

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 7095**

**APPROVING THE SECOND AMENDMENT TO THE WILLAMETTE INDUSTRIAL URBAN RENEWAL PLAN TO CEASE COLLECTIONS OF TAX INCREMENT**

**WHEREAS**, the Willamette Industrial Urban Renewal Plan (“Original Plan”) was adopted by Portland City Council (“City Council”) on November 24, 2004, by Ordinance No. 178904 to provide tax increment funding and urban renewal authority to foster development and redevelopment to protect the public health, safety, and welfare of the city of Portland;

**WHEREAS**, the Original Plan was subsequently amended by the Portland Development Commission (“PDC”) one time, (as amended, the “Plan”);

**WHEREAS**, City Council adopted Resolution No. 37072 on May 7, 2014, directing PDC and the Office of Management and Finance (“OMF”) to prepare proposed amendments to the Willamette Industrial Urban Renewal Area (“URA”) as part of a package of amendments to six URAs;

**WHEREAS**, City Council also directed PDC and OMF to work with the Bureau of Planning and Sustainability and the Portland Housing Bureau, to coordinate with partner taxing jurisdictions and engage community stakeholders to consider, discuss, and finalize the proposed amendments;

**WHEREAS**, PDC and OMF have completed this coordination process including the appointment of an advisory committee that has reviewed the proposed amendment;

**WHEREAS**, PDC, the duly organized and acting urban renewal agency of the City of Portland wishes to amend the Plan to cease collections of tax increment revenues and to allow existing bond proceeds to continue to be used in the Willamette Industrial URA to fund manufacturing loans to businesses operating in the URA;

**WHEREAS**, Multnomah County will be directed to cease tax increment collections on the assessed value of 756 acres within the Willamette Industrial URA returning a projected \$12,626,196 of tax increment to taxing jurisdictions;

**WHEREAS**, the Willamette Industrial URA, due to the cessation of tax increment collections, shall be reduced in its entirety for purposes of calculating total acreage in URAs so as to increase city-wide capacity for other URAs;

**WHEREAS**, PDC has prepared a Second Amendment to the Plan (“Second Amendment”), which is attached to this ordinance as Exhibit A and incorporated herein by this reference; and

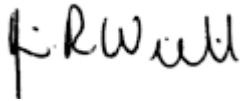
**WHEREAS**, the Second Amendment is being adopted as a City Council-approved amendment pursuant to Section XIII of the Plan.

**NOW, THEREFORE, BE IT RESOLVED**, that PDC does hereby approve the Second Amendment to the Willamette Industrial Plan attached hereto as Exhibit A, and the Report accompanying the Second Amendment to the Willamette Industrial Plan and incorporated herein by this reference to become effective July 1, 2015;

**BE IT FURTHER RESOLVED**, that PDC does hereby direct that the Second Amendment to the Willamette Industrial Plan be forwarded to City Council for adoption; and

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

Adopted by the Portland Development Commission on January 21, 2015

A handwritten signature in black ink, appearing to read "Gina Wiedrick". The signature is written in a cursive, somewhat stylized font.

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Gina Wiedrick, Recording Secretary

SECOND AMENDMENT TO  
THE WILLAMETTE INDUSTRIAL URBAN RENEWAL PLAN

The Second Amendment to the Willamette Industrial Urban Renewal Plan (the “Plan”) amends Section XII of the Plan to delete the authority to use tax increment revenues as a financing method for completing projects specified in the Plan and to remove all of the acreage from the URA designation for the purposes of tax increment collections and computation of acreage in urban renewal.

Section XII.A. is amended as follows. Deletions are shown as ~~strikeouts~~.

A. General Description of Proposed Financing Methods

The Plan will be financed using a combination of revenue sources. These include:

- ~~• Tax increment revenues, described in more detail below;~~
- Advances, loans, grants and any other form of financial assistance from the Federal, State or local governments or other public body;
- Loans, grants, dedications or other contributions from private developers and property owners; and
- Any other source, public or private.

Revenues obtained by the Commission will be used to pay or repay costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or otherwise exercising any of the powers granted by ORS Chapter 4576 in connection with the implementation of this Plan. To the extent practical, the Commission shall seek a balance between revenues and expenditures of tax increment funds within each of the four sub-areas of the URA.

~~B. Tax Increment Financing~~

~~The Plan may be financed, in whole or in part, by funds allocated to the Commission as provided in section 1e, Article IX of the Oregon constitution and ORS 457.420 through ORS 457.450. To the extent practical, the Commission shall seek a balance between revenues and expenditures of tax increment funds within each of the four sub-areas of the URA.~~

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**EXHIBIT B**

**APPROVING THE SECOND AMENDMENT TO THE WILLAMETTE  
INDUSTRIAL URBAN RENEWAL PLAN TO CEASE COLLECTIONS OF TAX  
INCREMENT**

Exhibit B includes this cover page and contains four pages:

- Report on Willamette Industrial Urban Renewal Area Second Amendment

## Report on Willamette Industrial Urban Renewal Area Second Amendment

### I. COMPLIANCE WITH LAND AREA AND ASSESSED VALUE LIMITATIONS

This chart changes with the termination of the Willamette Industrial Urban Renewal Area, leaving more acreage and more assessed value capacity for future urban renewal areas. The overall limitation is urban renewal may account for up to 15% of the city. The termination of the Willamette Industrial Urban Renewal Area reduces both assessed value and acreage in urban renewal.

The reduction of 755.5 acres from the WIURA will reduce the overall acreage in urban renewal in the city. The total acreage is within the 15% area limit contained in Chapter 457 of the Oregon Revised Statutes (13.35%). The frozen base assessed value reduction of \$481,443,135 reduces the overall assessed value in urban renewal in the city to 10.51% of the city’s total assessed value, within the statutory 15% restriction.

**Table 1 – Compliance with AV and Acreage City-wide Limitations**

Urban Renewal Area	Frozen Base Assessed Value	Acres
Airport Way	\$124,710,301	1,841.4
Central Eastside	\$230,387,869	708.5
Downtown Waterfront	\$55,674,313	233.1
South Park Blocks	\$305,692,884	98.0
Oregon Convention Center	\$214,100,689	410.0
North Macadam	\$622,412,373	447.0
River District	\$461,577,974	351.2
Interstate	\$1,293,389,062	3,990.0
Gateway	\$307,174,681	658.5
Lents	\$736,224,033	2,846.3
Neighborhood Districts (NPIs)	\$498,707,491	803.7
<b>Total</b>	<b>\$4,850,051,670</b>	<b>12,387.7</b>
Total Acreage, City of Portland		92,773
Total Assessed Value City of Portland Less Incremental Assessed Value in Urban Renewal Areas	\$46,142,052,109	
Percent of Portland AV in Urban Renewal Areas	10.51%	
Percent of Portland Area in Urban Renewal Area		13.35%

**II. FISCAL IMPACT STATEMENT ON TAX COLLECTIONS**

The 2014 amendment to the Willamette Industrial Urban Renewal Area (WIURA) ceases collections of tax increment. This change will produce the projected tax increment to be shared by the taxing jurisdictions in the manner identified in the following table. This information is provided by the City of Portland Office of Management and Finance. These estimates are in nominal dollars and are projected through projected repayment of all debt related to the original plan. The total tax increment returned to the taxing jurisdictions for the life of the urban renewal plan prior to this amendment is estimated at \$12,626,196 (PV \$9,884,985) as shown in the last column in the table.

**Table 2 – Willamette Industrial Cessation of Tax Increment Collections, Benefits Tax Increment to Taxing Jurisdictions**

Fiscal Year	Incremental AV Returned	City \$4.5770	County \$4.3434	PPS \$4.7743	Library \$1.1800	PCC \$0.2828	Mult. ESD \$0.4576	Metro \$0.0966	EMSC \$0.1000	Port \$0.0701	TOTAL \$15.8818
2015-16	\$76,401,999	\$349,692	\$331,844	\$364,766	\$90,154	\$21,606	\$34,962	\$7,380	\$7,640	\$5,356	\$1,213,401
2016-17	80,977,346	370,633	351,717	386,610	95,553	22,900	37,055	7,822	8,098	5,677	1,286,066
2017-18	85,590,105	391,746	371,752	408,633	100,996	24,205	39,166	8,268	8,559	6,000	1,359,325
2018-19	87,408,227	400,067	379,649	417,313	103,142	24,719	39,998	8,444	8,741	6,127	1,388,200
2019-20	89,235,440	408,431	387,585	426,037	105,298	25,236	40,834	8,620	8,924	6,255	1,417,219
2020-21	91,071,789	416,836	395,561	434,804	107,465	25,755	41,674	8,798	9,107	6,384	1,446,384
2021-22	92,917,320	425,283	403,577	443,615	109,642	26,277	42,519	8,976	9,292	6,514	1,475,694
2022-23	94,772,078	433,772	411,633	452,470	111,831	26,802	43,368	9,155	9,477	6,644	1,505,151
2023-24	96,636,110	442,303	419,729	461,370	114,031	27,329	44,221	9,335	9,664	6,774	1,534,755
<b>TOTAL Nominal</b>		\$3,638,763	\$3,453,048	\$3,795,618	\$938,112	\$224,829	\$363,797	\$76,798	\$79,501	\$55,730	\$12,626,196
<b>TOTAL Present Value</b>		\$2,848,769	\$2,703,374	\$2,971,570	\$734,443	\$176,017	\$284,815	\$60,125	\$62,241	\$43,631	\$9,884,985

Source: City of Portland Office of Management and Finance

Note: FY 2015-16 amounts will require City Council approval of UR-50 that indicates \$0 increment value to use since plan amendment will not release value to overlapping taxing jurisdictions until FY 2016-17.

### **III. BOND FUND**

PDC will continue promote economic development in the Willamette Industrial Urban Renewal Area (WIURA) by providing assistance to manufacturing companies with the remaining bond proceeds. The assistance will likely be in the form of grants or loans to existing businesses located in WIURA or to businesses seeking to relocate to WIURA. Anticipated activities that may be eligible for financial assistance include property acquisition, environmental remediation, building rehabilitation, equipment purchase, seismic improvements, and other capital investments. PDC will establish financial assistance guidelines for the expenditure of WIURA bond proceeds that will be presented in a timely manner to the PDC Board of Commissioners for formal approval.

**RESOLUTION NO. 7095**

**RESOLUTION TITLE:**

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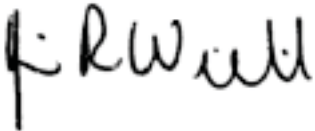
Adopted by the Portland Development Commission on January 21, 2015

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Aneshka Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

**CERTIFICATION**

**The undersigned hereby certifies that:**

*The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.*

	<p><b>Date:</b></p> <p>January 22, 2015</p>
<p><b>Gina Wiedrick, Recording Secretary</b></p>	