

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6924

**ACCEPTING THE PROPOSED 42ND AVENUE
NEIGHBORHOOD PROSPERITY INITIATIVE URBAN
RENEWAL PLAN AND DIRECTING THAT THE PLAN BE
SUBMITTED TO THE PLANNING AND SUSTAINABILITY
COMMISSION FOR RECOMMENDATION AND THEREAFTER
TO THE PORTLAND CITY COUNCIL FOR APPROVAL**

WHEREAS, on October 18, 2011, Mayor Sam Adams and County Chair Jeff Cogen jointly announced the Neighborhood Prosperity Initiative (“NPI”) among nearly one hundred community leaders inviting six neighborhood commercial corridors in East Portland to partner with the Portland Development Commission (“PDC”) to evaluate the feasibility and desirability of creating several small, innovative urban renewal areas, focused on the following neighborhood commercial areas: NE 42nd Avenue, Cully, Parkrose, Rosewood, SE Division 117th to 148th Avenue, now known as Division-Midway, and SE 82nd Avenue and Division (each, a “NPI District”);

WHEREAS, the proposed NPI Districts would implement the Neighborhood Economic Development Strategy (the “NED Strategy”), adopted by Portland City Council (“Council”) on May 25, 2011, via Resolution Number 36864; the NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland;

WHEREAS, the NED Strategy builds out Goal 3, Neighborhood and Small Business Vitality, in the City's Economic Development Strategy, which was adopted by Council in July 2009, via Resolution Number 36714;

WHEREAS, all six of the NPI Districts were prioritized based on the following criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment;

WHEREAS, residents, business owners, associations and organizations in the 42nd Avenue NPI District worked to complete planning, training and intensive and inclusive outreach, and on February 7, 2012, they were recognized for creating an organizational structure and demonstrating a commitment to continued training and on-going fundraising;

WHEREAS, residents, business owners, associations and organizations in the 42nd Avenue NPI District have worked to identify investments, including but not limited to tax increment financing, for community revitalization and other small scale projects;

WHEREAS, residents, business owners, associations and organizations in the 42nd Avenue NPI District have worked to identify projects for inclusion in the proposed draft Urban

Renewal Area Plan attached hereto as Exhibit A (the “Plan”), and have managed, with PDC staff support, an inclusive outreach and involvement process that was tailored to and appropriate for this District and the expected amount of resources;

WHEREAS, PDC has sought and received valuable input from related taxing jurisdictions pursuant to ORS 457.085(5), citizens, and other interested parties in the City;

WHEREAS, the proposed 42nd Avenue NPI District contains approximately 136.2 acres and will have a maximum indebtedness of \$1,250,000;

WHEREAS, the proposed 42nd Avenue NPI District is both financially feasible and conforms to the City of Portland’s Comprehensive Plan; and

WHEREAS, the proposed draft Technical Report attached hereto as Exhibit B (the “Report”) provides substantial evidence of blight within the 42nd Avenue NPI District, thereby warranting the formation of an urban renewal area, and the Plan and Report comply with other requirements of ORS 457.

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners hereby accepts the Plan along with the accompanying Report and directs that the Plan and Report be forwarded to the City Planning and Sustainability Commission for recommendation to Council, and thereafter be finalized and forwarded to Council for approval;

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

Exhibit A

Draft 42nd Avenue

Neighborhood Prosperity Initiative

Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6924

Exhibit A includes this cover page and contains 14 pages:

- Draft Urban Renewal Plan

Draft
42nd Avenue
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

DRAFT

Table of Contents

I.	Introduction	1
II.	42 nd Avenue NPI District Map and Legal Description	2
A.	Legal Description.....	2
B.	Proposed Land Uses.....	2
III.	Urban Renewal Projects.....	4
A.	Projects	4
IV.	Public Buildings	4
V.	Relationship to Local Plans and Objectives	4
A.	Portland Comprehensive Plan	4
B.	City of Portland Economic Development and Neighborhood Economic Development Strategies ..	5
VI.	Relocation Policy.....	5
VII.	Property Acquisition and Disposition Policies	5
VIII.	Plan Financing	6
A.	General Description of the Proposed Financing Methods.....	6
B.	Tax Increment Financing	6
IX.	Procedures for Amendments to the Plan	6
A.	Substantial Amendments.....	6
B.	Council-Approved Amendments.....	7
C.	Minor Amendments.....	7
X.	Other Provisions.....	7
A.	Non-Discrimination	7
B.	Agreements to Implement This Plan	7
C.	Duration of Urban Renewal Plan	7
D.	Validity	7

DRAFT

I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

42nd Avenue	Rosewood
Cully Blvd	Division – Midway
Parkrose	82nd Avenue and Division

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This 42nd Avenue NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the 42nd Avenue NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

The 42nd Avenue NPI District will be a welcoming, safe and walkable commercial district that nurtures a diverse population with affordable goods and services. The district will be distinctive for its vibrancy, with attractive storefronts, an interesting streetscape, and destinations where people can gather. The physical environment will foster stronger connections amongst community members and

with nature, while also supporting a prosperous, inclusive and community-focused 42nd Avenue.

II. 42nd Avenue NPI District Map and Legal Description

The District shown in Figure 1 below contains 136.2 acres, including public right-of-way. There are 555 tax lots within the District, totaling 107.1 acres. The District overlaps portions of the following neighborhood and business associations:

- Cully Neighborhood Association
- Concordia Neighborhood Association
- Beaumont-Wilshire Neighborhood Association
- 42nd Avenue Business Association

A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

B. Proposed Land Uses

The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

Comprehensive Plan Designation	Acreage	% of Total
General Commercial	15.9	15%
Neighborhood Commercial	3.3	3%
Office Commercial	0.5	<1%
Residential 1,000	0.8	1%
Residential 2,000	20.2	19%
Residential 2,500	0.1	<1%
Residential 3,000	1.1	1%
Residential 5,000	58.1	54%
Residential 7,000	7.2	7%
Total	107.1	100%

*Source: City of Portland Bureau of Planning and Sustainability

III. Urban Renewal Projects

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section IX, Procedures for Amendments to the Plan.

A. Projects

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

IV. Public Buildings

The Projects may include public buildings as follows:

The Portland Community College Workforce Training Center at 5600 NE 42nd Avenue is host to numerous economic development and employment programs that serve the District’s population. It is located at the District’s largest intersection. Additionally, the site is host to the Cully Community Market, which provides affordable produce to area residents. The large PCC parking lot that abuts the intersection of 42nd Avenue and Killingsworth is a target for increased activity for both the Cully Community Market and economically beneficial infill development, such as new buildings with pedestrian-friendly, street-facing storefronts. Facilities enhancements and aesthetic improvements to the site will facilitate these goals which would benefit the District by increasing the use of an underutilized property.

V. Relationship to Local Plans and Objectives

A. Portland Comprehensive Plan

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

B. City of Portland Economic Development and Neighborhood Economic Development Strategies

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
 - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
 - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
 - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
 - A. Connect Traded Sector and Neighborhood Work
 - B. Seed Investments to Implement Neighborhood Economic Development Plans
 - C. Expand Citywide Financial Tools for Neighborhood Businesses

VI. Relocation Policy

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

VII. Property Acquisition and Disposition Policies

No property acquisition or disposition is anticipated in this District.

VIII. Plan Financing

A. General Description of the Proposed Financing Methods

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

IX. Procedures for Amendments to the Plan

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

A. Substantial Amendments

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

B. Council-Approved Amendments

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

C. Minor Amendments

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

X. Other Provisions

A. Non-Discrimination

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

B. Agreements to Implement This Plan

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

C. Duration of Urban Renewal Plan

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

D. Validity

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

Exhibit B
Draft Report Accompanying the 42nd Avenue
Neighborhood Prosperity Initiative
Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6924

Exhibit B includes this cover page and contains 16 pages:

- Draft Technical Report

Draft
Report Accompanying the
42nd Avenue
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

Table of Contents

I.	Introduction	1
II.	Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population	1
A.	Physical Conditions	1
1.	Land Use and Zoning.....	1
B.	Social Conditions.....	3
C.	Economic Conditions.....	4
1.	Taxable Value	4
2.	Improvement Value to Land Value Ratio	4
D.	Expected Impact on Municipal Services	4
III.	Reasons for Selection of each Urban Renewal Area in the Plan.....	5
IV.	Relationship between Each Project and Existing Conditions in the Urban Renewal Area	5
V.	Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs.....	5
VI.	Anticipated Completion Date for Each Project.....	5
VII.	Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired	6
VIII.	Financial Analysis of the Plan.....	7
IX.	Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area.....	8
X.	Relocation Report	9
XI.	Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas	9

I. Introduction

This Technical Report accompanying the 42nd Avenue Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the 42nd Avenue Neighborhood Prosperity Initiative Urban Renewal Plan (the “Plan”). This Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

A. Physical Conditions

1. Land Use and Zoning

The 42nd Avenue Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 136.2 acres, including public right-of-way. There are 555 tax lots within the District, totaling 107.1 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

Property Class	Acreage	% of Total
Miscellaneous	0.2	<1%
Residential	75.0	70%
Commercial	21.0	20%
Industrial	0.2	<1%
Multi-Family	10.6	10%
Total	107.1	100%

*Source: Multnomah County Office of Assessment and Taxation

Figure 1. District Boundary and Zoning Map

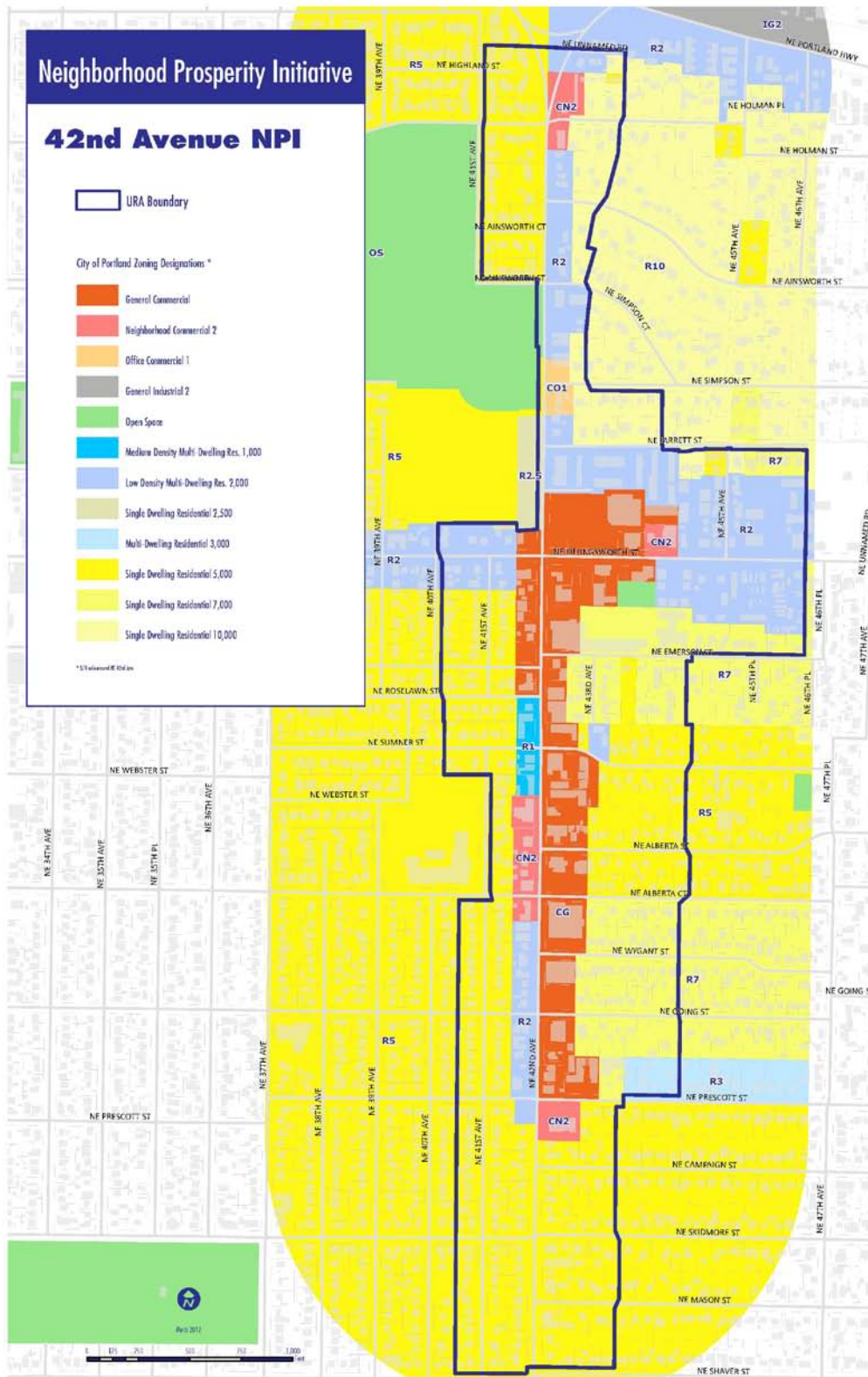


Table 2. Existing Zoning of District

Zoning Designation	Acreage	% of Total
General Commercial	15.9	15%
Neighborhood Commercial 2	3.1	3%
Office Commercial 1	0.5	<1%
Residential 1,000	0.8	1%
Residential 2,000	20.2	19%
Residential 2,500	0.1	<1%
Residential 3,000	1.1	1%
Residential 5,000	42.4	40%
Residential 7,000	16.2	15%
Residential 10,000	6.8	6%
Total	107.1	100%

*Source: City of Portland Bureau of Planning and Sustainability

B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District significantly overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 5,014. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

Race	% of Total
White	65%
Black or African American	14%
American Indian and Alaska Native	1%
Asian	7%
Native Hawaiian and Other Pacific Islander	<1%
Other	7%
Two or More Races	5%
Ethnicity	% of Total
Hispanic	13%

*Source: 2010 Business Analyst

C. Economic Conditions

1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$81,011,867. This does not include utility value which will be determined by the County Assessor upon District approval.

2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. Improvement to land ratio is an assessment of the real market value of the improvements on a parcel compared to the real market value of the land. If the ratio is low, it indicates a prevalence of depreciated values, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

Area	Overall I:L Ratio
42 nd Avenue NPI District	1.04:1
Citywide ¹	2.22:1

*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

D. Expected Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the District is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated.

Projects and programs in the District will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

¹ Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

III. Reasons for Selection of each Urban Renewal Area in the Plan

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

VI. Anticipated Completion Date for Each Project

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUES									
Tax Increment to Raise (before Compression)	\$73,389	\$93,010	\$122,251	\$151,623	\$125,000	\$125,000	\$125,000	\$125,000	\$82,781
Less Compression	(3,669)	(4,651)	(6,113)	(7,581)	(6,250)	(6,250)	(6,250)	(6,250)	(4,139)
Tax Increment Imposed (after Compression)	69,720	88,360	116,139	144,042	118,750	118,750	118,750	118,750	78,642
Less Adjustments for Discounts & Delinquencies	(4,253)	(5,390)	(7,084)	(8,787)	(7,244)	(7,244)	(7,244)	(7,244)	(4,797)
NET TAX INCREMENT REVENUES	\$65,467	\$82,970	\$109,054	\$135,256	\$111,506	\$111,506	\$111,506	\$111,506	\$73,845
Shared Tax Revenues to Raise (before Compression)	\$0	\$9,220	\$14,082	\$19,047	\$52,422	\$72,905	\$94,264	\$116,272	\$0
Less Compression	0	(461)	(704)	(952)	(2,621)	(3,645)	(4,713)	(5,814)	0
Shared Revenues Imposed (after Compression)	0	8,759	13,378	18,094	49,800	69,260	89,551	110,459	0
Less Adjustments for Discounts & Delinquencies	0	(534)	(816)	(1,104)	(3,038)	(4,225)	(5,463)	(6,738)	0
NET SHARED TAX REVENUES	\$0	\$8,225	\$12,562	\$16,991	\$46,763	\$65,035	\$84,088	\$103,721	\$0
TOTAL REVENUES	\$65,467	\$91,195	\$121,616	\$152,246	\$158,269	\$176,542	\$195,594	\$215,227	\$73,845
INDEBTEDNESS									
DEBT ISSUED	\$65,467	\$91,195	\$121,616	\$152,246	\$158,269	\$176,542	\$195,594	\$215,227	\$73,845

VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Projected Assessed Value Growth									
Frozen Base	\$ 81,011,867	\$ 81,011,867	\$ 81,011,867	\$ 81,011,867	\$ 81,011,867	\$ 81,011,867	\$ 81,011,867	\$ 81,011,867	\$ 81,011,867
Incremental Assessed Value	4,101,226	6,229,053	8,410,076	10,645,625	12,937,062	15,285,785	17,693,226	20,160,854	22,690,172
Total Assessed Value	\$85,113,093	\$87,240,920	\$89,421,943	\$91,657,492	\$93,948,929	\$96,297,652	\$98,705,093	\$101,172,721	\$103,702,039
Total AV Growth		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Incremental AV Growth		51.88%	35.01%	26.58%	21.52%	18.15%	15.75%	13.95%	12.55%
Consolidated Tax Rate	17.8944	17.9022	17.8954	17.8162	17.7042	17.5737	17.5414	17.5403	17.5391
Revenues Generated on Incremental Assessed Value									
Amount to Urban Renewal Area	73,389	93,010	122,251	151,623	125,000	125,000	125,000	125,000	82,781
Amount to Taxing Jurisdictions									
City Permanent Rate	-	4,731	7,225	9,773	26,897	37,407	48,366	59,658	82,250
County Permanent Rate	-	4,489	6,857	9,274	25,524	35,498	45,898	56,614	78,053
Other Levies	-	9,283	14,168	18,994	51,619	70,722	91,100	112,355	154,881
	-	18,503	28,250	38,041	104,040	143,628	185,364	228,627	315,184
Total Revenues	\$73,389	\$111,514	\$150,502	\$189,665	\$229,040	\$268,628	\$310,364	\$353,627	\$397,965
Tax Increment Revenues to Urban Renewal Area									
Tax Increment to Raise (before Compression)	\$73,389	\$93,010	\$122,251	\$151,623	\$125,000	\$125,000	\$125,000	\$125,000	\$82,781
Less Compression	(3,669)	(4,651)	(6,113)	(7,581)	(6,250)	(6,250)	(6,250)	(6,250)	(4,139)
Tax Increment Imposed (after Compression)	\$69,720	\$88,360	\$116,139	\$144,042	\$118,750	\$118,750	\$118,750	\$118,750	\$78,642
Shared Revenues to Urban Renewal Area									
Less Compression	0	(461)	(704)	(952)	(2,621)	(3,645)	(4,713)	(5,814)	0
Tax Increment Imposed (after Compression)	\$0	\$8,759	\$13,378	\$18,094	\$49,800	\$69,260	\$89,551	\$110,459	\$0
Total Revenues to Urban Renewal Areas	\$69,720	\$97,119	\$129,517	\$162,137	\$168,550	\$188,010	\$208,301	\$229,209	\$78,642

IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

Tax Increment Revenues Foregone 2014-2022	Total	Present Value to 2014
Permanent Rates		
City	\$264,478	\$189,333
County	250,980	179,670
Metro	5,582	3,996
Port	4,051	2,900
E Mult Soil	5,778	4,137
PPS	275,879	197,494
PCC	16,341	11,698
Mult ESD	26,442	18,929

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

Shared Revenues 2014-2021	Total	Present Value to 2014
Permanent Rates		
City	\$194,058	\$126,431
County	184,154	128,377
Metro	4,096	2,855
Port	2,972	2,072
E Mult Soil	4,240	2,956
PPS	202,423	141,113
PCC	11,990	8,359
Mult ESD	19,402	13,525

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

Tax Increment Revenues Fully Regained - 2023	Amount (nominal)	Present Value to 2014
Permanent Rates		
City	\$32,622	\$16,583
County	30,957	15,737
Metro	689	350
Port	500	254
E Mult Soil	713	362
PPS	34,028	17,298
PCC	2,016	1,025
Mult ESD	3,261	1,658

X. Relocation Report

There are no businesses or residents to be relocated.

XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

	Frozen Base Assessed Value	Acres
Total City of Portland²	\$ 43,634,351,239	92,768.0
Existing Urban Renewal Areas:		
Airport Way	\$124,710,302	1,841.4
Central Eastside	\$224,626,739	692.3
Downtown Waterfront	\$55,674,313	233.1
Gateway Regional Center	\$307,174,681	658.5
Interstate Corridor ³	\$1,290,430,925	3,990.0
Lents Town Center	\$736,224,033	2,846.3
North Macadam	\$192,609,397	401.9
Oregon Convention Center ⁴	\$248,951,143	410.0
River District	\$461,577,974	351.2
South Park Blocks	\$376,066,574	156.3
Willamette Industrial	\$481,443,135	755.5
Total Existing Urban Renewal Areas	\$4,499,489,216	12,336.5
% City in Existing Urban Renewal Areas	10.3%	13.3%
Proposed Neighborhood Prosperity Initiative Urban Renewal Areas:		
42nd Avenue	\$81,011,867	136.2
Cully Blvd	\$81,000,273	164.6
Parkrose	\$80,493,774	142.6
Rosewood	\$78,774,383	135.6
Division – Midway	\$80,201,117	115.9
82nd Avenue and Division	\$81,523,638	108.8
Total Proposed Urban Renewal Areas	\$483,005,052	803.7
Combined Total - Existing and Proposed	\$4,982,494,268	13,140.2
% City in Existing and Proposed Urban Renewal Areas	11.4%	14.2%

² Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

³ Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

⁴ Frozen base value represents 11/12 OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects 20th Amendment.

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6925

**ACCEPTING THE PROPOSED CULLY BOULEVARD
NEIGHBORHOOD PROSPERITY INITIATIVE URBAN
RENEWAL PLAN AND DIRECTING THAT THE PLAN BE
SUBMITTED TO THE PLANNING AND SUSTAINABILITY
COMMISSION FOR RECOMMENDATION AND THEREAFTER
TO THE PORTLAND CITY COUNCIL FOR APPROVAL**

WHEREAS, on October 18, 2011, Mayor Sam Adams and County Chair Jeff Cogen jointly announced the Neighborhood Prosperity Initiative (“NPI”) among nearly one hundred community leaders inviting six neighborhood commercial corridors in East Portland to partner with the Portland Development Commission (“PDC”) to evaluate the feasibility and desirability of creating several small, innovative urban renewal areas, focused on the following neighborhood commercial areas: NE 42nd Avenue, Cully, Parkrose, Rosewood, SE Division 117th to 148th Avenue, now known as Division-Midway, and SE 82nd Avenue and Division (each, a “NPI District”);

WHEREAS, the proposed NPI Districts would implement the Neighborhood Economic Development Strategy (the “NED Strategy”), adopted by Portland City Council (“Council”) on May 25, 2011, via Resolution Number 36864; the NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland;

WHEREAS, the NED Strategy builds out Goal 3, Neighborhood and Small Business Vitality, in the City's Economic Development Strategy, which was adopted by Council in July 2009, via Resolution Number 36714;

WHEREAS, all six of the NPI Districts were prioritized based on the following criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment;

WHEREAS, residents, business owners, associations and organizations in the Cully Boulevard NPI District worked to complete planning, training and intensive and inclusive outreach, and on February 7, 2012, they were recognized for creating an organizational structure and demonstrating a commitment to continued training and on-going fundraising;

WHEREAS, residents, business owners, associations and organizations in the Cully Boulevard NPI District have worked to identify investments, including but not limited to tax increment financing, for community revitalization and other small scale projects;

WHEREAS, residents, business owners, associations and organizations in the Cully Boulevard NPI District have worked to identify projects for inclusion in the proposed draft Urban Renewal Area Plan attached hereto as Exhibit A (the “Plan”), and have managed, with PDC staff support, an inclusive outreach and involvement process that was tailored to and appropriate for this District and the expected amount of resources;

WHEREAS, PDC has sought and received valuable input from related taxing jurisdictions pursuant to ORS 457.085(5), citizens, and other interested parties in the City;

WHEREAS, the proposed Cully Boulevard NPI District contains approximately 164.2 acres and will have a maximum indebtedness of \$1,250,000;

WHEREAS, the proposed Cully Boulevard NPI District is both financially feasible and conforms to the City of Portland’s Comprehensive Plan; and

WHEREAS, the proposed draft Technical Report attached hereto as Exhibit B (the “Report”) provides substantial evidence of blight within the Cully Boulevard NPI District, thereby warranting the formation of an urban renewal area, and the Plan and Report comply with other requirements of ORS 457.

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners hereby accepts the Plan along with the accompanying Report and directs that the Plan and Report be forwarded to the City Planning and Sustainability Commission for recommendation to Council, and thereafter be finalized and forwarded to Council for approval;

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

Exhibit A

Draft Cully Boulevard

Neighborhood Prosperity Initiative

Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6925

Exhibit A includes this cover page and contains 14 pages:

- Draft Urban Renewal Plan

Draft
Cully Blvd
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

DRAFT

Table of Contents

I.	Introduction	1
II.	Cully Blvd NPI District Map and Legal Description.....	2
A.	Legal Description.....	2
B.	Proposed Land Uses.....	3
III.	Urban Renewal Projects.....	5
A.	Projects	5
IV.	Relationship to Local Plans and Objectives	5
A.	Portland Comprehensive Plan	5
B.	City of Portland Economic Development and Neighborhood Economic Development Strategies ..	5
V.	Relocation Policy	6
VI.	Property Acquisition and Disposition Policies	6
VII.	Plan Financing	6
A.	General Description of the Proposed Financing Methods.....	6
B.	Tax Increment Financing	6
VIII.	Procedures for Amendments to the Plan	7
A.	Substantial Amendments.....	7
B.	Council-Approved Amendments.....	7
C.	Minor amendments	7
IX.	Other Provisions.....	7
A.	Non-Discrimination	7
B.	Agreements to Implement This Plan	8
C.	Duration of Urban Renewal Plan	8
D.	Validity	8

DRAFT

I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

42nd Avenue	Rosewood
Cully Blvd	Division – Midway
Parkrose	82nd Avenue and Division

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This Cully Blvd NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the Cully Blvd NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

Symbolizing the heart of the historic Cully neighborhood, Portland’s vibrant and eclectic Cully Boulevard Multicultural Business District is committed to serve and respond to the hopes and dreams of its diverse population. In our shared vision, we see community-rooted businesses established and prospering. The Cully Boulevard scene is framed by a tapestry of colors, perspectives and experiences, alive with the sights and sounds of a community that is connected and balanced in its social, cultural and economic diversity. From the view of the Columbia

Wetlands to Mount Saint Helens, the land is alive with native plants and trees thriving in clean air and water. Shoppers from far and wide gather at their favorite destinations. Pedestrians walk, roll and stroll and cyclers ride, all happy, healthy and safe. Elders, children, grandchildren, friends and families thrive and care for one another. Cully neighbors welcome visitors warmly and share their voices and cultures with pride. Cully has become a community that celebrates the many opportunities to learn, to serve, to work and to build a shared future. It is a community where stories of personal, family and business success and prosperity are common. The Cully neighborhood is a living mosaic, contributing vital sustenance, restoring and strengthening our interrelatedness and providing opportunity for all. Cully is a place known for its welcoming spirit. There is room for all of us; to find a residence, to settle down, to start a business, or to retire in the family home. With Cully Boulevard at the heart of this community, the Cully Boulevard Alliance exists to promote and foster opportunity for economic prosperity that cultivates diversity, nurtures community, and empowers the neighborhood.

II. Cully Blvd NPI District Map and Legal Description

The District shown in Figure 1 below contains 164.6 acres, including public right-of-way. There are 619 tax lots within the District, totaling 126.1 acres. The District overlaps portions of the following neighborhood and business associations:

- Cully Neighborhood Association
- Roseway Neighborhood Association
- Rose City Park Neighborhood Association
- Portland International Business District

A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

B. Proposed Land Uses

The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

Comprehensive Plan Designation	Acreage	% of Total
General Commercial	10.7	9%
Neighborhood Commercial	8.0	6%
Mixed Employment	8.4	7%
Residential 2,000	32.2	26%
Residential 3,000	6.1	5%
Residential 5,000	3.6	3%
Residential 7,000	57.0	45%
Total	126.1	100%

*Source: City of Portland Bureau of Planning and Sustainability

III. Urban Renewal Projects

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

A. Projects

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

IV. Relationship to Local Plans and Objectives

A. Portland Comprehensive Plan

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

B. City of Portland Economic Development and Neighborhood Economic Development Strategies

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
 - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
 - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
 - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
 - A. Connect Traded Sector and Neighborhood Work
 - B. Seed Investments to Implement Neighborhood Economic Development Plans
 - C. Expand Citywide Financial Tools for Neighborhood Businesses

V. Relocation Policy

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

VI. Property Acquisition and Disposition Policies

No property acquisition or disposition is anticipated in this District.

VII. Plan Financing

A. General Description of the Proposed Financing Methods

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

VIII. Procedures for Amendments to the Plan

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

A. Substantial Amendments

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

B. Council-Approved Amendments

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

C. Minor amendments

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

IX. Other Provisions

A. Non-Discrimination

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

B. Agreements to Implement This Plan

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

C. Duration of Urban Renewal Plan

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

D. Validity

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

DRAFT

Exhibit B
Draft Report Accompanying the Cully Boulevard
Neighborhood Prosperity Initiative
Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6925

Exhibit B includes this cover page and contains 16 pages:

- Draft Technical Report

Draft
Report Accompanying the
Cully Blvd
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

Table of Contents

I.	Introduction	1
II.	Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population	1
A.	Physical Conditions	1
1.	Land Use and Zoning.....	1
B.	Social Conditions.....	3
C.	Economic Conditions.....	4
1.	Taxable Value	4
2.	Improvement Value to Land Value Ratio	4
D.	Expected Impact on Municipal Services	4
III.	Reasons for Selection of each Urban Renewal Area in the Plan.....	5
IV.	Relationship between Each Project and Existing Conditions in the Urban Renewal Area	5
V.	Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs.....	5
VI.	Anticipated Completion Date for Each Project.....	5
VII.	Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired	6
VIII.	Financial Analysis of the Plan.....	7
IX.	Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area.....	8
X.	Relocation Report	9
XI.	Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas	9

I. Introduction

This Technical Report accompanying the Cully Blvd Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the Cully Blvd Neighborhood Prosperity Initiative Urban Renewal Plan (the “Plan”). This Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

A. Physical Conditions

1. Land Use and Zoning

The Cully Blvd Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 164.6 acres, including public right-of-way. There are 619 tax lots within the District, totaling 126.1 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

Property Class	Acreage	% of Total
Miscellaneous	0.3	<1%
Residential	87.2	69%
Commercial	25.1	20%
Industrial	6.6	5%
Multi-Family	6.9	5%
Total	126.1	100%

*Source: Multnomah County Office of Assessment and Taxation

Figure 1. District Boundary and Zoning Map

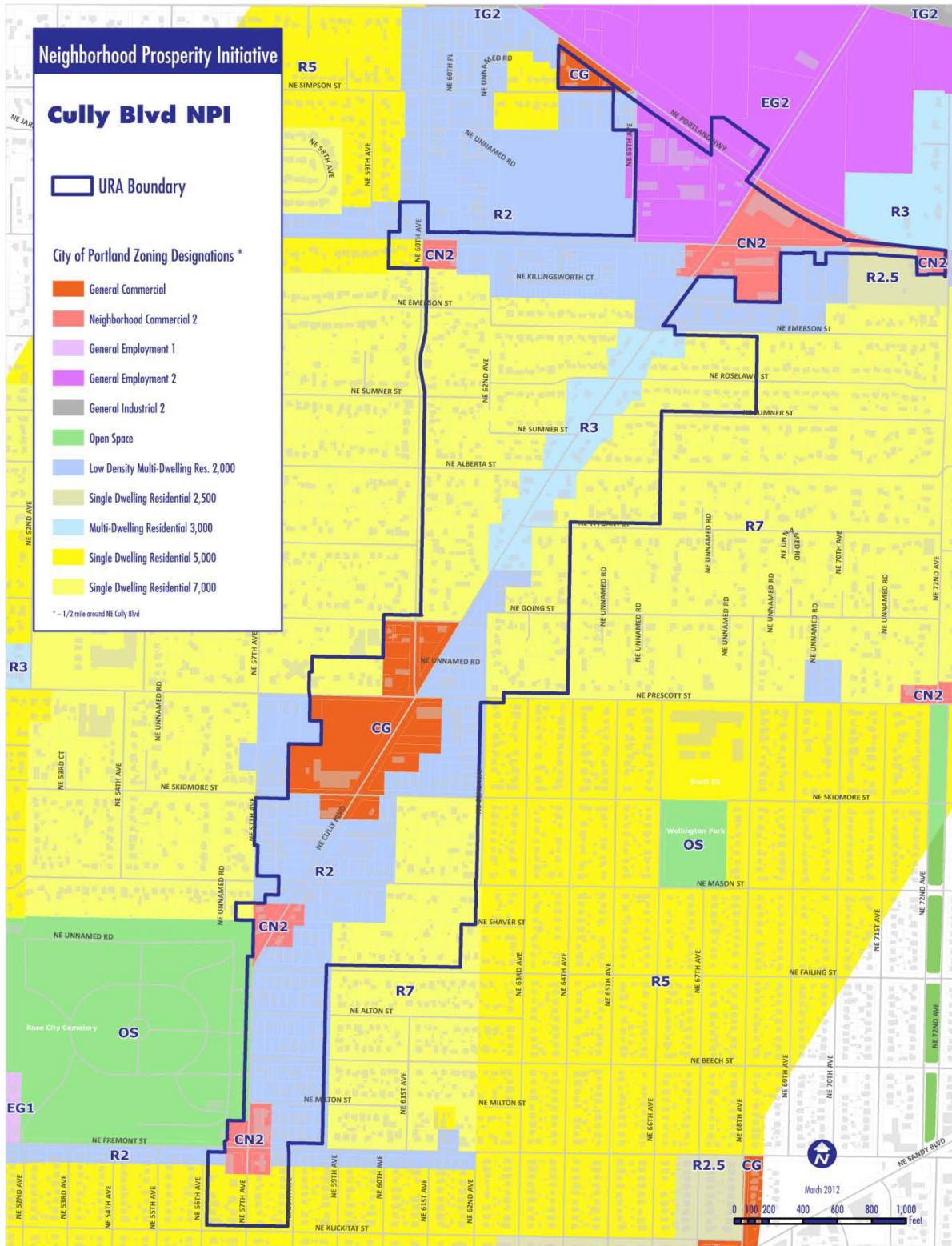


Table 2. Existing Zoning of District

Zoning Designation	Acreage	% of Total
General Commercial	10.7	9%
Neighborhood Commercial 2	7.8	6%
General Employment 2	8.4	7%
Residential 2,000	32.4	26%
Residential 3,000	6.1	5%
Residential 5,000	3.6	3%
Residential 7,000	57.0	45%
Total	126.1	100%

*Source: City of Portland Bureau of Planning and Sustainability

B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District significantly overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 7,607. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

Race	% of Total
White	58%
Black or African American	7%
American Indian and Alaska Native	1%
Asian	7%
Native Hawaiian and Other Pacific Islander	1%
Other	20%
Two or More Races	5%
Ethnicity	% of Total
Hispanic	29%

*Source: 2010 Business Analyst

C. Economic Conditions

1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$81,000,273. This does not include utility value which will be determined by the County Assessor upon District approval.

2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. Improvement to land ratio is an assessment of the real market value of the improvements on a parcel compared to the real market value of the land. If the ratio is low, it indicates a prevalence of depreciated values, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

Area	Overall I:L Ratio
Cully Blvd NPI District	1.38:1
Citywide ¹	2.22:1

*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

D. Expected Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the District is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated.

Projects and programs in the District will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

¹ Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

III. Reasons for Selection of each Urban Renewal Area in the Plan

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

VI. Anticipated Completion Date for Each Project

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUES									
Tax Increment to Raise (before Compression)	\$73,378	\$92,998	\$122,235	\$151,603	\$125,000	\$125,000	\$125,000	\$125,000	\$82,933
Less Compression	(3,669)	(4,650)	(6,112)	(7,580)	(6,250)	(6,250)	(6,250)	(6,250)	(4,147)
Tax Increment Imposed (after Compression)	69,710	88,348	116,123	144,023	118,750	118,750	118,750	118,750	78,786
Less Adjustments for Discounts & Delinquencies	(4,252)	(5,389)	(7,084)	(8,785)	(7,244)	(7,244)	(7,244)	(7,244)	(4,806)
NET TAX INCREMENT REVENUES	\$65,457	\$82,959	\$109,040	\$135,238	\$111,506	\$111,506	\$111,506	\$111,506	\$73,980
Shared Tax Revenues to Raise (before Compression)	\$0	\$9,218	\$14,079	\$19,043	\$52,405	\$72,886	\$94,241	\$116,246	\$0
Less Compression	0	(461)	(704)	(952)	(2,620)	(3,644)	(4,712)	(5,812)	0
Shared Revenues Imposed (after Compression)	0	8,757	13,375	18,091	49,785	69,242	89,529	110,434	0
Less Adjustments for Discounts & Delinquencies	0	(534)	(816)	(1,104)	(3,037)	(4,224)	(5,461)	(6,736)	0
NET SHARED TAX REVENUES	\$0	\$8,223	\$12,560	\$16,988	\$46,748	\$65,018	\$84,068	\$103,698	\$0
TOTAL REVENUES	\$65,457	\$91,182	\$121,599	\$152,225	\$158,254	\$176,524	\$195,574	\$215,204	\$73,980
INDEBTEDNESS									
DEBT ISSUED	\$65,457	\$91,182	\$121,599	\$152,225	\$158,254	\$176,524	\$195,574	\$215,204	\$73,980

VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Projected Assessed Value Growth									
Frozen Base	\$ 81,000,273	\$ 81,000,273	\$ 81,000,273	\$ 81,000,273	\$ 81,000,273	\$ 81,000,273	\$ 81,000,273	\$ 81,000,273	\$ 81,000,273
Incremental Assessed Value	4,100,639	6,228,162	8,408,872	10,644,101	12,935,210	15,283,598	17,690,694	20,157,969	22,686,925
Total Assessed Value	\$85,100,912	\$87,228,435	\$89,409,145	\$91,644,374	\$93,935,483	\$96,283,871	\$98,690,967	\$101,158,242	\$103,687,198
Total AV Growth		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Incremental AV Growth		51.88%	35.01%	26.58%	21.52%	18.15%	15.75%	13.95%	12.55%
Consolidated Tax Rate	17.8944	17.9022	17.8954	17.8162	17.7042	17.5737	17.5414	17.5403	17.5391
Revenues Generated on Incremental Assessed Value									
Amount to Urban Renewal Area	73,378	92,998	122,235	151,603	125,000	125,000	125,000	125,000	82,933
Amount to Taxing Jurisdictions									
City Permanent Rate	-	4,730	7,224	9,771	26,889	37,397	48,355	59,645	82,196
County Permanent Rate	-	4,488	6,855	9,272	25,516	35,489	45,887	56,601	78,001
Other Levies	-	9,281	14,166	18,991	51,603	70,703	91,078	112,330	154,779
Total Revenues	\$73,378	\$111,498	\$150,480	\$189,637	\$229,008	\$268,589	\$310,320	\$353,577	\$397,908
Tax Increment Revenues to Urban Renewal Area									
Tax Increment to Raise (before Compression)	\$73,378	\$92,998	\$122,235	\$151,603	\$125,000	\$125,000	\$125,000	\$125,000	\$82,933
Less Compression	(3,669)	(4,650)	(6,112)	(7,580)	(6,250)	(6,250)	(6,250)	(6,250)	(4,147)
Tax Increment Imposed (after Compression)	\$69,710	\$88,348	\$116,123	\$144,023	\$118,750	\$118,750	\$118,750	\$118,750	\$78,786
Shared Revenues to Urban Renewal Area									
Less Compression	0	(461)	(704)	(952)	(2,620)	(3,644)	(4,712)	(5,812)	0
Tax Increment Imposed (after Compression)	\$0	\$8,757	\$13,375	\$18,091	\$49,785	\$69,242	\$89,529	\$110,434	\$0
Total Revenues to Urban Renewal Areas	\$69,710	\$97,106	\$129,499	\$162,114	\$168,535	\$187,992	\$208,279	\$229,184	\$78,786

IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

Tax Increment Revenues Foregone 2014-2022	Total	Present Value to 2014
Permanent Rates		
City	\$264,503	\$189,342
County	251,003	179,678
Metro	5,582	3,996
Port	4,051	2,900
E Mult Soil	5,779	4,137
PPS	275,904	197,504
PCC	16,343	11,699
Mult ESD	26,444	18,930

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

Shared Revenues 2014-2021	Total	Present Value to 2014
Permanent Rates		
City	\$194,011	\$126,400
County	184,109	128,345
Metro	4,095	2,854
Port	2,971	2,071
E Mult Soil	4,239	2,955
PPS	202,374	141,078
PCC	11,987	8,357
Mult ESD	19,397	13,522

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

Tax Increment Revenues Fully Regained - 2023	Amount (nominal)	Present Value to 2014
Permanent Rates		
City	\$32,622	\$16,583
County	30,957	15,737
Metro	689	350
Port	500	254
E Mult Soil	713	362
PPS	34,028	17,298
PCC	2,016	1,025
Mult ESD	3,261	1,658

X. Relocation Report

There are no businesses or residents to be relocated.

XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

	Frozen Base Assessed Value	Acres
Total City of Portland²	\$ 43,634,351,239	92,768.0
Existing Urban Renewal Areas:		
Airport Way	\$124,710,302	1,841.4
Central Eastside	\$224,626,739	692.3
Downtown Waterfront	\$55,674,313	233.1
Gateway Regional Center	\$307,174,681	658.5
Interstate Corridor ³	\$1,290,430,925	3,990.0
Lents Town Center	\$736,224,033	2,846.3
North Macadam	\$192,609,397	401.9
Oregon Convention Center ⁴	\$248,951,143	410.0
River District	\$461,577,974	351.2
South Park Blocks	\$376,066,574	156.3
Willamette Industrial	\$481,443,135	755.5
Total Existing Urban Renewal Areas	\$4,499,489,216	12,336.5
% City in Existing Urban Renewal Areas	10.3%	13.3%
Proposed Neighborhood Prosperity Initiative Urban Renewal Areas:		
42nd Avenue	\$81,011,867	136.2
Cully Blvd	\$81,000,273	164.6
Parkrose	\$80,493,774	142.6
Rosewood	\$78,774,383	135.6
Division – Midway	\$80,201,117	115.9
82nd Avenue and Division	\$81,523,638	108.8
Total Proposed Urban Renewal Areas	\$483,005,052	803.7
Combined Total - Existing and Proposed	\$4,982,494,268	13,140.2
% City in Existing and Proposed Urban Renewal Areas	11.4%	14.2%

² Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

³ Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

⁴ Frozen base value represents 11/12 OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects 20th Amendment.

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6926

**ACCEPTING THE PROPOSED PARKROSE NEIGHBORHOOD
PROSPERITY INITIATIVE URBAN RENEWAL PLAN AND
DIRECTING THAT THE PLAN BE SUBMITTED TO THE
PLANNING AND SUSTAINABILITY COMMISSION FOR
RECOMMENDATION AND THEREAFTER TO THE PORTLAND
CITY COUNCIL FOR APPROVAL**

WHEREAS, on October 18, 2011, Mayor Sam Adams and County Chair Jeff Cogen jointly announced the Neighborhood Prosperity Initiative (“NPI”) among nearly one hundred community leaders inviting six neighborhood commercial corridors in East Portland to partner with the Portland Development Commission (“PDC”) to evaluate the feasibility and desirability of creating several small, innovative urban renewal areas, focused on the following neighborhood commercial areas: NE 42nd Avenue, Cully, Parkrose, Rosewood, SE Division 117th to 148th Avenue, now known as Division-Midway, and SE 82nd Avenue and Division (each, a “NPI District”);

WHEREAS, the proposed NPI Districts would implement the Neighborhood Economic Development Strategy (the “NED Strategy”), adopted by Portland City Council (“Council”) on May 25, 2011, via Resolution Number 36864; the NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland;

WHEREAS, the NED Strategy builds out Goal 3, Neighborhood and Small Business Vitality, in the City's Economic Development Strategy, which was adopted by Council in July 2009, via Resolution Number 36714;

WHEREAS, all six of the NPI Districts were prioritized based on the following criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment;

WHEREAS, residents, business owners, associations and organizations in the Parkrose NPI District worked to complete planning, training and intensive and inclusive outreach, and on February 7, 2012, they were recognized for creating an organizational structure and demonstrating a commitment to continued training and on-going fundraising;

WHEREAS, residents, business owners, associations and organizations in the Parkrose NPI District have worked to identify investments, including but not limited to tax increment financing, for community revitalization and other small scale projects;

WHEREAS, residents, business owners, associations and organizations in the Parkrose NPI District have worked to identify projects for inclusion in the proposed draft Urban Renewal Area Plan attached hereto as Exhibit A (the “Plan”), and have managed, with PDC staff support, an inclusive outreach and involvement process that was tailored to and appropriate for this District and the expected amount of resources;

WHEREAS, PDC has sought and received valuable input from related taxing jurisdictions pursuant to ORS 457.085(5), citizens, and other interested parties in the City;

WHEREAS, the proposed Parkrose NPI District contains approximately 142.6 acres and will have a maximum indebtedness of \$1,250,000;

WHEREAS, the proposed Parkrose NPI District is both financially feasible and conforms to the City of Portland’s Comprehensive Plan; and

WHEREAS, the proposed draft Technical Report attached hereto as Exhibit B (the “Report”) provides substantial evidence of blight within the Parkrose NPI District, thereby warranting the formation of an urban renewal area, and the Plan and Report comply with other requirements of ORS 457.

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners hereby accepts the Plan along with the accompanying Report and directs that the Plan and Report be forwarded to the City Planning and Sustainability Commission for recommendation to Council, and thereafter be finalized and forwarded to Council for approval;

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

Exhibit A

Draft Parkrose

Neighborhood Prosperity Initiative

Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6926

Exhibit A includes this cover page and contains 14 pages:

- Draft Urban Renewal Plan

Draft
Parkrose
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

DRAFT

Table of Contents

I.	Introduction	1
II.	Parkrose NPI District Map and Legal Description	2
A.	Legal Description.....	2
B.	Proposed Land Uses.....	2
III.	Urban Renewal Projects.....	4
A.	Projects	4
IV.	Relationship to Local Plans and Objectives	4
A.	Portland Comprehensive Plan	4
B.	City of Portland Economic Development and Neighborhood Economic Development Strategies ..	4
V.	Relocation Policy	5
VI.	Property Acquisition and Disposition Policies	5
VII.	Plan Financing	5
A.	General Description of the Proposed Financing Methods.....	5
B.	Tax Increment Financing	5
VIII.	Procedures for Amendments to the Plan	6
A.	Substantial Amendments.....	6
B.	Council-Approved Amendments.....	6
C.	Minor amendments	6
IX.	Other Provisions.....	7
A.	Non-Discrimination	7
B.	Agreements to Implement This Plan	7
C.	Duration of Urban Renewal Plan	7
D.	Validity	7

DRAFT

I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

42nd Avenue	Rosewood
Cully Blvd	Division – Midway
Parkrose	82nd Avenue and Division

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This Parkrose NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the Parkrose NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

Our vision for the future of the Parkrose Business District (and surrounding neighborhood) is for it to become a destination location, our neighbors’ first choice for goods and services, and also an attraction for the wider community.

Diverse businesses, plentiful parking and eye-catching, well-maintained buildings and sidewalks invite residents and the general public to choose Parkrose for business.

Well-lit, safe and easy to maneuver thoroughfares year round encourage customers to support local merchants. Working in partnership with the community, the Parkrose NPI District is an ongoing, effective change agent with a vision for the betterment of Parkrose.

II. Parkrose NPI District Map and Legal Description

The District shown in Figure 1 below contains 142.6 acres, including public right-of-way. There are 386 tax lots within the District, totaling 109.9 acres. The District overlaps portions of the following neighborhood and business associations:

- Parkrose Neighborhood Association
- Columbia Corridor Association
- Parkrose Business Association

A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

B. Proposed Land Uses

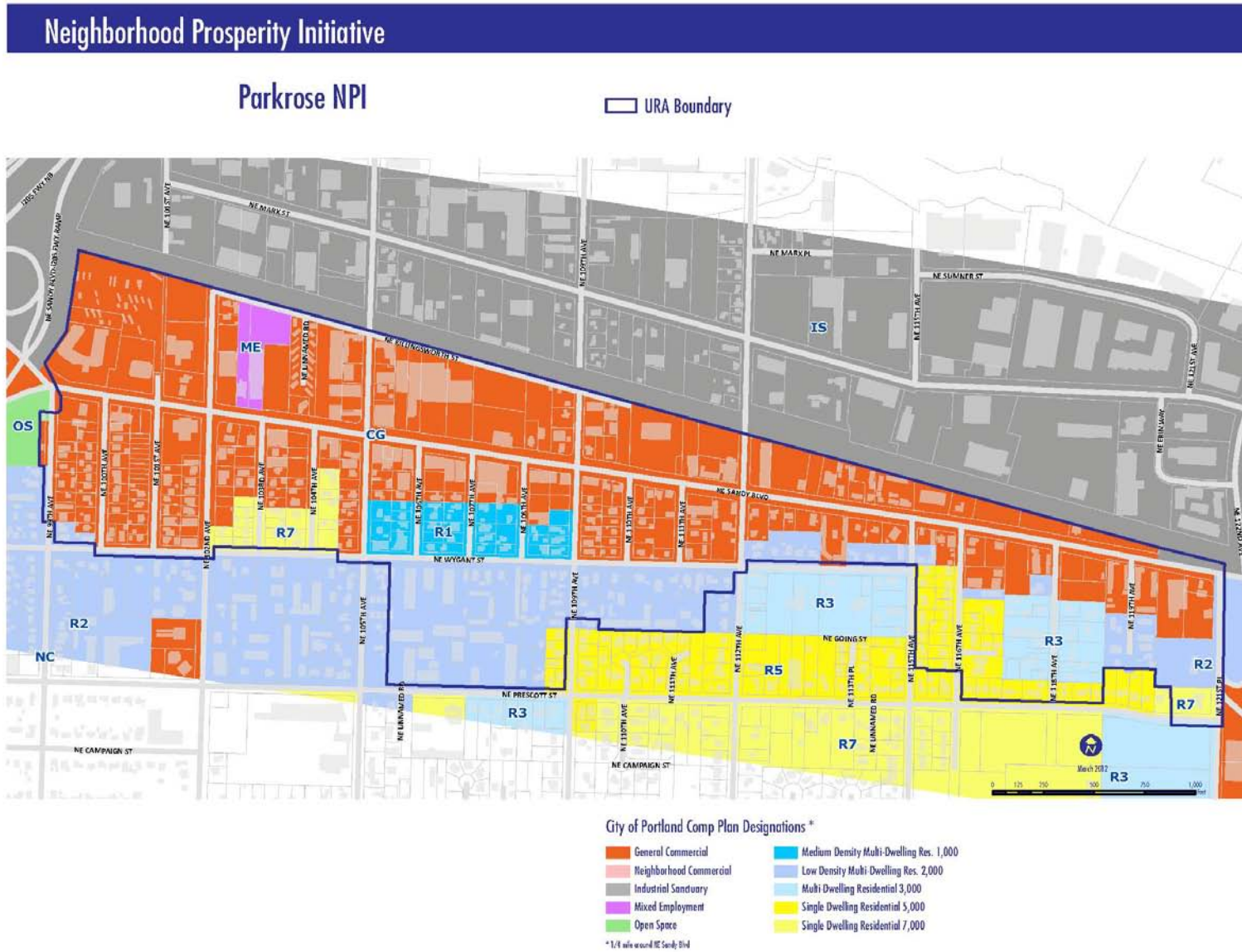
The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern. Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

Comprehensive Plan Designation	Acreage	% of Total
General Commercial	68.2	62%
Mixed Employment	2.0	2%
Residential 1,000	4.3	4%
Residential 2,000	21.7	20%
Residential 3,000	4.2	4%
Residential 5,000	6.1	6%
Residential 7,000	3.2	3%
Total	109.9	100%

*Source: City of Portland Bureau of Planning and Sustainability

Figure 1. District Boundary and Comprehensive Plan Map



III. Urban Renewal Projects

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

A. Projects

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

IV. Relationship to Local Plans and Objectives

A. Portland Comprehensive Plan

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

B. City of Portland Economic Development and Neighborhood Economic Development Strategies

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
 - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving

commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
 - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
 - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
 - A. Connect Traded Sector and Neighborhood Work
 - B. Seed Investments to Implement Neighborhood Economic Development Plans
 - C. Expand Citywide Financial Tools for Neighborhood Businesses

V. Relocation Policy

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

VI. Property Acquisition and Disposition Policies

No property acquisition or disposition is anticipated in this District.

VII. Plan Financing

A. General Description of the Proposed Financing Methods

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

VIII. Procedures for Amendments to the Plan

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

A. Substantial Amendments

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

B. Council-Approved Amendments

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

C. Minor amendments

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

IX. Other Provisions

A. Non-Discrimination

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

B. Agreements to Implement This Plan

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

C. Duration of Urban Renewal Plan

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

D. Validity

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

Exhibit B
Draft Report Accompanying the Parkrose
Neighborhood Prosperity Initiative
Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6926

Exhibit B includes this cover page and contains 16 pages:

- Draft Technical Report

Draft
Report Accompanying the
Parkrose
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

Table of Contents

I.	Introduction	1
II.	Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population	1
A.	Physical Conditions	1
1.	Land Use and Zoning.....	1
B.	Social Conditions.....	3
C.	Economic Conditions.....	4
1.	Taxable Value	4
2.	Improvement Value to Land Value Ratio	4
D.	Expected Impact on Municipal Services	4
III.	Reasons for Selection of each Urban Renewal Area in the Plan.....	5
IV.	Relationship between Each Project and Existing Conditions in the Urban Renewal Area	5
V.	Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs.....	5
VI.	Anticipated Completion Date for Each Project.....	5
VII.	Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired	6
VIII.	Financial Analysis of the Plan.....	7
IX.	Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area.....	8
X.	Relocation Report	9
XI.	Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas	9

I. Introduction

This Technical Report accompanying the Parkrose Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the Parkrose Neighborhood Prosperity Initiative Urban Renewal Plan (the “Plan”). This Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

A. Physical Conditions

1. Land Use and Zoning

The Parkrose Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 142.6 acres, including public right-of-way. There are 386 tax lots within the District, totaling 109.9 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

Property Class	Acreage	% of Total
Miscellaneous	2.7	2%
Residential	38.2	35%
Commercial	49.6	45%
Multi-Family	19.4	18%
Total	109.9	100%

*Source: Multnomah County Office of Assessment and Taxation

Table 2. Existing Zoning of District

Zoning Designation	Acreage	% of Total
General Commercial	66.2	60%
General Employment 2	2.0	2%
Residential 1,000	4.3	4%
Residential 2,000	23.7	22%
Residential 3,000	4.2	4%
Residential 5,000	6.1	6%
Residential 7,000	3.2	3%
Total	109.9	100%

*Source: City of Portland Bureau of Planning and Sustainability

B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District significantly overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 2,963. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

Race	% of Total
White	64%
Black or African American	9%
American Indian and Alaska Native	1%
Asian	9%
Native Hawaiian and Other Pacific Islander	1%
Other	10%
Two or More Races	6%
Ethnicity	% of Total
Hispanic	17%

*Source: 2010 Business Analyst

C. Economic Conditions

1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$80,493,774. This does not include utility value which will be determined by the County Assessor upon District approval.

2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. Improvement to land ratio is an assessment of the real market value of the improvements on a parcel compared to the real market value of the land. If the ratio is low, it indicates a prevalence of depreciated values, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

Area	Overall I:L Ratio
Parkrose NPI District	0.94:1
Citywide ¹	2.22:1

*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

D. Expected Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the District is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated.

Projects and programs in the District will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

¹ Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

III. Reasons for Selection of each Urban Renewal Area in the Plan

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

VI. Anticipated Completion Date for Each Project

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUES									
Tax Increment to Raise (before Compression)	\$73,506	\$93,410	\$122,772	\$152,280	\$125,000	\$125,000	\$125,000	\$125,000	\$80,903
Less Compression	(3,675)	(4,671)	(6,139)	(7,614)	(6,250)	(6,250)	(6,250)	(6,250)	(4,045)
Tax Increment Imposed (after Compression)	69,831	88,740	116,634	144,666	118,750	118,750	118,750	118,750	76,858
Less Adjustments for Discounts & Delinquencies	(4,260)	(5,413)	(7,115)	(8,825)	(7,244)	(7,244)	(7,244)	(7,244)	(4,688)
NET TAX INCREMENT REVENUES	\$65,571	\$83,327	\$109,519	\$135,841	\$111,506	\$111,506	\$111,506	\$111,506	\$72,169
Shared Tax Revenues to Raise (before Compression)	\$0	\$9,183	\$14,013	\$18,946	\$52,376	\$73,186	\$94,412	\$116,279	\$0
Less Compression	0	(459)	(701)	(947)	(2,619)	(3,659)	(4,721)	(5,814)	0
Shared Revenues Imposed (after Compression)	0	8,724	13,313	17,999	49,757	69,527	89,691	110,465	0
Less Adjustments for Discounts & Delinquencies	0	(532)	(812)	(1,098)	(3,035)	(4,241)	(5,471)	(6,738)	0
NET SHARED TAX REVENUES	\$0	\$8,192	\$12,501	\$16,901	\$46,722	\$65,286	\$84,220	\$103,727	\$0
TOTAL REVENUES	\$65,571	\$91,518	\$122,020	\$152,742	\$158,228	\$176,792	\$195,726	\$215,233	\$72,169
INDEBTEDNESS									
DEBT ISSUED	\$65,571	\$91,518	\$122,020	\$152,742	\$158,228	\$176,792	\$195,726	\$215,233	\$72,169

VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Projected Assessed Value Growth									
Frozen Base	\$80,493,774	\$80,493,774	\$80,493,774	\$80,493,774	\$80,493,774	\$80,493,774	\$80,493,774	\$80,493,774	\$80,493,774
Incremental Assessed Value	4,074,997	6,189,217	8,356,291	10,577,543	12,854,326	15,188,028	17,580,073	20,031,920	22,545,062
Total Assessed Value	\$84,568,771	\$86,682,991	\$88,850,065	\$91,071,317	\$93,348,100	\$95,681,802	\$98,073,847	\$100,525,694	\$103,038,836
Total AV Growth		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Incremental AV Growth		51.88%	35.01%	26.58%	21.52%	18.15%	15.75%	13.95%	12.55%
Consolidated Tax Rate	18.0384	18.1036	18.0937	18.0136	17.9009	17.8989	17.8666	17.8655	17.8643
Revenues Generated on Incremental Assessed Value									
Amount to Urban Renewal Area	73,506	93,410	122,772	152,280	125,000	125,000	125,000	125,000	80,903
Amount to Taxing Jurisdictions									
City Permanent Rate	-	4,712	7,190	9,721	26,874	37,551	48,442	59,662	82,461
County Permanent Rate	-	4,471	6,823	9,225	25,502	35,635	45,970	56,617	78,252
Other Levies	-	9,454	14,411	19,313	52,728	73,663	94,685	116,601	161,136
Total Revenues	\$73,506	\$112,047	\$151,196	\$190,540	\$230,104	\$271,849	\$314,096	\$357,880	\$402,752
Tax Increment Revenues to Urban Renewal Area									
Tax Increment to Raise (before Compression)	\$73,506	\$93,410	\$122,772	\$152,280	\$125,000	\$125,000	\$125,000	\$125,000	\$80,903
Less Compression	(3,675)	(4,671)	(6,139)	(7,614)	(6,250)	(6,250)	(6,250)	(6,250)	(4,045)
Tax Increment Imposed (after Compression)	\$69,831	\$88,740	\$116,634	\$144,666	\$118,750	\$118,750	\$118,750	\$118,750	\$76,858
Shared Revenues to Urban Renewal Area									
Less Compression	0	(459)	(701)	(947)	(2,619)	(3,659)	(4,721)	(5,814)	0
Tax Increment Imposed (after Compression)	\$0	\$8,724	\$13,313	\$17,999	\$49,757	\$69,527	\$89,691	\$110,465	\$0
Total Revenues to Urban Renewal Areas	\$69,831	\$97,464	\$129,946	\$162,665	\$168,507	\$188,277	\$208,441	\$229,215	\$76,858

IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

Tax Increment Revenues Foregone 2014-2022	Total	Present Value to 2014
Permanent Rates		
City	\$260,715	\$186,869
County	247,409	177,332
Metro	5,503	3,944
Port	3,993	2,862
E Mult Soil	5,696	4,083
Parkrose	278,579	199,673
Mt. Hood	28,008	20,075
Mult ESD	26,066	18,683

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

Shared Revenues 2014-2021	Total	Present Value to 2014
Permanent Rates		
City	\$194,152	\$126,475
County	184,243	128,421
Metro	4,098	2,856
Port	2,974	2,073
E Mult Soil	4,242	2,957
Parkrose	207,455	144,600
Mt. Hood	20,857	14,538
Mult ESD	19,411	13,530

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

Tax Increment Revenues Fully Regained - 2023	Amount (nominal)	Present Value to 2014
Permanent Rates		
City	\$32,028	\$16,281
County	30,393	15,451
Metro	676	344
Port	491	249
E Mult Soil	700	356
Parkrose	34,223	17,397
Mt. Hood	3,441	1,749
Mult ESD	3,202	1,628

X. Relocation Report

There are no businesses or residents to be relocated.

XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

	Frozen Base Assessed Value	Acres
Total City of Portland²	\$ 43,634,351,239	92,768.0
Existing Urban Renewal Areas:		
Airport Way	\$124,710,302	1,841.4
Central Eastside	\$224,626,739	692.3
Downtown Waterfront	\$55,674,313	233.1
Gateway Regional Center	\$307,174,681	658.5
Interstate Corridor ³	\$1,290,430,925	3,990.0
Lents Town Center	\$736,224,033	2,846.3
North Macadam	\$192,609,397	401.9
Oregon Convention Center ⁴	\$248,951,143	410.0
River District	\$461,577,974	351.2
South Park Blocks	\$376,066,574	156.3
Willamette Industrial	\$481,443,135	755.5
Total Existing Urban Renewal Areas	\$4,499,489,216	12,336.5
% City in Existing Urban Renewal Areas	10.3%	13.3%
Proposed Neighborhood Prosperity Initiative Urban Renewal Areas:		
42nd Avenue	\$81,011,867	136.2
Cully Blvd	\$81,000,273	164.6
Parkrose	\$80,493,774	142.6
Rosewood	\$78,774,383	135.6
Division – Midway	\$80,201,117	115.9
82nd Avenue and Division	\$81,523,638	108.8
Total Proposed Urban Renewal Areas	\$483,005,052	803.7
Combined Total - Existing and Proposed	\$4,982,494,268	13,140.2
% City in Existing and Proposed Urban Renewal Areas	11.4%	14.2%

² Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

³ Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

⁴ Frozen base value represents 11/12 OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects 20th Amendment.

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6927

**ACCEPTING THE PROPOSED ROSEWOOD NEIGHBORHOOD
PROSPERITY INITIATIVE URBAN RENEWAL PLAN AND
DIRECTING THAT THE PLAN BE SUBMITTED TO THE
PLANNING AND SUSTAINABILITY COMMISSION FOR
RECOMMENDATION AND THEREAFTER TO THE PORTLAND
CITY COUNCIL FOR APPROVAL**

WHEREAS, on October 18, 2011, Mayor Sam Adams and County Chair Jeff Cogen jointly announced the Neighborhood Prosperity Initiative (“NPI”) among nearly one hundred community leaders inviting six neighborhood commercial corridors in East Portland to partner with the Portland Development Commission (“PDC”) to evaluate the feasibility and desirability of creating several small, innovative urban renewal areas, focused on the following neighborhood commercial areas: NE 42nd Avenue, Cully, Parkrose, Rosewood, SE Division 117th to 148th Avenue, now known as Division-Midway, and SE 82nd Avenue and Division (each, a “NPI District”);

WHEREAS, the proposed NPI Districts would implement the Neighborhood Economic Development Strategy (the “NED Strategy”), adopted by Portland City Council (“Council”) on May 25, 2011, via Resolution Number 36864; the NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland;

WHEREAS, the NED Strategy builds out Goal 3, Neighborhood and Small Business Vitality, in the City's Economic Development Strategy, which was adopted by Council in July 2009, via Resolution Number 36714;

WHEREAS, all six of the NPI Districts were prioritized based on the following criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment;

WHEREAS, residents, business owners, associations and organizations in the Rosewood NPI District worked to complete planning, training and intensive and inclusive outreach, and on February 7, 2012, they were recognized for creating an organizational structure and demonstrating a commitment to continued training and on-going fundraising;

WHEREAS, residents, business owners, associations and organizations in the Rosewood NPI District have worked to identify investments, including but not limited to tax increment financing, for community revitalization and other small scale projects;

WHEREAS, residents, business owners, associations and organizations in the Rosewood NPI District have worked to identify projects for inclusion in the proposed draft Urban Renewal Area Plan attached hereto as Exhibit A (the “Plan”), and have managed, with PDC staff support, an inclusive outreach and involvement process that was tailored to and appropriate for this District and the expected amount of resources;

WHEREAS, PDC has sought and received valuable input from related taxing jurisdictions pursuant to ORS 457.085(5), citizens, and other interested parties in the City;

WHEREAS, the proposed Rosewood NPI District contains approximately 135.6 acres and will have a maximum indebtedness of \$1,250,000;

WHEREAS, the proposed Rosewood NPI District is both financially feasible and conforms to the City of Portland’s Comprehensive Plan; and

WHEREAS, the proposed draft Technical Report attached hereto as Exhibit B (the “Report”) provides substantial evidence of blight within the Rosewood NPI District, thereby warranting the formation of an urban renewal area, and the Plan and Report comply with other requirements of ORS 457.

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners hereby accepts the Plan along with the accompanying Report and directs that the Plan and Report be forwarded to the City Planning and Sustainability Commission for recommendation to Council, and thereafter be finalized and forwarded to Council for approval;

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

Exhibit A

Draft Rosewood

Neighborhood Prosperity Initiative

Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6927

Exhibit A includes this cover page and contains 14 pages:

- Draft Urban Renewal Plan

Draft
Rosewood
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

DRAFT

Table of Contents

I.	Introduction	1
II.	Rosewood NPI District Map and Legal Description	2
A.	Legal Description.....	2
B.	Proposed Land Uses.....	3
III.	Urban Renewal Projects.....	5
A.	Projects	5
IV.	Relationship to Local Plans and Objectives	5
A.	Portland Comprehensive Plan	5
B.	City of Portland Economic Development and Neighborhood Economic Development Strategies ..	5
V.	Relocation Policy	6
VI.	Property Acquisition and Disposition Policies	6
VII.	Plan Financing	6
A.	General Description of the Proposed Financing Methods.....	6
B.	Tax Increment Financing	6
VIII.	Procedures for Amendments to the Plan	7
A.	Substantial Amendments.....	7
B.	Council-Approved Amendments.....	7
C.	Minor amendments	7
IX.	Other Provisions.....	7
A.	Non-Discrimination	7
B.	Agreements to Implement This Plan	8
C.	Duration of Urban Renewal Plan	8
D.	Validity	8

DRAFT

I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

42nd Avenue	Rosewood
Cully Blvd	Division – Midway
Parkrose	82nd Avenue and Division

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This Rosewood NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the Rosewood NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

We are building a safe, healthy, respectful, vibrant and inclusive community that brings prosperity to everyone in Rosewood. Empowered community members drive meaningful and appropriate change in partnership with agencies across Portland, Gresham and Multnomah County jurisdictions. Residents and businesses are connected to one another and to resources that help achieve shared goals. We utilize strengths in the community to build a positive image and future for Rosewood.

This is a neighborhood where people want to live and local businesses thrive with community support. It is safe to walk at all times of the day and night. The major commercial centers at SE 162nd and Stark and SE 148th and Stark are economically vibrant and convenient by a variety of modes of transportation. There are good connections from these commercial centers to MAX Light Rail on Burnside as well as walking and biking accessibility for local residents. Cohesive design elements tie the district together and create a beautiful environment that people take pride in. Mentorships and apprenticeships focus on empowering vulnerable community members, especially youth, people of color, immigrants, New Portlanders, people with disabilities and people in poverty. Residents and businesses celebrate the rich cultural diversity and history of Rosewood, attracting long-term residents, businesses and visitors alike.

II. Rosewood NPI District Map and Legal Description

The District shown in Figure 1 below contains 135.6 acres, including public right-of-way. There are 264 tax lots within the District, totaling 106.7 acres. The District overlaps portions of the following neighborhood and business associations:

- Wilkes Neighborhood Association
- Hazelwood Neighborhood Association
- Glenfair Neighborhood Association
- Centennial Neighborhood Association
- Gateway Area Business Association

A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

B. Proposed Land Uses

The City of Portland's Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

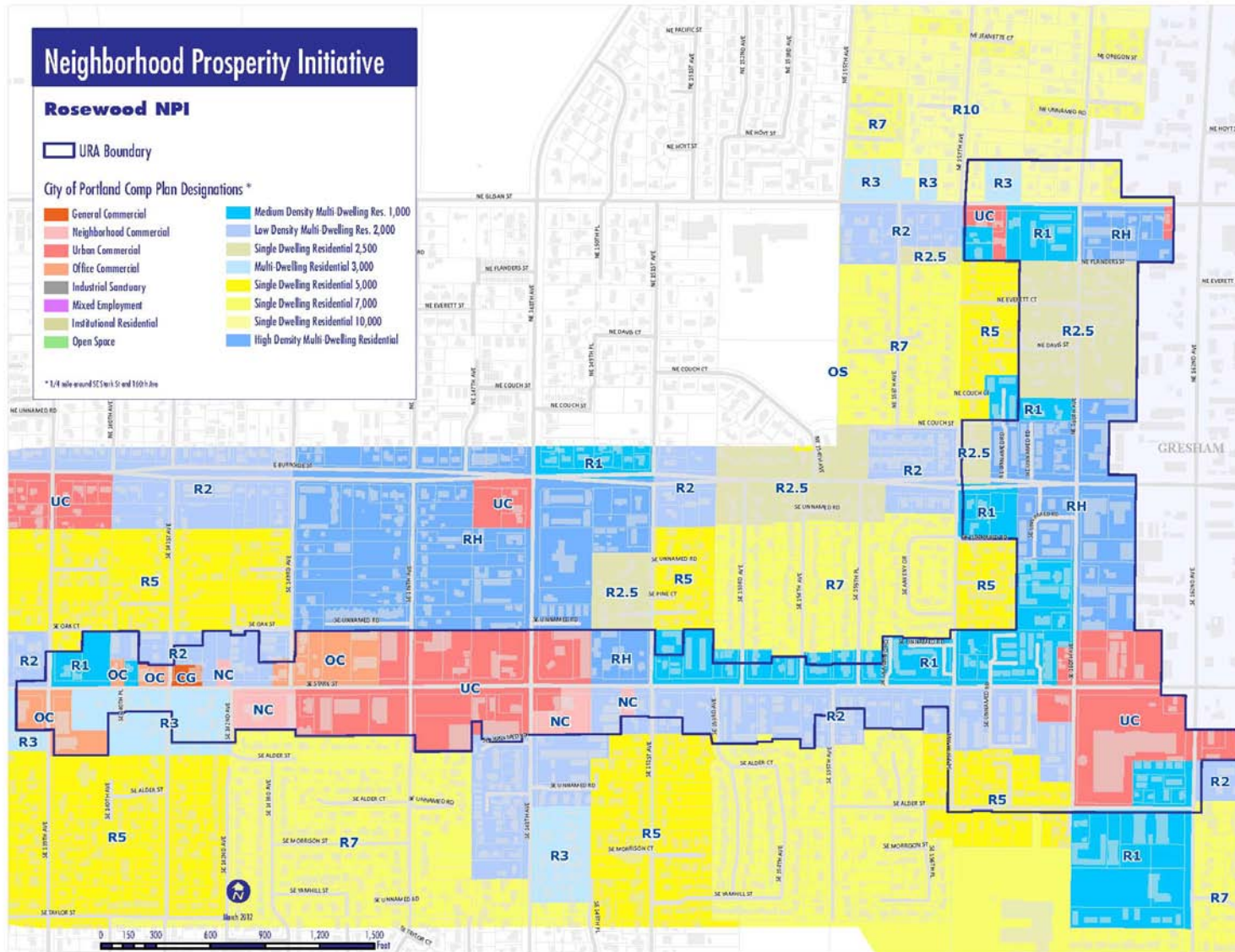
Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

Comprehensive Plan Designation	Acreage	% of Total
General Commercial	0.3	<1%
Neighborhood Commercial	3.1	3%
Office Commercial	5.6	5%
Urban Commercial	25.4	24%
Residential 1,000	20.0	19%
Residential 2,000	14.9	14%
Residential 2,500	10.1	9%
Residential 3,000	4.2	4%
Residential 5,000	3.0	3%
Residential 7,000	0.5	1%
Residential 10,000	2.3	2%
High Density Residential	17.3	16%
Total	106.7	100%

*Source: City of Portland Bureau of Planning and Sustainability

Figure 1. District Boundary and Comprehensive Plan Map



III. Urban Renewal Projects

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

A. Projects

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

IV. Relationship to Local Plans and Objectives

A. Portland Comprehensive Plan

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

B. City of Portland Economic Development and Neighborhood Economic Development Strategies

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
 - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving

commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
 - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
 - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
 - A. Connect Traded Sector and Neighborhood Work
 - B. Seed Investments to Implement Neighborhood Economic Development Plans
 - C. Expand Citywide Financial Tools for Neighborhood Businesses

V. Relocation Policy

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

VI. Property Acquisition and Disposition Policies

No property acquisition or disposition is anticipated in this District.

VII. Plan Financing

A. General Description of the Proposed Financing Methods

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

VIII. Procedures for Amendments to the Plan

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

A. Substantial Amendments

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

B. Council-Approved Amendments

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

C. Minor amendments

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

IX. Other Provisions

A. Non-Discrimination

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

B. Agreements to Implement This Plan

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

C. Duration of Urban Renewal Plan

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

D. Validity

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

DRAFT

Exhibit B
Draft Report Accompanying the Rosewood
Neighborhood Prosperity Initiative
Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6927

Exhibit B includes this cover page and contains 16 pages:

- Draft Technical Report

Draft
Report Accompanying the
Rosewood
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

Table of Contents

I.	Introduction	1
II.	Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population	1
A.	Physical Conditions	1
1.	Land Use and Zoning.....	1
B.	Social Conditions.....	3
C.	Economic Conditions.....	4
1.	Taxable Value	4
2.	Improvement Value to Land Value Ratio	4
D.	Expected Impact on Municipal Services	4
III.	Reasons for Selection of each Urban Renewal Area in the Plan.....	5
IV.	Relationship between Each Project and Existing Conditions in the Urban Renewal Area	5
V.	Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs.....	5
VI.	Anticipated Completion Date for Each Project.....	5
VII.	Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired	6
VIII.	Financial Analysis of the Plan.....	7
IX.	Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area.....	8
X.	Relocation Report	9
XI.	Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas	9

I. Introduction

This Technical Report accompanying the Rosewood Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the Rosewood Neighborhood Prosperity Initiative Urban Renewal Plan (the “Plan”). This Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

A. Physical Conditions

1. Land Use and Zoning

The Rosewood Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 135.6 acres, including public right-of-way. There are 264 tax lots within the District, totaling 106.7 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

Property Class	Acreage	% of Total
Residential	33.5	31%
Commercial	36.4	34%
Industrial	0.5	<1%
Multi-Family	36.3	34%
Total	106.7	100%

*Source: Multnomah County Office of Assessment and Taxation

Table 2. Existing Zoning of District

Zoning Designation	Acreage	% of Total
General Commercial	0.3	<1%
Neighborhood Commercial 1	1.7	2%
Neighborhood Commercial 2	1.4	1%
Office Commercial 1	2.5	2%
Office Commercial 2	3.0	3%
Storefront Commercial	25.4	24%
Residential 1,000	18.5	17%
Residential 2,000	16.4	15%
Residential 2,500	10.1	9%
Residential 3,000	4.2	4%
Residential 5,000	3.0	3%
Residential 7,000	0.5	1%
Residential 10,000	2.3	2%
High Density Residential	17.3	16%
Total	106.7	100%

*Source: City of Portland Bureau of Planning and Sustainability

B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District completely overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 10,221. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

Race	% of Total
White	67%
Black or African American	4%
American Indian and Alaska Native	1%
Asian	7%
Native Hawaiian and Other Pacific Islander	<1%
Other	15%
Two or More Races	6%
Ethnicity	% of Total
Hispanic	24%

*Source: 2010 Business Analyst

C. Economic Conditions

1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$78,774,383. This does not include utility value which will be determined by the County Assessor upon District approval.

2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. Improvement to land ratio is an assessment of the real market value of the improvements on a parcel compared to the real market value of the land. If the ratio is low, it indicates a prevalence of depreciated values, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

Area	Overall I:L Ratio
Rosewood NPI District	1.03:1
Citywide ¹	2.22:1

*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

D. Expected Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the District is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated.

Projects and programs in the District will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

¹ Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

III. Reasons for Selection of each Urban Renewal Area in the Plan

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

VI. Anticipated Completion Date for Each Project

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUES									
Tax Increment to Raise (before Compression)	\$75,500	\$95,631	\$123,855	\$153,667	\$125,000	\$125,000	\$125,000	\$125,000	\$81,872
Less Compression	(3,775)	(4,782)	(6,193)	(7,683)	(6,250)	(6,250)	(6,250)	(6,250)	(4,094)
Tax Increment Imposed (after Compression)	71,725	90,849	117,662	145,984	118,750	118,750	118,750	118,750	77,778
Less Adjustments for Discounts & Delinquencies	(4,375)	(5,542)	(7,177)	(8,905)	(7,244)	(7,244)	(7,244)	(7,244)	(4,744)
NET TAX INCREMENT REVENUES	\$67,350	\$85,307	\$110,485	\$137,079	\$111,506	\$111,506	\$111,506	\$111,506	\$73,034
Shared Tax Revenues to Raise (before Compression)	\$0	\$9,103	\$13,757	\$18,585	\$51,858	\$72,226	\$93,003	\$112,209	\$0
Less Compression	0	(455)	(688)	(929)	(2,593)	(3,611)	(4,650)	(5,610)	0
Shared Revenues Imposed (after Compression)	0	8,648	13,069	17,656	49,265	68,615	88,353	106,599	0
Less Adjustments for Discounts & Delinquencies	0	(528)	(797)	(1,077)	(3,005)	(4,185)	(5,390)	(6,503)	0
NET SHARED TAX REVENUES	\$0	\$8,121	\$12,272	\$16,579	\$46,260	\$64,429	\$82,963	\$100,096	\$0
TOTAL REVENUES	\$67,350	\$93,428	\$122,757	\$153,658	\$157,766	\$175,935	\$194,470	\$211,603	\$73,034
INDEBTEDNESS									
DEBT ISSUED	\$67,350	\$93,428	\$122,757	\$153,658	\$157,766	\$175,935	\$194,470	\$211,603	\$73,034

VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Projected Assessed Value Growth									
Frozen Base	\$78,774,383	\$78,774,383	\$78,774,383	\$78,774,383	\$78,774,383	\$78,774,383	\$78,774,383	\$78,774,383	\$78,774,383
Incremental Assessed Value	3,987,953	6,057,012	8,177,796	10,351,601	12,579,750	14,863,604	17,204,553	19,604,027	22,063,487
Total Assessed Value	\$82,762,336	\$84,831,395	\$86,952,179	\$89,125,984	\$91,354,133	\$93,637,987	\$95,978,936	\$98,378,410	\$100,837,870
Total AV Growth		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Incremental AV Growth		51.88%	35.01%	26.58%	21.52%	18.15%	15.75%	13.95%	12.55%
Consolidated Tax Rate	18.9320	18.9875	18.6652	18.5855	18.4738	18.4723	18.4402	17.7934	17.5069
Revenues Generated on Incremental Assessed Value									
Amount to Urban Renewal Area	75,500	95,631	123,855	153,667	125,000	125,000	125,000	125,000	81,872
Amount to Taxing Jurisdictions									
City Permanent Rate	-	4,671	7,059	9,536	26,608	37,059	47,719	57,574	79,580
County Permanent Rate	-	4,432	6,698	9,049	25,250	35,167	45,284	54,635	75,518
Other Levies	-	10,274	15,028	20,137	55,538	77,339	99,252	111,613	149,293
	-	19,377	28,785	38,722	107,396	149,565	192,255	223,822	304,391
Total Revenues	\$75,500	\$115,008	\$152,640	\$192,390	\$232,396	\$274,565	\$317,255	\$348,822	\$386,263
Tax Increment Revenues to Urban Renewal Area									
Tax Increment to Raise (before Compression)	\$75,500	\$95,631	\$123,855	\$153,667	\$125,000	\$125,000	\$125,000	\$125,000	\$81,872
Less Compression	(3,775)	(4,782)	(6,193)	(7,683)	(6,250)	(6,250)	(6,250)	(6,250)	(4,094)
Tax Increment Imposed (after Compression)	\$71,725	\$90,849	\$117,662	\$145,984	\$118,750	\$118,750	\$118,750	\$118,750	\$77,778
Shared Revenues to Urban Renewal Area									
Less Compression	0	(455)	(688)	(929)	(2,593)	(3,611)	(4,650)	(5,610)	0
Tax Increment Imposed (after Compression)	\$0	\$8,648	\$13,069	\$17,656	\$49,265	\$68,615	\$88,353	\$106,599	\$0
Total Revenues to Urban Renewal Area	\$71,725	\$99,497	\$130,731	\$163,640	\$168,015	\$187,365	\$207,103	\$225,349	\$77,778

IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

Tax Increment Revenues Foregone 2014-2022	Total	Present Value to 2014
Permanent Rates		
City	\$256,045	\$183,252
County	242,977	173,900
Metro	5,404	3,868
Port	3,922	2,807
E Mult Soil	5,594	4,004
Reynolds	187,234	134,004
Mt. Hood	27,507	19,687
Mult ESD	25,599	23,243
Centennial	66,358	47,493

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

Shared Revenues 2014-2021	Total	Present Value to 2014
Permanent Rates		
City	\$190,225	\$124,007
County	180,517	125,916
Metro	4,015	2,800
Port	2,913	2,032
E Mult Soil	4,156	\$2,899
Reynolds	139,103	97,028
Mt. Hood	20,436	14,254
Mult ESD	19,018	13,266
Centennial	49,300	34,388

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

Tax Increment Revenues Fully Regained - 2023	Amount (nominal)	Present Value to 2014
Permanent Rates		
City	\$32,682	\$16,614
County	31,014	15,766
Metro	690	351
Port	501	254
E Mult Soil	714	363
Reynolds	23,899	12,149
Mt. Hood	3,511	1,785
Mult ESD	3,268	1,661
Centennial	8,470	4,306

X. Relocation Report

There are no businesses or residents to be relocated.

XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

	Frozen Base Assessed Value	Acres
Total City of Portland²	\$ 43,634,351,239	92,768.0
Existing Urban Renewal Areas:		
Airport Way	\$124,710,302	1,841.4
Central Eastside	\$224,626,739	692.3
Downtown Waterfront	\$55,674,313	233.1
Gateway Regional Center	\$307,174,681	658.5
Interstate Corridor ³	\$1,290,430,925	3,990.0
Lents Town Center	\$736,224,033	2,846.3
North Macadam	\$192,609,397	401.9
Oregon Convention Center ⁴	\$248,951,143	410.0
River District	\$461,577,974	351.2
South Park Blocks	\$376,066,574	156.3
Willamette Industrial	\$481,443,135	755.5
Total Existing Urban Renewal Areas	\$4,499,489,216	12,336.5
% City in Existing Urban Renewal Areas	10.3%	13.3%
Proposed Neighborhood Prosperity Initiative Urban Renewal Areas:		
42nd Avenue	\$81,011,867	136.2
Cully Blvd	\$81,000,273	164.6
Parkrose	\$80,493,774	142.6
Rosewood	\$78,774,383	135.6
Division – Midway	\$80,201,117	115.9
82nd Avenue and Division	\$81,523,638	108.8
Total Proposed Urban Renewal Areas	\$483,005,052	803.7
Combined Total - Existing and Proposed	\$4,982,494,268	13,140.2
% City in Existing and Proposed Urban Renewal Areas	11.4%	14.2%

² Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

³ Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

⁴ Frozen base value represents 11/12 OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects 20th Amendment.

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6928

**ACCEPTING THE PROPOSED DIVISION-MIDWAY
NEIGHBORHOOD PROSPERITY INITIATIVE URBAN
RENEWAL PLAN AND DIRECTING THAT THE PLAN BE
SUBMITTED TO THE PLANNING AND SUSTAINABILITY
COMMISSION FOR RECOMMENDATION AND THEREAFTER
TO THE PORTLAND CITY COUNCIL FOR APPROVAL**

WHEREAS, on October 18, 2011, Mayor Sam Adams and County Chair Jeff Cogen jointly announced the Neighborhood Prosperity Initiative (“NPI”) among nearly one hundred community leaders inviting six neighborhood commercial corridors in East Portland to partner with the Portland Development Commission (“PDC”) to evaluate the feasibility and desirability of creating several small, innovative urban renewal areas, focused on the following neighborhood commercial areas: NE 42nd Avenue, Cully, Parkrose, Rosewood, SE Division 117th to 148th Avenue, now known as Division-Midway, and SE 82nd Avenue and Division (each, a “NPI District”);

WHEREAS, the proposed NPI Districts would implement the Neighborhood Economic Development Strategy (the “NED Strategy”), adopted by Portland City Council (“Council”) on May 25, 2011, via Resolution Number 36864; the NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland;

WHEREAS, the NED Strategy builds out Goal 3, Neighborhood and Small Business Vitality, in the City's Economic Development Strategy, which was adopted by Council in July 2009, via Resolution Number 36714;

WHEREAS, all six of the NPI Districts were prioritized based on the following criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment;

WHEREAS, residents, business owners, associations and organizations in the Division-Midway NPI District worked to complete planning, training and intensive and inclusive outreach, and on February 7, 2012, they were recognized for creating an organizational structure and demonstrating a commitment to continued training and on-going fundraising;

WHEREAS, residents, business owners, associations and organizations in the Division-Midway NPI District have worked to identify investments, including but not limited to tax increment financing, for community revitalization and other small scale projects;

WHEREAS, residents, business owners, associations and organizations in the Division-Midway NPI District have worked to identify projects for inclusion in the proposed draft Urban Renewal Area Plan attached hereto as Exhibit A (the “Plan”), and have managed, with PDC staff support, an inclusive outreach and involvement process that was tailored to and appropriate for this District and the expected amount of resources;

WHEREAS, PDC has sought and received valuable input from related taxing jurisdictions pursuant to ORS 457.085(5), citizens, and other interested parties in the City;

WHEREAS, the proposed Division-Midway NPI District contains approximately 115.9 acres and will have a maximum indebtedness of \$1,250,000;

WHEREAS, the proposed Division-Midway NPI District is both financially feasible and conforms to the City of Portland’s Comprehensive Plan; and

WHEREAS, the proposed draft Technical Report attached hereto as Exhibit B (the “Report”) provides substantial evidence of blight within the Division-Midway NPI District, thereby warranting the formation of an urban renewal area, and the Plan and Report comply with other requirements of ORS 457.

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners hereby accepts the Plan along with the accompanying Report and directs that the Plan and Report be forwarded to the City Planning and Sustainability Commission for recommendation to Council, and thereafter be finalized and forwarded to Council for approval;

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

Exhibit A

Draft Division-Midway

Neighborhood Prosperity Initiative

Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6928

Exhibit A includes this cover page and contains 14 pages:

- Draft Urban Renewal Plan

Draft
Division – Midway
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

DRAFT

Table of Contents

I.	Introduction	1
II.	Division – Midway NPI District Map and Legal Description.....	2
A.	Legal Description.....	2
B.	Proposed Land Uses.....	2
III.	Urban Renewal Projects.....	4
A.	Projects	4
IV.	Relationship to Local Plans and Objectives	4
A.	Portland Comprehensive Plan	4
B.	City of Portland Economic Development and Neighborhood Economic Development Strategies ..	4
V.	Relocation Policy.....	5
VI.	Property Acquisition and Disposition Policies	5
VII.	Plan Financing	5
A.	General Description of the Proposed Financing Methods.....	5
B.	Tax Increment Financing.....	5
VIII.	Procedures for Amendments to the Plan	6
A.	Substantial Amendments.....	6
B.	Council-Approved Amendments.....	6
C.	Minor amendments	6
IX.	Other Provisions.....	6
A.	Non-Discrimination	6
B.	Agreements to Implement This Plan	7
C.	Duration of Urban Renewal Plan	7
D.	Validity	7

DRAFT

I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

42nd Avenue	Rosewood
Cully Blvd	Division – Midway
Parkrose	82nd Avenue and Division

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This Division – Midway NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the Division – Midway NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

In the year 2025...the Division-Midway NPI District is the center of community life for southeast Portland with neighborhood shopping, community gathering places and thriving businesses. Two large, quality grocers anchor both ends of the district. Family centered restaurants and shops, affordable locally owned stores and a wide range of international businesses add a unique flair. Businesses offer a fresh and friendly look with unified signage, warm lighting, open doors and store windows that sparkle, welcoming neighbors and visitors alike. SE Division Street is safe

and easy to get around on foot, bike or car with crosswalks, trees and lighting that invites people to slow down, enjoy the street life and shop the fine variety of goods and services that are so easily accessible to all. The Division-Midway NPI District is a lively multicultural district where neighbors and businesses take pride in a spirit of community and caring.

II. Division – Midway NPI District Map and Legal Description

The District shown in Figure 1 below contains 115.9 acres, including public right-of-way. There are 160 tax lots within the District, totaling 85.8 acres. The District overlaps portions of the following neighborhood and business associations:

- Hazelwood Neighborhood Association
- Mill Park Neighborhood Association
- Centennial Neighborhood Association
- Powellhurst-Gilbert Neighborhood Association
- Gateway Area Business Association
- Midway Business Association

A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

B. Proposed Land Uses

The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

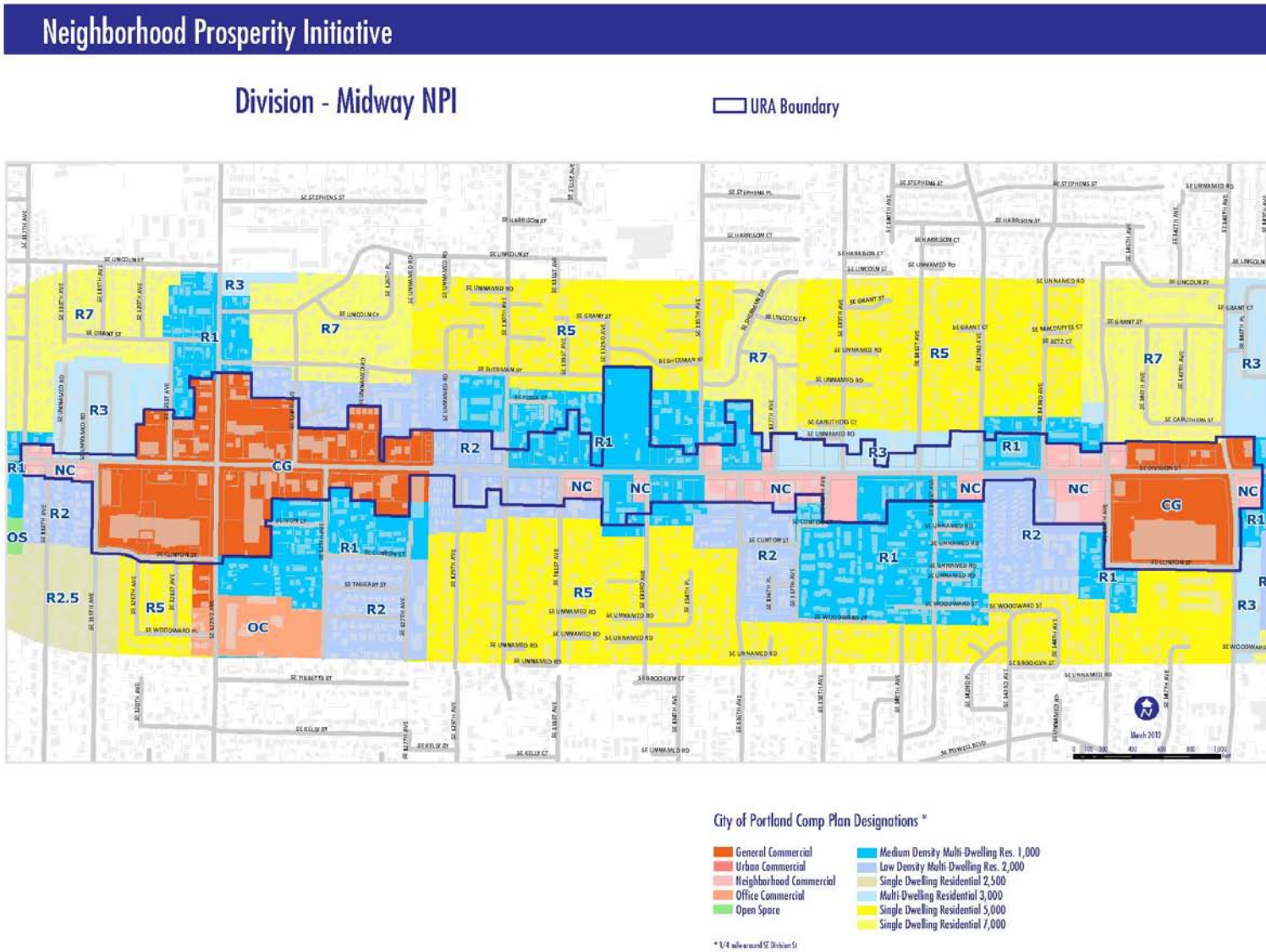
Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

Comprehensive Plan Designation	Acreage	% of Total
General Commercial	45.4	53%
Neighborhood Commercial	11.9	14%
Residential 1,000	18.4	21%
Residential 2,000	5.8	7%
Residential 3,000	4.4	5%
Total	85.8	100%

*Source: City of Portland Bureau of Planning and Sustainability

Figure 1. District Boundary and Comprehensive Plan Map



III. Urban Renewal Projects

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

A. Projects

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the “Projects”).

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

IV. Relationship to Local Plans and Objectives

A. Portland Comprehensive Plan

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

B. City of Portland Economic Development and Neighborhood Economic Development Strategies

The Five-Year Economic Development Strategy (the “Strategy”) was adopted by the Portland City Council (“Council”) on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
 - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving

commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
 - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
 - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
 - A. Connect Traded Sector and Neighborhood Work
 - B. Seed Investments to Implement Neighborhood Economic Development Plans
 - C. Expand Citywide Financial Tools for Neighborhood Businesses

V. Relocation Policy

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

VI. Property Acquisition and Disposition Policies

No property acquisition or disposition is anticipated in this District.

VII. Plan Financing

A. General Description of the Proposed Financing Methods

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

VIII. Procedures for Amendments to the Plan

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

A. Substantial Amendments

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

B. Council-Approved Amendments

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

C. Minor amendments

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

IX. Other Provisions

A. Non-Discrimination

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

B. Agreements to Implement This Plan

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

C. Duration of Urban Renewal Plan

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

D. Validity

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

DRAFT

Exhibit B
Draft Report Accompanying the Division-Midway
Neighborhood Prosperity Initiative
Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6928

Exhibit B includes this cover page and contains 16 pages:

- Draft Technical Report

Draft
Report Accompanying the
Division – Midway
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

Table of Contents

I.	Introduction	1
II.	Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population	1
A.	Physical Conditions	1
1.	Land Use and Zoning.....	1
B.	Social Conditions.....	3
C.	Economic Conditions.....	4
1.	Taxable Value	4
2.	Improvement Value to Land Value Ratio	4
D.	Expected Impact on Municipal Services	4
III.	Reasons for Selection of each Urban Renewal Area in the Plan.....	5
IV.	Relationship between Each Project and Existing Conditions in the Urban Renewal Area	5
V.	Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs.....	5
VI.	Anticipated Completion Date for Each Project.....	5
VII.	Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired	6
VIII.	Financial Analysis of the Plan.....	7
IX.	Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area.....	8
X.	Relocation Report	9
XI.	Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas	9

I. Introduction

This Technical Report accompanying the Division – Midway Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the Division – Midway Neighborhood Prosperity Initiative Urban Renewal Plan (the “Plan”). This Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

A. Physical Conditions

1. Land Use and Zoning

The Division – Midway Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 115.9 acres, including public right-of-way. There are 160 tax lots within the District, totaling 85.8 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

Property Class	Acreage	% of Total
Miscellaneous	1.2	1%
Residential	8.6	10%
Commercial	63.0	73%
Multi-Family	12.9	15%
N/A	0.1	<1%
Total	85.8	100%

*Source: Multnomah County Office of Assessment and Taxation

Table 2. Existing Zoning of District

Zoning Designation	Acreage	% of Total
General Commercial	45.4	53%
Neighborhood Commercial 1	0.6	1%
Neighborhood Commercial 2	11.3	13%
Residential 1,000	16.5	19%
Residential 2,000	7.7	9%
Residential 3,000	4.4	5%
Total	85.8	100%

*Source: City of Portland Bureau of Planning and Sustainability

B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District completely overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 11,365. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

Race	% of Total
White	72%
Black or African American	4%
American Indian and Alaska Native	1%
Asian	8%
Native Hawaiian and Other Pacific Islander	<1%
Other	10%
Two or More Races	5%
Ethnicity	% of Total
Hispanic	18%

*Source: 2010 Business Analyst

C. Economic Conditions

1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$80,201,117. This does not include utility value which will be determined by the County Assessor upon District approval.

2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. Improvement to land ratio is an assessment of the real market value of the improvements on a parcel compared to the real market value of the land. If the ratio is low, it indicates a prevalence of depreciated values, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

Area	Overall I:L Ratio
Division – Midway NPI District	1.45:1
Citywide ¹	2.22:1

*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

D. Expected Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the District is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated.

Projects and programs in the District will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

¹ Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

III. Reasons for Selection of each Urban Renewal Area in the Plan

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

VI. Anticipated Completion Date for Each Project

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUES									
Tax Increment to Raise (before Compression)	\$77,144	\$97,587	\$128,438	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$69,843
Less Compression	(3,857)	(4,879)	(6,422)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(3,492)
Tax Increment Imposed (after Compression)	73,287	92,708	122,016	118,750	118,750	118,750	118,750	118,750	66,351
Less Adjustments for Discounts & Delinquencies	(4,470)	(5,655)	(7,443)	(7,244)	(7,244)	(7,244)	(7,244)	(7,244)	(4,047)
NET TAX INCREMENT REVENUES	\$68,816	\$87,053	\$114,573	\$111,506	\$111,506	\$111,506	\$111,506	\$111,506	\$62,303
Shared Tax Revenues to Raise (before Compression)	\$0	\$9,368	\$14,182	\$35,307	\$55,213	\$75,973	\$97,157	\$116,056	\$0
Less Compression	-	(468)	(709)	(1,765)	(2,761)	(3,799)	(4,858)	(5,803)	-
Shared Revenues Imposed (after Compression)	-	8,899	13,473	33,542	52,452	72,174	92,299	110,253	-
Less Adjustments for Discounts & Delinquencies	-	(543)	(822)	(2,046)	(3,200)	(4,403)	(5,630)	(6,725)	-
NET SHARED TAX REVENUES	\$0	\$8,356	\$12,651	\$31,495	\$49,253	\$67,771	\$86,669	\$103,528	\$0
TOTAL REVENUES	\$68,816	\$95,409	\$127,224	\$143,002	\$160,759	\$179,278	\$198,175	\$215,034	\$62,303
INDEBTEDNESS									
DEBT ISSUED	\$68,816	\$95,409	\$127,224	\$143,002	\$160,759	\$179,278	\$198,175	\$215,034	\$62,303

VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Projected Assessed Value Growth									
Frozen Base	\$ 80,201,117	\$ 80,201,117	\$ 80,201,117	\$ 80,201,117	\$ 80,201,117	\$ 80,201,117	\$ 80,201,117	\$ 80,201,117	\$ 80,201,117
Incremental Assessed Value	4,060,182	6,166,714	8,325,910	10,539,085	12,807,591	15,132,808	17,516,156	19,959,088	22,463,093
Total Assessed Value	\$84,261,299	\$86,367,831	\$88,527,027	\$90,740,202	\$93,008,708	\$95,333,925	\$97,717,273	\$100,160,205	\$102,664,210
Total AV Growth		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Incremental AV Growth		51.88%	35.01%	26.58%	21.52%	18.15%	15.75%	13.95%	12.55%
Consolidated Tax Rate	19.0001	19.0728	19.0671	18.9938	18.8877	18.8934	18.8690	17.9884	17.6447
Revenues Generated on Incremental Assessed Value									
Amount to Urban Renewal Area	77,144	97,587	128,438	125,000	125,000	125,000	125,000	125,000	69,843
Amount to Taxing Jurisdictions									
City Permanent Rate	-	4,806	7,276	18,116	28,329	38,981	49,851	59,548	84,697
County Permanent Rate	-	4,561	6,905	17,191	26,884	36,992	47,306	56,508	80,374
Other Levies	-	10,661	16,131	39,870	61,693	84,937	108,356	117,976	161,442
Total Revenues	\$77,144	\$117,617	\$158,751	\$200,177	\$241,906	\$285,910	\$330,512	\$359,032	\$396,355
Tax Increment Revenues to Urban Renewal Area									
Tax Increment to Raise (before Compression)	\$77,144	\$97,587	\$128,438	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$69,843
Less Compression	(3,857)	(4,879)	(6,422)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(3,492)
Tax Increment Imposed (after Compression)	\$73,287	\$92,708	\$122,016	\$118,750	\$118,750	\$118,750	\$118,750	\$118,750	\$66,351
Shared Revenues to Urban Renewal Area									
Less Compression	0	\$9,368	\$14,182	\$35,307	\$55,213	\$75,973	\$97,157	\$116,056	\$0
Tax Increment Imposed (after Compression)	\$0	\$8,899	\$13,473	\$33,542	\$52,452	\$72,174	\$92,299	\$110,253	\$0
Total Revenues to Urban Renewal Area	\$73,287	\$101,607	\$135,489	\$152,292	\$171,202	\$190,924	\$211,049	\$229,003	\$66,351

IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

Tax Increment Revenues Foregone 2014-2022	Total	Present Value to 2014
Permanent Rates		
City	\$243,771	\$174,992
County	231,329	166,061
Metro	5,145	3,693
Port	3,734	2,680
E Mult Soil	5,326	3,823
David Douglas	172,966	124,165
Mt. Hood	26,188	18,799
Mult ESD	24,372	17,495
Centennial	75,812	54,422

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

Shared Revenues 2014-2021	Total	Present Value to 2014
Permanent Rates		
City	\$206,907	\$135,833
County	196,347	137,924
Metro	4,367	3,068
Port	3,169	2,226
E Mult Soil	4,521	3,175
David Douglas	146,810	103,126
Mt. Hood	22,228	15,614
Mult ESD	20,686	14,531
Centennial	64,348	45,201

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

Tax Increment Revenues Fully Regained - 2023	Amount (nominal)	Present Value to 2014
Permanent Rates		
City	\$32,427	\$16,484
County	30,772	15,643
Metro	684	348
Port	497	252
E Mult Soil	708	360
David Douglas	23,008	11,696
Mt. Hood	3,484	1,771
Mult ESD	3,242	1,648
Centennial	10,085	5,127

X. Relocation Report

There are no businesses or residents to be relocated.

XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

	Frozen Base Assessed Value	Acres
Total City of Portland²	\$ 43,634,351,239	92,768.0
Existing Urban Renewal Areas:		
Airport Way	\$124,710,302	1,841.4
Central Eastside	\$224,626,739	692.3
Downtown Waterfront	\$55,674,313	233.1
Gateway Regional Center	\$307,174,681	658.5
Interstate Corridor ³	\$1,290,430,925	3,990.0
Lents Town Center	\$736,224,033	2,846.3
North Macadam	\$192,609,397	401.9
Oregon Convention Center ⁴	\$248,951,143	410.0
River District	\$461,577,974	351.2
South Park Blocks	\$376,066,574	156.3
Willamette Industrial	\$481,443,135	755.5
Total Existing Urban Renewal Areas	\$4,499,489,216	12,336.5
% City in Existing Urban Renewal Areas	10.3%	13.3%
Proposed Neighborhood Prosperity Initiative Urban Renewal Areas:		
42nd Avenue	\$81,011,867	136.2
Cully Blvd	\$81,000,273	164.6
Parkrose	\$80,493,774	142.6
Rosewood	\$78,774,383	135.6
Division – Midway	\$80,201,117	115.9
82nd Avenue and Division	\$81,523,638	108.8
Total Proposed Urban Renewal Areas	\$483,005,052	803.7
Combined Total - Existing and Proposed	\$4,982,494,268	13,140.2
% City in Existing and Proposed Urban Renewal Areas	11.4%	14.2%

² Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

³ Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

⁴ Frozen base value represents 11/12 OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects 20th Amendment.

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6929

**ACCEPTING THE PROPOSED 82ND AVENUE AND DIVISION
NEIGHBORHOOD PROSPERITY INITIATIVE URBAN
RENEWAL PLAN AND DIRECTING THAT THE PLAN BE
SUBMITTED TO THE PLANNING AND SUSTAINABILITY
COMMISSION FOR RECOMMENDATION AND THEREAFTER
TO THE PORTLAND CITY COUNCIL FOR APPROVAL**

WHEREAS, on October 18, 2011, Mayor Sam Adams and County Chair Jeff Cogen jointly announced the Neighborhood Prosperity Initiative (“NPI”) among nearly one hundred community leaders inviting six neighborhood commercial corridors in East Portland to partner with the Portland Development Commission (“PDC”) to evaluate the feasibility and desirability of creating several small, innovative urban renewal areas, focused on the following neighborhood commercial areas: NE 42nd Avenue, Cully, Parkrose, Rosewood, SE Division 117th to 148th Avenue, now known as Division-Midway, and SE 82nd Avenue and Division (each, a “NPI District”);

WHEREAS, the proposed NPI Districts would implement the Neighborhood Economic Development Strategy (the “NED Strategy”), adopted by Portland City Council (“Council”) on May 25, 2011, via Resolution Number 36864; the NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland;

WHEREAS, the NED Strategy builds out Goal 3, Neighborhood and Small Business Vitality, in the City's Economic Development Strategy, which was adopted by Council in July 2009, via Resolution Number 36714;

WHEREAS, all six of the NPI Districts were prioritized based on the following criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment;

WHEREAS, residents, business owners, associations and organizations in the 82nd Avenue and Division NPI District worked to complete planning, training and intensive and inclusive outreach, and on February 7, 2012, they were recognized for creating an organizational structure and demonstrating a commitment to continued training and on-going fundraising;

WHEREAS, residents, business owners, associations and organizations in the 82nd Avenue and Division NPI District have worked to identify investments, including but not limited to tax increment financing, for community revitalization and other small scale projects;

WHEREAS, residents, business owners, associations and organizations in the 82nd Avenue and Division NPI District have worked to identify projects for inclusion in the proposed draft Urban Renewal Area Plan attached hereto as Exhibit A (the “Plan”), and have managed, with PDC staff support, an inclusive outreach and involvement process that was tailored to and appropriate for this District and the expected amount of resources;

WHEREAS, PDC has sought and received valuable input from related taxing jurisdictions pursuant to ORS 457.085(5), citizens, and other interested parties in the City;

WHEREAS, the proposed 82nd Avenue and Division NPI District contains approximately 108.8 acres and will have a maximum indebtedness of \$1,250,000;

WHEREAS, the proposed 82nd Avenue and Division NPI District is both financially feasible and conforms to the City of Portland’s Comprehensive Plan; and

WHEREAS, the proposed draft Technical Report attached hereto as Exhibit B (the “Report”) provides substantial evidence of blight within the 82nd Avenue and Division NPI District, thereby warranting the formation of an urban renewal area, and the Plan and Report comply with other requirements of ORS 457.

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners hereby accepts the Plan along with the accompanying Report and directs that the Plan and Report be forwarded to the City Planning and Sustainability Commission for recommendation to Council, and thereafter be finalized and forwarded to Council for approval;

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

Exhibit A

**Draft 82nd Avenue and Division
Neighborhood Prosperity Initiative
Urban Renewal Plan**

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6929

Exhibit A includes this cover page and contains 14 pages:

- Draft Urban Renewal Plan

Draft

82nd Avenue and Division
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

DRAFT

Table of Contents

I.	Introduction	1
II.	82 nd Avenue and Division NPI District Map and Legal Description.....	2
A.	Legal Description.....	2
B.	Proposed Land Uses.....	2
III.	Urban Renewal Projects.....	4
A.	Projects	4
IV.	Relationship to Local Plans and Objectives	4
A.	Portland Comprehensive Plan	4
B.	City of Portland Economic Development and Neighborhood Economic Development Strategies ..	4
V.	Relocation Policy.....	5
VI.	Property Acquisition and Disposition Policies	5
VII.	Plan Financing	5
A.	General Description of the Proposed Financing Methods.....	5
B.	Tax Increment Financing.....	5
VIII.	Procedures for Amendments to the Plan	6
A.	Substantial Amendments.....	6
B.	Council-Approved Amendments.....	6
C.	Minor amendments	6
IX.	Other Provisions.....	6
A.	Non-Discrimination	6
B.	Agreements to Implement This Plan	7
C.	Duration of Urban Renewal Plan	7
D.	Validity	7

DRAFT

I. Introduction

The Neighborhood Economic Development Strategy (the “NED Strategy”) is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods. On October 18, 2011, Mayor Adams and County Chair Cogen jointly announced the Neighborhood Prosperity Initiative (the “NPI”), one of the NED Strategy’s key elements that will result in the creation of several small, innovative urban renewal areas, focused on neighborhood commercial areas. The goal of the NPI is to strengthen the economic competitiveness of business districts through community-planned and community-implemented actions. Under the NPI, six neighborhood commercial corridors (each, a “NPI District”) successfully applied to be part of the first round of the NPI. Those areas include:

42nd Avenue	Rosewood
Cully Blvd	Division – Midway
Parkrose	82nd Avenue and Division

The NPI Districts were prioritized based on five criteria: concentrations of blighted properties in the commercial corridor, capacity of business/community organizations, concentrations of locally-owned businesses, concentrations of minority-owned and/or serving businesses, designation of commercial zoning and commercial uses along corridors, and demographic factors of poverty, low household incomes, and declining commercial investment. URAs generate revenue through tax increment financing (“TIF”) which will provide a portion of each NPI District’s funding for capital improvement projects. In order to be fully successful, each NPI District will require additional funding revenues beyond the TIF resources available to each NPI District. The Portland Development Commission (“PDC” or “Commission”) intends to enter into intergovernmental agreements with its city and county partners to secure such additional funding revenues. This 82nd Avenue and Division NPI Urban Renewal Plan (this “Plan”) outlines a strategy to invest TIF in underutilized property in the 82nd Avenue and Division NPI District (the “District”) to meet the goal of the NPI.

Neighborhood support and ownership is critical, and as such, the formation process started with District-oriented organization of a broad cross-section of people representing the District’s business community, residents, property owners, organizations, and community groups. It is the intention that everyone with a stake in the District and its future should be involved in preparing a plan that best meets the economic development needs of the District. Input has been solicited, received and considered in the development of this Plan.

In summary, this Plan will focus on enhancing the vitality of the business district, consistent with the following community-developed vision statement:

By 2025, the 82nd Avenue and Division NPI District is a safe business district where a cohesive business community welcomes residents and visitors to experience the rich tapestry of cultural heritages in a must-see destination location. This multi-cultural district is recognized with distinctive color, style and activities, and will be a vibrant economic district supporting the needs of its residents. The district features safe, walk-able areas rich with many different cultural establishments serving food & drink, arts, entertainment and gathering places that foster a

sense of ethnic diversity. The 82nd Avenue and Division NPI District is identified as a distinct regional cultural district using consistent signage, lighting, calming traffic, physical improvements and signature events focusing on our many different cultures.

II. 82nd Avenue and Division NPI District Map and Legal Description

The District shown in Figure 1 below contains 108.8 acres, including public right-of-way. There are 358 tax lots within the District, totaling 85.0 acres. The District overlaps portions of the following neighborhood and business associations:

- Montavilla Neighborhood Association
- South Tabor Neighborhood Association
- Powellhurst-Gilbert Neighborhood Association
- 82nd Avenue Business Association

A. Legal Description

The legal description of the District is attached as Exhibit 1, with an associated map as Exhibit 1.A. (Legal description due from survey consultant by March 9, 2012.)

B. Proposed Land Uses

The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the District. Any adopted change in the Comprehensive Plan or implementing ordinances shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section shall thereafter incorporate any relevant amendments, additions or deletions. To the extent this Section conflicts with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern.

Title 33, Portland City Code is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Table 1. Existing Comprehensive Plan Designations of District

Comprehensive Plan Designation	Acreage	% of Total
General Commercial	23.1	27%
Neighborhood Commercial	9.2	11%
Urban Commercial	19.3	23%
Residential 1,000	9.5	11%
Residential 2,000	11.9	14%
Residential 2,500	6.5	8%
Institutional Residential	5.5	6%
Total	85.0	100%

*Source: City of Portland Bureau of Planning and Sustainability

III. Urban Renewal Projects

In order to achieve the goal of the NPI, the following projects will be undertaken in the District by the Commission, in accordance with applicable federal, state, county and city laws, policies and procedures. Such projects may be modified, expanded or eliminated as needed to meet the goal of the NPI as set forth in this Plan, subject to Section VIII, Procedures for Amendments to the Plan.

A. Projects

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects").

The Projects shall also include program development and project planning activities necessary to achieve the goal of the NPI as set forth in this Plan. The Commission will also undertake administration of all aspects of this Plan, in a manner consistent with the NPI.

IV. Relationship to Local Plans and Objectives

A. Portland Comprehensive Plan

This Plan is in conformity with the Portland Comprehensive Plan and its supporting neighborhood and area plans, as a whole relative to the Projects of the District, including public improvements.

B. City of Portland Economic Development and Neighborhood Economic Development Strategies

The Five-Year Economic Development Strategy (the "Strategy") was adopted by the Portland City Council ("Council") on July 8, 2009, via Resolution Number 36714. The Strategy sets forth the approach for building the most sustainable economy in the world, with the goal of creating 10,000 new jobs in five years. Building a sustainable economy requires a balanced focus on job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets Strategy Goal 3:

- Goal 3: Neighborhood Business Vitality
 - Achieve equality of opportunity by stimulating economic activity in neighborhoods throughout the city.

This Plan also implements the NED Strategy, adopted by Council on May 25, 2011, via Resolution Number 36864. The NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The goal of the NED Strategy is to create thriving commercial areas, successful neighborhood businesses and equitable access to quality jobs. In particular, the Plan will implement NED Strategy Objectives 1 and 2:

- Objective 1: Build Local Capacity to Achieve Economic Development Outcomes
 - A. Strengthen Community Capacity to Develop Neighborhood Economic Development Plans
 - B. Increase Citywide Community and Organizational Capacity
- Objective 2: Drive Neighborhood Business Growth
 - A. Connect Traded Sector and Neighborhood Work
 - B. Seed Investments to Implement Neighborhood Economic Development Plans
 - C. Expand Citywide Financial Tools for Neighborhood Businesses

V. Relocation Policy

All relocation activities will be undertaken in accordance with the requirements of ORS 281.045-281.105, PDC Relocation Policies and Procedures and any other applicable law or regulation.

VI. Property Acquisition and Disposition Policies

No property acquisition or disposition is anticipated in this District.

VII. Plan Financing

A. General Description of the Proposed Financing Methods

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, city, county, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred under this Plan is \$1,250,000.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by fund allocated to the Commission as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 through ORS 457.450.

VIII. Procedures for Amendments to the Plan

This Plan may be reviewed and evaluated periodically, and may be amended as needed, in conformance with statutory requirements. All amendments to this Plan shall be made pursuant to the following procedures.

A. Substantial Amendments

Substantial amendments are solely amendments that:

1. Add land to the District, except for an addition of land that totals not more than one percent of the existing District; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under this Plan.

Substantial amendments shall require the same approval process as required for initial plan adoption including the approval process as provided in ORS 457.095 and the notice requirement set forth in ORS 457.120.

B. Council-Approved Amendments

Council-approved amendments are solely amendments that:

1. Identify a project that includes a public building to the extent such project has not previously been identified in this Plan along with an explanation of how such project would serve or benefit the District.

Council-approved amendments require approval by PDC by resolution and by Council, which may approve the amendment by resolution. Council-approved amendments do not require any of the procedural or notice requirements found in ORS Chapter 457, including but not limited to the procedures set forth in ORS 457.085(4) and (5). To the extent that a Council-approved amendment involves a public building, such amendment shall explain how the project serves or benefits the District.

C. Minor amendments

Minor amendments are amendments that are neither substantial, nor Council-approved amendments. Minor amendments may include changing the goals of the Plan or removing land from the urban renewal area. Minor amendments are effective upon adoption of a resolution by PDC approving the amendment.

IX. Other Provisions

A. Non-Discrimination

In the preparation, adoption and implementation of this Plan, no public official or private party shall take any action or cause any person, group or organization to be discriminated against on the basis of age, race, color, religion, gender, sexual orientation, marital status, citizenship status, or national origin.

B. Agreements to Implement This Plan

The Commission may implement this Plan through one or more grant agreements with a neighborhood entity that will identify neighborhood needs, disburse and account for the use of Plan funds and carry out implementation of the Plan. It is the intention of the Commission to utilize such agreements to guide and specify public investments and private development to ensure that the Projects are in conformance with this Plan.

C. Duration of Urban Renewal Plan

No indebtedness, for which taxes divided under ORS 457.440 are to be pledged, shall be issued under this Plan (or under any of the Projects undertaken with respect to this Plan).

D. Validity

Should a court of competent jurisdiction find any word, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

DRAFT

Exhibit B
Draft Report Accompanying the 82nd Avenue and Division
Neighborhood Prosperity Initiative
Urban Renewal Plan

Portland Development Commission

Board of Commissioners

March 12, 2012

Resolution No. 6929

Exhibit B includes this cover page and contains 16 pages:

- Draft Technical Report

Draft
Report Accompanying the
82nd Avenue and Division
Neighborhood Prosperity Initiative
Urban Renewal Plan

Proposed for Submission to City Council on
April 4 and April 11, 2012

Table of Contents

I.	Introduction	1
II.	Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population	1
A.	Physical Conditions	1
1.	Land Use and Zoning.....	1
B.	Social Conditions.....	3
C.	Economic Conditions.....	4
1.	Taxable Value	4
2.	Improvement Value to Land Value Ratio	4
D.	Expected Impact on Municipal Services	4
III.	Reasons for Selection of each Urban Renewal Area in the Plan.....	5
IV.	Relationship between Each Project and Existing Conditions in the Urban Renewal Area	5
V.	Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs.....	5
VI.	Anticipated Completion Date for Each Project.....	5
VII.	Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired	6
VIII.	Financial Analysis of the Plan.....	7
IX.	Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area.....	8
X.	Relocation Report	9
XI.	Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas	9

I. Introduction

This Technical Report accompanying the 82nd Avenue and Division Neighborhood Prosperity Initiative Urban Renewal Plan (this “Report”) contains background information and project details for the 82nd Avenue and Division Neighborhood Prosperity Initiative Urban Renewal Plan (the “Plan”). This Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the City Council (“Council”) as part of its approval of the Plan. The Report provides the information required in ORS 457.085(3).

II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

A. Physical Conditions

1. Land Use and Zoning

The 82nd Avenue and Division Neighborhood Prosperity Initiative Urban Renewal Area, hereinafter referred to as the “District,” shown in Figure 1 below contains 108.8 acres, including public right-of-way. There are 358 tax lots within the District, totaling 85.0 acres. Existing land use and zoning of the District are detailed in Tables 1 and 2.

Table 1. Existing Land Use of District

Property Class	Acreage	% of Total
Residential	35.9	42%
Commercial	43.5	51%
Multi-Family	5.6	7%
N/A	0.1	<1%
Total	85.0	100%

*Source: Multnomah County Office of Assessment and Taxation

Table 2. Existing Zoning of District

Zoning Designation	Acreage	% of Total
General Commercial	23.1	27%
Neighborhood Commercial 2	9.2	11%
Storefront Commercial	19.3	23%
Residential 1,000	9.5	11%
Residential 2,000	17.3	20%
Residential 2,500	6.5	8%
Total	85.0	100%

*Source: City of Portland Bureau of Planning and Sustainability

B. Social Conditions

Based on data provided by the City of Portland Bureau of Planning and Sustainability, the District significantly overlaps 2010 Census tracts with higher than citywide average poverty (16%) and/or lower than citywide median household income (\$48,500).

According to the 2010 Business Analyst estimates, the total population within a quarter-mile buffer of the District is 5,199. Race and ethnic background are shown in Table 3.

Table 3. Population Detail

Race	% of Total
White	65%
Black or African American	3%
American Indian and Alaska Native	1%
Asian	19%
Native Hawaiian and Other Pacific Islander	<1%
Other	6%
Two or More Races	5%
Ethnicity	% of Total
Hispanic	13%

*Source: 2010 Business Analyst

C. Economic Conditions

1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the District is \$81,523,638. This does not include utility value which will be determined by the County Assessor upon District approval.

2. Improvement Value to Land Value Ratio

One tool for assessing the economic health of an area is an improvement to land ratio (I:L) analysis. Improvement to land ratio is an assessment of the real market value of the improvements on a parcel compared to the real market value of the land. If the ratio is low, it indicates a prevalence of depreciated values, underutilization and that the property may benefit from redevelopment.

Table 4. Improvement to Land Ratio

Area	Overall I:L Ratio
82 nd Avenue and Division NPI District	1.02:1
Citywide ¹	2.22:1

*Source: Multnomah County Office of Assessment and Taxation

Based on the information in Table 4, the I:L ratio of commercially zoned property within the District is significantly lower than that of similarly zoned areas throughout the City. Therefore, the District can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the District and therefore constituting blight in accordance with ORS 457.010(1)(h).

D. Expected Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the District is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Commercial corridor revitalization projects and programs in the District are not expected to create an additional demand on municipal services. The projects and programs are expected to add value to properties, thereby potentially adding to the tax base and providing increment during the length of the Plan and tax revenues once the Plan is terminated.

Projects and programs in the District will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

¹ Includes only properties with Commercial or Central Employment zoning. Excludes all properties within the Central City, existing URAs and proposed NPI URAs.

III. Reasons for Selection of each Urban Renewal Area in the Plan

There is one urban renewal area in the Plan. The reason for selection of the District is to reduce the blight described in the existing conditions set forth in Section II.C.2 of this Report.

IV. Relationship between Each Project and Existing Conditions in the Urban Renewal Area

Commercial corridor revitalization will occur through capital improvement projects, which could be public or private in nature, including, but not limited to, improvements to business exteriors and interiors, street furniture, garbage receptacles, lighting, district signage, gateway markers, and other small-scale, permanent capital improvements and administrative support therefore (collectively, the "Projects"). The existing conditions described in Section II of this Report demonstrate that the District is underutilized compared to similarly zoned properties in other parts of the city, as shown in Table 4 above. The Projects will help private, nonprofit and for-profit parties reduce the underutilization of property in the District, described in Section II, while enhancing the vitality of the business district, creating jobs, increasing commerce, strengthening existing businesses, and increasing small business tenancy.

V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

The implementation of the Projects, which are expected to be discrete, small scale improvements to the commercial corridor of the District, will take place over the life of the Plan and as the sources of moneys set forth in Section VII of this Report are available. The estimated total cost of the Projects to be paid with tax increment financing is not anticipated to exceed total revenues identified in Section VII of this Report.

VI. Anticipated Completion Date for Each Project

The Projects will be ongoing throughout the life of the Plan. Scheduling for the Projects will occur during the annual budgeting process for the District. The Projects identified in an annual plan are anticipated to receive allocations, determined through the budgeting process.

VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 5 shows the yearly tax increment revenues and indebtedness incurred for the Plan. It is anticipated that debt for the Plan will be fully repaid by the end of FY 2021/22.

Table 5. Tax Increment Revenues and Indebtedness Incurred for the Plan

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUES									
Tax Increment to Raise (before Compression)	\$74,079	\$93,812	\$123,334	\$152,993	\$125,000	\$125,000	\$125,000	\$125,000	\$74,011
Less Compression	(3,704)	(4,691)	(6,167)	(7,650)	(6,250)	(6,250)	(6,250)	(6,250)	(3,701)
Tax Increment Imposed (after Compression)	70,375	89,121	117,168	145,343	118,750	118,750	118,750	118,750	70,311
Less Adjustments for Discounts & Delinquencies	(4,293)	(5,436)	(7,147)	(8,866)	(7,244)	(7,244)	(7,244)	(7,244)	(4,289)
NET TAX INCREMENT REVENUES	\$66,082	\$83,685	\$110,020	\$136,477	\$111,506	\$111,506	\$111,506	\$111,506	\$66,022
Shared Tax Revenues to Raise (before Compression)	\$0	\$9,323	\$14,216	\$19,212	\$53,360	\$74,004	\$95,501	\$117,422	\$0
Less Compression	-	(466)	(711)	(961)	(2,668)	(3,700)	(4,775)	(5,871)	-
Shared Revenues Imposed (after Compression)	-	8,857	13,505	18,252	50,692	70,304	90,726	111,551	-
Less Adjustments for Discounts & Delinquencies	-	(540)	(824)	(1,113)	(3,092)	(4,289)	(5,534)	(6,805)	-
NET SHARED TAX REVENUES	\$0	\$8,316	\$12,681	\$17,138	\$47,600	\$66,015	\$85,192	\$104,746	\$0
TOTAL REVENUES	\$66,082	\$92,001	\$122,702	\$153,616	\$159,106	\$177,521	\$196,698	\$216,252	\$66,022
INDEBTEDNESS									
DEBT ISSUED	\$66,082	\$92,001	\$122,702	\$153,616	\$159,106	\$177,521	\$196,698	\$216,252	\$66,022

VIII. Financial Analysis of the Plan

Table 6 shows the existing assessed value of the District and projected incremental assessed value. It then shows the tax rate applied to these resulting assessed values and the reduction of these values by compression.

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

Fiscal Year Ending June 30	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Projected Assessed Value Growth									
Frozen Base	\$ 81,523,638	\$ 81,523,638	\$ 81,523,638	\$ 81,523,638	\$ 81,523,638	\$ 81,523,638	\$ 81,523,638	\$ 81,523,638	\$ 81,523,638
Incremental Assessed Value	4,127,134	6,268,403	8,463,205	10,712,876	13,018,788	15,382,349	17,804,999	20,288,215	22,833,511
Total Assessed Value	\$85,650,772	\$87,792,041	\$89,986,843	\$92,236,514	\$94,542,426	\$96,905,987	\$99,328,637	\$101,811,853	\$104,357,149
Total AV Growth		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Incremental AV Growth		51.88%	35.01%	26.58%	21.52%	18.15%	15.75%	13.95%	12.55%
Consolidated Tax Rate	17.9492	17.9603	17.9537	17.8748	17.7633	17.6396	17.6079	17.5440	17.5428
Revenues Generated on Incremental Assessed Value									
Amount to Urban Renewal Area	74,079	93,812	123,334	152,993	125,000	125,000	125,000	125,000	74,011
Amount to Taxing Jurisdictions									
City Permanent Rate	-	4,783	7,294	9,858	27,379	37,971	49,001	60,248	85,199
County Permanent Rate	-	4,539	6,922	9,355	25,981	36,033	46,500	57,173	80,851
Other Levies	-	9,448	14,396	19,285	52,897	72,335	93,008	113,515	160,503
Total Revenues	\$74,079	\$112,582	\$151,946	\$191,491	\$231,257	\$271,338	\$313,509	\$355,936	\$400,564
Tax Increment Revenues to Urban Renewal Area									
Tax Increment to Raise (before Compression)	\$74,079	\$93,812	\$123,334	\$152,993	\$125,000	\$125,000	\$125,000	\$125,000	\$74,011
Less Compression	(3,704)	(4,691)	(6,167)	(7,650)	(6,250)	(6,250)	(6,250)	(6,250)	(3,701)
Tax Increment Imposed (after Compression)	\$70,375	\$89,121	\$117,168	\$145,343	\$118,750	\$118,750	\$118,750	\$118,750	\$70,311
Shared Revenues to Urban Renewal Area									
Less Compression	0	(466)	(711)	(961)	(2,668)	(3,700)	(4,775)	(5,871)	0
Tax Increment Imposed (after Compression)	\$0	\$8,857	\$13,505	\$18,252	\$50,692	\$70,304	\$90,726	\$111,551	\$0
Total Revenues to Urban Renewal Area	\$70,375	\$97,978	\$130,673	\$163,595	\$169,442	\$189,054	\$209,476	\$230,301	\$70,311

IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the District. Table 7 shows projected taxes foregone to all overlapping taxing jurisdictions.

Table 7. Tax Increment Revenues Foregone

Tax Increment Revenues Foregone 2014-2022	Total	Present Value to 2014
Permanent Rates		
City	\$262,470	\$188,382
County	249,074	178,768
Metro	5,540	3,976
Port	4,020	2,885
E Mult Soil	5,735	4,116
PPS	260,095	186,678
PCC	15,406	11,058
Mult ESD	26,241	18,834
David Douglas	13,302	9,548
Mt. Hood	1,410	1,012

Table 8 shows projected tax revenues generated on the Incremental Assessed Value of the district that are allocated to overlapping taxing jurisdictions through revenue sharing.

Table 8. Shared Revenues

Shared Revenues 2014-2021	Total	Present Value to 2014
Permanent Rates		
City	\$196,534	\$128,055
County	186,503	121,520
Metro	4,148	2,703
Port	3,010	1,961
E Mult Soil	4,294	2,798
PPS	194,756	126,896
PCC	11,536	7,517
Mult ESD	19,649	12,803
David Douglas	9,961	6,490
Mt. Hood	1,056	688

Table 9 shows the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2022/23.

Table 9. Tax Increment Revenues Fully Regained

Tax Increment Revenues Fully Regained - 2023	Amount (nominal)	Present Value to 2014
Permanent Rates		
City	\$32,615	\$16,580
County	30,951	15,734
Metro	688	350
Port	500	254
E Mult Soil	713	362
PPS	32,320	16,430
PCC	1,914	973
Mult ESD	3,261	1,658
David Douglas	1,653	840
Mt. Hood	175	89

X. Relocation Report

There are no businesses or residents to be relocated.

XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 10 shows that the Plan is in compliance with ORS 457.420. This District is being planned concurrently with five other NPI districts. This table makes the assumption that all six districts are adopted on or around the same timeframe.

Table 10. Compliance with Statutory Limits on Assessed Value and Acreage

	Frozen Base Assessed Value	Acres
Total City of Portland²	\$ 43,634,351,239	92,768.0
Existing Urban Renewal Areas:		
Airport Way	\$124,710,302	1,841.4
Central Eastside	\$224,626,739	692.3
Downtown Waterfront	\$55,674,313	233.1
Gateway Regional Center	\$307,174,681	658.5
Interstate Corridor ³	\$1,290,430,925	3,990.0
Lents Town Center	\$736,224,033	2,846.3
North Macadam	\$192,609,397	401.9
Oregon Convention Center ⁴	\$248,951,143	410.0
River District	\$461,577,974	351.2
South Park Blocks	\$376,066,574	156.3
Willamette Industrial	\$481,443,135	755.5
Total Existing Urban Renewal Areas	\$4,499,489,216	12,336.5
% City in Existing Urban Renewal Areas	10.3%	13.3%
Proposed Neighborhood Prosperity Initiative Urban Renewal Areas:		
42nd Avenue	\$81,011,867	136.2
Cully Blvd	\$81,000,273	164.6
Parkrose	\$80,493,774	142.6
Rosewood	\$78,774,383	135.6
Division – Midway	\$80,201,117	115.9
82nd Avenue and Division	\$81,523,638	108.8
Total Proposed Urban Renewal Areas	\$483,005,052	803.7
Combined Total - Existing and Proposed	\$4,982,494,268	13,140.2
% City in Existing and Proposed Urban Renewal Areas	11.4%	14.2%

² Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

³ Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

⁴ Frozen base value represents 11/12 OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects 20th Amendment.

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6930

**AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT
BETWEEN THE PORTLAND DEVELOPMENT COMMISSION
AND THE CITY OF PORTLAND OFFICE OF MANAGEMENT
AND FINANCE RELATED TO THE ISSUANCE AND
ADMINISTRATION OF DEBT FOR THE NEIGHBORHOOD
PROSPERITY INITIATIVE DISTRICTS**

WHEREAS, six neighborhood commercial corridors in Northeast and East Portland have been identified to become Neighborhood Prosperity Initiative (“NPI”) Districts, new urban renewal areas that would provide funding for community revitalization and other small scale projects in order to boost neighborhood business growth, to provide economic development opportunities and to improve community-wide prosperity;

WHEREAS, the proposed NPI Districts would implement the Neighborhood Economic Development Strategy (the “NED Strategy”), adopted by Portland City Council (“Council”) on May 25, 2011, via Resolution Number 36864; the NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland;

WHEREAS, the NED Strategy builds out Goal 3, Neighborhood and Small Business Vitality, in the City's Economic Development Strategy, which was adopted by Council in July 2009, via Resolution Number 36714;

WHEREAS, on March 12, 2012, the Portland Development Commission (“PDC”) Board of Commissioners (the “Board”) accepted each NPI Districts’ proposed Urban Renewal Plan (“Plan”) along with its accompanying Technical Report (“Report”) and directed that the same be forwarded to the City Planning and Sustainability Commission for recommendation, and thereafter be forwarded to Council for approval;

WHEREAS, the expected \$1,250,000 amount of tax increment revenues to be created by each of the proposed NPI Districts is not sufficient to support the issuance of traditional long-term bonds; and

WHEREAS, PDC and the City of Portland’s Office of Management and Finance have negotiated an intergovernmental agreement substantially in the form attached hereto as Exhibit A (the “IGA”) for the issuance and administration of debt to support and enable each NPI District to carry out its Plan;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to enter into the IGA;

BE IT FURTHER RESOLVED that the Executive Director is authorized to modify the IGA, as the Executive Director determines is necessary or desirable to implement the NPI

Districts, so long as such changes do not materially increase PDC's risks or obligations, as determined by the Executive Director in consultation with the General Counsel; and

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

IGA to be provided at the Commissioner briefings.

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6931

**AUTHORIZING INTERGOVERNMENTAL AGREEMENTS
BETWEEN THE PORTLAND DEVELOPMENT COMMISSION
AND THE CITY OF PORTLAND AND BETWEEN THE
PORTLAND DEVELOPMENT COMMISSION AND
MULTNOMAH COUNTY RELATED TO THE SHARING OF TAX
INCREMENT REVENUES TO IMPLEMENT THE
NEIGHBORHOOD PROSPERITY INITIATIVE DISTRICTS**

WHEREAS, six neighborhood commercial corridors in Northeast and East Portland have been identified to become Neighborhood Prosperity Initiative (“NPI”) Districts, new urban renewal areas that would provide funding for community revitalization and other small scale projects in order to boost neighborhood business growth, to provide economic development opportunities and to improve community-wide prosperity;

WHEREAS, the proposed NPI Districts would implement the Neighborhood Economic Development Strategy (the “NED Strategy”), adopted by Portland City Council (“Council”) on May 25, 2011, via Resolution Number 36864; the NED Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland;

WHEREAS, the NED Strategy builds out Goal 3, Neighborhood and Small Business Vitality, in the City’s Economic Development Strategy, which was adopted by Council in July 2009, via Resolution Number 36714;

WHEREAS, on March 12, 2012, the Portland Development Commission (“PDC”) Board of Commissioners (the “Board”) accepted each NPI Districts’ proposed Urban Renewal Plan (“Plan”) along with its accompanying Technical Report (“Report”), and directed that the same be forwarded to the City Planning and Sustainability Commission for recommendation, and thereafter be forwarded to Council for approval;

WHEREAS, state legislation requires a portion of tax increment revenues to be shared with taxing jurisdictions affected by an urban renewal area when tax increment revenues reach certain thresholds;

WHEREAS, PDC and the City of Portland (the “City”) have negotiated an intergovernmental agreement substantially in the form attached hereto as Exhibit A (the “City IGA”) whereby the City’s shared revenues will be granted to PDC to support and enable the NPI District’s Plans; and

WHEREAS, PDC and Multnomah County (the “County”) have negotiated an intergovernmental agreement substantially in the form attached hereto as Exhibit B (the “County IGA”) whereby the County’s shared revenues will be granted to PDC to support and enable the NPI District’s Plans, and the County IGA is scheduled for consideration by the Multnomah County Commission in April 2012.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to enter into the City IGA;

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to enter into the County IGA;

BE IT FURTHER RESOLVED that the Executive Director is authorized to modify the City IGA and the County IGA, as the Executive Director determines is necessary or desirable to implement the NPI Districts, so long as such changes do not materially increase PDC's risks or obligations, as determined by the Executive Director in consultation with the General Counsel; and

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

IGA to be provided at the Commissioner briefings.