1,185,000 sq. ft. of new development will be constructed in the study area each year. We assume some changes in zoning and increases in FAR in some parts of the study area, where our interviews lead us to believe that development programs would be more aggressive if City development code allowed.

• **Scenario 4: Base case (no new development)** scenario assumes that no major renovations or new buildings are constructed in the study area during the life of the URA. TIF revenue is generated only from appreciation of existing improvements. In this scenario, we assume a constant 3% increase in AV of real property over the life of the URA. It is very unlikely that this scenario would be seen in the real world; TIF revenue generation would almost certainly be higher. It is presented as a floor on TIF revenue generation numbers; these assumptions result in the minimum that might be collected in TIF over the next 20 years, barring sustained and unprecedented declines in real market value of properties.

All of the scenarios considered in this analysis would result in relatively modest increases in assessed value, ranging from 2.7% in the base case to 6.0% in the high scenario. Some urban renewal areas established after the passage of measure 50 have seen much greater growth in AV. The River District URA has seen AV increase 15.6% per year from 2000 to 2009, and North Macadam URA has seen AV increase 21.5% per year from 2005 to 2009.

**Identify TIF uses**

ECO also compiled the best information currently available regarding projects that might benefit from tax increment dollars. The information provides a starting place for future planning processes that will determine which projects are prioritized for TIF funding if one or more

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5 In theory, Oregon law dictates an assessment methodology that is most likely to support a minimum AV increase of 3% per year for all property types, but there are some situations in which AV in an area might increase at a rate lower than 3%. Examples are a change in use on a parcel from private to public and dramatic declines in area market values. There are additional reasons that **tax collection** might be less than our model predicts even if the AV increases: tax abatement programs to support affordable housing or historic properties are among them. We have anecdotal evidence that some areas in Portland may be experiencing less than a 3% increase in AV, but use 3% here as a reasonable proxy for a no-development scenario.

6 In fact, this scenario even assumes that some of the planned projects that will be under construction in 2009 are not developed. These projects are captured in all other scenarios.
URAs are formed. The projects ECO included are essentially a “wish list” of infrastructure and development projects identified through interviews with public-sector agencies (Bureau of Parks and Recreation, Portland Bureau of Transportation, others), community groups, property owners and developers.

When available, we gathered information about the possible costs and timing of these projects. The cost information is an order of magnitude estimate intended to provide a relative understanding of financing need in the study area. We report possible TIF uses and their estimated costs in Appendix C and D along with our TIF revenue projections, but provide the following cautions in interpreting the results:

- The list of uses is not intended to be comprehensive, and it has not been vetted through a detailed planning process (as would be required for forming a URA). Some projects that we identify may not materialize, while others will probably not be funded totally or partly with TIF dollars even if a new URA is formed. Other projects that are not identified in this study may be funded with TIF dollars if a new URA is formed.

- Estimates of tax increment growth cannot be directly compared to estimates of project costs (uses) in Appendix D for several reasons.
  - Tax increment estimates do not include estimates of bonding capacity, or the amount that an urban renewal area would be able to borrow to pay for projects. An urban renewal area’s bonding capacity is generally lower than its revenue generation, because some of the revenue must be used to pay for debt (interest, and other principal and interest costs of financing).
  - Our analysis only projects a 20-year TIF revenue stream. However, bonds issued late in this time period could be repaid with tax increment dollars generated after the 20-year life of the URA. Therefore, bonding capacity over the life of the URA(s) could be greater than TIF revenue generated in the first 20 years.
  - This study does not consider maximum indebtedness, or the upper limit on the amount of debt that a new URA can accrue. Maximum indebtedness may also lower the bonding capacity of a URA. This is an important limitation of this study that is discussed in more detail in the results section (Chapter 3).
  - URA boundaries are still unknown. The study area boundaries used in this analysis are not intended to be preliminary URA boundaries, and it is unlikely all projects
discussed in this report (both potential TIF generators and users) will be included in the ultimate URA boundaries.

- Cost estimates for potential TIF uses are very preliminary (as described above), and do not accurately reflect the more refined costs of projects that would be included in an urban renewal plan.

Recognizing that TIF could not pay for all public improvements in a potential new URA, we have also suggested other possible sources of revenue that might help pay for these projects. Those suggestions are contained in Appendix C.

**STEP 2: TAX INCREMENT NODE EVALUATIONS**

In step 1, ECO created a model that estimates tax increment generation by tax lot, as well as a list of possible public-sector and public-private partnership projects and their locations. Step 2 takes that information and considers the implications of various choices about boundary options. This study does not recommend specific locations for URA boundaries, but in Step 2, it does draw some conclusions about which areas might contribute the most to a new URA.

We identified redevelopment tax increment nodes, or areas within the study area that have high potential for generating tax increment. These are potentially catalytic areas that are more likely to make a strong financial contribution to a new URA, and should be carefully considered in the decision-making process that follows this technical study. While the tax increment nodes may have need for public-sector spending to spur the redevelopment, they were chosen primarily for their redevelopment potential and their potential impact on increment growth. In other words, they are the areas that appear to make the strongest contributions to tax increment growth and therefore may be strategic additions to a new urban renewal area.

For each tax increment node, ECO:

- Calculated tax increment generation estimates using the methodology described above
- Identified public investments needed to support redevelopment in the node
- Calculated the acreage and assessed value to provide information about how adding the Node might impact the City’s total acreage and AV in a URA (State statutes limit the total acreage and AV that can be in a URA in any jurisdiction. In Portland, 15% of the City’s total AV and 15% of its total acreage can be in a URA.)
• Determined the portion of AV in each tax increment node that would need to be removed from an existing URA if a new one were created there, to allow us to report the impact that removing this area from an urban renewal area would have on existing URAs (More on this point below.)

Based on this information, the study makes some general suggestions about the benefits and drawbacks of various decisions about locations for a new URA or URAs.

Removing properties from existing URAs

The study area overlaps partially with the Downtown Waterfront URA, and almost entirely encompasses the South Park Blocks URA (see Exhibit 1-3 for a map). Because these existing URAs still have debt obligations and still need to collect TIF to cover those obligations, a new URA can only remove a portion of assessed value from them.

The City’s Office of Management and Finance provided ECO with an estimate of how much assessed value could be removed from existing URAs. They determined that up to $201,550,000 in AV (2008$) could be removed from the Downtown Waterfront URA, and that up to $399,400,000 could be removed from the South Park Blocks URA.7

Removing any individual property is unlikely to generate significant consequences for existing URAs, but removing too many properties or properties with high values from existing URAs will not be possible. Because the boundary for the future URA or URAs is not yet known, in this analysis, we have addressed this issue through the tax increment node analysis. For each tax increment node, we identify how much AV would be removed from an existing URA if that tax increment node were included in a new URA. In the final section on conclusions, we suggest criteria for removing properties from existing URAs to support future decision-making about the location of URA boundary.

7 Calculated by Office of Management and Finance (OMF), provided to ECO on 12/29/2008. To calculate these numbers, OMF started with a maximum value to be removed in FY2009-10, subtracted estimated AV in the River District amendment area (i.e., land that has been moved from South Park Blocks and Downtown Waterfront URAs into the River District that will count against the maximum value to be removed, including a small adjustment to correct for methodology differences), and subtracted an allowance for utility and personal property. They added a 5% number for safety, and then rounded. The result is the amount of AV that could be removed from Downtown Waterfront and South Park Blocks URAs.
2.1.3 **STEP 3: QUALITATIVE ANALYSIS AND BLIGHT**

This study’s primary purpose is accomplished in Steps 1 and 2 described above: it estimates the tax increment generating capacity of the study area, identifies preliminary uses for TIF dollars, and draws some conclusions for making decisions about possible URA boundaries. Step 3 provides a qualitative assessment that is important for future URA planning, but is secondary to this evaluation’s purpose.

As described in Chapter 1 of this report, the Urban Renewal Advisory Group (URAG)\(^8\) created a list of criteria for evaluating a potential URA\(^9\). Step 3 provides a qualitative assessment of how the tax increment nodes in Step 2 address the following URAG criteria:

- **To what extent is the area poorly planned, underutilized, deteriorating, lack appropriate infrastructure, or have other real estate based needs?**
  
  Oregon statutes (Oregon Revised Statutes (ORS) 457, exhibit “r”) require that new urban renewal areas meet requirements for **blight**. State statutes stipulate that URA plans must find that the proposed URA is eligible for urban renewal because of existing blight, typified by conditions such as deteriorated buildings, low improvement to land value ratios, and/or lack of adequate infrastructure. This study includes a preliminary, general discussion of blighting characteristics in the study area. It does not provide the full legal review that would be required in a detailed urban renewal area plan and report. While this study does not identify specific findings of blight, ECO worked with legal counsel who is a recognized expert in urban renewal issues to preliminarily determine the likelihood that the areas would meet statutory requirements for blight.\(^{10}\)

- **To what extent would the URA and related strategies meet citywide goals and priorities for: economic development and job creation, housing development and affordable housing preservation, commercial and retail revitalization, neighborhood plans, and regional and local capital improvement plans.**

ECO conducted a qualitative analysis of the effect that inclusion of

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\(^8\) The Portland Development Commission formed the Urban Renewal Advisory Group (URAG) in May of 2007 to make recommendations regarding the future of three downtown URAs. URAG members included PDC Commissioners, a citizen representative, and City and County elected officials. This study builds on the results of the URAG’s recommendations, which are summarized in *The Future of Downtown Urban Renewal: River District, Downtown Waterfront, and South Park Blocks*, published March 4, 2008, and available at [www.pdc.org](http://www.pdc.org).


\(^{10}\) ORS 457-010 provides complete listing of blight criteria. See Appendix E.
each of the tax increment nodes would have on citywide goals and priorities, and suggested ways that the creation and implementation of a URA might further these goals.

- **Will the proposed URA meet the technical, legal, and financial criteria as stipulated by the statue, including citywide acreage and assessed value limitations?**
  The tax increment node analysis described in Step 2 partially addresses this, and we provide additional discussion in the results chapter that further highlights a response to this criterion. Any new URA proposed by the City will be required to meet statutory conditions.

- **What is the likelihood that the URA would significantly leverage City investment with private, state, or federal government investment?**
  Though this was not a primary focus of our analysis, we do provide information relevant to addressing this criterion by noting additional funding sources that could be invested in listed projects.

### 2.2 **Key Assumptions**

Any analysis that attempts to model future patterns relies on assumptions for its results, and the quality of the assumptions is the primary driver of the quality of results. This analysis required assumptions about future development mix, rate of development, future market values of properties, development code and policy about property tax assessment and collection, market cycles, and many other variables that are difficult, if not impossible, to accurately predict for a 20-year time period. Appendix A describes all of these assumptions.

Because this report was produced as the starting point for a decision-making process that will require additional and ongoing analysis, we created a model with assumptions that are easily updated to reflect changing market conditions or to test hypotheses about likely effects of various redevelopment scenarios. Different assumptions in future iterations may yield different results. That said, the assumptions that support the results in Chapter 3 were discussed and tested in detail.

Some key assumptions that underlie the model cannot easily be changed. These key assumptions are:

- For TIF revenue calculations, we assume that the assessed value of the area will be frozen in FY 2008-09.
• While it is expected that the last date to issue debt for a new URA would be 20 years from its formation date and that the URA would remain in existence after this date until bonds are fully repaid, this study has estimated TIF revenues for the first 20 years.\footnote{Note that the frozen base year can be adjusted within the model, but it requires more than simply entering a new value into the model; some restructuring of the financial model is required.}

• Our models assume that there will be no major changes in local or state policies that guide the process of assessing the value of property, and that property tax revenues will continue to be influenced by the constitutional caps that limit the growth in taxes for both existing and new properties.

• We assume an inflation rate of 3.0%. Our model presents results in both constant (2008 dollars) and current (future) values. Appendix E provides more information about the difference between constant and current dollars for interested readers.

• Because we assume an inflation rate of 3.0%, and the increase in assessed value of real property is limited by state statute to no more than 3.0% per year, we apply constant changed property ratios (CPR)\footnote{The change property ratios (CPR) change over time because, on average real market values increase at rates greater than 3% per year. Our model estimates TIF in current (future) dollars, and inflation is assumed to be 3% per year. Because we predict the rate of future growth in real market value to equal the rate for assessed values of properties, the CPR remains constant.} for each year of our analysis. The Multnomah County CPR is 0.5500 for apartments, 0.5046 for condominiums and other residential, and 0.4345 for commercial property. We assume an even mix of apartments and condominiums will be developed in the study area, so we use a blended CPR of .527 for all residential development. For structured parking we apply the CPR for the predominant building use.

• The study did not identify properties that might take advantage of tax abatements in the future. It is almost impossible to predict which incentives might be used for redevelopment projects over 20 years.

• Our model acknowledges the current economic recession, but does not predict future market cycles. Real estate development is a cyclical industry. Our analysis models TIF revenue generation through 2028. We are now in a recessionary period, the end and depth of which is unpredictable. It is certain that the market will experience numerous ups and downs during the life of a URA. No one can predict the exact timing or economic implications of these market cycles. \textbf{Our assumptions of market demand, real market}
value, and absorption rates (or the rate at which new development is constructed and sold) do not reflect the impacts of market cycles, though they have been adjusted to reflect expected slow growth in the early years of the URA. TIF revenue generation is particularly vulnerable to market fluctuations in the early years of the life of the URA.

All other assumptions are more easily changed in the model, and changes to these assumptions will produce different results. While the assumptions have been carefully vetted and reflect our best knowledge of the market at the time of completing this report, future work may reflect different assumptions based on new information. Some of these assumptions are:

- Our model presents results for four scenarios, which reflect four possible futures ranging from no development to a high estimate of what might be developed over 20 years. The scenarios can be easily adjusted. All scenarios modeled for this report are based on studies of previous development rates in Portland’s downtown and surrounding area. To the extent that past market trends suggest future market potential we have relatively reliable projections. It is possible that TIF revenue generation could be higher than what is presented in our “high” scenario if strong markets combine with significant public investment in infrastructure and catalytic development projects to support dramatic increases in density.

- We assume applicable mill rates (or tax rates) will remain constant over time at the permanent rate of $17.2627 per $1,000 of assessed value (for every $1,000 of assessed value in real property, the City collects about $17 in property taxes).13

- We assume inflation of 3.0% per year over the life of the URA.

- The maximum developable area of a given tax lot is assumed to be the lesser of the maximum floor-area-ratio (FAR; see Appendix A for definition) with bonus or the maximum building height with bonus. Assumptions on development mix vary according to comprehensive zone; for more detail, refer to Appendix A.

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13 Newly-formed districts do not collect income from local option levies or bonds approved after October 6, 2001. The City’s practice is to use only the permanent rates and Fire & Police Disability and Retirement levy (which was adopted prior to 2001 and will not decline over time) for calculating long-term bond capacity. While the district would collect revenues for other levies approved prior to October 6, 2001, we expect these to gradually decline. TIF revenues generated from these bond levies would be made available in the form of overnight or “du jour” indebtedness. The City would estimate the du jour potential when calculating a maximum indebtedness number.
• We assume real market value per square foot of residential (condos, single family units, and apartments) property to be $360, commercial and retail properties to be $275, and parking to be $150. These assumptions are based on interviews with developers, appraisers, and brokers who are active in the Central City of Portland, as well as existing market studies.

Assumptions about how specific properties might redevelop, and the assumptions and the logic behind them, are contained in Appendix C.

2.3 LIMITATIONS

The following summarizes limitations to the model and the results presented in Chapter 3. Some of these limitations are discussed in more detail earlier in this Chapter and in associated appendices.

• This study does not provide the full legal review that would be required in a detailed urban renewal area plan and report. It only includes a preliminary, general discussion of blighting characteristics in the study area. Additional research would be required to determine if a particular area meets the ORS 457 criteria for blight.

• The City will set a “maximum indebtedness” limit for the URA, per state statute, that caps the amount of debt that a URA can issue. It is possible that the maximum indebtedness figure would further reduce the actual spending power of the URA.

• ECO estimated TIF revenue generation, but did not estimate bonding capacity or maximum indebtedness of potential URA(s). Estimates of TIF revenue do not directly correlate to URA spending power, because some of the revenue must be used to finance interest and other borrowing costs.

• ECO projected a 20-year revenue stream; however, bonds issued near the end of this time period would be repaid with TIF revenue generated beyond this 20-year time period.

• Oregon statutes place legal limitations on the percentage of a jurisdiction’s acreage and assessed value that can be in an urban renewal area at any given time. The study area considered in this report is nearly too large to be included without exceeding acreage limits, and probably contains too much AV to be included. Though the tax increment node analysis provides useful data about acreage that can support future decisions, because this study does not
identify specific boundaries, it cannot answer questions about acreage limitations for the URA.

- This study identifies potential uses for TIF dollars and estimates costs for those uses, but the list is not intended to be comprehensive. Additional work will need to be done to refine the list of projects and programs that should be prioritized and funded in an urban renewal area plan.

- At the time of writing and publication of this report, the U.S. economy is experiencing unprecedented fluctuations and financial and real estate markets are particularly volatile. Future readers of this report should keep the unusual market climate in mind when assessing the applicability of ECO’s conclusions in the future.

- The model assumes that any new URA would have an assessed value base frozen in FY 2008-09. ECO understands that it normally takes nine months to a year to create a new URA, and that it is possible that any new URA would not be formed until 2010 or later. A frozen base in a later year may affect TIF generation.

- The focus of this study is on increment generation and potential uses for these funds within a predefined potential boundary. ECO acknowledges that most of the projects identified by public and private interviewees will require resources beyond TIF, and that if boundaries change the project list may be affected. In some cases ECO compiled a partial list of alternative resources as a starting place for planning discussions, contained in Appendix D.

- ECO did not assign tax increment to specific projects. This process would occur later in the URA planning and annual budgeting process if a new URA is formed.
Chapter 3  Study Area Results Summary

This chapter presents discussion and maps of redevelopment potential and results by subdistricts (Northwest, Goose Hollow, Downtown North of Market, and Downtown South of Market) and a summary of overall redevelopment capacity for the whole study area. ECO divided the study area into these four areas purely for purposes of analysis and presentation: the study area was too big to analyze without some subdivision. Exhibit 3-1 shows the study area and the location of the four subdistricts. This chapter closes with a Key Findings section that summarizes the results of the analysis.

State statutes limit the total amount of land and assessed value that can be included in urban renewal areas to 15% of the total acreage and 15% of the assessed value (excluding urban renewal incremental assessed value) of the jurisdiction. In the City of Portland, PDC estimates that only 665.5 acres of land and approximately $1.9 billion of AV can be added to new URAs. The total study area covers about 897 acres, 294 acres of which are within existing urban renewal areas for about 603 net new acres. The total study area has an AV of $3.1 billion, some of which is within existing urban renewal areas. If the largest possible URA were created in the study area, it would result in a net increase of about $1.9 billion of AV in urban renewal areas citywide. This is slightly larger than the total available capacity for AV in urban renewal areas in the City. Currently, there are urban renewal efforts in North and Northeast portion that would require a portion of the total capacity, and it is possible that other urban renewal efforts could require a portion of this capacity in the future. This is among the reasons that the study area boundaries should not be viewed as proposed boundaries for a new URA.

<table>
<thead>
<tr>
<th>Summary: Study Area Totals and Fast Facts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TIF revenue generation over 20 years for study area:</strong> $432.52 (low estimate) to $575.06 (high estimate), in millions of constant 2008 dollars.</td>
</tr>
<tr>
<td><strong>Sample public projects:</strong> Stronger connections over I-405 to reconnect neighborhoods; streetcar system improvements; public private partnerships to provide improved parking availability; affordable housing contributions; etc.</td>
</tr>
<tr>
<td><strong>Sample public-private partnerships:</strong> Mixed-use transit oriented development, commercial development to support business expansion and job creation</td>
</tr>
<tr>
<td><strong>Estimate of total project costs:</strong> Mostly unknown at this time**</td>
</tr>
<tr>
<td><strong>Total acres in study area:</strong> approximately 897 acres (about 603 net new acres, not already in another URA)</td>
</tr>
<tr>
<td><strong>Total assessed value in study area (frozen base):</strong> $3.1 billion in 2009.***</td>
</tr>
<tr>
<td><strong>Estimated square footage of new development per year:</strong> 730,000 (low) to 1,185,000 (high) square feet on average between 2009 and 2028.</td>
</tr>
</tbody>
</table>

**See Appendix C and D for details. Note that total project costs cannot be directly compared to estimates of tax increment for several reasons: some TIF dollars must cover financing costs on bonds; maximum indebtedness limits may reduce URA spending power. This study does not consider bonding capacity or maximum indebtedness.**

***This figure includes $1.6 billion in real and personal property already within existing URAs.

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14 Additionally, concurrent studies are considering possible changes to other urban renewal areas in the City (such as reducing Airport Way or expanding Interstate), which potentially also could affect the total acreage and AV available.

15 This number includes an adjustment for the difference between the original frozen base of the existing URA and the new frozen base of the potential new URA.
Exhibit 3-1: Preliminary Westside Central City Urban Renewal Study boundaries, Portland, Oregon, 2009

Source: ECONorthwest, 2009
3.1 **Subdistrict Results**

For each subdistrict, we provide:

- **Overview**
- **Redevelopment sites**
  - Discussion of tax increment finance (TIF) revenue generation
- **Potential TIF uses**
  - Review of possible public investment projects
- **Development scenario and TIF revenue results**
  - Summary of basic redevelopment assumptions for each subdistrict for three scenarios plus the base case
- **Tax increment node results**
  - We also present results within tax increment nodes, or areas within the study area that are likely to generate significant TIF revenue or that have significant project needs. For each tax increment node, we include: sources and uses, assessed value that would be removed from existing urban renewal areas, and a preliminary, general discussion of blighting characteristics.

3.1.1 **Why Tax Increment Node Results?**

While the results presented above are useful in the aggregate, there are several reasons that they may not be meaningful for making decisions about where a new URA(s) might be located, or whether or not it would be financially and legally viable:

- Limits on the total acreage that can be included in URAs in the City mean that the City will probably not be able to include the entire study area in a new URA.
- Limits on the total amount of assessed value that can be included in URAs in the City mean that the City would almost certainly not be able to include the entire study area in a new URA. As noted previously in this report, state statutes limit the total amount of land and assessed value that can be included in urban renewal areas to 15% of the total acreage and 15% of the assessed value (excluding urban renewal incremental assessed value) of the jurisdiction. In the City of Portland, PDC estimates that only 665.5 acres of land and approximately $1.9 billion of AV can be added to new URAs. The total study area covers about 897 acres, 294 acres of which are within existing urban renewal areas for about 603 net new acres. The total study area has an AV of $3.1 billion, $1.6
billion of which are within existing urban renewal areas, for about $1.9 billion of net new assessed value

- Without more refined division of the subdistricts, ECO cannot determine how much assessed value overlaps with existing urban renewal areas (South Park Blocks and Downtown Waterfront) to assure that existing urban renewal areas retain enough assessed value to meet their bond obligations.
- One of the key questions that decision-makers will need to answer in the next phase of planning for a potential new URA is: will the new URA(s) be financially viable, and generate enough TIF to cover priority projects? The analysis at the subdistrict level cannot answer that question.

Given the strategic decisions that the City may make about forming a URA and the limitations of the analysis at the subdistrict level, more refined analysis is necessary.

As described in more detail in the chapter on methods, ECO identified areas within the subdistricts with the greatest potential to generate increment. For each, we identify total acreage, total TIF revenue generation capacity, and the amount of AV that would be removed from an existing URA if the tax increment node is chosen for inclusion in a new URA. We also includes a preliminary, general discussion of blighting characteristics in the study area, and how inclusion of the URA would affect the City’s ability to meet other public goals. In short, for each tax increment node, we answer the question: what happens if this is included in a URA?

### 3.1.2 SUBDISTRICT 1: NORTHWEST OF DOWNTOWN

Exhibit 3-2 maps the redevelopment potential for the subdistrict that includes 18th and 19th Avenues north of Burnside, as well as the Con-way properties west of I-405 and south of Highway 30. This area has several areas with strong redevelopment potential; redevelopment here could support the City’s economic development goals for employment lands as well as improving the jobs/housing balance in the central City.

Blue properties are potential redevelopment sites, and have been identified as having characteristics (e.g. vacant lots, surface parking, low improvement to land value ratios, low use of total allowed floor area ratios) that make the properties more likely to redevelop over the life of the URA. Yellow properties are known projects, and have been identified
through the interview and document review process with a specific program for redevelopment. This result subsection:

1. Describes the redevelopment sites that this analysis identified, and our assumptions about how they would redevelop
2. Describes projects that this analysis identified as potentially requiring or benefiting from TIF dollars
3. Provides results for total TIF revenue generation

The results section for each of the other subdistricts is organized in the same way.

**Redevelopment sites in subdistrict 1**

The largest redevelopment site in subdistrict 1 is owned by Con-way, a freight company with corporate offices located on several blocks near NW 21st and Raleigh. This roughly 27.7 acre area has several advantages for redevelopment: the property has several very large surface-level parking lots that could be developed to higher densities, access to freeways, and successful commercial and residential development surrounding it.

Preliminary concept plans for Con-way’s redevelopment include multi-family housing, ground floor retail, office space, parks, and underground parking. Based on this preliminary concept plan, we developed two redevelopment programs for the Con-way property: one that conforms to existing zoning, and one that assumes changes in zoning to permit denser development (which would have to receive approval from the City before it could be permitted and built; this second scenario is therefore the high growth scenario). Due to current market conditions, an exact phasing plan for the Con-way development has not been determined. Based on interviews with the developer, ECO has assumed development would occur evenly over a 10-year period from 2011 to 2020.

Other redevelopment projects in the area Northwest of Downtown include:

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16 For more information about the process of identifying redevelopment and potential redevelopment sites, see Chapter 2 Framework and Appendix A, detailed methods for TIF revenue estimates.

17 As provided in interview with John Spencer, representing Con-Way as urban design consultant, December 2008

18 All projects are identified in a block referencing the northwest corner of the block. See Appendix D for complete project list.
• OPUS Housing – A six-story, mixed-use building at NW 19th and Hoyt. The project would include approximately 95,000 sq. ft. of residential development, 5,000 sq. ft. of retail, and 63 structured parking spaces.
• Johnson Street Investors Housing – A 55-unit apartment complex at NW 19th and Kearny, including a small retail component on the ground floor.
• Overton Corner – a small, mixed-use development at the intersection of NW 20th and Overton.

**Potential uses of TIF in subdistrict 1**

Public-sector investment would support and facilitate the redevelopment of the area northwest of downtown. When available, we gathered information about these possible projects. As described earlier in this report, the uses of TIF are essentially a “wish list” and a starting point for future planning processes that will more clearly identify public- and private-sector projects that could benefit from TIF expenditures. Detailed cost information is not available at this time, but to the extent that it is known, it is documented in Appendix D. Below is a partial list of potential public projects in subdistrict 1 that could use TIF revenue. A complete list is included in Appendix D19:

- Con-way public improvements included in a 19-block mixed-use development include: shared public/private parking, freeway ramp, neighborhood park, community center, and sustainable infrastructure. The site is approximately located between HWY 30, Pettygrove, 23rd and 19th.
- The Couch Park rehabilitation project is located at 20th and Hoyt.
- A streetcar project would entail laying 2.44 miles of new streetcar line running north/south from Burnside/Couch to Vaughn on 18th/19th to 23rd on Thurman/Raleigh.

**Results for subdistrict 1**

Exhibit 3-3 shows the redevelopment assumptions that were applied to potential redevelopment site properties (shaded blue in Exhibit 3-2), for three scenarios plus the base case. The base case assumes that there is no new development or redevelopment beyond current levels. The average

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19 As is true throughout the study area, this list of projects is not intended to be comprehensive, and it has not been vetted through a planning process that would be required for forming a URA. Some projects that we identify will probably not be funded with TIF dollars even if a new URA is formed. Other projects that we have not identified in this study may be funded.
square feet of new development each year is similar to that of subdistrict 2. Although the potential Con-way redevelopment project is large relative to other downtown area projects, its development will be phased over several years, making the average new square feet per year not significantly different from other subdistricts. The TIF revenue generation estimates that follow are based on these assumptions.

**Exhibit 3-3: Redevelopment assumptions for subdistrict 1 for three development scenarios, and base case, 2009-2028**

<table>
<thead>
<tr>
<th>% of potential redevelopment sites that redevelop over 20 years</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average sq. ft. of new development each year</td>
<td>30%</td>
<td>20%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>391,407</td>
<td>359,029</td>
<td>208,846</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, 2009

Exhibit 3-4: displays TIF revenue estimates for subdistrict 1 for the period 2009-2028. It shows low, medium, and high development scenarios in addition to a base case.

**Exhibit 3-4: TIF revenue potential for subdistrict 1 for three development scenarios, and base case, 2009-2028 (millions of 2008$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 $ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010 0.15</td>
<td>0.14</td>
<td>0.14</td>
<td>0.11</td>
<td></td>
</tr>
<tr>
<td>2011 0.36</td>
<td>0.32</td>
<td>0.50</td>
<td>0.22</td>
<td></td>
</tr>
<tr>
<td>2012 0.71</td>
<td>0.61</td>
<td>0.97</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td>2013 1.05</td>
<td>0.83</td>
<td>1.39</td>
<td>0.43</td>
<td></td>
</tr>
<tr>
<td>2014 1.38</td>
<td>1.04</td>
<td>2.04</td>
<td>0.52</td>
<td></td>
</tr>
<tr>
<td>2015 2.14</td>
<td>1.71</td>
<td>2.66</td>
<td>0.62</td>
<td></td>
</tr>
<tr>
<td>2016 2.94</td>
<td>2.51</td>
<td>3.40</td>
<td>0.71</td>
<td></td>
</tr>
<tr>
<td>2017 3.74</td>
<td>3.26</td>
<td>4.00</td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td>2018 5.02</td>
<td>4.49</td>
<td>4.83</td>
<td>0.89</td>
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</tr>
<tr>
<td>2019 6.21</td>
<td>5.66</td>
<td>5.65</td>
<td>0.98</td>
<td></td>
</tr>
<tr>
<td>2020 7.78</td>
<td>7.17</td>
<td>6.78</td>
<td>1.06</td>
<td></td>
</tr>
<tr>
<td>2021 9.07</td>
<td>8.40</td>
<td>7.04</td>
<td>1.15</td>
<td></td>
</tr>
<tr>
<td>2022 10.80</td>
<td>10.08</td>
<td>7.29</td>
<td>1.22</td>
<td></td>
</tr>
<tr>
<td>2023 12.52</td>
<td>11.75</td>
<td>7.54</td>
<td>1.30</td>
<td></td>
</tr>
<tr>
<td>2024 14.24</td>
<td>13.43</td>
<td>7.79</td>
<td>1.38</td>
<td></td>
</tr>
<tr>
<td>2025 14.73</td>
<td>13.83</td>
<td>8.04</td>
<td>1.45</td>
<td></td>
</tr>
<tr>
<td>2026 15.23</td>
<td>14.24</td>
<td>8.29</td>
<td>1.52</td>
<td></td>
</tr>
<tr>
<td>2027 15.72</td>
<td>14.64</td>
<td>8.54</td>
<td>1.59</td>
<td></td>
</tr>
<tr>
<td>2028 16.22</td>
<td>15.04</td>
<td>8.79</td>
<td>1.65</td>
<td></td>
</tr>
<tr>
<td>Total 140.01</td>
<td>129.14</td>
<td>95.67</td>
<td>17.94</td>
<td></td>
</tr>
</tbody>
</table>

Source: ECONorthwest.

Note: All values are adjusted for inflation and presented in constant 2008 dollars.
## Tax increment nodes A and B

### Exhibit 3-5: Tax Increment Node A in Northwest: Details

| Description | This node is in the northwest corner of the study area, and is bounded by Highway 30 to the north and I-405 to the east. The node contains a mix of residential and commercial uses. Though it has seen some recent residential development, little new commercial or retail development has occurred except for a new office building on the Con-way-owned site. The largest property owner is Con-way, a global provider of logistics, transportation management, and freight transportation. Con-way’s properties in this node house corporate and professional offices. Adjacent to the node is 23rd St., a vibrant retail and commercial district. Legacy Hospital is also nearby, and is a major employer in the Central City. See Exhibit 3-2 for boundary map. |
| Projects in the node | The 2003 Northwest District Plan calls for mixed-use development in this area that is integrated into the urban fabric of the existing Northwest District. The plan calls for taller buildings near the elevated freeways and the development of new parks and potentially a community center in this node. Con-way has expressed an interest in redeveloping its property as a mixed-use employment center at a higher density than current zoning would allow. A separate zoning process would have to be undertaken to change the zoning to allow development at the densities suggested by the owners. While plans are still preliminary, the development could include commercial uses, housing, underground parking, parks and open space, a community center, and water features. This is one of the few remaining large-scale redevelopment opportunities in Central Portland. Streetcar system expansion might service this area. The area is one among several that the City is considering as a location for an eco-district, which is a program to test, accelerate, and eventually codify the next generation of best practices in green development and civic infrastructure that can be scaled to create neighborhoods with the lowest environmental impact and highest economic and social resiliency in the United States. |
| Existing Conditions that may suggest blight | While a more detailed analysis of the node will be needed to confirm the presence of blight, a preliminary review of the existing conditions in the node suggests that blighting characteristics exist in this node:  
- There are numerous, large surface parking lots in the tax increment node, especially among the properties owned by Con-way. The concentration of such surface parking lots is suggestive of a growing or total lack of proper utilization of the area, and resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).  
- The street grid is incomplete and inadequate in parts of the node where large surface parking lots and super blocks have inadequate right-of-ways to support traffic circulation and pedestrian and bike access, as well as inadequate utility and other infrastructure to support a vibrant urban environment. While the area has excellent proximity to I-405 and Highway 30, inadequate street and right-of-way access limits growth opportunities. Access to and from regional highway facilities is constrained by congestion on the neighborhood collectors. Local streets also need improvement to accommodate higher traffic demands. The node has an inadequate provision of open space to support the existing population. The transportation patterns for the streets and rights-of-way in the node have been planned to accommodate automobile traffic, but are inadequate to provide access by other planned modes of travel, such as certain types of public transit and bicycles. The inadequacies of the streets, rights-of-way, open spaces and utilities are suggestive of blight consistent with ORS 457.010(1)(e). Such inadequacies in the streets, rights-of-way, open spaces |
and utilities also potentially limits the ability of the node to grow and be properly utilized, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).

- There may be buildings in the node that are unfit or unsafe to occupy for their intended purposes because they do not meet current seismic codes which may be suggestive of defective design and quality of physical construction consistent with ORS 457.010(1)(a)(A).

A preliminary review of the area immediately surrounding this node suggests that it may possess blighting characteristics based on the presence of the following existing conditions:

- The presence of surface parking lots
- Buildings that are unsafe or unfit for their intended purpose because they do not meet seismic code
- Inadequate streets and rights-of-way to provide access to regional transportation facilities
- Inadequate open space.

<table>
<thead>
<tr>
<th>Support other City Goals?</th>
<th>Some of the zoning in this tax increment node supports the development of new office buildings, which generally supports goals for job creation. Redevelopment in the area would support goals around commercial and retail revitalization.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The node is within easy walking distance of some of the City’s major employment centers. Housing projects that are planned for or already exist in the area support a jobs / housing balance in the downtown core. It has the potential to be a “20 minute neighborhood”, in which the mix of uses allow residents access to employment, shopping, recreation, and housing within a twenty minute walk.</td>
</tr>
<tr>
<td></td>
<td>Housing in this node could target all income levels and provide additional affordable housing options.</td>
</tr>
<tr>
<td></td>
<td>This node is located in a potential new eco-district that will further the City’s goals for improving the sustainability of the built environment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue Generation Potential</th>
<th>TIF revenue estimates over 20-years vary for different scenarios: $7.0 M (base case), $72.2 M (low), $102.4 M (medium), and $105.9 M (high).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total acreage</td>
<td>This tax increment node includes 64.6 acres, including right-of-way.</td>
</tr>
<tr>
<td>AV removed from existing URAs (if this node is included in a new URA)</td>
<td>None</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, 2009. Based on data from interviews, 2009 assessors database, and Metro’s RLIS database
### Exhibit 3-6: Tax Increment Node B in Northwest: Details

<table>
<thead>
<tr>
<th>Description</th>
<th>This node is located just west of I-405 in Northwest Portland, between 16th and 20th and Pettygrove and Marshall. It contains a mix of residential and commercial uses. Surface-level parking lots provide opportunity for redevelopment. An existing east / west streetcar line runs through this node along Northrup from the adjacent Pearl district to Legacy Good Samaritan Hospital. See Exhibit 3-2 for a boundary map.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects in the node</td>
<td>Extension of the street car line may service this node (north to south).</td>
</tr>
<tr>
<td>Existing Conditions that may suggest blight</td>
<td>While a more detailed analysis of the node will be needed to confirm the presence of blight, a preliminary review of the existing conditions in the node suggests that blighting characteristics exist in this node:</td>
</tr>
<tr>
<td></td>
<td>• As the area experiences continued infill development, it will need a more efficient transportation system that doesn’t rely on automobiles. Currently, the right-of-way is inadequate to accommodate public transit and bicycles; transit and bicycle infrastructure improvements are needed to create an adequate transportation system to connect the area to surrounding neighborhoods. The transportation patterns for the streets and rights-of-way in the node have been planned to accommodate automobile traffic, but are inadequate to provide access by other planned modes of travel, such as certain types of public transit and bicycles. These inadequacies of the streets and rights-of-way are suggestive of blight consistent with ORS 457.010(1)(e). Such inadequacies in the streets, rights-of-way, open spaces and utilities also potentially limit the ability of the node to grow and be properly utilized, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).</td>
</tr>
<tr>
<td></td>
<td>• In this node, a total of 15% of the maximum allowed FAR has been used. The node also has many surface-level parking lots and other underdeveloped properties. About 21% of the taxlots in this node have an improvement to land ratio of less than 0.25, demonstrating that much of the land in this node is under-utilized. (Publicly-owned buildings with an assessed value of $0 were not included in this calculation). The concentration of such surface parking lots and the relatively low utilization of FAR and improvement to land ratio is suggestive of a growing or total lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).</td>
</tr>
<tr>
<td></td>
<td>• Land assembly for development in the node is a challenge because the division of property has resulted in lots of irregular form and shape or dimensions for property usefulness and development. Such division of property is suggestive of blight consistent with ORS 457.010(1)(c).</td>
</tr>
<tr>
<td></td>
<td>• There may be buildings in the node that are unfit or unsafe to occupy for their intended purpose because they do not meet current seismic codes which may be suggestive of defective design and quality of physical construction consistent with ORS 457.010(1)(a)(A).</td>
</tr>
<tr>
<td></td>
<td>A preliminary review of the area immediately surrounding this node suggests that it may possess blighting characteristics based on the presence of the following existing conditions:</td>
</tr>
<tr>
<td></td>
<td>• Surface parking lots</td>
</tr>
<tr>
<td></td>
<td>• Buildings that are unsafe or unfit for their intended purpose because they do not meet seismic code</td>
</tr>
<tr>
<td></td>
<td>• Inadequate streets or rights-of-way to provide access to regional transportation facilities.</td>
</tr>
</tbody>
</table>
### Support other City Goals?

Progress could be made toward the City’s goals for increasing employment opportunities in the Central City and for creating a more advantageous jobs / housing balance in this node.

The possible extension of the streetcar line through this node would support City goals around increasing access to mass transit.

### Revenue Generation Potential

TIF revenue estimates over 20-years vary for different scenarios: $1.6 M (base case), $7.7 M (low), $9.2 M (medium), and $12.9 M (high).

### Total acreage

This tax increment node includes 18.3 acres, including right-of-way.

### AV removed from existing URAs

None

Source: ECONorthwest, 2009. Based on data from interviews, 2009 assessors database, and Metro’s RLIS database
Exhibit 3-2: Map of Subdistrict 1 (Northwest of Downtown), Portland, Oregon 2008

Source: ECONorthwest 2009
3.1.3 **Subdistrict 2: Goose Hollow**

Exhibit 3-7 shows the redevelopment potential for the subdistrict that includes most of the Goose Hollow neighborhood, located west of I-405 and north of Highway 26. PGE Park (Portland’s baseball and soccer stadium), Lincoln High School, the Multnomah Athletic Club, and several recently constructed apartment and condominium mixed-use developments are located in Goose Hollow. Though Goose Hollow is directly adjacent to downtown, well-served by mass transit, zoned to support higher density development that is similar to downtown zoning, and has several large opportunity sites, it has not seen the level of development that has been realized in other parts of the Central City. The development of the MAX light-rail line has provided needed mass transit access, but has not been supported by other major infrastructure improvements (including pedestrian and bicycle access improvements across I-405) that would allow the area to reach its potential.

Blue properties are potential redevelopment sites, and have been identified as having characteristics (e.g. vacant lots, surface parking, low improvement to land value ratios, low use of total allowed floor area ratios) that make the properties more likely to redevelop over the life of the URA. Yellow properties are redevelopment sites, and have been identified through the interview and document review process with a specific program for redevelopment.20

**Redevelopment sites in subdistrict 2**

The largest redevelopment site in subdistrict 2 is Lincoln High School. This facility, owned by Portland Public Schools, is recognized as needing additional student capacity and renovation. Some concept plans for the potential redevelopment21 provide guidance about how the site might evolve to include a mix of public and private uses while improving the facility for students and faculty. There is still debate about which of the concept plans might be best for the school and the school district, and no development timeline has currently been identified. Because the high school’s site is adjacent to other redevelopment parcels, it is possible that a new mixed-use project that incorporates a new school could generate even more robust private taxable development.

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20 For more information about the process of identifying redevelopment and potential redevelopment sites, see Chapter 2 Framework and Appendix A, detailed methods for TIF revenue estimates.

Potential TIF uses in subdistrict 2

Public-sector investment would support and facilitate the redevelopment of the Goose Hollow area. When available, we gathered information about these possible projects. Detailed cost information is not available at this time. Below is a list of potential public projects in subdistrict 2 that could use TIF revenue:

- The redevelopment of Lincoln High School sites, if it goes forward, might benefit from TIF. The concept plans for the potential redevelopment suggest a new high school on the property located between 18th, I-405, Salmon and Main streets. Public investment could be involved to stimulate private development and increase site utilization similar to other urban uses.
- The Fireman’s Memorial at 18th and Burnside might be restored and enhanced.
- A new pedestrian bridge would enhance the connection between West Burnside and the Wildwood Trail.
- Salmon and Madison Streets could be extended through the Lincoln High School property.
- Street improvements on upper West Burnside (NW 16th Ave to 23rd Ave.) might include a new road as well as pedestrian and crossing improvements.
- A new streetcar line on upper West Burnside might connect NW 16th Ave to NW 23rd Ave.
- PGE Park could be redesigned to accommodate Major League Soccer, and the baseball stadium relocated to another part of the City.
- A lid over the I-405 would enhance connections between Goose Hollow and the downtown core, and could provide additional room for new development or parks and open space.
- Affordable housing projects will require TIF funding if a new URA is created.

Results for subdistrict 2

Exhibit 3-8 shows the basic redevelopment assumptions for subdistrict 2, for three scenarios plus the base case. The percent of sites that redevelop are the same as subdistrict 1 across all scenarios, but the assumed average square feet of new development is similar to that of subdistrict 1 (Northwest), and slightly smaller than that of subdistrict 4 (Downtown South of Market). The TIF revenue generation estimates that follow are based on these assumptions.
**Exhibit 3-8: Redevelopment assumptions for potential redevelopment sites in subdistrict 2 under four scenarios, 2009-2028**

<table>
<thead>
<tr>
<th>% of potential redevelopment sites that redevelop over 20 years</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average sq. ft. of new development each year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>30%</td>
<td>20%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>2010</td>
<td>181,652</td>
<td>123,347</td>
<td>102,445</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, 2009

Exhibit 3-9 displays TIF revenue estimates for subdistrict 2 for the period, 2009-2028. It includes low, medium, and high development scenarios in addition to a base case.

**Exhibit 3-9: Tax increment potential for subdistrict 2 (Goose Hollow) for four development scenarios, 2009-2028 (millions of 2008$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2010</td>
<td>0.22</td>
<td>0.21</td>
<td>0.20</td>
<td>0.20</td>
</tr>
<tr>
<td>2011</td>
<td>0.51</td>
<td>0.47</td>
<td>0.40</td>
<td>0.39</td>
</tr>
<tr>
<td>2012</td>
<td>0.84</td>
<td>0.73</td>
<td>0.60</td>
<td>0.57</td>
</tr>
<tr>
<td>2013</td>
<td>1.26</td>
<td>1.02</td>
<td>0.86</td>
<td>0.75</td>
</tr>
<tr>
<td>2014</td>
<td>1.67</td>
<td>1.31</td>
<td>1.10</td>
<td>0.92</td>
</tr>
<tr>
<td>2015</td>
<td>2.25</td>
<td>1.70</td>
<td>1.31</td>
<td>1.09</td>
</tr>
<tr>
<td>2016</td>
<td>4.40</td>
<td>3.56</td>
<td>3.16</td>
<td>1.26</td>
</tr>
<tr>
<td>2017</td>
<td>5.02</td>
<td>3.86</td>
<td>3.35</td>
<td>1.42</td>
</tr>
<tr>
<td>2018</td>
<td>5.33</td>
<td>4.11</td>
<td>3.53</td>
<td>1.58</td>
</tr>
<tr>
<td>2019</td>
<td>5.54</td>
<td>4.30</td>
<td>3.70</td>
<td>1.73</td>
</tr>
<tr>
<td>2020</td>
<td>5.82</td>
<td>4.53</td>
<td>3.86</td>
<td>1.87</td>
</tr>
<tr>
<td>2021</td>
<td>6.13</td>
<td>4.77</td>
<td>4.17</td>
<td>2.02</td>
</tr>
<tr>
<td>2022</td>
<td>6.35</td>
<td>4.95</td>
<td>4.47</td>
<td>2.16</td>
</tr>
<tr>
<td>2023</td>
<td>6.56</td>
<td>5.12</td>
<td>4.77</td>
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</tr>
<tr>
<td>2024</td>
<td>6.78</td>
<td>5.28</td>
<td>5.07</td>
<td>2.42</td>
</tr>
<tr>
<td>2025</td>
<td>7.32</td>
<td>5.73</td>
<td>5.37</td>
<td>2.55</td>
</tr>
<tr>
<td>2026</td>
<td>7.85</td>
<td>6.18</td>
<td>5.66</td>
<td>2.68</td>
</tr>
<tr>
<td>2027</td>
<td>8.38</td>
<td>6.63</td>
<td>5.95</td>
<td>2.80</td>
</tr>
<tr>
<td>2028</td>
<td>8.91</td>
<td>7.07</td>
<td>6.24</td>
<td>2.92</td>
</tr>
</tbody>
</table>

Total: $91.13 $71.52 $63.77 $31.60


Note: All values are adjusted for inflation and presented in constant 2008 dollars.
### Tax increment node C

#### Exhibit 3-10: Tax Increment Node C in Goose Hollow: Details

<table>
<thead>
<tr>
<th>Description</th>
<th>This tax increment node is bounded by I-405 to the east. It is bisected by the red and blue MAX light rail lines. The largest property in this node is owned by Portland Public Schools (Lincoln High). Recent condominium development has brought additional high-density development to the area, but it remains underdeveloped relative to its zoning capacity. PGE Park is immediately adjacent to this node. See Exhibit 3-7 a map of the node.</th>
</tr>
</thead>
</table>
| Projects in the node | Conceptual plans for the redevelopment of Lincoln High have been created. The redevelopment vision includes potential for underground parking to meet a variety of public and private needs, open space, new streets, and commercial and / or housing development. Some of the conceptual plans include a mix of school district and private sector uses.  
  
The freeway creates a barrier for efficient pedestrian and bicycle access to downtown Portland from this node. Some improvements to existing crossings or a cap on the freeway would improve access. 
  
  TriMet would like to develop a property that it owns in this node as a transit-oriented development; it would be a mixed-use residential development with direct access to the light rail line. |
| Existing Conditions that may suggest blight | While a more detailed analysis of the node will be needed to confirm the presence of blight, a preliminary review of the existing conditions in the node suggests that blighting characteristics exist in this node:  
  
  - In this node, a total of 11% of the maximum allowed FAR has been used. This is the lowest development level relative to allowed FAR of any of the tax increment nodes that this study evaluates (though it does include the significant open space at Lincoln High). This demonstrates a lack of proper utilization of the area resulting in a stagnant and unproductive condition of the land. The node also contains several surface parking lots. About 25% of taxlots in the node have an improvement to land ratio of less than 0.25, demonstrating that about one-quarter of the land in this node is underutilized. (Publicly-owned buildings with an assessed value of $0 were not included in this calculation). The concentration of such surface parking lots and low improvement to land ratios and utilization of FAR is suggestive of a growing or total lack of proper utilization of the area, and resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h). 
  
  - Lincoln High school is widely recognized as an inefficient public resource that has the potential to redevelop and include private, alternative uses. The existing structure has a faulty interior arrangement and exterior spacing and is obsolete and deteriorating consistent with ORS 457.010(1)(a)(B), (E). 
  
  - Streets and rights-of-way provide inadequate connections to major employment centers and civic institutions downtown, especially for bicycle and pedestrian traffic. The inadequacies of the streets and rights-of-way are suggestive of blight consistent with ORS 457.010(1)(e). Such inadequacies in the streets and rights-of-way potentially limit the ability of the node to grow and be properly utilized, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h). 
  
  - There may be buildings in the node that are unfit or unsafe to occupy for their intended purpose because they do not meet current seismic codes which may be suggestive of defective design and quality of physical construction consistent with ORS 457.010(1)(a)(A). |
A preliminary review of the area immediately surrounding this node suggests that it may possess blighting characteristics based on the presence of the following existing conditions:

- Buildings in the Goose Hollow area may be unfit or unsafe to occupy for their intended purpose because they do not meet current seismic codes, or may be obsolete and deteriorating.
- The area has inadequate open space to support the existing population, as well as the expected population growth.

### Support other City Goals?

Progress could be made toward the City’s goals for increasing employment opportunities in the Central City and for creating a more advantageous jobs / housing balance in this node. It also could support progress toward a 20-minute city, in which shopping, entertainment, housing, and employment are located within a 20 minute walk.

The Portland Public School District’s goals of improving educational infrastructure could be addressed at Lincoln High School with the proceeds of the sale of the current site.

Goals for improving the quality and availability of transit-oriented development could be addressed along the light-rail line.

### Revenue Generation Potential

TIF revenue estimates over 20-years vary for different scenarios: $4.7 M (base case), $25.5 M (low), $30.0 M (medium), and $43.1 M (high).

### Total acreage

This tax increment node includes 33.8 acres, including right-of-way.

### AV removed from existing URAs (if this node is included in a new URA)

None

Exhibit 3-7: Map of Subdistrict 2 (Goose Hollow), Portland, Oregon 2008

Source: ECONorthwest 2009
3.1.4 **SUBDISTRICT 3: DOWNTOWN NORTH OF MARKET**

Exhibit 3-11 shows the redevelopment potential for the subdistrict that includes downtown Portland between Burnside and Market streets to the north and south, and the Willamette River and Interstate 405 to the east and west. This area includes Portland’s retail core, which is the financial and economic center of the region. City policy intends to support job growth and a vital, active mix of uses in this subdistrict. The Central City Plan update process will outline public investments needed to support these goals.

Blue properties are potential redevelopment sites, and have been identified as having characteristics (e.g. vacant lots, surface parking, low improvement to land value ratios, low use of total allowed floor area ratios) that make the properties more likely to redevelop over the life of the URA. Yellow properties are redevelopment sites, and have been identified through the interview and document review process with a specific program for redevelopment.22

A significant portion of subdistrict 3 is within existing urban renewal areas. Of the total assessed value of $1.92 billion in this subdistrict, approximately $1.57 billion is within the Downtown Waterfront and South Park Blocks URAs. While some of this property could be removed from existing URAs and included in one or more new URAs, the majority of this property would need to remain in the existing URAs to meet outstanding financial obligations. For this reason, TIF revenue projections for Subdistrict 3 ultimately depend on which specific properties are removed from existing URAs. Because no specific boundaries have been drawn for the new URA, our analysis could not include this level of detail. However, we did recalculate the frozen base of subdistrict 3, subtracting the amount of assessed value necessary to meet the financial obligations of existing districts. The adjusted frozen base of subdistrict 3 is $992.77 million – nearly $1 billion less than the unadjusted value.23 Additionally, the tax increment node analysis that follows in the next chapter addresses this issue by discussing the effect of including specific portions of the areas of overlap into a new URA.

---

22 For more information about the process of identifying redevelopment and potential redevelopment sites, see Chapter 2 Framework and Appendix A, detailed methods for TIF revenue estimates.

23 Approximately 52% of the assessed value (AV) in subdistrict 3 would need to remain in existing URAs to meet outstanding financial obligations. However, this would not necessarily result in a 52% decrease in TIF revenue generation of subdistrict 3. TIF revenue depends on the assessed value and the development potential of individual tax lots.
Redevelopment sites in subdistrict 3

Unlike in the other subdistricts, there is no one major redevelopment site in subdistrict 3. There are a number of known redevelopment sites, some of which are currently under construction. These are shaded in yellow in Exhibit 3-11.

Potential TIF uses in subdistrict 3

Public-sector investment would support and facilitate the redevelopment of subdistrict 3. When available, we gathered information about these possible projects. Detailed cost information is not available at this time. Below is a partial list of potential public projects in subdistrict 3 that could use TIF revenue. A complete list is available in Appendix D:

• Redevelopment of properties expected to be sold by Multnomah County at the Morrison bridgehead.

• A Morrison bridgehead redevelopment project could require the replacement of existing County parking and the creation of public parking at 2nd and Washington.

• At the Hawthorne bridgehead, 1st and Main, a new Courthouse might also include ramp improvement.

• The existing Multnomah County Courthouse at 5th and Salmon could be refurbished.

• Ankeny Street from 4th Ave to Naito Parkway could be improved with streetscape enhancements.

• Park Avenue from Park and 9th/Yamhill to Burnside could be improved with streetscape enhancements.

• Ankeny Plaza at 1st and Ankeny could be refurbished.

• Ankeny Park at Park and Burnside could be refurbished.

• Waterfront Park from Market to Ash could be refurbished.

• Burnside/Couch street improvements could include a couplet on Burnside and Couch from 16th to the Burnside Bridge.

• Burnside/Couch Streetcar would run from 16th to the Burnside Bridge.

• Main Street and the PCPA/Arlene Schnitzer Concert Hall could be refurbished.

• Affordable housing (section 8 preservation) could be developed.
Results for subdistrict 3

Exhibit 3-12 shows the basic redevelopment assumptions for subdistrict 3, for three scenarios plus the base case. The percent of sites that redevelop are the same as all the other subdistricts across all scenarios, but the assumed average square feet of new development is significantly higher than the rest of the subdistricts due to the relatively large scale of downtown redevelopment projects. The TIF revenue generation estimates that follow are based on these assumptions.

Exhibit 3-12: Assumptions for potential redevelopment sites in subdistrict 3 in four scenarios, 2009-2028

<table>
<thead>
<tr>
<th></th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of potential redevelopment sites that redevelop over 20 years</td>
<td>30%</td>
<td>20%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>Average sq. ft. of new development each year</td>
<td>406,981</td>
<td>325,207</td>
<td>284,320</td>
<td>0</td>
</tr>
</tbody>
</table>


Exhibit 3-13 displays TIF revenue estimates for subdistrict 3 for the period, 2009-2028. It includes low, medium, and high development scenarios in addition to a base case in which we assume that no new development will occur.
### Exhibit 3-13 TIF revenue potential for subdistrict 3 (Downtown North of Market) for four development scenarios 2009-2028 (millions of 2008$)

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>2.41</td>
<td>2.38</td>
<td>2.34</td>
<td>0.76</td>
</tr>
<tr>
<td>2011</td>
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<td>2012</td>
<td>4.79</td>
<td>4.47</td>
<td>4.10</td>
<td>2.23</td>
</tr>
<tr>
<td>2013</td>
<td>6.20</td>
<td>5.54</td>
<td>5.07</td>
<td>2.93</td>
</tr>
<tr>
<td>2014</td>
<td>7.59</td>
<td>6.59</td>
<td>5.99</td>
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</tr>
<tr>
<td>2015</td>
<td>9.06</td>
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<td>7.17</td>
<td>4.28</td>
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<td>2016</td>
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<td>8.56</td>
<td>7.89</td>
<td>4.92</td>
</tr>
<tr>
<td>2017</td>
<td>11.04</td>
<td>9.61</td>
<td>8.64</td>
<td>5.55</td>
</tr>
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<td>2018</td>
<td>12.13</td>
<td>10.55</td>
<td>9.37</td>
<td>6.16</td>
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<td>2019</td>
<td>13.62</td>
<td>11.98</td>
<td>10.74</td>
<td>6.76</td>
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<td>2020</td>
<td>15.29</td>
<td>13.49</td>
<td>12.07</td>
<td>7.33</td>
</tr>
<tr>
<td>2021</td>
<td>16.35</td>
<td>14.38</td>
<td>13.11</td>
<td>7.89</td>
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<td>15.07</td>
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</tr>
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<td>2023</td>
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<td>15.15</td>
<td>8.97</td>
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<tr>
<td>2024</td>
<td>18.79</td>
<td>16.43</td>
<td>16.17</td>
<td>9.48</td>
</tr>
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<td>2025</td>
<td>20.43</td>
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<td>10.47</td>
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<td>2027</td>
<td>23.64</td>
<td>20.56</td>
<td>19.10</td>
<td>10.95</td>
</tr>
<tr>
<td>2028</td>
<td>25.23</td>
<td>21.91</td>
<td>20.04</td>
<td>11.41</td>
</tr>
<tr>
<td>Total</td>
<td>$ 257.15</td>
<td>$ 225.50</td>
<td>$ 209.59</td>
<td>$ 123.65</td>
</tr>
</tbody>
</table>


Note: (1) All values are adjusted for inflation and presented in constant 2008 dollars. (2) TIF revenue estimates do not reflect that some properties cannot be included in a new URA, because they must remain in existing URAs to meet financial obligations.
### Tax increment nodes D & E

#### Exhibit 3-14: Tax Increment Node D in Downtown North of Market: Details

<table>
<thead>
<tr>
<th>Description</th>
<th>This node is mostly within Portland’s retail core, and is bounded by I-405 to the west. Development patterns are largely commercial and mixed use, with some larger office towers. See Exhibit 3-11 for a map of the boundaries.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects in the node</td>
<td>Projects in this node include improvements and upgrades to the Park Ave. streetscapes, as well as redevelopment and improvements to the retail core.</td>
</tr>
</tbody>
</table>
| Existing Conditions that may suggest blight | While a more detailed analysis of the node will be needed to confirm the presence of blight, a preliminary review of the existing conditions in the node suggests that blighting characteristics exist in this node:  
1. In this node, a total of 33% of the maximum allowed FAR has been used. While this is the highest amount of FAR used in any of the tax increment nodes that this study evaluates, it nonetheless demonstrates a lack of proper utilization of the area and an unproductive condition of the land. About 34% of all taxlots in the node have an improvement to land ratio of less than 0.25, suggesting that more than a third of the land in this node is underutilized or vacant. (Publicly-owned buildings with an assessed value of $0 were not included in this calculation). The inadequacies of the streets, rights-of-way, open spaces and utilities are suggestive of blight consistent with ORS 457.010(1)(e). The concentration of such surface parking lots, low utilization of FAR, and low improvement to land ratios suggest a growing or total lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).  
2. There may be buildings in the node that are unfit or unsafe to occupy for their intended purpose because they do not meet current seismic codes which may be suggestive of defective design and quality of physical construction consistent with ORS 457.010(1)(a)(A).  
A preliminary review of the area immediately surrounding this node suggests that it may possess blighting characteristics based on the presence of the following existing conditions:  
1. Buildings in the area surrounding this node may be unfit or unsafe to occupy for their intended purpose because they do not meet current seismic codes.  
2. The area surrounding this node contains obsolete or deteriorating buildings. |
| Support other City Goals? | In general, the City wants to support development in this node and in the retail core that surrounds it that creates a strong, regional retail center with a variety of retail outlets. More specifically, the City is interested in supporting a signature Retail Street downtown, to position Portland’s retail core as a vibrant regional attractor. Progress could be made toward the City’s goals for increasing employment opportunities in the Central City and for creating a more advantageous jobs / housing balance in this node. Some existing and planned affordable housing projects in this node support City goals for increasing the availability of affordable housing. |
| Revenue Generation Potential | TIF revenue estimates over 20-years vary for different scenarios: $6.6 M (base case), $14.6 M (low), $18.2 M (medium), and $26.8 M (high). |
| Total acreage | This node has 40 acres, including right-of-way. Most (96.8%) of this acreage is currently within the South Park Block Urban Renewal Area. Adding this node to a new URA would add 1.3 net new acres to the City of Portland total. |
This node includes $92.9 M of real property assessed value that is in the existing South Park Blocks URA, or about 23% of the total property that can be removed from South park blocks without affecting its ability to cover its debt obligations. (A total of $399.4 M can be removed from South Park Blocks according to the Office of Finance and Management.)

Source: ECONorthwest, 2009. Based on data from interviews, 2009 assessors database, and Metro’s RLIS database

### Exhibit 3-15: Tax Increment Node E in Downtown North of Market

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>This node includes a portion of the City’s retail core, and is located in the northeast corner of Portland’s downtown. It is bounded by Naito Parkway on the east, by Yamhill on the South, by 3rd and 5th on the west, and by Ash at the North. A historic district is contained within the node. The area currently contains a mix of commercial and residential mixed-use buildings. Ground floor retail with office or residential uses above are predominant uses.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Projects in the node?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential projects in the node include a new commercial high-rise and associated development at the Morrison Bridgehead. Part of this node is in an historic district; upgrades and rehabilitation to these buildings could be beneficial. Seismic upgrades could be important projects for buildings in the historic district.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Existing Conditions that may suggest blight</th>
</tr>
</thead>
<tbody>
<tr>
<td>While a more detailed analysis of the node will be needed to confirm the presence of blight, a preliminary review of the existing conditions in the node suggests that blighting characteristics exist in this node:</td>
</tr>
<tr>
<td>• In this node, a total of 18% of the maximum allowed FAR has been used. This demonstrates a lack of proper utilization of the area resulting in a stagnant and unproductive condition of the land. About 50% of all taxlots in the node have an improvement to land ratio of less than 0.25, demonstrating that the half of the land in this node is developed under-utilized or vacant. The node contains many surface parking lots. (Publicly-owned buildings with an assessed value of $0 were not included in this calculation). More than in the other nodes that this study assesses, the concentration of such surface parking lots, low utilization of FAR, and low improvement to land ratios suggest a growing or total lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).</td>
</tr>
<tr>
<td>• Especially within the historic district, many of the buildings have a faulty interior arrangement for modern office, residential, and retail uses consistent with ORS 457.010(1)(a)(B).</td>
</tr>
<tr>
<td>• The division of properties in this node including the Morrison Bridgehead property (shown in yellow in Exhibit 3-11), have resulted in an irregular form and shape that make such properties less than useful for development consistent with ORS 457.010(1)(c).</td>
</tr>
</tbody>
</table>

A preliminary review of the area immediately surrounding this node suggests that it may possess blighting characteristics based on the presence of the following existing conditions: |
| • There may be buildings in the node that are unfit or unsafe to occupy for their intended purpose because they do not meet current seismic codes. |

<table>
<thead>
<tr>
<th>Support other City Goals?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improvements in the historic district that maintain and strengthen the historic character of the district would help to meet City goals around historic preservation.</td>
</tr>
<tr>
<td>• Residential development in this node would help to support City goals around jobs / housing balance. Mixed-use or office development could help to support economic development goals as well as goals for creating a vibrant and active community.</td>
</tr>
</tbody>
</table>
downtown core.

<table>
<thead>
<tr>
<th>Revenue Generation Potential</th>
<th>TIF revenue estimates over 20-years vary for different scenarios: $10.1 M (base case), $23.0 M (low), $26.0 M (medium), and $32.8 M (high).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total acreage</td>
<td>This node has 34.1 acres, including right-of way, all of which (100%) is currently within the Downtown Waterfront URA. Adding this tax increment node to a new URA would have no net impact on the City of Portland’s acreage limitation.</td>
</tr>
<tr>
<td>AV removed from existing URAs (if this node is included in a new URA)</td>
<td>This node includes $141.9 M of real property assessed value that is in the existing Downtown Waterfront URA, or about 70% of the total property that can be removed from DTWF without affecting its ability to cover its debt obligations. (A total of $201.6 M can be removed from DTWF according to the Office of Finance and Management.)</td>
</tr>
</tbody>
</table>

Exhibit 3-11: Map of Subdistrict 3 (Downtown North of Market), Portland, Oregon 2008

Source: ECONorthwest 2009
3.1.5 **SUBDISTRICT 4: DOWNTOWN SOUTH OF MARKET**

Exhibit 3-16 shows the redevelopment potential for the subdistrict that includes Portland State University and the adjacent area south of I-405. This area has seen limited private-sector development in the past decade. It presents an important opportunity for a coordinated and integrated development strategy that includes Portland State University and private developers in creating a vibrant and attractive southern end to the downtown.

Blue properties are *potential redevelopment sites*, and have been identified as having characteristics (e.g. vacant lots, surface parking, low improvement to land value ratios, low use of total allowed floor area ratios) that make the properties more likely to redevelop over the life of the URA. Yellow properties are *redevelopment sites*, and have been identified through the interview and document review process with a specific program for redevelopment.\(^{24}\)

A portion of subdistrict 4 is within existing urban renewal areas. Of the total assessed value of $397.64 million, approximately $41.3 million is within the Downtown Waterfront URA, and $34.8 million is within the South Park Blocks URA. While some of this property could be removed from existing URAs and included in one or more new URAs, some of this property would need to remain in existing URAs to meet outstanding financial obligations. TIF revenue projections for Subdistrict 3 ultimately depend on which specific properties are removed from existing URAs. Our analysis did not include this level of detail, however we did recalculate the frozen base of subdistrict 4, subtracting the amount of assessed value necessary to meet the financial obligations of existing districts. The adjusted frozen base of subdistrict 4 is $351.42 million – about $46 million less than the unadjusted value.\(^ {25}\)

**Redevelopment sites in subdistrict 4**

PSU is the largest property owner in this subdistrict. This fast-growing university is likely to require additional properties during the potential life of a URA to support its student body and academic programs. Many

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\(^{24}\) For more information about the process of identifying redevelopment and potential redevelopment sites, see Chapter 2 Framework and Appendix A, detailed methods for TIF revenue estimates.

\(^{25}\) Approximately 11% of the assessed value (AV) in subdistrict 4 would need to remain in existing URAs to meet outstanding financial obligations. However, this would not necessarily result in an 11% decrease in TIF revenue generation of subdistrict 4. TIF revenue depends on the assessed value and the development potential of individual tax lots.
of the buildings are likely to include mixed-use elements and will therefore generate some increment if included in a new URA.

- PSU has a new, six-story Academic and Student Recreation Center under construction. The building, located at 6th and Montgomery, will include taxable retail on the ground floor.
- Cyan, a Gerding Edlen development, will be a 16-story apartment building with ground floor retail at 4th and Mill.
- PSU could develop a new Business School building that would also include private office space and ground floor retail.
- PSU could develop private student housing, classrooms, office and dining facilities near TriMet’s College Station (turnaround site) at 6th and College/Jackson.
- CWR Group LLC could build a 15-story, residential mixed-use project with ground floor retail at Broadway and College to, in part, provide student housing.
- Uptown Development could build a six-story student housing development at 5th and College that would include ground floor retail.

Potential TIF uses in subdistrict 4

Public-sector investment would support and facilitate the redevelopment of subdistrict 4. When available, we gathered information about these possible projects. Detailed cost information is not available at this time. Below is a partial list of potential public projects in subdistrict 4 that could use TIF revenue. For a complete list, see Appendix D:

- Oregon Sustainability Institute, at 5th and Montgomery, would be a multi-story green building that includes Oregon University System education and resource center and City and State economic green practices incubator.
- Green Streets project would enhance streetscapes along Montgomery from South Park to Pettygrove Park with an environmental and sustainable focus.
- Frontage roads adjacent to I-405 could have pedestrian and transportation improvements including downtown connection to regional trails.
- Regional Transportation System Projects could include: direct ramp connections from Ross Island Bridge to northbound I-405; direct ramp connections from southbound I-405 to the Ross Island Bridge; direct ramp linkages between I-405 and Macadam Ave; and others.
- PSU could build a new mixed-use development that includes a Business School at 10th and Market. While this project would generate some tax revenue, it might also benefit from TIF dollars.
- PSU could develop new public and private student housing.
- The South Park Block from Market to I-405 could be refurbished.
- Permanent infrastructure could be developed to provide shelter, gas, water, and other services for the Portland Farmers Market in the South Park Blocks.
- In Halprin Parks, projects could include the rehabilitation of Pettygrove Park, Lovejoy Park, and the Ira Keller Fountain.
- Duniway Park (6th and Sheridan) projects could include path upgrades, and plantings.
- Marquam Trail projects could include extended and improved connections to downtown.
- Lair Hill Park, between Barbur Blvd/2nd and Hooker/Woods could be rehabilitated.
- The YMCA property at 6th and Sheridan could be redeveloped.
- Affordable housing in the subdistrict could be developed further.

**Results for subdistrict 4**

Exhibit 3-17 shows the basic redevelopment assumptions for subdistrict 4, for three scenarios plus the base case. The percent of sites that redevelop are the same as all the other subdistricts across all scenarios. The assumed average square feet of new development is near that of subdistrict 1 (Northwest), and slightly larger than that of subdistrict 2 (Goose Hollow). Compared to subdistrict 3, the downtown area north of Market, the average square feet of new development is significantly smaller due to smaller scale projects. The TIF revenue generation estimates that follow are based on these assumptions.

**Exhibit 3-17: Assumptions for potential redevelopment sites in subdistrict 4 under four development scenarios, 2009-2028**

<table>
<thead>
<tr>
<th></th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of potential redevelopment sites that redevelop over 20 years</td>
<td>30%</td>
<td>20%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>Average sq. ft. of new development each year</td>
<td>204,752</td>
<td>157,687</td>
<td>134,155</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: ECONorthwest.

Exhibit 3-18 displays TIF revenue estimates for subdistrict 3 for the period, 2009-2028. It includes low, medium, and high development scenarios in addition to a base case.
Exhibit 3-18: TIF revenue potential for subdistrict 4 (Downtown South of Market) for four development scenarios, 2009-2028 (millions of 2008$)

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2010</td>
<td>0.21</td>
<td>0.20</td>
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</tr>
<tr>
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<td>0.54</td>
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<td>2013</td>
<td>1.60</td>
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<td>0.61</td>
</tr>
<tr>
<td>2014</td>
<td>2.11</td>
<td>1.61</td>
<td>1.33</td>
<td>0.75</td>
</tr>
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<td>2015</td>
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<tr>
<td>2028</td>
<td>9.22</td>
<td>7.48</td>
<td>6.56</td>
<td>2.36</td>
</tr>
<tr>
<td>Total</td>
<td>$86.77</td>
<td>$70.68</td>
<td>$63.50</td>
<td>$25.58</td>
</tr>
</tbody>
</table>


Note: (1) All values are adjusted for inflation and presented in constant 2008 dollars. (2) TIF revenue estimates do not reflect that some properties cannot be included in a new URA, because they must remain in existing URAs to meet financial obligations.
## Tax increment nodes F & G

### Exhibit 3-19: Tax Increment Node F in Downtown South of Market: Details

| Description | This tax increment node is in the subdistrict South of Market, and includes a series of potential redevelopment sites along 4th Avenue. Several of these are surface-level parking lots. Zoning in this node (primarily CXd and RXd) is intended to support high density mixed-use commercial and residential development. Currently, the node contains a mix of commercial (office) and retail uses including hotels, as well as some housing development. It is connected by streetcar to the retail core and to the South Waterfront. |
| Projects in the node? | The Oregon Sustainability Center, a joint City, PDC, OUS, P+OSI and PCC project, is located in this tax increment node. A permanent, double track streetcar alignment is also planned on this property to replace a temporary single track streetcar alignment. Tri-Met and PSU are jointly developing a site within this node that will become the turnaround site for the green-light light rail and include university and other uses. Portland State University owns some of the parcels in this node, and has expressed a need for additional student housing and classroom space as it grows, most of which would be mixed-use developments with ground floor retail uses. Some of the potential redevelopment sites along 4th Ave might be used for that purpose. Montgomery Green Streets, a vision to enhance a key pedestrian corridor from PSU to the waterfront with green stormwater concepts and coordinate with PSU’s current University District planning efforts. |
| Existing Conditions that may suggest blight | While a more detailed analysis of the node will be needed to confirm the presence of blight, a preliminary review of the existing conditions in the node suggests that blighting characteristics exist in this node: |
| | • In this node, a total of 27% of the maximum allowed FAR has been used. This relatively low number demonstrates a lack of proper utilization of the area and an unproductive condition of the land. The many surface parking lots and low-level commercial buildings in the node do not create the vibrant mixed-use development that is intended for this part of Portland’s downtown. About 45% of all taxlots in the node have an improvement to land ratio of less than 0.25, suggesting that at nearly half of the land in this node is vacant or under utilized. (Publicly-owned buildings with an assessed value of $0 were not included in this calculation). The concentration of such surface parking lots, low utilization of FAR, and low improvement to land ratio suggests a growing or total lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h). |
| | • At the southern end of the node, access across I-405 is difficult for pedestrian as well as bicycle traffic. Automobile traffic in this area is also constrained, especially regarding access south of the freeway. Streets and other rights of way are inadequate, and such lack of access hinders the potential of this node to become the vibrant mixed-use development that the zoning suggests. Such inadequacies in the streets and rights-of-way are suggestive of blight consistent with ORS 457.010(1)(e). Such inadequacies in the streets and rights-of-way potentially limit the ability of the node to grow and be properly utilized, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h). |
| | • Several buildings within this node may be unfit or unsafe for their intended purposes because they show signs of obsolescence, deterioration, or dilapidation consistent with ORS 457.010(1)(a)(E). |
There may be buildings in the node that are unfit or unsafe to occupy for their intended purpose because they do not meet current seismic codes which may be suggestive of defective design and quality of physical construction consistent with ORS 457.010(1)(a)(A).

A disuse of property has resulted from faulty planning (consistent with ORS 457.010(1)(b)) related to inappropriate infrastructure including stormwater management infrastructure.

A preliminary review of the area immediately surrounding this node suggests that it may possess blighting characteristics based on the presence of the following existing conditions:

- Surface parking lots, obsolete buildings, low improvement to land value ratios.
- Inadequate open space.
- Circulation and pedestrian right of way is inadequate to access the Halprin Parks, and is inadequate adjacent to parks on 2nd and 3rd.

<table>
<thead>
<tr>
<th>Support other City Goals?</th>
<th>The node is adjacent to the heart of Portland State University (PSU)'s campus and contains some PSU buildings. Including it could support PSU and the region's higher education and workforce development goals.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The area is near major public investments in transit infrastructure (the new green line Max will run through the node and an existing streetcar line connects the retail core to North Macadam and eventually to Milwaukie through the tax increment node). Any redevelopment in this area would support City goals around increasing transit-oriented development.</td>
</tr>
<tr>
<td></td>
<td>This node is located in the vicinity of a potential new eco-district that will further the City's goals for increasing sustainable built environment. A green street is also planned in this area.</td>
</tr>
<tr>
<td></td>
<td>Some of the zoning in this tax increment node node supports the development of new office buildings, which generally supports goals for job creation. Redevelopment in the area would support goals around commercial and retail revitalization.</td>
</tr>
<tr>
<td></td>
<td>The area is within easy walking distance of the City's major employment centers. Housing projects that are planned for or already exist in the area support a jobs / housing balance in the downtown core.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue Generation Potential</th>
<th>TIF revenue estimates over 20-years vary for different scenarios: $5.7 M (base case), $32.1 M (low), $35.3 M (medium), and $43.1 M (high).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total acreage</td>
<td>This node has 36.5 acres, including right-of way. Of those, 43.3% (15.8 acres) are currently in the South Park Blocks URA. Adding this node to a new URA would add 20.7 net new acres.</td>
</tr>
<tr>
<td>AV removed from existing URAs (if this node is included in a new URA)</td>
<td>This tax increment node includes $24.3 M of real property assessed value that is in the existing South Park Blocks URA, or about 6% of the total property that can be removed from South park blocks without affecting its ability to cover its debt obligations. (A total of $399.4 M can be removed from South Park Blocks according to the Office of Management and Finance).</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, 2009. Based on data from interviews, 2009 assessors database, and Metro’s RLIS database
### Exhibit 3-20: Tax Increment Node G in Downtown South of Market: Details

<table>
<thead>
<tr>
<th>Description</th>
<th>This node is located South of I-405 between Marquam Hill and the Willamette River. Despite its proximity to downtown, it has not seen major development for several decades. Access across I-405 has created challenges for travel by all modes to employment and retail centers in the downtown. Most of the development in this node is commercial / office, with some residential included. The node is adjacent to a historic residential neighborhood.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects in the node?</td>
<td>A variety of transportation projects to improve neighborhood and regional auto, pedestrian, and bicycle access have been discussed in and around this node. The redevelopment of the YMCA property could affect redevelopment potential in this node. Several office buildings currently used by OHSU could become available for other use or for redevelopment if and when OHSU relocates those functions.</td>
</tr>
</tbody>
</table>
| Existing Conditions that may suggest blight | While a more detailed analysis of the node will be needed to confirm the presence of blight, a preliminary review of the existing conditions in the node suggests that blighting characteristics exist in this node:  
- At the northern end of the tax increment node, access across I-405 is difficult for pedestrian as well as bicycle traffic. Automobile traffic in this area is also constrained, especially regarding access north of the freeway to major retail and employment centers. Such inadequacies in the streets and rights-of-way are suggestive of blight consistent with ORS 457.010(1)(e). Such inadequacies in the streets and rights-of-way also potentially limit the ability of the node to grow and be properly utilized, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).  
- There are some surface parking lots in the node and other underutilized properties that result in a stagnant and unproductive condition of land. The concentration of such surface parking lots is suggestive of a growing or total lack of proper utilization of the area, and resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to public health, safety, and welfare consistent with ORS 457.010(1)(h).  
- There may be buildings in the node that are unfit or unsafe to occupy for their intended purpose because they do not meet current seismic codes which may be suggestive of defective design and quality of physical construction consistent with ORS 457.010(1)(a)(A).  
A preliminary review of the area immediately surrounding this node suggests that it may possess blighting characteristics based on the presence of the following existing conditions:  
- The presence of surface parking lots  
- obsolete buildings  
- low improvement to land value ratios. |
| Support other City Goals? | Some of the zoning in this node supports the development of new office buildings, which generally supports goals for job creation. Redevelopment in the area would support goals around commercial and retail revitalization.  
- Improvements in this node could improve connectivity and multi-modal access at the southern end of downtown. |
<p>| Revenue Generation Potential | TIF revenue estimates over 20-years vary for different scenarios: $0.9 M (base case), $3.2 M (low), $4.1 M (medium), and $6.3 M (high). |</p>
<table>
<thead>
<tr>
<th>Total acreage</th>
<th>This node has 15.1 acres, including right-of-way.</th>
</tr>
</thead>
<tbody>
<tr>
<td>AV removed from existing URAs (if this node is included in a new URA)</td>
<td>None</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, 2009. Based on data from interviews, 2009 assessors database, and Metro’s RLIS database
Exhibit 3-16: Map of Subdistrict 4 (Downtown South of Market) redevelopment potential, Portland, Oregon 2008

Source: ECONorthwest 2009
3.1.6 SUMMARY: TOTAL STUDY AREA RESULTS

Exhibit 3-21 below shows the tax increment estimates by subdistrict, displaying the range of values from low to high. This table also summarizes potential uses of TIF revenue. Tax increment estimates for the Downtown areas (both North and South of Market Street) may be misleading, as these subdistricts overlap existing URA boundaries. Some of the property in these subdistricts is already generating TIF revenue for the Downtown Waterfront or South Park Blocks urban renewal areas. This means (1) a new URA could not include all the property in these subdistricts, and thus would generate less TIF revenue; and (2) property moved from an existing URA to a new URA would not increase TIF revenue available to the City, it would only shift it from one area to another.

Exhibit 3-21: Summary – Results by subdistrict, 2009-2028 (2008 dollars)

<table>
<thead>
<tr>
<th>Subdistrict</th>
<th>Base Case TIF revenue estimate</th>
<th>Tax TIF revenue estimate (sources)</th>
<th>Sample projects (uses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Northwest</td>
<td>$17.9 million</td>
<td>$95.7 – 140.0 million</td>
<td>Couch park, street car, public improvements to support Con-way redevelopment, etc.</td>
</tr>
<tr>
<td>2: Goose Hollow</td>
<td>$31.6 million</td>
<td>$63.8 – 91.1 million</td>
<td>PGE Park, public parking garages, lid on I-405, etc.</td>
</tr>
<tr>
<td>3: Downtown North of Market</td>
<td>$123.7 million</td>
<td>$209.6 – 257.2 million</td>
<td>Morrison Bridgehead, Hawthorne bridgehead, etc.</td>
</tr>
<tr>
<td>4: Downtown South of Market</td>
<td>$25.6 million</td>
<td>$63.5 – 86.8 million</td>
<td>Oregon Sustainability Center, green streets, various park rehabilitations, etc.</td>
</tr>
<tr>
<td>TOTAL for Study Area</td>
<td>$198.8 million</td>
<td>$432.5 – 575.1 million</td>
<td>Affordable housing, streetscape improvements, job creation, etc.</td>
</tr>
</tbody>
</table>


Note: (1) Estimated tax increment revenue is not equal to borrowing capacity. Some of the TIF revenue will be used to pay for financing costs, and maximum indebtedness limits might reduce the spending capacity of the URA. All values are adjusted for inflation and presented in constant 2008 dollars. (2) Subdistricts in Downtown North and South of Market Street overlap with existing urban renewal areas, resulting in “double counting” of potential TIF revenue. Without first identifying specific boundaries, it is impossible to estimate how much of the total TIF revenue in Exhibit ES-21 is generated by properties that are already in another URA. Estimates based on the proportional amount of property that is in existing URAs indicate that subtracting the amount of revenue that is generated by property in existing URAs could reduce TIF revenue in the total study area by 20 – 25%.

Exhibit 3-22 displays TIF revenue estimates for the four subdistricts for the period, 2009-2028. It includes low, medium, and high development scenarios in addition to a base case.
Exhibit 3-22: TIF revenue potential for the total study area, for three development scenarios, and base case, 2009-2028 (millions of 2008$)

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Base Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>2.99</td>
<td>2.93</td>
<td>2.87</td>
<td>1.23</td>
</tr>
<tr>
<td>2011</td>
<td>4.96</td>
<td>4.68</td>
<td>4.51</td>
<td>2.42</td>
</tr>
<tr>
<td>2012</td>
<td>7.43</td>
<td>6.75</td>
<td>6.44</td>
<td>3.58</td>
</tr>
<tr>
<td>2013</td>
<td>10.11</td>
<td>8.67</td>
<td>8.38</td>
<td>4.71</td>
</tr>
<tr>
<td>2014</td>
<td>12.75</td>
<td>10.55</td>
<td>10.46</td>
<td>5.81</td>
</tr>
<tr>
<td>2015</td>
<td>16.26</td>
<td>13.40</td>
<td>13.02</td>
<td>6.88</td>
</tr>
<tr>
<td>2016</td>
<td>20.94</td>
<td>17.73</td>
<td>17.26</td>
<td>7.92</td>
</tr>
<tr>
<td>2017</td>
<td>23.96</td>
<td>20.18</td>
<td>19.00</td>
<td>8.93</td>
</tr>
<tr>
<td>2018</td>
<td>27.03</td>
<td>22.91</td>
<td>20.91</td>
<td>9.91</td>
</tr>
<tr>
<td>2019</td>
<td>30.16</td>
<td>25.90</td>
<td>23.46</td>
<td>10.86</td>
</tr>
<tr>
<td>2020</td>
<td>34.00</td>
<td>29.41</td>
<td>26.24</td>
<td>11.79</td>
</tr>
<tr>
<td>2021</td>
<td>37.06</td>
<td>32.07</td>
<td>28.23</td>
<td>12.69</td>
</tr>
<tr>
<td>2022</td>
<td>40.09</td>
<td>34.80</td>
<td>30.20</td>
<td>13.57</td>
</tr>
<tr>
<td>2023</td>
<td>43.08</td>
<td>37.50</td>
<td>32.14</td>
<td>14.42</td>
</tr>
<tr>
<td>2024</td>
<td>46.08</td>
<td>40.20</td>
<td>34.09</td>
<td>15.25</td>
</tr>
<tr>
<td>2025</td>
<td>49.49</td>
<td>43.07</td>
<td>35.99</td>
<td>16.05</td>
</tr>
<tr>
<td>2026</td>
<td>52.88</td>
<td>45.90</td>
<td>37.90</td>
<td>16.83</td>
</tr>
<tr>
<td>2027</td>
<td>56.24</td>
<td>48.71</td>
<td>39.78</td>
<td>17.60</td>
</tr>
<tr>
<td>2028</td>
<td>59.57</td>
<td>51.49</td>
<td>41.64</td>
<td>18.34</td>
</tr>
</tbody>
</table>

Total $ 575.06 $ 496.84 $ 432.52 $ 198.77


Note: (1) All values are adjusted for inflation and presented in constant 2008 dollars. (2) TIF revenue estimates do not reflect that some properties cannot be included in a new URA, because they must remain in existing URAs to meet financial obligations.
Chapter 4  Conclusions and Next Steps

The results of this technical analysis shows that including at least portions of the study area in one or more new URAs could provide sufficient tax increment revenues that, when converted to bonding capacity, would provide substantial financial resources to further City and public benefits. From a financial perspective, the area has the ability to generate revenue even if no new development happens. Development in the study area could be strategically implemented to help meet multiple City goals (economic development and jobs, affordable housing, connectivity, regional retail center strength, and others). The preliminary blight discussion suggests that blight would be confirmed if / when a more detailed analysis is undertaken.

However, the study’s scope is limited to technical aspects of creating a new urban renewal area, and many other considerations have not yet been analyzed (many of these are described below as recommendations for additional analysis). Further, this study does not consider the ongoing work that the City is undertaking to consider the possibility of expanding or otherwise changing other existing urban renewal areas. The results of these studies and future analysis in this study area will almost certainly affect decisions about the creation of a new URA downtown.

Future studies should more carefully consider the balance between the costs of public projects and the revenue available to the URA(s).

- Strategic investment could move the increment projections closer to the “high” scenario, and future analysis should provide details about what types of investments are most advantageous. The tax increment nodes were selected because they have the potential to generate new increment yet they have development challenges that will require public investment: they have characteristics that suggest opportunity (proximity to or location in downtown, vacant lots, etc.) that has not yet been met. In most cases, there is some reason that these nodes have not yet met their potential. For example, the analysis found that several of the nodes have major infrastructure needs and would require public sector investment to catalyze the redevelopment that this study suggests is possible in the “high” scenario. The purpose of an urban renewal area is to strategically invest in an under-developed area to catalyze private investment that will generate tax revenue that would not otherwise be available to taxing jurisdictions. To put it plainly: the urban renewal area will have to spend money to make money.
Some of the tax increment nodes considered in this study would require less public investment to catalyze redevelopment. Node D, for example, presents opportunities for redevelopment, but doesn’t require major infrastructure investments to support it. Because these areas have a solid base of development already, these nodes generate substantial increment even in the base case scenario, which assumes no new development. It also presents the best ability to strengthen the City’s ability to increase employment downtown through partnerships with businesses and support for the downtown retail core.

In contrast, Node A in Northwest is the strongest generator of revenue, but may also have among the highest public costs to improve the street grid, provide public transit access, etc. This study preliminarily identified uses of URA funds (such as improvements to rights-of-way to increase access, investments in open space and transit infrastructure, etc.), but did not quantify these costs.

Because urban renewal areas must have a contiguous boundary, each tax increment node that is included in a new URA will need to be connected to other nodes geographically. The boundary should be carefully chosen to:

- **Limit the size of the study area considered in this analysis.** The total study area is too large (in terms of assessed value), and nearly too large (in acres) to be included in a new URA.

- **Keep existing URAs whole.** We found that one of the areas that is most likely to generate increment in the Downtown core (node E) also contains 70% of the assessed value that can be removed from the Downtown Waterfront URA. If the City were interested in including this node in a new URA, it would need to carefully consider the boundary to ensure that the limit is not exceeded. The other nodes that this study considered did not have as large an impact on the existing URAs.

- **Assure a balance of uses (residential, office, retail, etc.) and limit the City’s risk to meet bonding requirements.** If the City moves forward with a new URA or URAs, it should carefully consider the mix of uses in the boundary. A single, bigger urban renewal area (as opposed to multiple smaller URAs) would probably generate a more reliable revenue stream and contain a more diverse mix of uses, and would therefore be looked upon more favorably for bonding purposes. Similarly, the existing URAs (Downtown Waterfront and South Park Blocks, which may lose property to the
new URA, should be left with a balance of uses so as not to affect their ability to continue to meet bonding requirements.

• **Possibly include the expansion of existing URAs.** For example, expansion of the North Macadam URA (which can still add approximately 19% of its base area or about 48 acres) may be an option for including property at the southern end of the study area, to help to address acreage limitation issues.

**Some additional financial and technical analysis will be required, especially once the boundaries are known:**

• This analysis describes how much revenue could be generated in the study area, but it doesn’t describe how much the URA could spend if the City forms one. Generally, URAs pay for public improvements through bonds backed by the promise of future TIF revenue. This study forecasts potential TIF revenue for a 20-year period, which is not equal to the value of bonds the City will be able to issue based on this revenue stream. Additional work should be done to determine the bonding capacity of the new URA or URAs, if the City decides to move forward.

• The next phases of the analysis should calculate the amount of taxable value that would be returned to the taxing districts because of removing property from existing URAs. If property is removed from an existing URA and included in a new URA, the difference between its original frozen base (when the URA was created) and the new frozen base (the assessed value in the year that a new URA is created) would be released back to the taxing jurisdictions and would not accrue to the new URA.

• This study does provide, when available, preliminary costs associated with public infrastructure projects needed to support development. Additional research would be needed to better understand these projects and their associated costs.

• As mentioned elsewhere in this summary, a full legal review is required as part of a detailed urban renewal area plan and report before a new URA (or URAs) could be formed.
4.1 **Next Steps**

An Advisory Group will be established which will begin a process to develop recommendations to the City Council on whether a new URA should be established within the study area. If the group ultimately recommends establishing a new URA, they would define the priorities, key goals, boundaries and maximum indebtedness of such an urban renewal area. There will be substantial opportunities for stakeholders and neighborhood members to weigh in on this next phase of the project.
Appendix A  Detailed Methodology for TIF Estimation

This appendix provides a detailed description of the steps used to calculate the amount of tax increment finance (TIF) revenue that might be generated in a new urban renewal area (or areas) in and around downtown Portland. It also documents all assumptions that underlie the results of our model. Because this appendix is meant to serve as a stand-alone document for readers interested in a more detailed look at methodology, it repeats some information that is also contained in the body of the report (Chapter 2).

It has the following sections:

- Overview and definitions
- Details: assumptions and methods

A.1 Overview and definitions

Table A-1, below, provides a big-picture look at the steps that ECO took to calculate TIF revenue generation potential in the study area. A more detailed description of each of the steps follows in the remainder of this memorandum.

ECO modeled four separate scenarios for development potential and TIF revenue over a 20-year timeframe in each subdistrict. Each of the scenarios followed the same steps outlined in Table A-1, but applied a different set of assumptions about the rate of development. The assumptions are supported by research on development patterns in and around downtown, and reflect a realistic range of development that might be expected. In other words, the “high” estimates are realistic rather than aspirational, while still reflecting the upper end of what might be developed in 20 years.
### Table A-1. Overview of methodology for calculating TIF revenue generation potential

<table>
<thead>
<tr>
<th>STEP</th>
<th>Overview description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STEP 1:</strong> Determine area of study</td>
<td>We began with study area boundaries provided by the Bureau of Planning, then divided the study area into four, arbitrary subdistricts for ease of analysis. We continued to revise the study area boundaries as we conducted interviews and learned of projects that might contribute to or benefit from TIF dollars.</td>
</tr>
</tbody>
</table>
| **STEP 2:** Determine redevelopment potential | We categorized each tax lot by its potential for redevelopment based on data inputs from the Bureau of Planning, interviews with property owners, and review of site development plans or permits when available. We developed three general categories of properties:  
- Known Projects with known development programs and high likelihood of redevelopment. Some of these sites are already under construction, or will be soon  
- Potential Redevelopment Sites had characteristics that suggest redevelopment is likely and were identified in the Bureau of Planning’s Capacity Study, though no specific development program is available  
- Other properties, which are not likely to redevelop¹ |
| **STEP 3:** Estimate growth in assessed value | For each category of redevelopment potential, we applied assumptions about the mix of uses, real market value, and absorption rates for new development. Change property ratios (CPR) were used to calculate the future assessed value of development. We include assessed value estimates for three property types: personal, utility, and real property. We then combined the assessed value for all categories. |
| **STEP 4:** Use assessed value to calculate TIF revenue | We compared estimated 2009 assessed value (or the frozen base) to estimated future assessed value from Step 2 to determine increase in value, applied effective tax rates, and estimated TIF revenue generated during the 20-year life of the URA. |

Source: ECONorthwest  
Notes: We use 2009 as the frozen base because this is the assumed year in which a new URA might be formed. Effective tax rates include permanent rates for education and general government.

¹ Most tax lots that are in a historic district were assumed to be unlikely to redevelop. Some, however, were identified as potential redevelopment sites through our interview process. Tax lots with historic district designation may have limits on height and FAR for new buildings, but our model captures these limits and reduces the development capacity of the tax lots accordingly.
• **Scenario 1: Low-growth** scenario assumes a slow, but conceivable pattern of development and redevelopment. On average, we assume about 730,000 sq. ft. of new development will be constructed in the study area each year. We assume no changes in zoning or floor area ratios (FAR) in this scenario.

• **Scenario 2: Medium-growth** scenario assumes moderate future development patterns and TIF revenue generation over the next 20 years. On average, we assume about 965,000 sq. ft. of new development will be constructed in the study area each year. We assume some changes in zoning and increases in FAR in some parts of the study area, where our interviews lead us to believe that development programs would be more aggressive if allowed by City code.

• **Scenario 3: High-growth** scenario assumes more rapid development, and greater generation of TIF revenue. On average, we assume about 1,185,000 sq. ft. of new development will be constructed in the study area each year. We assume some changes in zoning and increases in FAR in some parts of the study area, where our interviews lead us to believe that development programs would be more aggressive if City development code allowed.

• **Scenario 4: Base case (no new development)** scenario assumes that no major renovations or new buildings are constructed in the study area during the life of the URA. TIF revenue is generated only from appreciation of existing improvements. In this scenario, we assume a constant 3% increase in AV of real property over the life of the URA.² It is very unlikely that this scenario would be seen in the real world; TIF revenue generation would almost certainly be higher.³ It is presented as a floor on TIF revenue generation numbers; these assumptions result in the minimum that might be collected in TIF over the next 20 years, barring sustained and unprecedented declines in real market value of properties.

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² In theory, Oregon law dictates an assessment methodology that is most likely to support a minimum AV increase of 3% per year for all property types, but there are some situations in which AV in an area might increase at a rate lower than 3%. Examples are a change in use on a parcel from private to public and dramatic declines in area market values. There are additional reasons that tax collection might be less than our model predicts even if the AV increases: tax abatement programs to support affordable housing or historic properties are among them. We have anecdotal evidence that some areas in Portland may be experiencing less than a 3% increase in AV, but use 3% here as a reasonable proxy for a no-development scenario.

³ In fact, this scenario even assumes that some of the planned projects that will be under construction in 2009 are not developed. These projects are captured in all other scenarios.
KEY DATA INPUTS

Our analysis builds on these data sources:

- **2007 Central Portland Development Capacity Study (Capacity Study)** created by the Bureau of Planning: a parcel-by-parcel assessment of the redevelopment potential of the area. The Capacity Study covered the majority of our study area. The Capacity Study used information on individual tax lots to determine which blocks (or portions of blocks) are likely to develop in upcoming years, and which blocks appear to be fully developed.4

GIS data from the Capacity Study were used to define the universe of tax lots, and determine future development potential. The City provided ECO with relevant information on all tax lots within the study area. The Bureau of Planning compiled this data from several other data sets, originally created by Planning and the Multnomah County Assessors Office.

The data set includes, among other data layers, the following information for each parcel: tax lot ID; site address; owner’s name; assessed value of land, improvements, and total property; maximum allowed floor area ratio (FAR) with bonus; maximum allowed building height with bonus; acreage of parcel; location in historic district; and comprehensive zone designation.

- **Interviews** were conducted with about 60 individuals, including local developers and property owners, real estate appraisers, government agencies, non-profit and cultural institutions, and others. From these interviews, we gained information on the likelihood that certain properties will develop in the future.

- **2008/09 Assessed value data** for fiscal year 2008-09 were provided from the Multnomah County Assessor’s database. These were used to calculate the frozen base for the study area. In some areas, historic assessed value data was also used to calculate historic growth rates.

- **Property ownership map** provided by the PDC illustrated the ownership of certain properties that are likely to redevelop. This information supplemented data from interviews, the capacity study, and GIS data sets, to identify potential redevelopment projects (large areas in single ownership) and redevelopment sites.

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4 The 2007 Central Portland Development Capacity Study used several criteria to identify parcels as redevelopable. The primary criteria for redevelopable sites were (1) sites with a ratio of improvement value to land value of less than 0.50, and (2) sites using less than 20% of the allowable floor area ratio (FAR). Additionally, because of the difficulty of redeveloping small parcels, sites with an area less than 10,000 sf. were excluded from the analysis.
• A study area tour with PDC and BOP staff was conducted to observe uses, conditions, and physical characteristics of various capacity study sites.

CATEGORIES OF TAXABLE PROPERTIES: DEFINITIONS

In Oregon, taxes are assessed differently on each of four categories of properties: real property, personal property, manufactured homes, and utilities. There is no property tax on household furnishings, personal belongings and automobiles, crops, orchards, business inventories, or certain intangible property such as stocks or bank accounts. County assessors appraise most property in Oregon, though the State Department of Revenue appraises certain large industrial sites, and utility properties.

The assessed value for each property class is calculated differently, and each has grown historically at a different rate. Table A-2 below shows the change in assessed value for all property types in the City of Portland, from FY 1999/00 – 2008/09. During this time period, real property grew most rapidly, with an average annual growth rate of 4.8%. The growth rates for personal property and utility property were 1.4% and 0.2% respectively. Because there are no manufactured structures in our study area, we do not discuss manufactured property in this document.

Table A-2. Historic growth in assessed value by property class, City of Portland (FY 1999/00 – 2008/09)

<table>
<thead>
<tr>
<th>Year</th>
<th>Real</th>
<th>Personal</th>
<th>Manufactured</th>
<th>Utility</th>
<th>Total M50</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$41,509,565,980</td>
<td>$2,308,909,135</td>
<td>$42,337,670</td>
<td>$2,300,324,700</td>
<td>$46,161,137,485</td>
</tr>
<tr>
<td>2007-08</td>
<td>39,455,451,811</td>
<td>2,237,519,807</td>
<td>43,045,450</td>
<td>2,257,595,682</td>
<td>43,993,612,120</td>
</tr>
<tr>
<td>2006-07</td>
<td>37,142,834,909</td>
<td>2,127,615,178</td>
<td>43,053,770</td>
<td>2,290,572,710</td>
<td>41,604,076,567</td>
</tr>
<tr>
<td>2005-06</td>
<td>35,519,990,436</td>
<td>2,078,115,022</td>
<td>39,953,550</td>
<td>2,313,974,185</td>
<td>39,770,033,193</td>
</tr>
<tr>
<td>2004-05</td>
<td>33,831,104,892</td>
<td>2,043,033,636</td>
<td>40,804,110</td>
<td>2,352,063,428</td>
<td>38,308,006,066</td>
</tr>
<tr>
<td>2003-04</td>
<td>32,548,452,145</td>
<td>2,133,817,955</td>
<td>38,348,600</td>
<td>2,246,139,459</td>
<td>36,966,758,159</td>
</tr>
<tr>
<td>2002-03</td>
<td>31,323,269,658</td>
<td>2,221,726,487</td>
<td>41,194,080</td>
<td>2,383,197,050</td>
<td>35,969,387,275</td>
</tr>
<tr>
<td>2001-02</td>
<td>30,038,348,744</td>
<td>2,225,362,422</td>
<td>57,178,700</td>
<td>2,661,236,290</td>
<td>34,982,126,156</td>
</tr>
<tr>
<td>2000-01</td>
<td>28,559,786,672</td>
<td>2,114,794,806</td>
<td>58,943,000</td>
<td>2,547,684,178</td>
<td>33,281,208,656</td>
</tr>
<tr>
<td>1999-00</td>
<td>$27,118,122,730</td>
<td>$2,038,123,378</td>
<td>$54,700,930</td>
<td>$2,253,996,147</td>
<td>$31,464,943,185</td>
</tr>
</tbody>
</table>

AAGR 4.8% 1.4% -2.8% 0.2% 4.4%

Source: Tax Supervising & Conservation Commission Annual Reports
AAGR is Average Annual Growth Rate
Notes: “M50” refers to Measure 50, an Oregon Ballot measure that dictates an assessment methodology and caps the total amount of assessed value for tax purposes. M50 is described in more detail later in this document.

Real property

Real property generally includes land and all improvements on land that are non-exempt and are not included in the other categories. Real property is taxed on its assessed value. A property’s assessed value is the lower of its real market value or its maximum assessed value. Each year, the County Assessor determines the property’s real market value (or the value it would achieve on the open market) and calculates its maximum
assessed value (maximum value legally allowed for a property, a constitutionally-limited number\(^5\)). Property owners are taxed on the lesser of the two, which is called the assessed value.

For existing properties, the maximum assessed value is generally equal to 103% of the prior year’s assessed value. Unless the property is substantially improved, existing development is unlikely to see more (or less) than a 3% increase in value in any given year. The only major exceptions to the 3% increase limit (beside new development) are: (1) historic properties that are removed from tax abatement during the life of an URA, (2) housing or commercial projects that had a limited time property tax abatement which expires during the life of the URA (this study did not identify properties that might have tax abatements that expire during the URA’s life), and (3) changes in property use, e.g. non-profit or other tax exempt use moves into a non-tax exempt property.

For newly developed properties, maximum assessed value is calculated by applying a “changed property ratio” (CPR), which is used to adjust the market value of property to the average level of assessment compared to the current market value for each property class. The ratio is determined by dividing the average maximum assessed value by the average real market value. Multnomah County calculates a unique CPR for each land-use category, shown below:

<table>
<thead>
<tr>
<th>Property Class</th>
<th>CPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Residential</td>
<td>0.7455</td>
</tr>
<tr>
<td>Commercial</td>
<td>0.5046</td>
</tr>
<tr>
<td>Industrial</td>
<td>0.4345</td>
</tr>
<tr>
<td>Multi-Family</td>
<td>0.7649</td>
</tr>
<tr>
<td>Recreational</td>
<td>0.5500</td>
</tr>
<tr>
<td>Personal Property</td>
<td>0.6223</td>
</tr>
</tbody>
</table>

**Table A-3. Changed property ratios by property class, Multnomah County (FY 2008-09)**

<table>
<thead>
<tr>
<th>Property Class</th>
<th>CPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>0.5046</td>
</tr>
<tr>
<td>Commercial</td>
<td>0.4345</td>
</tr>
<tr>
<td>Industrial</td>
<td>0.7649</td>
</tr>
<tr>
<td>Multi-Family</td>
<td>0.5500</td>
</tr>
<tr>
<td>Recreational</td>
<td>0.6223</td>
</tr>
<tr>
<td>Personal Property</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

Source: Multnomah County Assessor’s Office

Residential includes: single –family, condominiums, 2-4 plexes, mobile homes, floating property, tract land and improvements on farm or forestry property.

Commercial includes moorages.

Multi-Family applies to five units and up.

**Personal property**

Taxable personal property includes “machinery, equipment, furniture, etc., used previously or presently in a business, including any property not currently being used, placed in storage, or held for sale.” Examples include air conditioning units, retail fixtures, laser equipment, juke boxes, professional printing equipment, computers, and road construction equipment.

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\(^5\) Limited by Measure 50 and Measure 5

\(^6\) 2008 Personal Property Valuation Guidelines, Oregon Department of Revenue, publication 150-303-441. For those interested in a more detailed description of the methodology for assessing personal property, we recommend this document.
Personal property is assessed at 100% of an adjusted market value. The market value is adjusted using an age life methodology, which depreciates the value of the property based on a schedule that is specific to the expected life of the property. The value of a computer, for example, is depreciated to $0 in three years, while the value of a set of tools may depreciate to $0 in 15 years.

Even though individual items categorized as personal property are constantly depreciating and the taxes collected on it drop correspondingly, on average across all businesses in a jurisdiction, personal property is usually replaced at a rate that maintains or increases its total assessed value relative to the total amount of assessed value from all categories of property taxes.

**Manufactured homes**

Manufactured homes are assessed separately from other types of real residential properties (including the land that they sit on), but using a similar methodology. A manufactured home’s assessed value is the lower of its real market value or its maximum assessed value. For new manufactured homes, the residential CPR is applied in the first assessment year, but the home is not assumed to increase in market value in subsequent years, as is the case with other types of residential development. Because the real market value of manufactured homes are constantly depreciating, the real market value usually drops below the maximum assessed value at some point in the manufactured home’s life, and the tax revenues for these properties decline over time.

There are no manufactured homes in this study area, so we did no assessment regarding the change in values over time.

**Utilities**

Utility properties include privately-owned railroads, water transportation, communications, airlines, gas companies, pipelines, private railcars and electric companies. These companies are assessed annually at the State level by the Department of Revenue, as prescribed in ORS 308.505-665. Each utility company files an annual report; the Department of Revenue determines the total value on a unitary basis. The Department then determines the portion of that value that is attributable to Oregon. Of the portion that is in Oregon, the State apports the assessed value to code areas, which equate to taxing districts. Tax rates are applied to the

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7 Utility value summary based on conversation with Michael Olson, Principal Appraiser/Analyst at the State Department of Revenue, 12/16/08
apportioned value to determine the property tax for the company in each taxing district.

When a new urban renewal area (URA) is formed, the County will create a new code area that matches the boundary of the URA, and assessed value (AV) for utilities will be apportioned to the URA. Once the new URA is created the County will report the new URA to the companies involved and to the Department. The County or City that forms the URA will need to determine how much value is in the URA at the time that the base is frozen, and can do this based on some combination of: (1) the location of actual value in the new boundary, or (2) a calculation based on the portion of total AV for all property types that is in the new URA to the total property in the old code area multiplied by the total utility property in the old code area. This would be an estimate of the value of the utility property in the new URA. The methodology will vary depending on how much of the Utility AV is *situs* versus *non-situs*.

Projecting utility values for the purpose of determining likely increment value is difficult for several reasons:

- Some utility values can be tied to a specific location or address (or are *situs*), and others cannot (*non-situs*). Non-situs values are difficult to incorporate into the frozen base and the URA’s increment.
- All values are based on *reported* values from the companies. Data quality (especially as it relates to the physical location of utility properties) varies.
- Because total Utility AV for a company is apportioned to code areas, an individual companies’ investment patterns can affect the Utility AV, even if no changes in investment are made in a code area. A large investment in a code area that is outside of an URA can decrease the relative amount of AV in the URA’s code area in the next assessment cycle. This complicates projection methodologies, as well as an existing URA’s ability to affect increases in utility values through its programs and activities.

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8 The formula would look like this: Utility AV in the URA = (Utility AV in old code area * (total URA AV / total AV in old code area)
A.2 DETAILS: ASSUMPTIONS AND METHODS

STEP 1: IDENTIFY STUDY AREA

ECO used boundaries suggested by the BPS and the PDC. The initial study area boundaries were consistent with the Central Portland Plan study area boundaries. The study area includes some areas outside the current Central City Plan District. These areas are expected to see significant change and redevelopment in the future. As this study progressed, some additional areas were added to include known redevelopment projects or potential public projects that could be recipients of tax increment revenue. It is important to note that the inclusion of a property in this evaluation does not directly imply that the site either will or will not be included in any future URA or further feasibility studies.

Roughly, it includes the area to the south of I-405 near the South Waterfront neighborhood, the University District, Goose Hollow, portions of the retail core in Downtown, and portions of the Northwest neighborhood that lie just west of I-405 and south of Highway 30.

ECO then evaluated zoning, overlap with existing urban renewal areas, and specific projects that are likely to generate or benefit from tax increment finance (TIF) dollars. Together with our partners at BOP and PDC, ECO refined the boundary based on the following principles:

- The study area does not include land primarily zoned for low-density residential use. These residential areas typically do not generate large quantities of TIF (unless they comprise extensive acreage) or require major public infrastructure improvements.

- The study area does not include any land that is currently in the River District URA or the River District amendment area. It also does not include any area that is in the North Macadam URA. ECO was asked not to include these areas because they continue to issue new debt and need to maintain their base of assessed value to support implementation of planned projects. The study area does include land in the South Park Blocks URA and the Downtown Waterfront URA. These URAs are set to expire and are not issuing new debt.

- The study area does include property identified in interviews as having projects that are likely to either need public support or provide TIF revenue.

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9 The River District Amendment area is a set of properties added to the River District URA.
Detailed maps of the revised study area are provided throughout the report, particularly in Chapter 3 (Results).
**STEP 2: IDENTIFY REDEVELOPMENT POTENTIAL**

A primary driver of TIF revenue generation in URAs is new development. ECO used the data sources described above to create a complete database of tax lots in the study area. We then separated these tax lots into three categories: *known projects*, *potential redevelopment sites*, and *other tax lots*. The table below describes the categories in more detail and lists some key redevelopment assumptions for each of the scenarios.

<table>
<thead>
<tr>
<th>Table A-4. Category definitions and redevelopment assumptions applied in each scenario for real property</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td><strong>Other tax lots (no color on maps)</strong></td>
</tr>
<tr>
<td><strong>Potential redevelopment sites (blue on maps)</strong></td>
</tr>
<tr>
<td><strong>Known projects (yellow on maps)</strong></td>
</tr>
</tbody>
</table>
“Other” tax lots (no color)

All tax lots not identified in the Capacity Study or through our interview process as having redevelopment potential are included in this category. In these tax lots, we assume no new development would occur. In all scenarios, annual increases in assessed value are driven by changes in real market value and limited to 3% per year by Measures 5 and 50.

Potential redevelopment sites (blue)

This category includes all tax lots identified in Planning’s 2007 Capacity Study as potential redevelopment sites that are not also identified as known projects. To determine the development potential of these sites, we dealt with these properties collectively.

BOP used the following steps to determine which parcels are considered redevelopment sites:

1. Start with all properties in the Central City.
2. Remove historic designated recognized historic properties.
3. Remove parks and designated open spaces.
4. Remove industrial lands.
5. Remove all parcels that utilize more than 20% of the available FAR AND/OR have improvements assessed at less than 50% of the value of the land.
6. Manually check everything that is left to verify it should be considered “potentially redevelopable.”
7. Add in known significant redevelopment sites not captured by steps 2–5 above (example: US Main Post Office site).
8. Remove lots smaller than 10,000 square feet from calculations

We determined the maximum development potential of each parcel by multiplying the area of the parcel by the maximum FAR (including bonus FAR where applicable). In some situations, height limitations do not permit a realistic building that would use 100% of the FAR limit. In these cases, we adjusted the maximum development potential to reflect the height restrictions and likely development scenarios.

Development potential by zone

Next, we summed the maximum square feet of development potential of all potential redevelopment sites by zoning designation. Although there were properties with 11 different zoning code designations in the study area, most belonged to one of four zones (CX, EX, RX, and RH). We
developed assumptions for development mix by zone based on the 2007 Capacity Study, as well as discussions with Bureau of Planning staff, and interpretation of zoning code. Table A-5 provides details.

**Table A-5. Assumptions for development mix by zone**

<table>
<thead>
<tr>
<th>Development Type</th>
<th>UC</th>
<th>CX</th>
<th>EX</th>
<th>OS</th>
<th>R1</th>
<th>R2</th>
<th>OC</th>
<th>NC</th>
<th>RH</th>
<th>RX</th>
<th>IS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>35%</td>
<td>40%</td>
<td>40%</td>
<td>0%</td>
<td>82%</td>
<td>65%</td>
<td>0%</td>
<td>0%</td>
<td>60%</td>
<td>60%</td>
<td>0%</td>
</tr>
<tr>
<td>Affordable housing</td>
<td>13%</td>
<td>17%</td>
<td>17%</td>
<td>0%</td>
<td>25%</td>
<td>25%</td>
<td>0%</td>
<td>0%</td>
<td>25%</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td>Commercial</td>
<td>20%</td>
<td>18%</td>
<td>18%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Other non-taxable</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Parking</td>
<td>20%</td>
<td>30%</td>
<td>30%</td>
<td>0%</td>
<td>30%</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>30%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>110%</td>
<td>120%</td>
<td>120%</td>
<td>0%</td>
<td>120%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>120%</td>
<td>120%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, based on interpretation of City of Portland zoning code. More detail about sources:

- **Note #1:** Other non-taxable includes streetscaping, public spaces, tax-exempt institutions, publicly-owned structured parking.
- **Note #2:** CX and RX based on Capacity Study assumptions in Residential, Commercial, and Retail categories, then refined based on recent development patterns, and projected absorption rates. ECO created assumptions for affordable and other non-taxable, and adjusted numbers to account for affordable housing goals noted below.
- **Note #3:** PDC target has been at least 20% of all residential units in recent urban renewal areas are affordable. We have attempted to take this into consideration in these assumptions.
- **Note #4:** Numbers may add up to greater than 100% of allowable FAR, because underground structured parking does not count against a building’s FAR.

**Assumptions for each scenario**

Based on the development mix and maximum development potential per zone, we determined the total gross built square footage for each development type for each zone. The total gross built square footage for each zone was summed by development type to determine the total development potential if 100% of the potential redevelopment sites were to develop at 100% of their capacity including available bonuses. However, it is unrealistic to assume that development would occur at this pace. Instead, we developed four development scenarios:

- The high scenario assumes 30% of the total possible development would occur over 20 years.

---

10 The 2007 Capacity Study conducted an analysis of projects built since 1990 and under construction in the study area and in different base zones. In the Central Commercial Zone (CX), 43% of new development since 1990 was commercial, 37% was residential, and 5% was new retail space. In the Central Employment Zone (EX), 12% was commercial, 68% was residential, and 7% was retail space. In the Central Residential Zone (RX), 3% was commercial, 83% was residential, and 6% was retail space. The Capacity Study did not include the amount of development for structured parking, or non-taxable uses. The Capacity Study also did not differentiate between affordable housing (utilizing tax abatements) and other housing.

11 ECO reviewed market studies, including the “Downtown Briefing Book” produced by Johnson Gardner in an early stage of the Central City Plan update in 2008, as well as “IRR Viewpoint 2008,” and “IRR Market Pulse 2008” by Integra Realty Resources; ECO also interviewed real estate brokers familiar with the downtown market, and reviewed historical growth rates for AV in Goose Hollow and in the South Park Blocks, River District, and Downtown Waterfront URAs to develop these assumptions.
• The medium development scenario assumes 20% of the potential development would occur.

• The low development scenario assumes that 15% of potential development would occur.

• As the name implies, the no growth scenario assumes 0% of the potential development would occur over 20 years. This scenario is unrealistic, however we included it in our analysis to present a picture of the minimum TIF revenue that could be generated by the study area. The other scenarios are all plausible development scenarios, based on past market trends and absorption rates in downtown and other close-in locations on the Westside of Portland.

In all scenarios we assumed no potential redevelopment sites would develop in the first two years. This is because any projects developing in that time frame should already be far enough along that they would be identified as redevelopment sites, and we would have more refined development programs for each of these projects. In all subsequent years (2011-2028) we project a generally constant level of development each year. In early years, the bulk of this development is projected to come from known projects. In later years (with relatively few known projects) we show the bulk of the development from potential redevelopment sites.

Known projects (yellow)

Large properties in single ownership and with known potential development efforts identified in public planning documents or discussed in interviews with local developers and property owners are considered to be known projects.

For each known project, ECO created a development program and absorption rate based on interviews with property owners or developers, or a review of plan documents or permit applications if available. The program includes assumptions or known programs for mix of uses, FAR, real market values, and other variables.

All property owners of redevelopment sites were consulted in the process of creating assumptions about how the property would develop, and in many cases, the development program came directly from the property owner. (ECO recognizes that development projects identified in this category could change by the time they come to fruition based on market conditions and other circumstances; this report presents the best information currently available about redevelopment potential. Assumptions about how these properties will redevelop are contained in Appendix C.
STEP 3: Estimate Growth in Assessed Value

ECO identified the potential for growth in AV in each of the three categories of property types that are present in the study area: real property, utilities, and personal property. Again, there are no manufactured homes in the study area.

Growth in assessed value is the combination of the change in assessed value for all property types. Because the assessed value of each property class is calculated differently, and each has a different projected growth rate, ECO developed a different set of assumptions for each.

Real Property

Each category of properties (potential redevelopment sites, known projects, and other tax lots) was dealt with separately to forecast future development and the resulting increase in assessed value. We combined the projections of assessed value for each category of properties to calculate the increment from real property. Below, we describe our calculations of assessed value for each of the categories of tax lots in our analysis.

Other tax lots (no color)

All tax lots not identified through Planning’s data exercise in the Capacity Study or through our interview process as having redevelopment potential are included in this category. In these tax lots, we assume no new development would occur. In all scenarios, we assume a 3% increase in assessed value per year as limited by the Maximum Assessed Value established by Measure 5 and 50. The Tax Supervising & Conservation Commission Annual Report provides a good description of Maximum Assessed Value:

The Maximum Assessed Value (MAV) was established in 1997-98 and was set at 90% of each property’s 1995-96 M-5 value. The MAV growth has been limited to 3% per year for unchanged properties since that time. For properties new to the assessment roll MAV is calculated by multiplying the property’s real market value by the Changed Property Ratio. In future years the 3% annual limit applies. When real market value falls below the MAV the MAV is not reduced.

For these tax lots, we simply applied the growth assumptions for each scenario (as described in Table A-1) to the frozen base value of these tax lots, and projected a constant 3% increase in AV over the life of the URA. Any increase in AV above the frozen base is the increment value.
Potential redevelopment sites (blue)

Potential redevelopment sites were identified in the 2007 Capacity Study as likely to develop in the next 20 years. To calculate increase in assessed value, we relied on the absorption rates we created in the previous task. The absorption rates determined the gross square feet of each development type that would be built each year. We converted built square feet to assessed value using a number of development assumptions.

We began with assumptions of sale price per net square foot for each development type. These assumptions were determined through interviews with local developers, and appraisers as well as recent market studies for similar areas. We converted sales price per net square foot to real market value per gross square foot, by multiplying by an assumed percentage of common space for each taxable development type.

To calculate assessed value from real market value, we multiplied by the applicable changed property ratio, resulting in an estimate of assessed value per gross square foot for each taxable development type, as shown in Table A-6.

---

12 The change property ratios (CPR) changes over time because, on average real market values increase at rates greater than 3% per year. Our model estimates TIF in current (future) dollars, and inflation is assumed to be 3% per year. Because we predict the rate of future growth in real market value to equal the rate for assessed values of properties, the CPR remains constant.

13 The CPR values used in our analysis do not exactly match the values calculated by the Multnomah County Assessor’s Office, because the property classes used by the Assessor do not align with the land-use types in our analysis. The TIF model has only one land-use type for all taxable residential development, which includes both condominiums and apartments. To calculate the CPR for residential development, we created a melded rate based on the County CPR for Residential and Multi-Family property classes. Our analysis assumes an even mix of condominiums and apartments. A change in this assumption should be accompanied by a corresponding change in Residential CPR. Our analysis treats commercial (office) and retail space separately. However, the Multnomah County Assessor’s Office includes both land-use types under the umbrella of Commercial property class. Because of this, we have applied the same CPR to both commercial and retail properties. Two non-taxable land-use categories are included: affordable housing (properties receiving a tax abatement for affordable housing), and other non-taxable (typically public uses). The Assessor’s Office does not have CPR’s for these land-uses because they are tax-exempt. ECO’s model assumes a CPR of 0.0000 for each of these land-use types. Our analysis assumes structured parking would be necessary to accommodate development in and around the downtown area. Parking does not have a CPR, rather it is dependent upon the predominant use of the building the parking is located in. For our model, we calculate a melded rate for the parking CPR, based on the overall development mix. The parking CPR changes depending on the area of analysis, because each subdistrict and each activity node have a different mix of assumed uses.
Table A-6. Assumptions for value of taxable development types

<table>
<thead>
<tr>
<th>Development Type</th>
<th>sale price per nsf</th>
<th>RMV per gsf</th>
<th>CPR AV / gsf</th>
<th>% Common area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$360</td>
<td>$306</td>
<td>0.5273</td>
<td>$161</td>
</tr>
<tr>
<td>Commercial</td>
<td>$275</td>
<td>$248</td>
<td>0.4345</td>
<td>$108</td>
</tr>
<tr>
<td>Retail</td>
<td>$275</td>
<td>$248</td>
<td>0.4345</td>
<td>$108</td>
</tr>
<tr>
<td>Parking</td>
<td>$150</td>
<td>$150</td>
<td>0.4943</td>
<td>$74</td>
</tr>
</tbody>
</table>

Source: ECONorthwest based on interviews with local developers, property appraisers, and recent market studies

Notes: Residential includes both condominiums and apartments
The CPR for structured parking depends upon the predominant use of the building; affordable housing and other non-taxable uses not included, because they do not generate TIF revenue.
All values presented in constant 2008 dollars.
CPRs listed in this table to not exactly match Multnomah County figures, because the land-use types used in the model don’t align with the Assessor’s property categories. More explanation of this point follows in the footnotes.

After calculating the assessed value per square foot of each development type, ECO used the absorption rates to calculate the total assessed value of new development that would be generated each year. After the initial year in which the development occurs, this value grows at 3% per year as limited by Measure 5 and 50.

Known projects (yellow)

ECO developed a unique set of assumptions for each tax lot identified as a known project for three development scenarios (high, medium, and low). In the no-growth scenario, we assumed none of these development projects would be built. A preliminary development program was developed for each project, including assumptions on: development mix, gross built square footage, project phasing, real market value, and assessed value (by applying the appropriate changed property ratio to the real market value).

Each program for each redevelopment site was verified with a property owner or developer, or came directly from public planning documents. A list of all redevelopment sites in the study area is contained in Appendix C.

We used the same process to calculate real market value and assessed value as we used for potential redevelopment sites. We multiplied the gross square footage of each taxable development type, by assumed values of real market value per square foot to determine total market value by development type. We converted projected real market value to assessed value by multiplying by the appropriate CPR for that development type.

Phasing assumptions were used calculate the assessed value of individual projects in the years they were built. In all subsequent years, the properties appreciate at 3% per year, as limited by State statutes.
Personal property

Most personal property is site-specific, however some personal property (e.g. mobile equipment) is not. Because we could not reliably tie personal property assessment data to specific parcels in our model, we estimated the existing assessed value of personal property in the study area (the frozen base), and forecast a constant rate of growth over time, based on historic rates.

Assessed value of personal property comprises 5.0% of the total assessed value in the City of Portland in FY 2008/09. ECO assumed the same proportion of total assessed value in the study area would apply. ECO used the known assessed value of real property in the study area, and the relative proportion of real property to personal property to calculate the assessed value of existing personal property.

Then ECO examined historic growth rates in personal property value to determine assumptions for growth in each of the four scenarios. Over the past nine years, the average annual growth rate for personal property value in the City of Portland was 1.4%. Our assumptions for each scenario are presented in Table A-7.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1. High</td>
<td>3.0%</td>
</tr>
<tr>
<td>Scenario 2. Medium</td>
<td>1.5%</td>
</tr>
<tr>
<td>Scenario 3. Low</td>
<td>0.0%</td>
</tr>
<tr>
<td>Base Case</td>
<td>-1.0%</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, based on historic data obtained from the Tax Supervising and Control Commission

Utility Property

The assessed value of utility property (as described previously in this appendix) is not site specific. To estimate the value of utilities in our study area, we estimated the existing assessed value of utility property in the study area (frozen base), and forecast straight-line increase over time, based on historic rates.

Utility property comprises 5.0% of the total assessed value in the City of Portland in FY 2008/09. ECO assumed that utilities would comprise the same proportion of total assessed value in the study area in the frozen base.

ECO then examined historic growth rates in utility property value to determine assumptions for growth in each of the four scenarios. Over the past nine years, the average annual growth rate for utility property value in the City of Portland was 0.2%. Our assumptions for each scenario are presented in Table A-8.

**Table A-8. Growth rate assumptions for utility assessed value**

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1. High</td>
<td>1.0%</td>
</tr>
<tr>
<td>Scenario 2. Medium</td>
<td>0.2%</td>
</tr>
<tr>
<td>Scenario 3. Low</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Base Case</td>
<td>-1.0%</td>
</tr>
</tbody>
</table>

Source: ECONorthwest, based on historic data obtained from the Tax Supervising and Control Commission

**STEP 4: CALCULATE TIF REVENUE**

TIF revenue is the total assessed value (the output of step 2), minus the frozen base (or the assessed value of all properties at the time a URA is formed), multiplied by the effective tax rate. The frozen base for an urban renewal area (URA) is equal to the total assessed value of all properties within the URA at the time that the URA is formed.\(^\text{15}\) ECO summed the assessed values for all properties in the study area for FY 2008-09 to determine the frozen base.

ECO combined the increase in assessed value from real, personal, and utility property on an annual basis to determine the increment for each year. ECO multiplied the total effective tax rate for the study area by the increment value to determine the TIF revenue each year. The applicable tax rates are shown in Table A-9 below.

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\(^{15}\) For the purpose of our analysis, we use current assessed values to calculate the frozen base, and assume the URA would be formed in 2009. For a variety of political, procedural, and economic reasons, the URA may not form until later years.
### Table A-9. Applicable tax rate

<table>
<thead>
<tr>
<th>Tax District</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multnomah ESD</td>
<td>0.4576</td>
</tr>
<tr>
<td>Portland School District</td>
<td>4.7743</td>
</tr>
<tr>
<td>Portland Community College</td>
<td></td>
</tr>
<tr>
<td>Portland Community College</td>
<td>0.2828</td>
</tr>
<tr>
<td>City of Portland</td>
<td>7.201</td>
</tr>
<tr>
<td>East/West Soil/Water Conserv</td>
<td>0.0369</td>
</tr>
<tr>
<td>Metro Service District</td>
<td>0.0966</td>
</tr>
<tr>
<td>Multnomah County</td>
<td>4.3434</td>
</tr>
<tr>
<td><strong>TOTAL RATE</strong></td>
<td>17.2627</td>
</tr>
</tbody>
</table>

Source: Multnomah County Assessor's Office
Rates are expressed as $1 per $1,000 of assessed value

Our model estimates TIF revenue in current (future) dollars, assuming 3% inflation per year. It also presents results in constant ($2008) dollars. To convert from current dollars to constant dollars, we divide the TIF revenue generated each year by an inflation index, assuming constant 3% inflation per year. Finally, to determine the total TIF revenue generating potential of each subdistrict, we sum the 20-year revenue stream.
Appendix B

Interview Summaries

This memorandum provides a summary of the results of a series of interviews conducted as part of the Next Generation Westside URA Project to determine development potential and infrastructure needs in the study area that generally bands I-405 to the west and south, and includes Portland State University and some parts of the downtown Portland core. It is provided as part of ECONorthwest (ECO)’s contract with the City of Portland to provide technical analysis for this study.

B.1 INTRODUCTION

Between August and September 2008, staff from the Bureau of Planning (BOP), Portland Development Commission (PDC), and ECONorthwest (ECO) conducted 33 interviews with 41 individuals who shared different perspectives about the future of urban renewal in central Portland. The team interviewed land-owners, developers, non-profit and cultural institution managers, public agency staff, elected officials, and urban designers.

The data were not developed using a scientific method and the results should be considered in terms of the informal insight they can provide; in other words, they are qualitative rather than quantitative. The summary is organized roughly by question (summarized below):

- What type of public and/or private projects do you think the City should support with urban renewal and its tools (e.g. tax increment, land assembly, etc) in the next 20 years?

- Do you think the City needs a new urban renewal area(s) in Central Portland?

- Do you have any initial thoughts on areas in the Central City that should be included (or not included) in a new urban renewal area(s)? If so why?

- Do you know of any future project(s) that may generate tax increment? If known, what are the timing, size, use, and cost? What are the challenges that may hinder development?

- Do you know of any future project(s) that may use tax increment or require land assembly? If known, what are the timing, size, use, and cost? What are the challenges that may hinder development?
Some interviewees (especially property owners and developers) were also asked to provide any specific information available about development plans on properties they own or control.

Individual survey responses are confidential to protect the anonymity of interview participants; results are provided here in summary only.

**B.2 Key Findings**

Overall, most interviewees seemed to support a new urban renewal area(s) downtown, but had concerns or comments about how a new URA would be planned and how TIF (tax increment finance) dollars should be spent.

**Clearly Communicate Goals**

Most agreed that PDC and the City should clearly communicate goals for a new urban renewal area early in the process, and be prepared to explain why urban renewal is the right tool to achieve those goals.

**Use of Public Dollars**

Interview results reflect a tension between spending public dollars to support infrastructure development and spending public dollars to create TIF. Some felt that it should be spent only on projects that directly catalyze development and increase tax revenues; others felt that it should be spent more broadly to create amenity, support cultural and educational institutions, and create 24-hour activity in the Central City.

**Housing**

Many respondents were interested in seeing more housing (especially workforce housing) built downtown and were enthusiastic about the longer-term market for an urban housing product, but seemed uncertain about whether urban renewal is the best tool for fostering that goal. Some commented that the 30% set-aside for affordable housing runs contrary to TIF revenue generation and the usual goals of urban renewal; a few supported the set-aside.

**Timing**

Some respondents discussed the timing for starting a new urban renewal area. Some felt that any new urban renewal area should begin as
soon as possible to capture the revenue from projects that are now or will soon be under construction. Others felt that it would be important for the Central Portland Plan process to be complete before beginning a new urban renewal area, so that the URA could be an implementation strategy for the stated goals and objectives of that plan.

**SIZE AND LOCATION**

The size and location of a new potential urban renewal area was another area of tension in the interview results. Some felt that a single, large URA would be more beneficial because it would capture a larger tax base and generate more TIF for projects. Others felt that small, more focused URAs could have clearer and more achievable goals, and might therefore be more acceptable.

**SUGGESTED STUDY AREA**

Some felt that the suggested study area needs the support of urban renewal to thrive, and that success in the Central City core is critical to achieving region-wide goals around transportation and land use. Others felt that other areas (especially the Lloyd District area and Central Eastside) were more blighted and had greater need for the TIF tool than the suggested study area.

**PDC’S ROLE**

Many respondents commented on the importance of PDC’s role in fostering economic development and job growth, and seemed uncertain about how (or if) urban renewal supports that role.

**B.3 SUMMARY OF RESPONSES**

**TYPES OF PROJECTS URBAN RENEWAL SHOULD SUPPORT**

Respondents indicated many types of projects they felt urban renewal should support in the next 20 years. Four major categories of projects emerged during the interviews: (1) economic development and job creation, (2) infrastructure, (3) affordable and workforce housing, (4) and cultural/educational uses.
Economic development and job creation

Many respondents highlighted the importance of economic development, stating that projects that support economic development and job creation should be the first priority for urban renewal. Other respondents added that urban renewal should be used to support the downtown retail core, including support for storefront and tenant improvement loans as well as historic rehab/seismic upgrade assistance. Some respondents stated generally the importance of focusing urban renewal on key sites with significant (or catalyst) potential.

Infrastructure

Several interviewees said infrastructure improvements, such as transit (street car, light rail), parks, parking, and streetscape enhancements are the most important areas for urban renewal to focus.

Affordable and workforce housing

Interviewees expressed a wide range of opinions about the use of urban renewal to support housing development. A few respondents stated that urban renewal should be used to help build new affordable housing (and workforce housing), and to upgrade substandard housing (including SROs). Some respondents stated explicitly that they felt urban renewal funds should not be used for affordable housing. Still others said that TIF should not be used for market rate housing.

Cultural / educational uses

A few respondents answered that urban renewal should support cultural institutions (museum, concert hall upgrades) and higher education, as it contributes to an overall economic development strategy. Several respondents (both the private and public sector) expressed general support for committing urban renewal resources to Portland State University (PSU), citing its importance to overall economic vitality. Of those, a few qualified their support, saying that urban renewal resources committed to PSU should be limited to projects that would generate tax increment. Others felt urban renewal should not be used towards PSU or any tax-exempt uses (because of foregone tax increment).

Other

A few respondents expressed a desire for the City and PDC to undertake innovative and/or sustainable projects (economic development incubators, prefabricated housing) that are not economically viable without
public investment. These projects can pave the way for similar private sector projects and brand Portland as a leader in these markets.

A few respondents from the public sector felt that urban renewal occurs at the expense of other agencies’ operating expenses and should be balanced with that in mind. Others added that the City should not rely on urban renewal funds as much as it already does, and the City should instead use other, more permanent and flexible tools to accomplish development goals (revenue bonds, GO bonds, tax abatement, SDC waivers, new market tax credits and other tax credits, etc).

Several respondents stated that PDC should wait for the Central Portland Plan to be completed before determining if a new URA in the Central City is necessary, as the plan will offer ideas and help prioritize urban renewal funds.

**DOES THE CITY NEED NEW URBAN RENEWAL AREA(S) IN THE CENTRAL CITY?**

There was overall support among most interviewees for downtown urban renewal. A handful of respondents stated that a new urban renewal area is not needed in the Central City, but did suggest areas nearby or across the river. Most respondents offered specific geographic areas in and near the Central City where urban renewal should focus. Some of these are in the study area for this study, and others are not:

- **Inside Central City study area:**
  - Goose Hollow
  - Retail core
  - Conway area redevelopment
  - Transit mall
  - West end
  - Chinatown/Old Town
  - Post Office
  - Waterfront
  - Area between PSU-OHSU

- **Outside study area:**
  - Lloyd District
  - Central Eastside

A few respondents commented that *satellite districts* are contrary to the purpose of urban renewal. Urban renewal districts should be stand-alone.
Some respondents contemplated the appropriate size of new urban renewal districts, stating that larger districts are more appropriate because they provide more opportunity for more people. Others stated that smaller districts are better because they can be more targeted to achieve specific redevelopment goals—e.g. clustered uses that generate their own momentum.

Comments from interviewees representing public agencies stated that clear goals are needed for any new URA and felt those had not yet been established for existing URAs.

**SUGGESTED TIF GENERATORS AND USERS**

Respondents suggested a variety of future projects that may generate and/or use tax increment, some of which are in the study area and some of which are not. The lists here are not comprehensive lists of the projects that will generate or require TIF in a potential new URA (many other properties than this area are likely to redevelop), but these were big enough or unique enough to be specifically mentioned in interviews.

- Lincoln High School
- Conway
- Redevelopment around 17th and 18th in Northwest (Slabtown)
- Morrison Bridgehead Site
- Oregonian Site
- 14th & Salmon
- 15th and Alder
- Manhattan housing
- Masons-Scottish Rite
- Pioneer Place tower
- 10th and Yamhill
- Cornelius Hotel
- Burnside Bridgehead
- Convention center (HQ hotel)
- Existing PDC sites
- PSU and the University District (University Place, College and 6th, Wells Fargo lot, the Tortoise, St. Mary’s parking lot)
- Galleria
- I-405 cap
- Central Post Office Site
- TriMet site (11th and Yamhill)
- Park Ave. West
- Hawthorne Bridgehead Site
- Streetcar and light rail
- Transportation infrastructure (Moody, I-5 ramps, pedestrian bridge)
- Affordable housing
- Streetscape improvements
• Educational institutions
• Cultural institutions
• Civic Stadium
• South portal
• Bike safety projects
• Galleria
• Alder Park
• Joyce & Kent Hotels Replacement
• Blue Cross building
• County Courthouse
• Uwajimaya/Housing Project
• Trimet site (17th and Salmon)
• North Macadam access

• Custom House
• Arlene Schnitzer Concert Hall
• Streetsc ate at Main & Broadway
• Salmon (4th to 10th)
• Public Market
• Mead and McCoy buildings
• Blanchard Site
• Memorial Coliseum
• New parks
• Repair parks (Halprin, South Park Blocks, O’Bryant Square)
• Community Center in NW
• Major athletic center

CHALLENGES TO DEVELOPMENT

Respondents listed a variety of challenges that may hinder development; chief among those were costs and restrictive zoning. Many indicated that land and construction costs are too high relative to achievable rents. Others mentioned that the business tax is a disincentive to developing new business uses. Lack of safety (or the perception of safety) was another barrier mentioned by a few respondents. Two respondents stated that public perception and opposition to new development is a barrier.

Zoning presents a variety of specific barriers, according to many respondents—a general theme among respondents was that the permitting process is overly complex and subjective in nature. Others stated specific difficulties with zoning, such as restrictive building height and floor area ratio (FAR) limitations. Respondents remarked that height limits need to be higher in many areas, including Old Town and adjacent to the waterfront. Some respondents noted that height limits and accompanying FAR requirements are often incongruent and do not make sense. Others added that parking code requirements, stormwater design standards, and adaptive re-use requirements (including seismic upgrades) need to be updated to allow more flexibility.
Appendix C  Details: TIF Revenue Sources

This appendix contains spreadsheets that show potential TIF revenue source projects. These projects correspond to yellow sites on the subdistrict maps included in Chapter 3.
### Projects Under Construction

<table>
<thead>
<tr>
<th>Owner/Contact</th>
<th>Name</th>
<th>Project Description</th>
<th>Location (Northwest corner of block)</th>
<th>Taxable</th>
<th>*Assumed Completion</th>
<th>URA</th>
<th>Program</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPUS</strong></td>
<td>Retail and Housing</td>
<td>Six-story, mixed-use building</td>
<td>19th and Hoyt</td>
<td>yes</td>
<td>2009</td>
<td>none</td>
<td>100K</td>
<td>5K</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>101 apt.</td>
<td>63 res.</td>
</tr>
</tbody>
</table>

### Redevelopment Sites

<table>
<thead>
<tr>
<th>Owner/Contact</th>
<th>Name</th>
<th>Project Description</th>
<th>Location (Northwest corner of block)</th>
<th>Taxable</th>
<th>*Assumed Completion</th>
<th>URA</th>
<th>Program</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Con-way</strong></td>
<td><strong>TOTAL - 19-Block Mixed Use Development</strong></td>
<td>Con-way Properties – Build without Zone Change</td>
<td>Yes</td>
<td>phased</td>
<td>none</td>
<td>1.913M</td>
<td>51K</td>
</tr>
<tr>
<td></td>
<td><strong>Con-way</strong></td>
<td><strong>TOTAL - 19-Block Mixed Use Development</strong></td>
<td>Con-way Properties – Build with Zone Change</td>
<td>Yes</td>
<td>phased</td>
<td>none</td>
<td>5.119M</td>
<td>134.5K</td>
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<tr>
<td>Trevor Rowe</td>
<td>Self Storage</td>
<td>Rental storage unit project</td>
<td>17th and Pettygrove</td>
<td>yes</td>
<td>early</td>
<td>none</td>
<td>99.7K</td>
<td></td>
</tr>
<tr>
<td>Johnson Street Investors LLC</td>
<td>Housing</td>
<td>Six-story, mixed-use rental housing project</td>
<td>19th and Kearney</td>
<td>yes</td>
<td>early</td>
<td>none</td>
<td>46.84K</td>
<td>5K</td>
</tr>
<tr>
<td>Overton Corner LLC</td>
<td>Housing/Retail</td>
<td>Two story mixed-use housing project</td>
<td>20th and Overton</td>
<td>yes</td>
<td>early</td>
<td>none</td>
<td>10K</td>
<td>2K</td>
</tr>
<tr>
<td>Legacy</td>
<td>Office Building</td>
<td>Medical Office Building</td>
<td>22nd and Overton</td>
<td>yes</td>
<td>mid</td>
<td>none</td>
<td>100K</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Con-way</strong></td>
<td><strong>Existing buildings and projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>400</td>
<td>below grade spaces</td>
</tr>
</tbody>
</table>

**Notes:**
- Timeframes: Early - 0–5 years, Mid – 5–10 years, Late – 10-20 years
- NA – Indicates information is not readily available
- NOTE: All GSF figures exclude below grade parking space

**Three phasing options are considered for Con-way development Low/Med/High including with zone changes and without zone changes**
Projects Under Construction: NONE

<table>
<thead>
<tr>
<th>Owner/Contact</th>
<th>Name</th>
<th>Project Description</th>
<th>Location (Northwest corner of block)</th>
<th>Taxable</th>
<th>Completion Date*</th>
<th>URA</th>
<th>Program</th>
<th>Notes</th>
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</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>gsf retail commercial housing parking other</td>
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Redevelopment Projects

<table>
<thead>
<tr>
<th>Owner/Contact</th>
<th>Name</th>
<th>Project Description</th>
<th>Location (Northwest corner of block)</th>
<th>Taxable</th>
<th>Assumed Completion</th>
<th>URA</th>
<th>Program</th>
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<tr>
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<td>gsf retail commercial housing parking other</td>
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</table>

**Portland Public Schools**

| Lincoln High Property Redevelopment | Eight block redevelopment project – various scenarios considered | 18\(^{th}\) and Salmon, property approximately bounded by 18\(^{th}\)/405 and Salmon and Main | partial | Mid | 40K | 440K | 132K | none | Program information gathered from "A Vision for 21\(^{st}\) Century Schools" June 9, 2008 |

**Scenario 1**

| High level development | New high school, two 12-story, private commercial projects and new athletic field. Considers new streets at 15\(^{th}\) and 17th | partial | Mid | 20K | 80K | 300K school/ nontaxable | Concept E |

**Scenario 2**

| Medium level development | Remodeled and expanded high school, low-rise private commercial project and existing athletic field. | partial | Mid | 20K | 80K | 300K school/ nontaxable | Concept B - $110K Total Project Costs |

**Scenario 3**

| Low level development | Remodeled and expanded high school, no private development | no | Mid | 192.5K | 30K | 162.5K | |

**Harsch Housing**

| Mixed-use project | 18\(^{th}\) and Alder | yes | Mid | none | 192.5K | 30K | 162.5K | |

**TriMet Housing**

| Mixed-use residential project with four stories parking below grade. | 18\(^{th}\) and Taylor | yes | Early | none | 241K | 18K | 213.2K | Site area: 27,984 s.f. May be developed with adjacent Petrusich/Water Rec./Reilly property. |

**Petrusich/Water Reclamation Services/Reilly Housing**

| Mixed-use residential | 18\(^{th}\) and Taylor | yes | Early | none | 186.8K | 12K | 167.6K | Below grade | Site Area: 22,984 May be developed with adjacent TriMet property. |

**MERC POE Park**

| Redesign POE Park to accommodate Major League Soccer. | 20\(^{th}\) and Morrison | no | Early | none | Project will be implemented in two phases. See Project Uses. | |


*Timeframes: Early - 0–5 years, Mid – 5-10 years, Late – 10-20 years
NA – Indicates information is not readily available
NOTE: All GSF figures exclude below grade parking space
## Projects Under Construction

<table>
<thead>
<tr>
<th>Owner/Contact</th>
<th>Name</th>
<th>Program</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>TMT</td>
<td>Park Ave West</td>
<td>SPB</td>
<td>Transferred FAR from Park Block 5. Construction halted due to lack of financing.</td>
</tr>
<tr>
<td>12W RPO LLC/ZGF/GED</td>
<td>ZGF Headquarters/12th and Washington</td>
<td>SPB</td>
<td>GSF includes 58K sf of existing building area.</td>
</tr>
<tr>
<td>Caplan Landlord LLC</td>
<td>5th Ave. Building</td>
<td>DTWF</td>
<td>May be eligible for property tax exemptions.</td>
</tr>
<tr>
<td>Mercy Corps</td>
<td>Mercy Corps Headquarters</td>
<td>DTWF</td>
<td>Non-Profit entity – eligible for property tax exemptions. GSF includes renovation of existing 46K building and new 40K addition.</td>
</tr>
<tr>
<td>Shorenstein</td>
<td>1st &amp; Main</td>
<td>None</td>
<td>Parking is also for Church and Ladd Carriage House. Tower complete, Ladd Carriage House still under construction.</td>
</tr>
<tr>
<td>OPUS</td>
<td>Ladd Tower</td>
<td>SPB</td>
<td>Hotel with restaurant(s) May be eligible for property tax exemptions. GSF is existing bldg sf.</td>
</tr>
<tr>
<td>McMenamins</td>
<td>Majestic Hotel/Bath House</td>
<td>SPB</td>
<td>Hotel with restaurant(s) May be eligible for property tax exemptions. GSF is existing bldg sf.</td>
</tr>
<tr>
<td>R.V. Kuhns</td>
<td>Smith Block</td>
<td>DTWF</td>
<td>May be eligible for property tax exemptions. GFS is existing bldg sf.</td>
</tr>
</tbody>
</table>

### Table: Projects Under Construction

<table>
<thead>
<tr>
<th>Owner/Contact</th>
<th>Name</th>
<th>Project Description</th>
<th>Location (Northwest corner of block)</th>
<th>Taxable</th>
<th>Completion Date</th>
<th>URA</th>
<th>Program</th>
<th>GSF</th>
<th>retail</th>
<th>office</th>
<th>housing</th>
<th>parking</th>
<th>other</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>TMT</td>
<td>Park Ave West</td>
<td>33-story office tower with two floors retail. Six levels parking below grade</td>
<td>9th and Morrison</td>
<td>yes</td>
<td>NA</td>
<td>SPB</td>
<td>474.2 K</td>
<td>37.9K sf of two floors</td>
<td>273,130 sf., floors 3-22</td>
<td>84 units, floors 23-33</td>
<td>6 levels below grade/341 spaces</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12W RPO LLC/ZGF/GED</td>
<td>ZGF Headquarters/12th and Washington</td>
<td>22-story mixed-use tower with retail, rental residential and office</td>
<td>13th and Stark</td>
<td>yes</td>
<td>2009</td>
<td>SPB</td>
<td>421.3K</td>
<td>1 fl</td>
<td>5 floors (2-6)</td>
<td>274 units, rental floors 7-22</td>
<td>5 levels below grade (317 spaces)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caplan Landlord LLC</td>
<td>5th Ave. Building</td>
<td>Ground floor retail with office condos above</td>
<td>5th and Washington</td>
<td>no</td>
<td>2009</td>
<td>DTWF</td>
<td>70K</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mercy Corps</td>
<td>Mercy Corps Headquarters</td>
<td>1st and Burnside</td>
<td>no</td>
<td>2009</td>
<td>DTWF</td>
<td>86K</td>
<td>Partial 1st fl.</td>
<td>80K</td>
<td>30 surface spaces</td>
<td>Non-Profit entity – eligible for property tax exemptions.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Shorenstein</td>
<td>1st &amp; Main</td>
<td>16-story office tower</td>
<td>yes</td>
<td>2009 - 2010</td>
<td>None</td>
<td>370K</td>
<td>20K</td>
<td>350K</td>
<td>264 spaces, below grade</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>OPUS</td>
<td>Ladd Tower</td>
<td>Mixed-use residential rental project</td>
<td>Park and Jefferson</td>
<td>yes</td>
<td>2009</td>
<td>SPB</td>
<td>Approx. 350K</td>
<td>Partial 1st fl.</td>
<td>334 units, market rental</td>
<td>379 spaces below grade</td>
<td>Parking is also for Church and Ladd Carriage House. Tower complete, Ladd Carriage House still under construction.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McMenamins</td>
<td>Majestic Hotel/Bath House</td>
<td>Rehabilitation project into hotel and restaurant</td>
<td>13th and Burnside</td>
<td>no</td>
<td>2011</td>
<td>SPB</td>
<td>15.8K</td>
<td>Hotel with restaurant(s)</td>
<td>May be eligible for property tax exemptions. GSF is existing bldg sf.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R.V. Kuhns</td>
<td>Smith Block</td>
<td>Rehabilitation project into restaurant and R.V.Kuhns headquarters</td>
<td>1st and Ash</td>
<td>no</td>
<td>2009</td>
<td>DTWF</td>
<td>24.3K</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>May be eligible for property tax exemptions. GFS is existing bldg sf.</td>
</tr>
</tbody>
</table>
Known Projects

<table>
<thead>
<tr>
<th>Owner/Contact</th>
<th>Name</th>
<th>Project Description</th>
<th>Location (Northwest corner of block)</th>
<th>Taxable</th>
<th>Assumed Completion*</th>
<th>URA</th>
<th>Program</th>
<th>gsf</th>
<th>retail</th>
<th>office</th>
<th>housing</th>
<th>parking</th>
<th>other</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>409 Project LLC</td>
<td>Weave Building</td>
<td>Mixed-use office project with ground floor retail</td>
<td>14th and Burnside</td>
<td>yes</td>
<td>Early</td>
<td>SPB</td>
<td>5K</td>
<td>41.5K</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$14M Total Project Cost</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>Approx. 5.2K retail currently exists on site</td>
<td></td>
</tr>
<tr>
<td>Harsch</td>
<td></td>
<td>Mixed-use housing project with ground floor retail and below grade parking</td>
<td>11th and Columbia</td>
<td>yes</td>
<td>Mid</td>
<td>SPB</td>
<td>240.7K</td>
<td>7.8K</td>
<td></td>
<td></td>
<td></td>
<td>232.9K</td>
<td>Assume 3.5 levels below grade parking (260 spaces)</td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>260 housing units</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>25,000 s.f. lot area</td>
<td></td>
</tr>
<tr>
<td>PDC/Mark Fraiser (KVA Kidder Mathews)</td>
<td>Jefferson West</td>
<td>Mixed-use housing project with ground floor retail and below grade parking</td>
<td>12th and Jefferson</td>
<td>yes</td>
<td>Mid</td>
<td>SPB</td>
<td>173K</td>
<td>10K</td>
<td></td>
<td></td>
<td></td>
<td>118K</td>
<td>2 floors below grade (90 spaces)</td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>16,860 s.f. lot area, 15-story building, 104 units,</td>
<td></td>
</tr>
<tr>
<td>County</td>
<td>Morrison Bridgehead</td>
<td>Office and/or hotel Tower with above and below grade parking for new building uses, County uses and possible public uses</td>
<td>2nd and Washington Commercial Tower (1st to Naito, Stark to Morrison (Public Market)</td>
<td>Partial (County parking non taxable, possible public parking non taxable)</td>
<td>Late</td>
<td>DTWF</td>
<td>375K</td>
<td>12K</td>
<td></td>
<td></td>
<td></td>
<td>$300K commercial use (office or hotel)</td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Also see TIF uses. GSF includes 2 levels above grade parking</td>
<td></td>
</tr>
</tbody>
</table>

*Timeframes: Early - 0–5 years, Mid – 5-10 years, Late – 10-20 years

NA – Indicates information is not readily available

NOTE: All GSF figures exclude below grade parking space
### Projects Under Construction

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<th>URA</th>
<th>Program</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSU</td>
<td>Academic and Student Recreation Center</td>
<td>6-story academic, recreation center and City archives with retail on the ground floor</td>
<td>6th and Montgomery</td>
<td>partial (retail only)</td>
<td>2009</td>
<td>SPB</td>
<td>Approx. 18K</td>
<td>6-story recreation center, office, academic building and City archives. Non taxable except retail</td>
</tr>
<tr>
<td>Gerding Eden</td>
<td>Cyan</td>
<td>Sixteen-story apartment building with ground floor retail</td>
<td>4th and Mill</td>
<td>yes</td>
<td>2009</td>
<td>none</td>
<td>378.2K</td>
<td>5.7K</td>
</tr>
</tbody>
</table>

### Known Projects

<table>
<thead>
<tr>
<th>Owner/Contact</th>
<th>Name</th>
<th>Project Description</th>
<th>Location (Northwest corner of block)</th>
<th>Taxable</th>
<th>Assumed Completion*</th>
<th>URA</th>
<th>Program</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSU</td>
<td>Business School and Office Building</td>
<td>Half Business School, half private office use with some ground floor retail.</td>
<td>10th and Market</td>
<td>Partial (retail and office only)</td>
<td>mid</td>
<td>none</td>
<td>290K</td>
<td>18K</td>
</tr>
<tr>
<td>PSU</td>
<td>Housing at College Station/TriMet Turnaround Site</td>
<td>Private student housing, classrooms, office, dining and ground floor retail</td>
<td>6th and College and 6th and Jackson</td>
<td>Partial (housing and retail)</td>
<td>early</td>
<td>SPB</td>
<td>334.9K</td>
<td>25.5K</td>
</tr>
<tr>
<td>6th Group LLC</td>
<td>Private Student Housing</td>
<td>15-story, residential mixed-use project with ground floor retail</td>
<td>Broadway and College</td>
<td>yes</td>
<td>early</td>
<td>SPB</td>
<td>44.73K</td>
<td>14 floors</td>
</tr>
<tr>
<td>Uptown Development</td>
<td>Private Student Housing</td>
<td>6-story, student housing with ground floor retail</td>
<td>5th and College</td>
<td>yes</td>
<td>early</td>
<td>SPB</td>
<td>44.73K</td>
<td>44 units/5 floors</td>
</tr>
<tr>
<td>PDC</td>
<td>Oregon Sustainability Center</td>
<td>Multi-story green building including OUS education and resource center and City and State economic green practices incubator</td>
<td>5th and Montgomery</td>
<td>Partial (retail only)</td>
<td>early</td>
<td>SPB</td>
<td>120K</td>
<td>8K</td>
</tr>
</tbody>
</table>
Appendix D  Details: TIF Revenue Uses

This appendix contains spreadsheets that show potential TIF revenue uses. These projects correspond to blue sites on the subdistrict maps included in Chapter 3.
<table>
<thead>
<tr>
<th>Project</th>
<th>Project Description</th>
<th>Location</th>
<th>Contact</th>
<th>Estimated Project Cost</th>
<th>Estimated Unit Cost</th>
<th>Other Funding Sources</th>
<th>Timing</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Con-way Public Improvements</td>
<td>19-block mixed use development</td>
<td>Approximately – Bounded by HWY 30, Pettygrove, 23rd, 19th</td>
<td>TBD</td>
<td>$40M</td>
<td>$50K/space</td>
<td>TIF, LID, Private</td>
<td>early</td>
<td>Project implemented over a 20 year period.</td>
</tr>
<tr>
<td>Shared Public/Private Parking</td>
<td>800 below grade parking spaces. Includes replacement parking.</td>
<td>TBD (NW Con-way Redevelopment)</td>
<td>TBD</td>
<td>$10 – 20M</td>
<td></td>
<td>TIF, State, Federal</td>
<td>phased</td>
<td>Parking for public and Con-way employees (1100 employees)</td>
</tr>
<tr>
<td>Freeway Ramp</td>
<td>Improved access to and from HWY 30</td>
<td>HWY 30 and Vaughn</td>
<td>TBD</td>
<td>$6M park, $7M land acquisition</td>
<td>$100/s.f. Construction and soft costs plus $17.50/s.f acquisition</td>
<td>TIF, SDC, LID</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Neighborhood Park</td>
<td>Two acre park at grade</td>
<td>TBD (NW Con-way Redevelopment)</td>
<td>TBD</td>
<td>$3M - $45M</td>
<td></td>
<td>TIF, SDC, City Bond</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Community Center</td>
<td>Options include community space in new structure or new community center</td>
<td>TBD (PPR)</td>
<td>TBD</td>
<td>$15M</td>
<td></td>
<td>TIF, City, LID</td>
<td>phased</td>
<td></td>
</tr>
<tr>
<td>Sustainable Infrastructure</td>
<td>District Heating and Green Streets</td>
<td>TBD (NW Con-way Redevelopment)</td>
<td>TBD</td>
<td>$360K</td>
<td></td>
<td></td>
<td></td>
<td>2003 cost estimate</td>
</tr>
<tr>
<td>Couch Park</td>
<td>Rehabilitation</td>
<td>20th and Hoyt</td>
<td>PPR</td>
<td>$300K</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18/19 Streetcar</td>
<td>2.44 miles of single track new streetcar line</td>
<td>Streetcar lines running north/south from Burnside/Couch to Vaughn on 18/19 and east/west from 18/19 to 23rd on Thurman/Raleigh</td>
<td>PDXOT</td>
<td>$42.5M</td>
<td>Based on $34.77M Double tracked mile</td>
<td>TIF, Federal, LID</td>
<td>late</td>
<td></td>
</tr>
<tr>
<td>Metropolitan Learning Center</td>
<td>Rehabilitation of school and yards</td>
<td>21st and Hoyt</td>
<td>PPS</td>
<td>NA</td>
<td>NA</td>
<td>TIF, City</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>TBD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30% TIF Total</td>
</tr>
</tbody>
</table>
### Potential TIF Uses – Subdistrict 2 – Goosehollow

**April 24, 2009**

**Study of Urban Renewal Potential in Central Portland**

*Timeframes: Early - 0–5 years, Mid – 5-10 years, Late – 10-20 years*

NA – Indicates information is not readily available

**NOTE:** All GSF figures exclude below grade parking space

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Location</th>
<th>Contact</th>
<th>Estimated Cost</th>
<th>Estimated Unit Cost</th>
<th>Funding Sources</th>
<th>Project Completion</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lincoln High School Redevelopment</td>
<td>New High School</td>
<td>18th and Salmon, property approximately bounded by 18th/405/Salmon/Main</td>
<td>Vision Chair</td>
<td>$110M project cost</td>
<td>$365/sf</td>
<td>TIF, PPS New Bond Fund, FAR Transfer, NMTC, State Facility Grant, Sustainable Building Funds, National Grants</td>
<td>Mid</td>
</tr>
<tr>
<td>Public Parking</td>
<td>600 below grade parking spaces, one level below athletic field</td>
<td>Below Lincoln High School Property</td>
<td>PPR</td>
<td>$24M construction cost</td>
<td>$50K/space/s.f.</td>
<td>TIF, LID, MAC Club, City Bonds</td>
<td>Mid</td>
</tr>
<tr>
<td>New Urban Park</td>
<td>One acre park over below grade parking</td>
<td>TBD</td>
<td>PPR</td>
<td>$6.7M project cost, $5M site acquisition</td>
<td>$168/sf – project</td>
<td>TIF, Parks Bond, Parks Levy, SDC</td>
<td>Mid</td>
</tr>
<tr>
<td>Fireman’s Memorial Restoration</td>
<td>Restoration and enhancement of Memorial</td>
<td>16th and Burnside</td>
<td>PPR</td>
<td>NA</td>
<td>NA</td>
<td>TIF, Parks Bond, Parks Levy, SDC, Private</td>
<td>Mid</td>
</tr>
<tr>
<td>Wildwood Bridge</td>
<td>New pedestrian bridge</td>
<td>West Burnside and Wildwood Trail</td>
<td>PPR</td>
<td>$4M project cost</td>
<td>NA</td>
<td>Grants, Bonds</td>
<td>NA</td>
</tr>
<tr>
<td>New streets</td>
<td>Continue 15th and 17th streets through Lincoln High property</td>
<td>15th and 17th @ Lincoln High from Salmon to Madison</td>
<td>PDOT</td>
<td>$1M construction cost</td>
<td>$250/block</td>
<td>TIF, LID, PDOT</td>
<td>Mid</td>
</tr>
<tr>
<td>Burnside Street Improvements</td>
<td>New road and pedestrian crossing improvements</td>
<td>Upper West Burnside – NW 16th Ave to 23rd Ave.</td>
<td>PDOT</td>
<td>$27.3M project cost</td>
<td>TIF, PDOT, Federal</td>
<td>Early</td>
<td></td>
</tr>
<tr>
<td>Burnside Streetcar</td>
<td>New streetcar line</td>
<td>Upper West Burnside – NW 16th Ave to 23rd Ave.</td>
<td>PDOT</td>
<td>$20M project cost</td>
<td>LID, Federal</td>
<td>Early</td>
<td>See notes above.</td>
</tr>
<tr>
<td>PGE Park</td>
<td>Redesign PGE Park to accommodate Major League Soccer.</td>
<td>20th and Morrison</td>
<td>OMF</td>
<td>$40M project cost</td>
<td>Rose Garden Subsidy, PGE Operations, Revenue</td>
<td>Mid</td>
<td>If funded, project will be implemented in two phases. $6 million in 2010 and larger project in 2012/2013.</td>
</tr>
<tr>
<td>Lid on Freeway</td>
<td>Cover approximately 2 ½ blocks of I-405. No amenities assumed (park, buildings, etc.)</td>
<td>TBD</td>
<td>PDC</td>
<td>$20M construction cost</td>
<td>LID, City Bonds, Grants, Federal</td>
<td>Late</td>
<td>2 ½ blocks. Costs from 1999 ASLA report escalated 3%/year. LID only no amenities.</td>
</tr>
<tr>
<td>Affordable housing - REACH Project</td>
<td>TBD</td>
<td>TBD</td>
<td>REACH</td>
<td>30% TIF</td>
<td></td>
<td>Mid</td>
<td>Below 60% MFI - REACH Project, 1434 SW Morrison</td>
</tr>
</tbody>
</table>
### Potential TIF Uses – Subdistrict 3 – Downtown North of Market

#### Study of Urban Renewal Potential in Central Portland

*Timeframes: Early - 0–5 years, Mid – 5-10 years, Late – 10-20 years

NA – Indicates information is not readily available

**NOTE:** All GSF figures exclude below grade parking space

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Description</th>
<th>Location (NW Corner of Block)</th>
<th>Contact</th>
<th>Estimated Project Cost</th>
<th>Estimated Unit Cost</th>
<th>URA</th>
<th>Other Funding Sources</th>
<th>Project Completion</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland Public Market</td>
<td>Year-round food market</td>
<td>TBD</td>
<td>Ron Paul, Melvin Mark</td>
<td>$25M project cost w/o land acquisition</td>
<td>DTWF</td>
<td>TIF, City, USDA, State Economic Dev. Funds, Private, NMTC, LID</td>
<td>Late</td>
<td>Morrison Bridge Head site possible location. No site control by PPM or developer.</td>
<td></td>
</tr>
<tr>
<td>County parking and public parking</td>
<td>Replacement of existing County parking and public parking in new office tower.</td>
<td>2nd and Washington</td>
<td>Melvin Mark, County</td>
<td>NA</td>
<td>DTWF</td>
<td>TIF, County, HUD Section 108 Loan</td>
<td>Late</td>
<td>TIF Use if Morrison Bridgehead site is determined to be redeveloped for public uses. Possible location for Portland Public Market. Also described Known Projects.</td>
<td></td>
</tr>
<tr>
<td>County Courthouse and Ramp Improvements</td>
<td>New County Courthouse and removal of ramp</td>
<td>1st and Main (Hawthorne Bridgehead)</td>
<td>County, PDC</td>
<td>$250M</td>
<td>none</td>
<td>DTWF</td>
<td>TIF, County Bonds</td>
<td>Late</td>
<td></td>
</tr>
<tr>
<td>Existing Multnomah County Courthouse</td>
<td>Refurbished County Courthouse</td>
<td>5th and Salmon</td>
<td>County</td>
<td>NA</td>
<td>none</td>
<td>TIF, County Bonds</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ankeny Street Improvements</td>
<td>Enhanced streetscapes</td>
<td>4th Ave. to Naito Parkway</td>
<td>PDOT</td>
<td>$1M</td>
<td>$250/Block</td>
<td>DTWF</td>
<td>TIF, LID, PDOT</td>
<td>Late</td>
<td>Four blocks from 4th to Naito</td>
</tr>
<tr>
<td>Park Avenue Streetscapes</td>
<td>Enhanced streetscapes</td>
<td>Park and 9th - Yamhill to Burnside</td>
<td>PDOT</td>
<td>$6M project cost</td>
<td>$250K/Block</td>
<td>SPB, RD, Amended RD</td>
<td>TIF, LID, PDOT</td>
<td>Mid</td>
<td>From Park Avenue Vision. Excludes blocks around PB5.</td>
</tr>
<tr>
<td>Ankeny Plaza</td>
<td>Repave Ankeny Plaza</td>
<td>1st and Ankeny</td>
<td>PDC</td>
<td>$2M</td>
<td>DTWF</td>
<td>TIF, LID</td>
<td>Mid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ankeny Park</td>
<td>Refurbished Ankeny Park</td>
<td>Park and Burnside</td>
<td>PPR</td>
<td>NA</td>
<td>DTWF</td>
<td>TIF, Parks Bond, Parks Levy, SDC</td>
<td>Early</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterfront Park</td>
<td>Refurbished Waterfront Park</td>
<td>Market to Ash</td>
<td>PPR</td>
<td>NA</td>
<td>DTWF, none</td>
<td>TIF, Parks Bond, Parks Levy, SDC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burnside/Couch Street Improvements</td>
<td>Couplet on Burnside and Couch</td>
<td>16th to Burnside Bridge</td>
<td>PDOT</td>
<td>$61.7M</td>
<td>Amended RD, DTWF</td>
<td>TIF, LID</td>
<td>Mid</td>
<td>Costs include Burnside and Couch</td>
<td></td>
</tr>
<tr>
<td>Burnside/Couch Streetcar</td>
<td>Streetcar on Burnside and Couch</td>
<td>16th to Burnside Bridge</td>
<td>PDOT</td>
<td>$40M</td>
<td>RD, Amended RD, DTWF, none</td>
<td>TIF, Federal, LID</td>
<td>Mid</td>
<td>Costs include Burnside and Couch</td>
<td></td>
</tr>
<tr>
<td>PCPA/Arlene Schnitzer Concert Hall and Main Street Improvements</td>
<td>Refurbished Main Street and Concert Hall</td>
<td>Park Avenue and Salmon</td>
<td>MERC, PDOT</td>
<td>NA</td>
<td>SPB</td>
<td>TIF, Private</td>
<td>Early</td>
<td>Project to be completed in two phases.</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing - Section 8 preservation</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>Early</td>
<td></td>
</tr>
</tbody>
</table>
### Potentail TIF Uses – Subdistrict 4: Downtown South of Market

#### Study of Urban Renewal Potential in Central Portland

April 24, 2009

*Timeframes: Early - 0–5 years, Mid – 5-10 years, Late – 10-20 years

NA – Indicates information is not readily available

**NOTE:** All GSF figures exclude below grade parking space

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Description</th>
<th>Location</th>
<th>Contact</th>
<th>Estimated Project Cost</th>
<th>Estimated Unit Cost</th>
<th>Other Funding Sources</th>
<th>Project Completion*</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon Sustainability Center</td>
<td>Multi-story green building including OUS education and resource center and City and State economic green practices incubator</td>
<td>5th and Montgomery</td>
<td>PDC/OUS/P+OSI/OLBI/PCC</td>
<td>NA</td>
<td>NA</td>
<td>TIF, State Bonds, City, Federal</td>
<td>Early</td>
<td>Joint Project: City of Portland represented by Portland + Oregon Sustainability Institute (P+OSI), Oregon University System (OUS), Oregon Living Building Initiative (OLBI).</td>
</tr>
<tr>
<td>Permanent Streetcar Alignment</td>
<td>Replace temporary alignment with permanent alignment</td>
<td>5th and Montgomery</td>
<td>PDDOT/PDC</td>
<td>$2M</td>
<td>NA</td>
<td>TIF, Federal</td>
<td>Early</td>
<td>Work to be completed concurrent with Oregon Sustainability Institute</td>
</tr>
<tr>
<td>Green Streets</td>
<td>Enhanced streetscapes with environmental/ sustainable focus</td>
<td>Montgomery St. from</td>
<td>PDC/BES</td>
<td>NA</td>
<td>NA</td>
<td>TIF, LID, PSU, BES</td>
<td>Early, Mid and Late</td>
<td>Project to be implemented block by block as development occurs. 2 to 3 blocks may be implemented within 5 years.</td>
</tr>
</tbody>
</table>
| Improved Access - Pedestrian and Transportation Improvements | - Frontage roads adjacent to I-405  
- New downtown connections to regional trails (Marquam and Terwilliger Trails)  
| Regional Transportation Systems Projects  | - Direct ramp connections from Ross Island Bridge to northbound I-405  
- Direct ramp connections from southbound I-405 to the Ross Island Bridge  
- Direct ramp linkages between I-405 and Macadam Ave.  
| PSU Business School                       | New Mixed Use development Including Business School                                 | 10th and Market                | PSU                      | NA                     | NA                  | TIF, State, City, Private                  | Early               | May be public/private partnership.                                      |
| PSU Student Housing                       | New public and private student housing                                             | Various                        | PSU                      | NA                     | NA                  | TIF, State, City, Private                  | Early               | May include public/private partnerships.                                |
| South Park Blocks                         | Rehabilitation of South Park Blocks                                              | Market to I-405                | PPR                      | NA                     | NA                  | TIF, General Bond, Bond Levy, SDC         | NA                  |                                                                      |
| Portland Farmers Market (PFM) Permanent Infrastructure | Provide shelter, gas, water and other permanent services in South Park Blocks for PFM | South Park Blocks/PFM          | PPR                      | NA                     | NA                  | TIF, General Bond, Bond Levy, SDC         | NA                  |                                                                      |
### Project Details

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Description</th>
<th>Location</th>
<th>Contact</th>
<th>Total Project Cost</th>
<th>Unit Cost</th>
<th>Other Funding Sources</th>
<th>Project Completion*</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halprin Parks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Pettygrove Park</td>
<td>Rehabilitation of park and adjacent pedestrian RoW's</td>
<td>Bounded by ped. RoW 2nd/3rd &amp; Montgomery</td>
<td>PPR/PDOT</td>
<td>NA</td>
<td>NA</td>
<td>TIF, SDC, Private</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>- Lovejoy Park</td>
<td>Rehabilitation</td>
<td>Bounded by pedestrian RoW 2nd/3rd, south of Harrison St.</td>
<td>PPR</td>
<td>NA</td>
<td>NA</td>
<td>TIF, SDC, Private</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>- Ira Keller Fountain</td>
<td>Rehabilitation</td>
<td>4th and Clay</td>
<td>PPR</td>
<td>NA</td>
<td>NA</td>
<td>TIF, SDC, Private</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Duniway Park</td>
<td>Upgrade paths, planting, relocated lilacs</td>
<td>6th and Sheridan</td>
<td>PPR</td>
<td>NA</td>
<td>NA</td>
<td>TIF, SDC</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Marquam Trail</td>
<td>Extend and improve connections to Downtown</td>
<td>Various locations including Duniway Park to Markham Shelter on Sam Jackson Blvd</td>
<td>PPR</td>
<td>NA</td>
<td>NA</td>
<td>Federal, SDC</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Lair Hill Park</td>
<td>Rehabilitation</td>
<td>Bounded by Barbur Blvd,2nd and Hooker/Woods</td>
<td>PPR</td>
<td>NA</td>
<td>NA</td>
<td>TIF, SDC</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>YMCA Property Redevelopment</td>
<td>Redevelop property</td>
<td>6th and Sheridan</td>
<td></td>
<td>NA</td>
<td>30% TIF</td>
<td>Private, TIF, SDC</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>TBD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>
In Oregon, planning and analysis associated with the creation of new URAs is guided by state statute (ORS Chapter 457). The statutes stipulate that URA plans must find that the proposed URA is eligible for urban renewal because of existing blight, typified by conditions such as deteriorated buildings, low improvement to land values, and/or lack of adequate infrastructure. The plan must also contain goals and objectives, authorized urban renewal projects, a limit on the expenditures, specific provisions regarding acquisition and disposition of land, and provisions regarding how the plan may be amended in the future.

This Appendix contains ORS Chapter 457.
Chapter 457 — Urban Renewal

2007 EDITION

URBAN RENEWAL

PUBLIC HEALTH AND SAFETY

GENERAL PROVISIONS

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457.020     Declaration of necessity and purpose
457.025     Powers supplemental to other laws

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457.045     Election of method of exercise of urban renewal agency’s powers
457.055     Transfer of agency powers
457.065     Advisory board for housing authority acting as urban renewal agency
457.075     Termination of urban renewal agency
457.085     Urban renewal plan requirements; accompanying report; contents; approval required
457.095     Approval of plan by ordinance; required contents of ordinance; notice
457.105     Approval of plan by other municipalities
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457.120     When additional notice required; to whom sent; content; notice by publication
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457.135     Conclusive presumption of plan validity
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457.170 Urban renewal agency’s powers in planning or undertaking an urban renewal project

457.180 Powers of urban renewal agencies in general

457.190 Acquisition of funds by urban renewal agency; maximum amount of indebtedness

Note Bonded indebtedness if project agreed to prior to September 29, 1991—1991 c.459 §335e

457.210 Applicability of housing cooperation law to urban renewal projects; delegation of powers and functions

457.220 Plan amendment; limit on additional land

457.230 Disposition of land in urban renewal project; determination of value; obligations of purchaser or lessee; recordation

457.240 Tax status of land leased under an urban renewal plan

457.320 Municipal assistance under plan; assumption by agency of general obligation bond payments of municipality

TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS

457.420 Plan may provide for division of property taxes; limits on land area

457.430 Certification of assessed value of property in urban renewal area; amendment

457.435 Property tax collection methods for existing plans; special levies

457.437 Consultation with municipalities; resolution requirements

457.440 Computation of amounts to be raised from property taxes; notice; rules

457.450 Notice to tax assessor; provision for debt retirement; distribution of remaining tax increment funds

457.460 Financial report required for agency; contents; notice

GENERAL PROVISIONS

457.010 Definitions. As used in this chapter, unless the context requires otherwise:

(1) “Blighted areas” means areas that, 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. A blighted area is characterized by the existence of one or more of the following conditions:

(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:
   (A) Defective design and quality of physical construction;
   (B) Faulty interior arrangement and exterior spacing;
   (C) Overcrowding and a high density of population;
   (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
   (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;
   (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
   (c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;
   (d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
   (e) The existence of inadequate streets and other rights of way, open spaces and utilities;
   (f) The existence of property or lots or other areas that are subject to inundation by water;
   (g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;
   (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; or
   (i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

(2) “Certified statement” means the statement prepared and filed pursuant to ORS 457.430 or an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

(3) “City” means any incorporated city.

(4) “Consolidated billing tax rate” means:
   (a) If the urban renewal plan is an existing urban renewal plan (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), an urban renewal plan that was an existing urban renewal plan on October 6, 2001, (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)) and that was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001, or an urban renewal plan adopted on or after October 6, 2001, the total of all district tax rates used to extend taxes after any adjustment to reflect tax offsets under ORS 310.105, but does not include any rate derived from:
      (A) Any urban renewal special levy under ORS 457.435;
      (B) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors after October 6, 2001; or
      (C) A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness used to fund local government pension and disability plan obligations that, until funded by the exempt bonded indebtedness, were described in section 11 (5), Article XI of the Oregon Constitution), as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001; and
(b) In the case of all other urban renewal plans, the total of all district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105, except that “consolidated billing tax rate” does not include any urban renewal special levy rate under ORS 457.435.

(5)(a) “Existing urban renewal plan” means an urban renewal plan that provides for a division of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before December 6, 1996, that:

(A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b) of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A) or (B), on or after December 6, 1996; and

(B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as described in ORS 457.190 (3).

(b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial amendment, then “indebtedness issued or incurred to carry out the existing urban renewal plan” for purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by ordinance under ORS 457.190 (3)(c) before July 1, 1998.

(6) “Fiscal year” means the fiscal year commencing on July 1 and closing on June 30.

(7) “Governing body of a municipality” means, in the case of a city, the common council or other legislative body thereof, and, in the case of a county, the board of county commissioners or other legislative body thereof.

(8) “Housing authority” or “authority” means any housing authority established pursuant to the Housing Authorities Law.

(9) “Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

(10) “Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

(11) “Municipality” means any county or any city in this state. “The municipality” means the municipality for which a particular urban renewal agency is created.

(12) “Taxing body” or “taxing district” means the state, city, county or any other taxing unit which has the power to levy a tax.

(13) “Urban renewal agency” or “agency” means an urban renewal agency created under ORS 457.035 and 457.045.

(14) “Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

(15) “Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

(16) “Urban renewal plan” or “plan” means a plan, as it exists or is changed or modified from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220. [Amended by 1957 c.456 §1; 1969 c.225 §1; 1979 c.621 §10; 1991 c.67 §128; 1991 c.459 §330; 1997 c.541 §442; 1999 c.21 §76; 1999 c.579 §25; 2001 c.477 §1; 2003 c.621 §106; 2007 c.884 §1]
457.020 Declaration of necessity and purpose. It hereby is found and declared:

(1) That there exist within the state blighted areas.
(2) That such areas impair economic values and tax revenues.
(3) That such areas cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the residents of the state and that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, safety and welfare, fire and accident protection and other public services and facilities.
(4) That certain blighted areas may require acquisition and clearance since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation, but other areas or portions thereof may be susceptible of conservation or rehabilitation in such manner that the conditions and evils mentioned in subsections (1), (2) and (3) of this section may be eliminated, remedied or prevented and that such areas should, if possible, be conserved and rehabilitated through appropriate public action and the cooperation and voluntary action of the owners and tenants of property in such areas.
(5) That the acquisition, conservation, rehabilitation, redevelopment, clearance, replanning and preparation for rebuilding of these areas, and the prevention or the reduction of blight and its causes, are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern.
(6) That there are also certain areas where the condition of the title, the diverse ownership of the land to be assembled, the street or lot layouts or other conditions prevent a proper development of the land, and that it is in the public interest that such areas, as well as blighted areas, be acquired by eminent domain and made available for sound and wholesome development in accordance with a redevelopment or urban renewal plan, and that the exercise of the power of eminent domain and the financing of the acquisition and preparation of land by a public agency for such redevelopment or urban renewal is likewise a public use and purpose.
(7) That redevelopment and urban renewal activities will stimulate residential construction which is closely correlated with general economic activity; that undertakings authorized by this chapter will aid the production of better housing and more desirable neighborhood and community development at lower costs and will make possible a more stable and larger volume of residential construction, which will assist materially in maintaining full employment.
(8) That the necessity in the public interest for this chapter is a matter of legislative determination.

[Amended by 1957 c.456 §2; 1979 c.621 §11]

457.025 Powers supplemental to other laws. The powers conferred by this chapter are in addition and supplemental to the powers conferred by any other law. [Formerly 457.110]

457.030 [Amended by 1957 c.456 §18; repealed by 1979 c.621 §28]

URBAN RENEWAL AGENCIES; PLANS; ACTIVITIES

457.035 Urban renewal agencies; creation; ordinance to exercise powers; jurisdiction. (1) In each municipality, as defined in ORS 457.010, there hereby is created a public body corporate and politic to be known as the “urban renewal agency” of the municipality. However, the urban renewal agency shall not exercise its powers until or unless the governing body of the municipality, by
nonemergency ordinance, declares that blighted areas exist in the municipality and that there is need for an urban renewal agency to function in the municipality and elects to have the powers of an urban renewal agency exercised in any of the three ways provided in ORS 457.045.

(2) An urban renewal agency, upon activation under subsection (1) of this section, shall have authority to exercise its powers within the same area of operation given a housing authority of the municipality under ORS 456.060. [Formerly 457.130]

457.040 [Repealed by 1979 c.621 §28]

457.045 Election of method of exercise of urban renewal agency’s powers. The governing body of a municipality shall, in the ordinance adopted under ORS 457.035, elect to have the powers of an urban renewal agency under this chapter exercised in one of the following ways:

(1) By a housing authority of the municipality established pursuant to the Housing Authorities Law in which case the name of the body corporate and politic shall be the “housing authority and urban renewal agency” of the municipality.

(2) By appointing a board or commission composed of not less than three members.

(3) By the governing body, itself, provided, however, that any act of the governing body acting as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency only and not of the governing body. [Formerly 457.140]

457.050 [Amended by 1953 c.230 §3; 1957 c.456 §19; repealed by 1979 c.621 §28]

457.055 Transfer of agency powers. At any time following adoption of the ordinance under ORS 457.035, or for urban renewal agencies activated before October 3, 1979, at any time following adoption of a proper resolution or ordinance of the governing body of the municipality, the governing body of a municipality may, by ordinance, transfer the authority to exercise the powers of the urban renewal agency to any other body authorized to exercise those powers under ORS 457.045. All duties and obligations of the urban renewal agency shall thereafter be assumed by the body to which those powers are transferred. [1979 c.621 §16 (enacted in lieu of 457.145)]

457.060 [Repealed by 1979 c.621 §28]

457.065 Advisory board for housing authority acting as urban renewal agency. For the purpose of coordinating its activities and undertakings under this chapter with the needs and undertakings of other local organizations and groups, a housing authority exercising the powers of an urban renewal agency under ORS 457.045 shall establish an advisory board consisting of the chairperson of the authority, who shall be chairperson of the advisory board, and of sufficient members, to be appointed by the chairperson, to represent as far as practicable:

(1) The general public and consumers of housing.
(2) General business interests.
(3) Real estate, building and home financing interests.
(4) Labor.
(5) Any official planning body in the locality.
(6) Church and welfare groups. [Formerly 457.100]
457.070 [Repealed by 1979 c.621 §28]

457.075 Termination of urban renewal agency. If the governing body of a municipality which has an urban renewal agency under ORS 457.035 finds that there no longer exists a need for an urban renewal agency in the municipality, the governing body shall provide, by ordinance, for a termination of the agency and a transfer of the agency’s facilities, files and personnel to the municipality. The termination of an urban renewal agency shall not affect any outstanding legal actions, contracts or obligations of the agency and the municipality shall be substituted for the agency and, for the purpose of those legal actions, contracts or obligations, shall be considered a continuation of the urban renewal agency and not a new entity. No urban renewal agency shall be terminated under this section unless all indebtedness to which a portion of taxes is irrevocably pledged for payment under ORS 457.420 to 457.460 is fully paid. [1979 c.621 §6; 1991 c.459 §331; 1997 c.541 §443]

457.080 [Repealed by 1979 c.621 §28]

457.085 Urban renewal plan requirements; accompanying report; contents; approval required. (1) An urban renewal agency shall provide for public involvement in all stages in the development of an urban renewal plan.
   (2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:
      (a) A description of each urban renewal project to be undertaken.
      (b) An outline for the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of the plan.
      (c) A map and legal description of the urban renewal areas of the plan.
      (d) An explanation of its relationship to definite local objectives regarding appropriate land uses and improved traffic, public transportation, public utilities, telecommunications utilities, recreational and community facilities and other public improvements.
      (e) An indication of proposed land uses, maximum densities and building requirements for each urban renewal area.
      (f) 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 of the plan.
      (g) An indication of which real property may be acquired and the anticipated disposition of said real property, whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition.
      (h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the maximum amount of indebtedness that can be issued or incurred under the plan.
      (i) A description of what types of possible future amendments to the plan are substantial amendments and require the same notice, hearing and approval procedure required of the original plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:
         (A) Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.
         (B) Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.
         (j) For a project which includes a public building, an explanation of how the building serves or benefits the urban renewal area.
(3) An urban renewal plan shall be accompanied by a report which shall contain:
   (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 in light of 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 under the plan and the existing conditions in the urban renewal area;
   (d) The estimated total cost of each project and the sources of moneys to pay such costs;
   (e) The anticipated completion date for each project;
   (f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;
   (g) A financial analysis of the plan with sufficient information to determine feasibility;
   (h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area; and
   (i) A relocation report which shall include:
      (A) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;
      (B) 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 35.500 to 35.530; and
      (C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

(4) An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations, prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095.

(5) An urban renewal plan and accompanying report shall be forwarded to the governing body of each taxing district affected by the urban renewal plan and the agency shall consult and confer with the taxing districts prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095. Any written recommendations of the governing body of each taxing district shall be accepted, rejected or modified by the governing body of the municipality in adopting the plan.

(6) No urban renewal plan shall be carried out until the plan has been approved by the governing body of each municipality pursuant to ORS 457.095 and 457.105. [1979 c.621 §2; 1983 c.544 §1; 1987 c.668 §1; 1987 c.447 §130; 1991 c.459 §332; 1997 c.541 §444]
be published by the governing body of the municipality in accordance with ORS 457.115 no later than four days following the ordinance adoption. The ordinance shall include determinations and findings by the governing body that:

1. Each urban renewal area is blighted;
2. The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality;
3. The urban renewal plan 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 renewal plan proposes;
4. Provision has been made to house displaced persons within their financial means in accordance with ORS 35.500 to 35.530 and, except in the relocation of elderly individuals or individuals with disabilities, without displacing on priority lists persons already waiting for existing federally subsidized housing;
5. If acquisition of real property is provided for, that it is necessary;
6. Adoption and carrying out of the urban renewal plan is economically sound and feasible; and
7. The municipality shall assume and complete any activities prescribed it by the urban renewal plan. [1979 c.621 §3; 1989 c.224 §121; 2007 c.70 §263]

457.100 [Amended by 1979 c.621 §12; renumbered 457.065]

457.105 Approval of plan by other municipalities. In addition to the approval of a plan by the governing body of the municipality under ORS 457.095, when any portion of the area of a proposed urban renewal plan extends beyond the boundaries of the municipality into any other municipality and, in the case of a proposed plan by a county agency, when any portion of such area is within the boundaries of a city, the governing body of the other municipality may approve the plan and may do so by resolution, rather than by ordinance. A proposed plan for an urban renewal area which is wholly within the boundaries of a city, or which is wholly within the boundaries of a county and does not include any area within the boundaries of a city, must be approved only by the governing body of the municipality in accordance with ORS 457.095. [1979 c.621 §3a; 1987 c.668 §2]

457.110 [Renumbered 457.025]

457.115 Manner of newspaper notice. Notice of adoption of an urban renewal plan required under ORS 457.095 and notice of filing of an annual financial statement required under ORS 457.460 shall be published in the newspaper, as defined in ORS 193.010, having the greatest circulation in the municipality and which is published within the municipality. If no newspaper is published within the municipality, the required notice shall be published in the newspaper having greatest circulation within the municipality published nearest to the municipality. [1979 c.621 §3b]

457.120 When additional notice required; to whom sent; content; notice by publication. (1) In addition to any required public notice of hearing on a proposed urban renewal plan or substantial amendment or change to a plan, as described in ORS 457.085 (2)(i) and 457.220, the municipality shall cause notice of a hearing by the governing body on a proposed plan for a new urban renewal area or on a proposed change containing one of the types of amendments specified in ORS 457.085 (2)(i) to be
mailed to each individual or household in one of the following groups:

(a) Owners of real property that is located in the municipality;
(b) Electors registered in the municipality;
(c) Sewer, water, electric or other utility customers in the municipality; or
(d) Postal patrons in the municipality.

(2) If the urban renewal area governed by the plan or substantial amendment thereof extends beyond the boundaries of the municipality, notice shall also be sent to each individual in the selected group who is located in the urban renewal area.

(3) The notice required by this section shall contain a statement in plain language that:

(a) The governing body, on a specified date, will hold a public hearing and consider an ordinance adopting or substantially amending an urban renewal plan;
(b) The adoption or amendment may impact property tax rates;
(c) States the proposed maximum amount of indebtedness that can be issued or incurred under the plan or amendment;
(d) The ordinance, if approved, is subject to referendum; and
(e) A copy of the ordinance, urban renewal plan and accompanying report can be obtained by contacting a designated person within the municipality.

(4) If the municipality which activated the urban renewal agency is a county:

(a) The notice required by subsection (1) of this section shall be sent to each individual or household in one of the groups listed in subsections (1)(a) to (d) of this section, except that the notice need be sent only to those individuals or households located in a school district with territory affected or to be affected by the tax increment financing for the new urban renewal area or proposed change.

(b) In addition to the notice under paragraph (a) of this subsection, the county shall cause notice to be published in a paper of general circulation throughout the county. The published notice shall contain the information described in subsection (3) of this section, be published in an advertisement not less than three inches in height and three inches in width and be located in a general interest section of the newspaper other than the classified advertisement section. [1991 c.459 §335f; 1997 c.541 §445]

Note: 457.120 was added to and made a part of ORS chapter 457 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.125 Recording of plan upon approval. A copy of the ordinance approving an urban renewal plan under ORS 457.095 shall be sent by the governing body of the municipality to the urban renewal agency. A copy of the resolution approving an urban renewal plan under ORS 457.105 shall be sent by the governing body of a municipality to the urban renewal agency. Upon receipt of the necessary approval of each municipality governing body, the urban renewal plan shall be recorded by the urban renewal agency with the recording officer of each county in which any portion of an urban renewal area within the plan is situated. [1979 c.621 §4]

457.130 [1957 c.456 §§4,5; 1979 c.621 §13; renumbered 457.035]

457.135 Conclusive presumption of plan validity. After October 3, 1979, any urban renewal plan purported to be adopted in conformance with applicable legal requirements shall be conclusively presumed valid for all purposes 90 days after adoption of the plan by ordinance of the governing body
of the municipality. No direct or collateral attack on the action may thereafter be commenced. [1979 c.621 §5]

457.140 [1957 c.456 §6; 1975 c.246 §1; 1979 c.621 §14; renumbered 457.045]

457.145 [1967 c.311 §2; repealed by 1979 c.621 §15 (457.055 enacted in lieu of 457.145)]

457.150 [1957 c.456 §8; repealed by 1979 c.621 §28]

457.160 Exception to plan requirements for disaster areas. Notwithstanding any other provisions of ORS chapters 455 and 456 or this chapter and ORS 446.515 to 446.547, where the governing body of a municipality certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe respecting which the Governor has certified the need for disaster assistance under federal law, the governing body may declare a need for an urban renewal agency, if necessary, and may approve an urban renewal plan and an urban renewal project for such area without regard to the provisions requiring:

1. That the urban renewal plan conform to the comprehensive plan and economic development plan, if any, for the municipality as a whole.
2. That the urban renewal area be a blighted area. [1957 c.456 §15; 1979 c.621 §18; 1993 c.18 §114]

457.170 Urban renewal agency’s powers in planning or undertaking an urban renewal project. An urban renewal agency may plan or undertake any urban renewal project to carry out an approved urban renewal plan. In planning or undertaking an urban renewal project, the urban renewal agency has the power:

1. To carry out any work or undertaking and exercise any powers which a housing authority is authorized to perform or exercise under ORS 456.055 to 456.235, subject to the provisions of this chapter provided, however, that ORS 456.155 and 456.160 do not limit the power of an agency in event of a default by a purchaser or lessee of land in an urban renewal plan to acquire property and operate it free from the restrictions in those sections.
2. To carry out any rehabilitation or conservation work in an urban renewal area.
3. To acquire real property, by condemnation if necessary, when needed to carry out the plan.
4. To clear any areas acquired, including the demolition, removal or rehabilitation of buildings and improvements.
5. To install, construct or reconstruct streets, utilities and site improvements in accordance with the urban renewal plan.
6. To carry out plans for a program of the voluntary repair and rehabilitation of buildings or other improvements in an urban renewal area in accordance with the urban renewal plan.
7. To assist in relocating persons living in, and property situated in, the urban renewal area in accordance with the approved urban renewal plan and to make relocation payments.
8. To dispose of, including by sale or lease, any property or part thereof acquired in the urban renewal area in accordance with the approved urban renewal plan.
9. To plan, undertake and carry out neighborhood development programs consisting of urban renewal project undertakings in one or more urban renewal areas which are planned and carried out on
the basis of annual increments in accordance with the provisions of this chapter for planning and carrying out urban renewal plans.

(10) To accomplish a combination of the things listed in this section to carry out an urban renewal plan. [1957 c.456 §7; 1969 c.225 §2; 1969 c.539 §1; 1979 c.621 §19; 1995 c.79 §268]

457.180 Powers of urban renewal agencies in general. An urban renewal agency, in addition to its other powers, may:

(1) Make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements.

(2) Make plans for the enforcement of laws, codes and regulations relating to:
   (a) The use of land.
   (b) The use and occupancy of buildings and improvements.
   (c) The repair, rehabilitation, demolition or removal of buildings and improvements.

(3) Make plans for the relocation of persons and property displaced by an urban renewal project.

(4) Make preliminary plans outlining urban renewal activities for neighborhoods to embrace two or more urban renewal areas.

(5) Conduct preliminary surveys to determine if the undertaking and carrying out of an urban renewal project is feasible.

(6) Develop, test and report methods and techniques and carry out demonstrations and other activities for the prevention and the elimination of urban blight.

(7) Engage in any other housing or community development activities specifically delegated to it by the governing body of the municipality including but not limited to land acquisition and disposition, conservation and rehabilitation, residential or business relocation, construction, leasing or management of housing, and the making of grants and loans from any available source. [1957 c.456 §10; 1975 c.382 §1]

457.190 Acquisition of funds by urban renewal agency; maximum amount of indebtedness.

(1) An urban renewal agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out urban renewal projects.

(2) An urban renewal agency may do all things necessary or desirable to secure such financial aid, including obligating itself in any contract with the federal government for federal financial aid to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default thereunder, in the same manner as a housing authority may do to secure such aid in connection with blighted area clearance and housing projects under the Housing Authorities Law.

(3)(a) Each urban renewal plan adopted by ordinance on or after July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 shall include in the plan the maximum amount of indebtedness that may be issued or incurred under the plan. Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan, the urban renewal agency may not issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

(b) Each urban renewal plan adopted by ordinance on or after December 6, 1996, and before July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 but does not include a maximum amount of indebtedness that may be issued or incurred under the plan shall be changed, by
substantial plan amendment pursuant to ORS 457.220, to include the maximum amount of indebtedness that may be issued or incurred under the plan before July 1, 2000. Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan on or before July 1, 2000, the urban renewal agency may not on or after July 1, 2000, issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

(c)(A) Each existing urban renewal plan that provides for a division of taxes pursuant to ORS 457.420 to 457.460 may be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the plan determined as described in subparagraph (B) of this paragraph. The additional notices required under ORS 457.120 are not required for an amendment adopted pursuant to this paragraph.

(B) The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

(C) Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not adopted for an existing urban renewal plan as described in this paragraph before July 1, 1998, the urban renewal agency may not collect funds under ORS 457.435. [1957 c.456 §14; 1991 c.459 §333; 1997 c.541 §446; 2007 c.606 §12]

Note: Section 335e, chapter 459, Oregon Laws 1991, provides:

Sec. 335e. Bonded indebtedness if project agreed to prior to September 29, 1991. Notwithstanding ORS 457.190, an urban renewal agency may issue bonded indebtedness to undertake an urban renewal project to carry out an urban renewal plan if, prior to September 29, 1991, a written contract or other written agreement for the project was made, the instrument setting forth the contract or agreement was executed and the parties were bound. The urban renewal agency of the municipality may use any of the money available to it from the issuance of the bonds for carrying out the project in accordance with the contract or agreement. [1991 c.459 §335e; 1997 c.541 §446a]

457.210 Applicability of housing cooperation law to urban renewal projects; delegation of powers and functions. (1) Any state public body, as defined in ORS 456.305, shall have the same rights and powers to cooperate with and assist urban renewal agencies with respect to urban renewal projects that such state public body has pursuant to ORS 456.305 to 456.325 to cooperate and assist housing authorities with respect to housing projects in the same manner as though those sections were applicable to urban renewal agencies and projects under this chapter.

(2) Any state public body, as defined in ORS 456.305, hereby is authorized to enter into agreements with any other public body, including an urban renewal agency, respecting action to be taken pursuant to any of the powers granted by this chapter, including, but not limited to, the furnishing of funds or other assistance in connection with an urban renewal plan or urban renewal project.

(3) An urban renewal agency hereby is authorized to delegate any of its powers or functions to the municipality or other state public body, as defined in ORS 456.305, with respect to the planning or undertaking of an urban renewal project in the area in which such municipality or other state public body is authorized to act. The municipality, or other state public body to which the powers or functions are
delegated hereby is authorized to carry out or perform such powers or functions. [1957 c.456 §11]

457.220 Plan amendment; limit on additional land. (1) Except for the provisions of subsection (2) of this section, an urban renewal agency shall carry out the urban renewal plan approved under ORS 457.095.

(2) Any substantial change made in the urban renewal plan shall, before being carried out, be approved and recorded in the same manner as the original plan.

(3) No land equal to more than 20 percent of the total land area of the original plan shall be added to the urban renewal areas of a plan by amendments. [1957 c.456 §9; 1979 c.621 §20]

457.230 Disposition of land in urban renewal project; determination of value; obligations of purchaser or lessee; recordation. (1) The urban renewal agency shall, in accordance with the approved urban renewal plan, make land in an urban renewal project available for use by private enterprise or public agencies. Such land shall be made available at a value determined by the urban renewal agency to be its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which the urban renewal agency in its discretion determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved or rehabilitated for the purposes specified in such plan.

(2) To assure that land acquired in an urban renewal project is used in accordance with the urban renewal plan, an urban renewal agency, upon the sale or lease of such land, shall obligate purchasers or lessees:

(a) To use the land for the purposes designated in the urban renewal plan.

(b) To begin the building of their improvements within a period of time which the urban renewal agency fixes as reasonable.

(3) Any obligations by the purchaser shall be covenants and conditions running with the land where the urban renewal agency so stipulates.

(4) Any contract for the transfer of any interest in land by the urban renewal agency may be recorded in the land records of the county in which the land is situated in the same manner as any other contract for the transfer of an interest in land is recorded. [1957 c.456 §12; 1965 c.571 §1; 1967 c.312 §1]

457.240 Tax status of land leased under an urban renewal plan. Any property which the urban renewal agency leases to private persons as defined in ORS 174.100 under an urban renewal plan shall have the same tax status as if such leased property were owned by such private individuals or corporations. [1957 c.456 §13; 1983 c.327 §11]

457.310 [1957 c.456 §16; repealed by 1979 c.621 §28]

457.320 Municipal assistance under plan; assumption by agency of general obligation bond payments of municipality. In addition to the other powers granted a municipality under this chapter, a municipality may exercise any of its powers otherwise provided by law to assist in the planning or the carrying out of an urban renewal plan. Without limiting the powers granted by the preceding sentence, a municipality may issue its general obligation bonds for the purpose of assisting in the planning or the carrying out of an urban renewal plan. The urban renewal agency of the municipality may assume
payment of the general obligation bonds and may use any of the moneys available to it for that purpose.
[1957 c.456 §17; 1979 c.621 §21]

457.410 [1961 c.554 §2; repealed by 1979 c.621 §28]

TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS

457.420 Plan may provide for division of property taxes; limits on land area. (1) Any urban renewal plan may contain a provision that the ad valorem taxes, if any, levied by a taxing district in which all or a portion of an urban renewal area is located, shall be divided as provided in section 1c, Article IX of the Oregon Constitution, and ORS 457.420 to 457.460. Ad valorem taxes shall not be divided if there is no provision in the urban renewal plan for the division.

(2) No plan adopted after October 3, 1979, shall provide for a division of ad valorem taxes under subsection (1) of this section if:

(a) For municipalities having a population of more than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided exceeds a figure equal to 15 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas; or

(B) The urban renewal areas of the plan when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 15 percent of the total land area of that municipality.

(b) For municipalities having a population of less than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided exceeds a figure equal to 25 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas; or

(B) The urban renewal areas of the plan, when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 25 percent of the total land area of that municipality.

(3) Property may not be included in more than one urban renewal area. [1961 c.554 §3; 1969 c.539 §2; 1971 c.544 §4; 1979 c.621 §24; 1991 c.459 §334; 1997 c.541 §447]

457.430 Certification of assessed value of property in urban renewal area; amendment. (1) As soon as practicable after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor of each county in which an urban renewal area is located shall prepare, in duplicate, a certified statement of the total assessed value, as shown on the county assessment roll last certified prior to the effective date of the ordinance approving the plan, of all of the taxable real and personal property contained in the urban renewal area in the county.

(2) Wherever only a part of an urban renewal area is located in a taxing district, the assessor also shall show in the statement required by subsection (1) of this section the assessed value of the real and personal property in the part of the urban renewal area located in the taxing district.

(3) One copy of the certified statement shall be filed by the assessor with the agency and the other copy shall constitute a part of the public records of the county assessor’s office.
(4) Whenever a part of an urban renewal area comes within the territory of a taxing district either by annexation, incorporation of a new taxing district or consolidation, after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor shall in the same manner as under subsection (3) of this section file a certified statement or an amendment to a certified statement to show the assessed value of the real and personal property in that part of the urban renewal area incorporated by annexation or consolidation into the taxing district. The assessed value of the real and personal property so incorporated shall be determined in the same manner and as of the same date as provided in subsections (1) and (2) of this section.

(5) When a certified statement is filed as required by subsection (1) of this section, if the law provides a reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time of the filing, the assessor shall state the total assessed value as it is so reduced or increased. After a certified statement has been filed as required by subsection (1) of this section, if a law is enacted which provides a reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time the certified statement was filed, the assessor shall amend the certified statement annually or as otherwise required to reduce or increase the stated total assessed value of the real and personal property accordingly. An amendment to the certified statement shall be filed in the manner provided by subsections (3) and (4) of this section.

(6)(a) Subject to subsections (4) and (5) of this section and paragraph (b) of this subsection, all certified statements and amendments thereto filed under this section before July 14, 1997, shall continue to remain in effect.

(b) Effective as of the tax year beginning on July 1, 1997, the assessor shall amend the amount of assessed value included in a certified statement by applying to the certified assessed value of each tax code area located within an urban renewal area the percentage obtained by dividing the total assessed value within the tax code area, including growth in assessed value over the certified assessed value, by the total real market value within the tax code area. [1961 c.554 §4; 1969 c.539 §3; 1979 c.621 §25; 1981 c.804 §105; 1983 s.s. c.5 §24; 1991 c.459 §335; 1997 c.541 §448]

457.435 Property tax collection methods for existing plans; special levies. (1) For each existing urban renewal plan that includes a provision for a division of ad valorem taxes under ORS 457.420 to 457.460, the municipality that activated the urban renewal agency that is carrying out the plan shall adopt an ordinance choosing one of the options listed in subsection (2) of this section as the method of collecting ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the plan as permitted by section 11 (16), Article XI of the Oregon Constitution.

(2) The options referred to in subsection (1) of this section are as follows:

(a) Option One: To collect amounts sufficient to pay the obligations, as budgeted for the plan, from ORS 457.440, and if the amount estimated to be received from ORS 457.440 is not sufficient to meet the budgeted obligations of the plan for the tax or fiscal year, to make a special levy in the amount of the remainder upon all of the taxable property of the municipality that activated the urban renewal agency and upon all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(b) Option Two: To make a special levy in the amount stated in the notice given under ORS 457.440 (2) upon all of the taxable property of the municipality that activated the urban renewal agency, and upon all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.
(c) Option Three: To collect an amount equal to the amount stated in the ordinance adopted as
provided in subsection (1) of this section by dividing the taxes pursuant to ORS 457.440, and to make a
special levy upon all of the taxable property of the municipality that activated the urban renewal agency
and upon all of the taxable property lying outside the municipality but within an urban renewal area of
the plan. The county assessor shall adjust the amount of the total assessed value included in the certified
statement filed under ORS 457.430 so that the amount collected by dividing the taxes pursuant to ORS
457.440 does not exceed the amount stated in the ordinance to be collected by dividing the taxes
pursuant to ORS 457.440.

(3)(a) The total amount obtained under an option listed in subsection (2) of this section for any plan
shall not exceed the maximum amount that could have been certified to the assessor for the plan under

(b) For each tax year beginning after the 1997-1998 tax year, the limitation of paragraph (a) of this
subsection shall be adjusted by a percentage change equal to the percentage change in the increment
within the urban renewal area from the preceding year.

(4)(a) The ordinance choosing the option referred to in subsection (1) of this section shall be
adopted no later than July 1, 1998, and shall be applicable for tax years beginning on or after July 1,
1998. If not so adopted, the municipality shall be considered to have chosen Option One as its method
of collection of ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred
to carry out the existing urban renewal plan. An option, once chosen, may not be changed to another
option. In addition, if Option Three is chosen, the amount specified in the ordinance choosing the option
to be collected by dividing the taxes pursuant to ORS 457.440 shall not be changed by subsequent
ordinance or amendment to the certified statement.

(b) The option chosen, together with the particulars of the option, including but not limited to any
limit on the amount to be received from ORS 457.440, shall be reflected in the notice filed by the urban
renewal agency with the county assessor.

(5)(a) The county assessor, or county assessors if the taxable property is in more than one county,
shall extend the special levy against all of the taxable property of the municipality that activated the urban
renewal agency and all of the taxable property lying outside the municipality but included in an urban
renewal area of the plan.

(b) Any amounts collected from special levies made under this section shall be paid into the special
fund or funds of the urban renewal agency referred to in ORS 457.440 (6) and shall be used to pay the
principal and interest to finance or refinance the existing urban renewal plan or plans of the urban
renewal agency.

(6) This section applies to existing urban renewal plans with respect to principal and interest on
indebtedness until the indebtedness is fully paid or it is found that deposits in the special fund are
sufficient to pay the principal and interest on the indebtedness issued or incurred under the existing
urban renewal plan.

(7) Nothing in this section shall prevent the funding of urban renewal indebtedness as provided
under ORS 457.440. [1997 c.541 §454; 1999 c.579 §32]

457.437 Consultation with municipalities; resolution requirements. (1) Prior to the
establishment of a maximum amount of indebtedness for an urban renewal plan under ORS 457.190
and before an option is adopted under ORS 457.435, the urban renewal agency that is carrying out the
plan shall meet with the governing bodies of the municipality that activated the urban renewal agency
and other municipalities affected by the urban renewal plan and review the proposed maximum amount of indebtedness for the plan and the agency’s recommended option under ORS 457.435.

(2) After the meeting described in subsection (1) of this section, the governing bodies shall adopt resolutions in support of or opposition to the recommended option under ORS 457.435.

(3) If an affected municipality adopts a resolution in opposition to the recommended option, then the agency’s recommendations may be adopted only by the adoption of a separate resolution by the municipality that activated the urban renewal agency. [1997 c.541 §454a]

457.440 Computation of amounts to be raised from property taxes; notice; rules. During the period specified under ORS 457.450:

(1) The county assessor shall determine the amount of funds to be raised each year for urban renewal within the county levied by taxing districts in accordance with section 1c, Article IX of the Oregon Constitution, and ORS 457.420 to 457.460.

(2) Not later than July 15 of each tax year, each urban renewal agency shall determine and file with the county assessor a notice stating the amount of funds to be raised for each urban renewal area as follows:

(a) If the municipality that activated the urban renewal agency has chosen Option One as provided in ORS 457.435 (2)(a), the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under section 1c, Article IX of the Oregon Constitution, shall be raised for the agency.

(b) If the municipality that activated the urban renewal agency has chosen Option Two as provided in ORS 457.435 (2)(b), the notice shall state the amount of funds to be raised by the special levy.

(c) If the municipality that activated the urban renewal agency has chosen Option Three as provided in ORS 457.435 (2)(c), the notice shall state the amount of funds to be raised by special levy in addition to the amount to be raised by dividing the taxes as stated in the ordinance adopted under ORS 457.435 (1).

(d) If the plan is not an existing plan, the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under section 1c, Article IX of the Oregon Constitution, shall be raised for the agency.

(3) If a municipality has chosen Option Three pursuant to ORS 457.435, the maximum amount of funds that may be raised for an urban renewal agency by dividing the taxes as provided in section 1c, Article IX of the Oregon Constitution, may be limited by the municipality in which the urban renewal agency is located. The decision of the municipality to limit the amount of funds to be included in the notice filed under subsection (2) of this section shall be reflected in the certified statement filed by the urban renewal agency with the county assessor.

(4) Not later than September 25 of each tax year, the assessor of any county in which a joint district is located shall provide, to the assessor of each other county in which the joint district is located, the assessed values of the property in the joint district that is located within the county, including the certified statement value and the increment for each code area containing any urban renewal area located within the joint district, and a copy of the notice filed by the urban renewal agency for the area located within the joint district under subsection (2) of this section.

(5) The maximum amount of funds that may be raised for an urban renewal plan by dividing the taxes as provided in section 1c, Article IX of the Oregon Constitution, shall be computed by the county assessor as follows:
(a) The county assessor shall compute the total consolidated billing tax rate for each code area in which an urban renewal area of the plan is located.

(b) The assessor shall determine the amount of taxes that would be produced by extending the tax rate computed under paragraph (a) of this subsection against the increment of each code area.

(c) The total amount determined for all code areas containing urban renewal areas included within the urban renewal plan is the maximum amount of funds to be raised for the urban renewal plan by dividing the taxes.

(6)(a) The maximum amount of funds that may be raised for an urban renewal agency as determined under subsection (5) of this section, or the maximum amount, as determined under subsection (2) of this section, shall be certified by the county assessor to the tax collector. The tax collector shall include the amount so certified in the percentage schedule of the ratio of taxes on property prepared under ORS 311.390 and filed with the county treasurer. Notwithstanding ORS 311.395 (6), the county treasurer shall credit the amount to the urban renewal agency and shall distribute its percentage amount to the urban renewal agency as determined by the schedule at the times other distributions are made under ORS 311.395 (7).

(b) The county assessor shall notify the urban renewal agency of the amounts received under subsection (5) of this section or amounts received pursuant to the notice provided in subsection (2) of this section for each urban renewal plan area. Any amounts received by the urban renewal agency under paragraph (a) of this subsection shall be attributed to the urban renewal plan in which the urban renewal area is included, shall be paid into a special fund of the urban renewal agency for the urban renewal plan and shall be used to pay the principal and interest on any indebtedness issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.

(7) Unless and until the total assessed value of the taxable property in an urban renewal area exceeds the total assessed value specified in the certified statement, all of the ad valorem taxes levied and collected upon the taxable property in the urban renewal area shall be paid into the funds of the respective taxing districts.

(8) The agency may incur indebtedness, including obtaining loans and advances in carrying out the urban renewal plan, and the portion of taxes received under this section may be irrevocably pledged for the payment of principal of and interest on the indebtedness.

(9) The Department of Revenue shall by rule establish procedures for giving notice of amounts to be raised for urban renewal agencies and for determination of amounts to be raised and distributed to urban renewal agencies.

(10) The notice required under this section shall serve as the notice required under ORS 310.060 for the special levy described under ORS 457.435. [1961 c.554 §5; 1979 c.621 §26; 1981 c.804 §106; 1983 s.s. c.5 §25; 1985 c.613 §17; 1987 c.158 §87; 1991 c.459 §335a; 1997 c.541 §449; 1999 c.579 §26; 2003 c.190 §§16,17; 2007 c.537 §7]

457.450 Notice to tax assessor; provision for debt retirement; distribution of remaining tax increment funds. (1)(a) ORS 457.440 shall first apply to the assessment roll next following the tax roll referred to in ORS 457.430 if the assessor is provided notice of a plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which the plan first applies.

(b) If the assessor is not provided notice of plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which ORS 457.440 would otherwise first apply, then ORS 457.440 shall first apply to the assessment roll next following the assessment roll described.
in paragraph (a) of this subsection.

(2) When the principal and interest on indebtedness to which the portion of taxes is irrevocably pledged for payment under ORS 457.435 or 457.440 is fully paid, or it is found that deposits in the special fund are sufficient to fully pay principal and interest on that indebtedness either through direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued to finance the indebtedness, the agency shall notify the assessor of that fact.

(3) All moneys remaining unexpended from the special fund provided for in ORS 457.435 or 457.440, after payment of all the principal and interest on indebtedness is provided for, shall be turned over to the county treasurer by the agency and prorated by the treasurer back to the taxing districts in which the area, or part thereof, is located, in proportion to the amount of money in the fund attributable to each taxing district for the last fiscal year in which tax levy moneys were paid into the special fund of the agency under ORS 457.435 or 457.440. [1961 c.554 §6; 1971 c.426 §1; 1979 c.621 §27; 1991 c.459 §335b; 1997 c.541 §450]

457.460 Financial report required for agency; contents; notice. (1) An agency shall, by August 1 of each year, prepare a statement on the same basis on which its financial statements are prepared containing:

(a) The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(b) The purposes and amounts for which any money received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding fiscal year;

(c) An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(d) A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 are to be expended during the current fiscal year; and

(e) An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430.

(2) The statement required by subsection (1) of this section shall be filed with the governing body of the municipality. Notice shall be published that the statement has been prepared and is on file with the municipality and the agency and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before September 1 of the year for which the statement is required in accordance with ORS 457.115. The notice shall summarize the information required under subsection (1)(a) to (d) of this section and shall set forth in full the information required under subsection (1)(e) of this section. [1979 c.621 §23; 1991 c.459 §335c; 1997 c.541 §451]
Appendix F Definitions and Explanations

F.1 URBAN RENEWAL TERMS

Assessed value

Assessed value is the dollar value of an asset as assigned by a public tax assessor for the purposes of taxation. Oregon ballot measures 47 (1996) and 50 (1997) define assessed value as the lesser of the real market value or the maximum assessed value. For existing properties, the maximum assessed value was established as the lesser of the 1994-95 value or the 1995-96 level minus 10 percent. For development that occurs after the passage of ballot measure 50, the maximum assessed value is the product of the real market value and changed property ratio. Increases in maximum assessed value are limited to 3% per year.

Blight

As defined by ORS 457, blight is typified by conditions such as deteriorated buildings, low improvement to land value ratios, and/or lack of adequate infrastructure. State statutes require that an area be determined to be “blighted” before a new URA can be created. The full ORS definition of blight for purposes of urban renewal is included in Appendix E.

Bonding capacity

A URA can issue long-term bonds and other forms of debt (such as lines of credit) to pay for identified public improvements and/or investments in private projects that are in the public interest. The bonding capacity is the dollar value available to spend on projects, given an expected revenue stream, less the cost of financing the debt (interest rates, issuance costs, etc). Calculating bonding capacity can be difficult if the timing and amount of the debt issued is not known. This study does not estimate bonding capacity, but it does project the stream of revenue from which bonding capacity could be calculated.

Changed property ratio (CPR)

The changed property ratio (CPR) is an important concept for understanding property taxation in the State of Oregon. It refers to the ratio of the average assessed value in an area to the average market value in the same area. When new development is assessed for the first time, the CPR is applied to the real market value to determine the initial assessed value for taxation purposes. Each property type (residential, multi-family residential, commercial, industrial, etc.) has its own CPR.
The CPR changes over time, because real market values for different property types increase at rates other than 3% per year, while assessed values for existing development are capped by state law at an annual 3% increase.

**Constant and Current Dollars (or, adjusting for inflation)**

The model used for this analysis produces results in both constant and current dollars. However, this report only presents our findings in constant 2008 dollars.

The price of a given set of goods and services will change from year to year. Since prices generally go up, the overall change in prices is referred to as inflation. (It is possible for prices in general or for specific goods and services to decline, in which case it is referred to as deflation). If the issue of concern is the real change in price, one should not compare dollars from different years without adjusting for inflation.

Constant or real dollars refers to dollars that have been adjusted for inflation. Current or nominal dollars have not been adjusted for inflation. In other words, they still have inflation in them. “Current” means that the dollars are denominated in the year for which they are being reported.

Because this study is forward-looking and projects a revenue stream, the “current” dollars are effectively the future value of today’s dollars.

**Floor Area Ratio (or FAR)**

Floor Area Ratio (FAR) is a common measurement of development density. The FAR is the relationship between the total floor area of a building on a certain location to the size of the land of that location, or the limit imposed on such a ratio. It is determined by dividing the total building square footage (building area) by the site size square footage (site area). City code limits the maximum allowable FAR depending on zone and property location. Under certain conditions, city code allows FAR bonuses, allowing buildings to exceed typical FAR restrictions. With certain constraints, city code also allows FAR to be transferred from one location to another.

**Frozen base**

The frozen base is the dollar amount of assessed value within the geographic boundary at the year that a new URA is formed. Presently, ORS 457 stipulates that once the URA is in place, taxing districts only receive tax revenue generated by the frozen base until all tax increment debt is repaid. Any increase in assessed value, and subsequent increase in property taxes within a URA is collected by the Urban Renewal Agency through Tax Increment Financing. Once the bonds are repaid, the increased tax base is
released to the taxing districts. Pending legislation may already how tax increment is released to the taxing jurisdictions.

**Maximum indebtedness**

A required cap on the amount of debt that a URA can support. The maximum indebtedness limit is set when a new URA is formed. Maximum indebtedness for a URA can be increased, based upon capacity of the urban renewal area to repay the debt.

**Real market value**

Real market value is the highest price a property will bring in a fair sale in a competitive and open market. In the initial year a development is completed, or significant redevelopment of a property occurs, the real market value is multiplied by the appropriate changed property ratio to calculate the initial maximum assessed value of a property. In subsequent years, the assessed value is equal to the lesser of the real market value or maximum assessed value.

**Sources**

In the context of this urban renewal study, the term “sources: refers to revenues or other streams of income that the urban renewal agency can spend on projects. Specifically, it refers to the projected stream of tax increment revenues, which is then converted to bond capacity. It is the converse of uses (which refers to projects on which the bond capacity are spent).

**Tax increment**

New taxes generated within an Urban Renewal Area through either property appreciation or new taxable investment. It is the amount of growth in property taxes above the frozen base in an urban renewal area. This is an important part of the revenue that accrues to an urban renewal area.

**Tax increment financing (TIF)**

Tax increment financing (TIF) is the primary funding tool used within URAs. Tax increment revenue is generated within a URA when a designated area is established and the normal property taxes within that area are ‘frozen’ (called the frozen base). Any new taxes generated within that area through either property appreciation or new taxable investment becomes the increment. Taxing jurisdictions continue to collect tax income from the frozen base but agree to release assessed value above the frozen base to the URA. The URA then can issue long-term bonds and other forms of debt (such as lines of credit) to pay for identified public improvements and/or investments in private projects that are in the public interest. The
tax increment revenue is used to repay the bonds. Some of the investment in projects made with proceeds of the bonds accelerates tax increment generation through the increased assessed values from these project improvements.

**Urban renewal**

Urban renewal is a state-sanctioned program used by over 50 cities and counties in Oregon to help them, through partnerships with the private-sector, implement adopted plans to revitalize specified areas within their jurisdiction. Urban renewal, through the provision of tax increment financing, can provide for capital improvements such as parks, streets, parking garages, and transit systems that stimulate private investment and attract new businesses, jobs, and residents. It can also be used to assist with private development activities that are approved in an Urban Renewal Plan such as financing for commercial buildings, affordable housing or mixed-use transit oriented development.

In Oregon, planning and analysis associated with the creation of new URAs is guided by state statute (ORS Chapter 457 – see appendix E). State statutes stipulate that URA plans must find that the proposed URA is eligible for urban renewal because of existing blight, typified by conditions such as deteriorated buildings, low improvement to land value ratios, and/or lack of adequate infrastructure. The plan must also contain goals and objectives, authorized urban renewal projects, a limit on the expenditures, specific provisions regarding acquisition and disposition of land, and provisions regarding how the plan may be amended in the future.

**Uses**

In the context of urban renewal and other redevelopment planning processes, the term uses refers to the projects that urban renewal and other public agencies spend money to support. Sources supply the resources for uses, as well as financing, administrative, and other overhead costs.
F.2 OTHER TERMS USED IN THIS REPORT

Improvement to Land Ratio

The relative value of improvements (such as development) to the value of the property. This ratio is commonly used as a measure of the redevelopment potential of a property. If the improvements on a property are worth little relative to the value of the land usually represented as a fraction expressed as the improvement value divided by the land value. A smaller number assumes market pressures will push property owners toward redevelopment (or the sale of their land to someone else who will redevelop the property). In this study, we calculated the portion of each Tax Increment Node that has an improvement to land ratio of less than 0.25. These properties are likely to be minimally improved (perhaps as surface-level parking lots).

Known Project

Known project is a site that has a preliminary or known development program, regardless of tax increment potential. These sites are mapped in yellow throughout this study. ECO applied a specific set of assumptions (see Chapter 2.2) to each known project, based on available conceptual plans, permit documents, or information from property owners and/or developers about their expectations for the site.

Potential Redevelopment Site

Potential redevelopment site is a site that has been identified as likely to redevelop in the next 20 years, based on value, utilization of maximum height/FAR, and interviews with local developers/property owners. These sites are identified in blue in all maps in this report. ECO has applied a generalized set of assumptions about redevelopment (described in the report, Chapter 2.2) to these sites, rather than identifying a specific redevelopment program.

Study area

The study area is the overall area that is evaluated in this study. ECO used boundaries suggested by the BPS and the PDC. The initial study area boundaries were consistent with the Central City Plan District boundaries, but were expanded to include some additional areas that are expected to see significant change and redevelopment in the future. These additional areas include known redevelopment projects or potential public projects that could be recipients of urban renewal investment.

While the boundary does include land that is currently in the South Park Blocks and Downtown Waterfront URAs, it does not include land that is in the 2008 Amended River District URA or in the North Macadam URA.
The boundary also excludes areas in the Downtown Waterfront URA North of Burnside Street, because that area was thoroughly studied as part of the URAG process and River District annexation in 2007 and 2008.

It is important to note that the inclusion of a property in this evaluation does not directly imply that the site either will or will not be included in any future URA or further feasibility studies. The study area boundary is almost certainly different from any boundary (or boundaries) for potential future URAs.

Subdistrict

This report divided the study area into four subdistricts for the purpose of analysis and reporting of results. They are: Northwest (generally the area north of Burnside and West of I-405); Goose Hollow (South of Burnside and west of I-405); Downtown North of Market (including the retail core); and Downtown South of Market (including some area South of I-405). The boundaries are for analytic purposes only; they do not intend to identify the location of any changes in geography, zoning, market-shed, use, or other changes.

Tax increment node

A tax increment node is an area with concentrations of properties with the potential to create substantial tax increment revenue. Tax increment node boundaries were drawn purely to identify the areas with the greatest ability to contribute financially to a new urban renewal area. In most cases, these areas also have the highest concentration of potentially redevelopable land, and therefore the greatest potential for transformative change though redevelopment.