

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: March 26, 2008

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 08-36
Update: Lents Town Center Plan Amendment Study – Final Report & Recommendations

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

None – information only.

SUMMARY

In April 2007 the Portland Development Commission (PDC) Board of Commissioners (Board) directed staff to conduct a study of the Lents Town Center Urban Renewal Area (URA). In July 2007, the Lents Town Center Urban Renewal Advisory Committee (URAC) appointed a subcommittee that was charged with developing policy recommendations for URAC consideration and PDC Board review and approval. The subcommittee was responsible for making recommendations and answering three fundamental questions:

- (1) *Should the URA boundary be expanded and where?*
- (2) *Should the maximum indebtedness be increased to complete existing projects in the URA Plan, continue funding existing programs, and consider new projects identified by the community?*
- (3) *Should the current expiration date (2015) be extended?*

At the March 26, 2008, Board meeting, the Lents Team will provide an update and present a final report that documents the technical, policy alternatives, and public involvement process, as well as the URAC recommendations. Staff will seek comments on the core questions above and request authorization to move forward with the presentation of the URA Plan Amendment & Report on May 14, 2008.

BACKGROUND

The Lents Plan Amendment Study process included an extensive public outreach process with community stakeholders, including the URAC, neighborhood and business associations, and property owners and local businesses, and the general public. The subcommittee, which was responsible for the development of recommendations, held five evening meetings open to the public from August to December 2007. The subcommittee carefully reviewed the technical information and weighed the policy choices.

On December 12, 2007, staff provided a briefing to the PDC Board on the Future of Urban Renewal project, which included the Lents Town Center Plan Amendment Study process. Chair Rosenbaum requested additional information regarding the addition of housing around the proposed Foster Road corridor expansion. Staff will provide brief update on this analysis and a recommendation.

On January 8, 2008, the Lents Town Center URAC recommended approval of the subcommittee’s work. Below is a summary of these recommendations:

Overview of Proposed Maximum Indebtedness	
Proposed Maximum Indebtedness for Existing URA	\$162,000,000
Added Maximum Indebtedness - Foster Expansion Area	\$6,600,000
<i>Subtotal</i>	\$168,600,000
Added Maximum Indebtedness - Foster Road and Powell Blvd/122nd Ave Expansion Areas	\$1,900,000
URAC Recommendation for Additional Maximum Indebtedness (Rounded)	\$170,000,000
Existing Maximum Indebtedness (1998 – Current URA Plan)	\$75,000,000
TOTAL MAXIMUM INDEBTEDNESS	\$245,000,000
Last Date for Issuance of Debt – Proposed Plan Amendment	2020
Bonds Repaid	2026

The additional debt capacity and TIF will be used for a variety of existing projects and programs, as well as new projects that were identified through the public involvement process. Generally, existing projects, such as Johnson Creek Industrial Area (Freeway Land) Redevelopment, SE 92nd & Harold Redevelopment, Foster School Reuse/Redevelopment, and continued acquisition and revitalization of the Lents Town Center will continue to be the major focus for the URA. In addition, continuing the successful programmatic efforts around storefront, business assistance, and housing is also a key theme. Most of the new projects are slated for public facilities and infrastructure, including improvements for Alice Ott Middle School, Marysville School, and a variety of investments in street, flood mitigation, and parks.

Regarding the expansion areas, please refer to page 9 of Attachment A. This map illustrates the URAC’s recommendations regarding each of the expansion areas. First, the URAC proposes to expand along Foster Road from 50th Avenue to the existing boundary at 79th Avenue. This includes the commercially zoned corridor, as well as three, key multi-family properties that staff identified subsequent to the URAC recommendation. The URAC also recommended an expansion of business and commercial nodes north of Powell Boulevard and 122nd Avenue. Other key areas, include Marysville School (SE Raymond & 78th Ave), Leach Botanical Gardens (south of Foster Road & 122nd Ave), and the Knapp Street “Triangle” (south of Freeway Land). Finally, the URAC endorsed key policy recommendations that were developed by the subcommittee. These specific recommendations capture the dialogue and consensus

around the projects and policy alternatives that were considered throughout the evaluation process.

As part of a substantial amendment process, the URAC had the opportunity to amend the goals of the URA Plan. After careful consideration, the URAC has not recommended additions or amendments to the original goals and objectives of the URA Plan because the existing plan is still relevant and valid. However, numerous public policy goals will be achieved with the additional debt capacity and additional areas to the URA. These goals include housing, jobs, and quality of life policies in the Outer Southeast Plan, which governs land use, growth management, and public investment in the Lents URA.

On March 11, 2008, the Lents Staff Team will provide a status report to the URAC at their regular meeting. Staff will orally report on the latest recommendations to the PDC Board on March 26, 2008. The recommendations will include any changes proposed since January 2008.

Finally, as part of this update, the Board will hear from community stakeholders who participated in the amendment study and were instrumental in providing guidance throughout the process. Letters of support are included in the final report as well.

ATTACHMENTS:

- A. Lents Town Center Plan Amendment Study – URAC Final Report & Recommendations – March 26, 2008
- B. Letters of Recommendation

CC: C. Twete, Development Director
K. Cronin, Senior Project Coordinator
A. Miller Dowell, Development Manager
R. Alexander, Special Projects
M. Baines, General Counsel
J. Jackley, Executive Operations Manager

LENTS TOWN CENTER PLAN AMENDMENT STUDY

Final Report and Recommendations



Lents, a great place to grow.



Acknowledgements

Portland Development Commission Lents Team

Bob Alexander, Special Projects, Executive Team
Faye Brown, Budget Team
Angela Cadena, Budget Team
Kevin Cronin, AICP, Senior Project Coordinator, Development Department
Sara Culp, Project/Program Coordinator, Housing Department
Diane Hale, Student Employee
Morgan Masterman, Student Employee
Amy Miller Dowell, Lents Town Center URA Development Manager
Margarita Molina, Legal Counsel
Pam Neal, Senior Project Coordinator, Economic Development
Juan Carlos Ocaña-Chú, Public Participation Coordinator

Portland Bureau of Planning

Gil Kelley, AICP, Planning Director
Joe Zehnder, Principal Planner
Deborah Stein, Supervising Planner
Barry Manning, Senior Planner
Tom Armstrong, City Planner

Lents Town Center Urban Renewal Advisory Committee (URAC)

Leadership

Cora Potter, Chair – At Large Resident
Michael Cummings, Vice Chair – At Large Resident

Organization Representatives

Debbie Black, Foster Area Business Association
Devin Culbertson, Community Partner: Housing Organization - HOST
Jess Laventall, Lents Neighborhood Association
Steve Messinetti, Community Partner: Habitat for Humanity
Roger Rees, Community Partner: Lents Masonic Lodge
Gary Sargent, 82nd Ave Business Association
Susan Stoltenberg, Community Partner: Portland Impact
Mary Walker, Powellhurst-Gilbert Neighborhood Association
John McDonald, Powellhurst-Gilbert Neighborhood Association

At Large Members

Clint Lenard, Resident
Alan Melton, Resident
Adrian O'Brian, Business

Alternate Members

John Miller, Community Partner: Housing Organization
Rebecca Stevenjord, Lents Neighborhood Association

Lents Town Center Sub Committee on Plan Amendment Study

Cora Potter, Chair, URAC, Resident of Lents Neighborhood
Jess Laventall, URAC, Lents Neighborhood Association
Gary Sargent, URAC, 82nd Avenue of Roses Business Association
Dewey Akers, Chair of Lents Neighborhood Association
Mary Walker, URAC, Resident of Powellhurst-Gilbert Neighborhood
Erica Bjerning, Chair of Foster-Powell Neighborhood Association
Debbie Black, Foster Area Business Association

Consultant Team

Tashman Johnson, LLC
Elaine Howard Consulting, LLC
James Vanden Bos



Chair's Letter
Lents Town Center Urban Renewal Area
Plan Amendment Study
Urban Renewal Advisory Committee

To the Members of Portland City Council, Planning Commission, PDC Board of Commissioners, Local Taxing Jurisdictions, and Interested Citizens:

The Lents Plan Amendment Study was authorized by the PDC Board on April 25, 2007. PDC staff has been working with the Lents Town Center Urban Renewal Advisory Committee (URAC), a subcommittee, and consultants to develop technical, legal, and financial information so that community stakeholders and policy makers can make an informed decision regarding the future of the Lents Town Center Urban Renewal Area (URA). As part of a larger PDC evaluation of URA districts referred to as the "Future of Urban Renewal," Lents Town Center URA is one of the first in a series of studies to determine the financial capacity, policy choices, and a range of needed projects in each participating URA. The purpose of this memo is to provide a clear and concise record of technical research and deliberations regarding the plan amendment study process that led to the development of three alternatives and a preferred recommendation.

Background

After PDC Board authorization, staff initiated the public outreach process that began with the Lents Resource Fair in April 2007. Following a briefing to the URAC on May 8, 2007, the Lents Town Center Urban Renewal Advisory Committee (URAC) on July 10, 2007, directed staff to form a subcommittee charged with developing recommendations for a proposed plan amendment. The subcommittee, made up of URAC members and representatives of the Foster-Powell and Lents Neighborhood Associations, and a resident of the Powellhurst-Gilbert Neighborhood, was responsible for evaluating the existing URA Plan that was adopted in 1998 and advising the URAC on the future direction of Lents Town Center URA. The subcommittee's charge was guided as part of a larger study to answer three fundamental questions of the URA:

- (1) *Should the URA boundary be expanded and where?*
- (2) *Should the maximum indebtedness be increased to complete existing projects in the URA Plan, continue funding existing programs, and consider new projects identified by the community?*
- (3) *Should the current expiration date (2015) be extended?*

The subcommittee held five evening meetings open to the public from August to December 2007 to carefully review the technical information and weigh the policy choices.

Public Involvement

Since July 2007, PDC staff has implemented a comprehensive public participation plan to elicit feedback on the questions above and the potential projects and policy choices from community members, stakeholders, and the URAC members in the existing Lents Town Center URA, potential expansion areas, and adjacent neighborhoods affected by the proposal. As part of a status report on the plan amendment process, PDC staff presented the results of these efforts to the URAC on November 13. The following night the subcommittee reviewed the same results. The recommendations in this report are based in large part on the results of the public participation process, including a survey conducted by PDC staff. For a full analysis and discussion on the public involvement plan and survey results, please refer to Section III – Public Involvement Report and the Appendices.

URAC Recommendations

Staff and the subcommittee developed three policy alternatives as a result of technical, legal (ORS 457), and financial information that was researched, collected, and processed since April 2007. The bulk of the financial information was provided by Jeff Tashman and Elaine Howard, who are consultants to the Future of Urban Renewal effort. The financial results included a comparative analysis of estimated levels of maximum indebtedness based on three scenarios of growth in assessed value from 2000-2006: conservative (3%), trend (4.4%), and aggressive (6%). The three alternatives – No Expansion, Foster Road Expansion, Foster Road/Powell/122nd Expansion - all assumed extension of the district to 2020. The subcommittee carefully reviewed each policy alternative and forwarded these recommendations to the URAC on January 8, 2008.

The following URAC recommendations, as formed by the URAC subcommittee, are organized according to the three fundamental questions:

1. Should the current expiration date (2015) be extended?

The subcommittee voted to extend the district until FY 2019/20 based on the financial analysis showing the extension would allow a larger increase in maximum indebtedness. **The subcommittee voted unanimously to approve the extension.**

2. Should the LTC URA boundary be adjusted, and where?

As the enclosed map illustrates, the URAC has proposed boundary adjustments to the existing URA. At the subcommittee meeting on December 12, 2007 staff provided an overview of the expansion areas, including additions and subtractions along Powell Boulevard and 122nd Avenue since the process began in April 2007. The URAC approved the boundary adjustment subject to only one change. The subcommittee recommended removal of an opportunity site at 122nd & Holgate, whereas the URAC approved the site believing the site was an important location for the community. The subcommittee deliberated on each expansion area separately. Below is a list of the URAC recommendations for each area:

Foster Road:

Add Foster Road as originally proposed by staff in April 2007 that follows the existing commercial zoning pattern. **The subcommittee voted unanimously to add the Foster Road expansion area.**

NOTE: Per PDC Board direction at the December 12, 2007 briefing, staff was asked to consider adding a “buffer” or strategic properties of residential land along both sides of the commercial corridor to encourage preservation and revitalization of housing and support the City's Schools, Family, Housing initiative. Staff conducted an alternatives analysis and has recommended adding three multi-family properties (six tax lots) to the Foster Corridor expansion. Staff will provide more detailed recommendations to the PDC Board and URAC on March 26 and March 11, respectively.

Powell Boulevard/ 122nd Avenue:

- Add commercially zoned nodes at intersections for mixed use revitalization opportunities, including the 122nd and Holgate area.
- Delete scattered site *residentially zoned* parcels along Powell Blvd. and 122nd Avenue, except the opportunity site west of Alice Ott Middle School.
- Connect Leach Botanical Garden to the existing URA by 122nd Avenue (right-of-way).

The subcommittee voted 4-3 to add the Powell Blvd/122nd Ave expansion area and removed the 122nd & Holgate site.

3. *Should the maximum indebtedness be increased and by how much?*

The table below illustrates the maximum indebtedness for each alternative as described above.

Maximum Indebtedness Capacity with Three Expansion Alternatives	
Last Date for Issuance of Debt (All Alternatives)	2020
Bonds Repaid (All Alternatives)	2026
1. Existing URA (No Expansion) Assumes trend scenario (4.4% Growth)	
Added Maximum Indebtedness	\$162,000,000
2. Foster Road Expansion Area Assumes conservative scenario in expansion area (3% Growth)	
Added Maximum Indebtedness	\$6,600,000
<i>Subtotal</i>	\$168,600,000
3. Foster Road and Powell Blvd/ 122nd Ave Expansion Areas Assumes conservative scenario in expansion areas (3% Growth)	
Added Maximum Indebtedness	\$1,900,000
<i>Subtotal</i>	\$170,500,000
URAC Recommendation for Additional Maximum Indebtedness	\$170,000,000
Existing Maximum Indebtedness (1998)	\$75,000,000
TOTAL MAXIMUM INDEBTEDNESS	\$245,000,000

The financial projections are based on County Assessor's data (2000-2007) and City of Portland building permit activity (2000-2006). As the above table illustrates, the additional debt capacity is estimated at \$162M for Alternative 1 (No Expansion), which is the minimum amount of debt capacity among the three alternatives and more than doubles the original amount that was conservatively set at \$75M in 1998. If the expansion areas are added, the total debt capacity can be raised slightly more to \$168M for Alternative 2 (Foster Road) and up to \$170M for Alternative 3 (Foster Road and Powell Blvd/122nd Ave). The latter expansion area is not expected to generate significant tax increment revenue after inclusion in the URA as a result of market conditions, project needs, and the lack of existing commercial and industrial properties and businesses that generate more value per square foot than residential. **The subcommittee voted unanimously to adopt the \$170M maximum indebtedness level.**

Additional Recommendations

Based on the above analysis, the public participation results, and the subcommittee's deliberations on December 12, *the URAC voted unanimously on January 8, 2008 to forward these recommendations to the PDC Board for their consideration and deliberation, and further those recommendations to the Planning Commission, and then to the City Council for final action, with the following conditions that clarify the above policy choices:*

- Continue to support and budget accordingly to achieve one of the primary, original goals of the 1998 URA Plan – revitalization and redevelopment of the Lents Town Center. The community and the subcommittee overwhelmingly support this goal to spur additional development in the Town Center and to honor the existing commitment PDC made in 1998 when the district was established. To accomplish this goal will take significant TIF resources;
- Balance expenditures to include projects that generate tax increment revenue, such as redevelopment and economic development loans and grants, with quality of life projects such as infrastructure improvement, a variety of housing options, and school facilities projects;
- Assist with the redevelopment of Freeway Land for job generation, habitat restoration, and flood mitigation of the Foster Road area;
- Continue investing and leveraging federal funds for flood mitigation around Johnson Creek;
- As part of the “30% Set Aside” for affordable housing, continue to focus those resources on homeownership development, financing, and first-time homebuyer programs. Encourage and allow the housing subcommittee to develop a strategy that implements the goals and objectives of the URA Plan;
- Focus expenditures in the Foster Road expansion area on redevelopment (Development Opportunity Services (DOS) and commercial loans) and economic development programs (storefront improvement, business assistance loans, etc.) so TIF resources can be leveraged, spent wisely, and pay for themselves over the remaining life of the URA. Future infrastructure investments, such as the Foster Road streetscape, should be carefully evaluated for leverage with other private and public funding sources, have the support from the businesses and residents, and focus on improving safety; and
- The Foster-Powell Neighborhood Association, representing the Foster Road expansion area, is supportive of including affordable rental housing in commercial, mixed-use

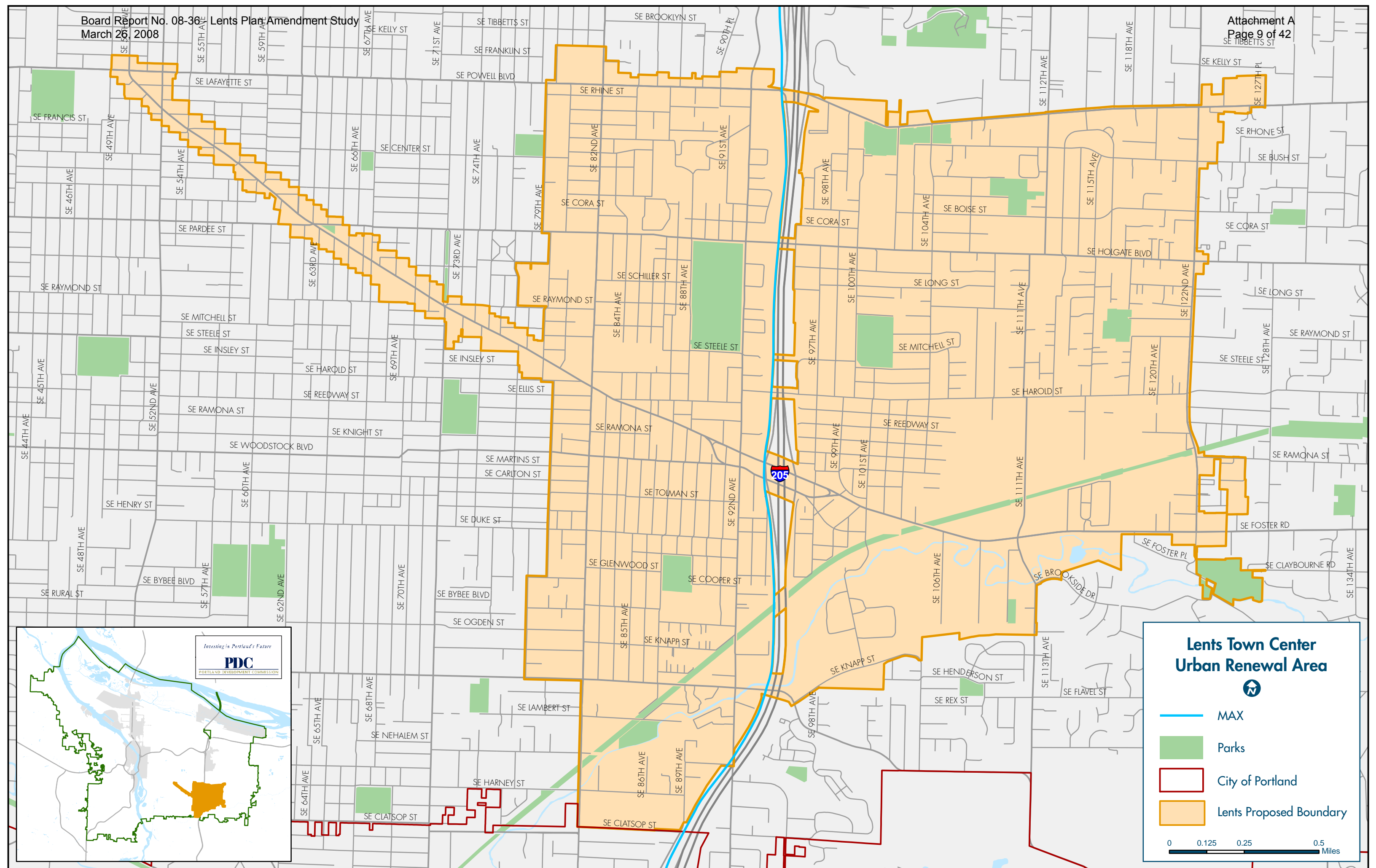
projects and to revitalize existing multifamily housing. This allows the allocation of set aside housing resources to those areas if and when opportunities become available.

With these conditions in mind, and the difficult policy choices before us, we forward this recommendation with confidence in the work accomplished thus far and look forward to a discussion of the choices with the PDC Board of Commissioners, Planning Commission and City Council.

On behalf of the Urban Renewal Advisory Committee, the following report is submitted for your consideration.

Respectfully,

Cora Potter, Chair
Lents Town Center Urban Renewal Advisory Committee



Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT COMMISSION

**Lents Town Center
Urban Renewal Area**

MAX
Parks
City of Portland
Lents Proposed Boundary

0 0.125 0.25 0.5
Miles

TABLE OF CONTENTS

I. INTRODUCTION	12
II. EVALUATION	13
Project Assumptions	
Summary of Accomplishments	
Work In Progress	
Work Unfunded	
Project Identification & Consistency with Goals	
Financial Analysis	
III. PUBLIC INVOLVEMENT REPORT	24
Public Participation Activities	
Future Public Involvement Opportunities	
IV. PROPOSED USE OF TAX INCREMENT RESOURCES	28
Public Improvements	
Housing	
Economic Development	
Commercial Redevelopment & Revitalization	
Johnson Creek Industrial Area Revitalization	
V. IMPACTS & ISSUES CONSIDERED	35
Impacts to Taxing Jurisdictions	
Citywide and Regional Priorities	
Prospects for Development without Urban Renewal	

APPENDICES:

In order to encourage sustainable use of resources, Appendices A-B can be found on the Future of Urban Renewal website: <http://www.pdc.us/four/lents/default.asp>. If you require a printed copy of an Appendix, please call (503) 823-3331 to request one.

Appendix A: Meeting Packets - Agendas, Rosters, & Minutes,

Meeting No. 1 - August 15, 2007: Subcommittee Charter, Evaluation Criteria, & ORS 457

Meeting No. 2 – September 19, 2007: Preliminary Financial Analysis, How Tax Increment Works, Prospective Project List & Map

Meeting No. 3 – October 17, 2007: Prospective Project Instructions, List, Map, & Follow Up Financial Analysis

Meeting No. 4 – November 14, 2007: Public Participation Analysis, Prospective Project List Ranking Results, & Preliminary Policy Recommendations

Meeting No. 5 – December 12, 2007: Prospective Project List Ranking Results By
Maximum Indebtedness, Revised Investment Estimates by Operating
Department, Refined Financial Analysis, Subcommittee Recommendations
Worksheet, & 2007 URAG Criteria Preliminary Evaluation

Appendix B: Survey Results & Example of Survey

I. INTRODUCTION

The Lents Town Center Urban Renewal Plan Amendment Study was authorized by the Portland Development Commission Board (PDC) on April 25, 2007¹. This “substantial amendment” process combines a technical analysis with an evaluation of a complex set of public policies guided by state statutes (ORS 457) and informed by extensive public participation. From a public policy standpoint, it is the same process that was used and required when the district was formed in 1998.

The Lents Plan Amendment Study is part of a larger review of urban renewal in Portland referred to as the “Future of Urban Renewal.” To help guide this larger effort, an Urban Renewal Advisory Group (URAG) was formed with PDC, City Council, Multnomah County, Planning Commission, and citizen representation. The URAG focused on the future of urban renewal areas in downtown and did not specifically review the Lents Town Center URA. This was the responsibility of the Lents Town Center Urban Renewal Advisory Committee (URAC), which is charged with making policy and fiscal recommendations to the PDC Board and staff.

The purpose of the Lents Town Center Plan Amendment Study was to determine an appropriate level of debt (maximum indebtedness) in addition to the original debt capacity set in 1998, consider strategic changes to the boundary for both additions and subtractions of property within the URA, and determine if an extension of the time to issue bonds (maximum indebtedness) was necessary to achieve the original goals and objectives of the URA Plan. Furthermore, as an added benefit to the process and the community, it provided a strategic opportunity to reengage the numerous stakeholders from the ground up, test the original vision of the URA Plan, and determine if the goals and objectives in the URA Plan were still legitimate and applicable nearly a decade after adoption of the URA Plan in 1998².

In short, PDC embarked on a conversation and check-in with the community from April 2007 to January 2008. After PDC provided a progress report of accomplishments since the URA was formed in 1998, we wanted to discuss the following issues and questions in the community:

- Verify the results of these accomplishments and determine what objectives have been met and where we have fallen short;
- Determine what needs and opportunities have changed over the last decade and what direction we should be headed;
- Identify additional areas that could benefit from urban renewal; and
- Resolve what could be done better within the existing URA if additional resources and more time to issue bonds were available.

¹ PDC Resolution No. 6478, April 25, 2007

² The Urban Renewal Plan for the Lents Town Center Urban Renewal Area was originally approved by the City Council of the City of Portland on September 9, 1998 by Ordinance No. 172671.

II. EVALUATION

As part of any public policy process, assumptions were made at the beginning of the project and were a crucial element that defined the project. PDC and the URAC made the following assumptions to help guide the process:

1. The goals and objectives in original URA Plan were still valid and applicable therefore no additional goal setting was necessary.
2. Although progress in the town center has been slow, urban renewal is still a valid tool to consider.
3. The Urban Renewal Advisory Group (URAG) criteria would be used to evaluate the project recommendations whereas the Lents Town Center URAC would be primary body and guide for public involvement and advisory recommendations.
4. Every effort would be made to meet all applicable state statutes and city policies, but policy conflicts would be inevitable and identified for further consideration by the policy makers.

With these assumptions providing the background, the evaluation process incorporated a number of different technical and policy evaluation steps, including:

1. Summary of accomplishments (1998-2007);
2. Project identification and consistency with goals;
3. Financial analysis of assessed value and building permit activity to determine projected TIF revenues over a specified period of time; and
4. Proposed use of tax increment resources (Section IV).

The first three steps are presented below. Please see Section IV for a detailed breakdown of the proposed use of tax increment resources.

SUMMARY OF ACCOMPLISHMENTS

The following "Lents Town Center Summary" was developed and published in September 2007 as a progress report since 1998. It has been reformatted for the purpose of this report and includes actual expenditures through FY 2006-07.

LENTS TOWN CENTER SUMMARY

This summary provides financial, project, and program information and background for the analysis to amend the LTC URA Plan. It reviews the LTC URA Plan goals, what has been accomplished, and what is left to do. It describes the Tax Increment Financing (TIF) spent to date, the current and forecast budgets, and illustrates the projects and programs that are unfunded.

The LTC URA Plan was created in 1998 and adopted by the Portland Development Commission (PDC), Resolution No. 5157, and the Portland City Council, Ordinance No. 172671, and expires in 2015.

Historic Objectives, Guiding Policies and Plans

At 2,472 acres the LTC URA is the third largest of the eleven URAs PDC manages on behalf of the citizens of Portland. In general, the LTC URA covers all of the Lents Neighborhood, including the Metro 2040 designated Town Center bounded by the I-205 freeway to the east, SE 88th to the west, and with Foster Road and SE 92nd Avenue creating a historic crossroads through the heart of this central business district (CBD). LTC URA also consists of portions of several other East Portland neighborhoods, including: Powellhurst-Gilbert, Brentwood/ Darlington, Mount Scott-Arleta, and Foster-Powell. A large part of the reason why urban renewal was implemented in this area in the late 1990s was to invest in a struggling town center and neighborhood.

Between 1990 and 2000, during the creation of the LTC URA Plan, there was a 21.6 percent population growth in Lents to 15,830 residents. However, during the same period household income has remained stagnant at \$40, 472 (88 percent of the Portland average).³ The 2004 population estimate for Lents is 23,168. In 1995, when Metro designated the town center as part of the 2040 Concept Plan, the projected employment growth was approximately 2,000 jobs. As of 2004, there were 6,500 jobs in the Lents neighborhood.⁴ Based on a 2004 estimate of working age population (18+), it is estimated there are .38 jobs per resident.⁵

The LTC URA Plan focuses on nine goals to guide the revitalization of the neighborhood highlighted below:

- Goal 1. **Public Involvement** will continue in the implementation and refinement of the plan.
- Goal 2. **Neighborhood Revitalization** to invest public funds in residential neighborhoods to increase livability.
- Goal 3. **Revitalization of Commercial Areas** to invest public funds in commercial property to improve economic health of commercial areas and support businesses to create jobs.
- Goal 4. **Housing** to invest in rehabilitation and new development for a wide range of incomes and housing needs.
- Goal 5. **Environment** will be protected and enhanced and new development will minimize impacts to the Johnson Creek watershed.
- Goal 6. **Transportation** improvements will be made to serve all modes and activities throughout the neighborhood.
- Goal 7. **Parks, Recreation, & Open Space** improvements will be made to revitalize the neighborhood and improves quality of life.
- Goal 8. **Community Identity** will be promoted through new development in the town center and the neighborhoods.

Together with the LTC URA Plan and the Outer Southeast Community Plan (approved by City Council in March 1996) that includes the Lents Neighborhood Plan, are Portland's primary policies for guiding development and growth within the LTC URA. The Outer Southeast Plan, which is part of the citywide Comprehensive Plan (1981), provides a policy

³ "East Portland Review," City of Portland Bureau of Planning, April -2007

⁴ Quarterly Census of Employment and Wages, Oregon Employment Department, ES 202 Data, 2004

⁵ ESRI Business Analyst, 2004 (6,500/16,982)

framework for development and includes residential, retail, open space, transportation, and business related goals. The Outer Southeast Plan sets forth actions to emphasize business, retailing, housing, tourism, and cultural and educational objectives for East Portland. For example, the Economic Development Policy directs actions to improve Lents, including:

- Look for opportunities to expand city programs for storefront improvement and business development;
- Seek funding to support programs providing development assistance and investment capital for area businesses;
- Assist in the redevelopment of the Freeway Lands site for high density employment opportunities; and
- Support the development of the Town Center.

After the adoption of the 1998 Lents URA Plan, the Central Business District Transportation Plan (1999), PDC Housing Strategy (2000) and PDC Housing Update (2006), and PDC Economic Development Strategy (2001) all further refines the above actions and plans regarding residential, infrastructure, livability, and job growth within the LTC URA.

Urban Renewal Accomplishments

From fiscal year 1998-1999 to 2006-2007 PDC has invested over \$37.8 million throughout the district. Investments have gone towards the implementation of the eight LTC URA Plan goals. Specific activities since 1998 in support of these goals include:

Activity	URA Plan Goal	Amount
Development	Goal 1, 3, 8	\$11.3 Million
Housing	Goal 2, 4	\$7.2 Million
Public Improvements	Goal 2, 5, 6, 7	\$13.6 Million
Business Assistance	Goal #3	\$5.7 Million
TOTAL		\$37.8 million

► **Development** **\$11.3 Million**

PDC’s redevelopment efforts have largely focused on land assembly, provision of infrastructure, and financial (gap/relocation) assistance to leverage private investment. However, the next level of revitalization is beginning with the



redevelopment of acquired land. The Assurety NW redevelopment, illustrated above, is a 30,000-square-foot commercial, mixed-use project on a 1.8-acre property, which will serve as the new corporate headquarters. Assurety NW expects to employ approximately 45 people when it begins operations in late 2007. Collectively, PDC has acquired approximately seven acres of land in the Town Center for eventual redevelopment. An additional 2 acres of privately owned land is being reviewed for public/private redevelopment opportunity. In addition to new development, PDC has assisted with the rehabilitation of several community facilities, including the Lents Tech Center Training Facility at Marshall High, Portland Youth Builderson SE 92nd, and the upcoming new ball fields for Lents Little League.

► **Housing** **\$7.2 Million**

PDC housing investments in the district have primarily focused on single-family, owner-occupied housing repair and rehabilitation, new homebuyer programs, and one “scattered-site” affordable rental housing project (Lents Town Center Plaza). PDC funding has assisted over 93 households in purchasing and rehabilitating homes through PDC loans, and over 350 senior and disabled low income



homeowners with home repairs through the REACH Community Builders Program. PDC also administers other non-TIF funded homeownership programs, which have resulted in over 79 new homebuyers in Lents. This has resulted in 524 homeowners receiving assistance in Lents. PDC also participated in the Cooper Street Bungalows new homeownership development

project, where moderate income households used PDC’s Shared Appreciation Mortgage (SAM) to own their first homes. The Lents Town Center Plaza rental project involved \$1.25M of PDC funding for the Reedway Place apartment complex - 24 units serving households earning below 50% of the Median Family Income (MFI) - and seven other scattered site affordable rental units, for a total of 31 rental units in the URA with PDC assistance.

► **Public Improvements** **\$13.6 Million**

PDC has made investments in transportation, parks and open space, and watershed enhancement to support and enhance quality of life in the community. Since 1998, almost three miles of unpaved neighborhood roads have been upgraded through local improvement districts (LID) with PDC assistance. Numerous transportation safety improvements have been funded by PDC, including SE Foster Rd., 92nd, Woodstock, Duke, and 80th. In addition to transportation, PDC has provided funds to improve the Pioneer Cemetery, Memory Garden at Ed Benedict, Earl Boyles Park, and Raymond Park, Lents Park, and Springwater Corridor Trail clean up and plantings. Finally, PDC has assisted the Bureau of Environmental Services to enhance the Johnson Creek watershed through projects such as Zenger Farm.

► **Economic Development Assistance** **\$5.7 Million**

Since 1998, the Storefront Improvement Program has approved over 66 matching grants for local businesses, the sum of which has exceeded \$660,000. In 2007, PDC assisted with the relocation of the Ararat Bakery from Martin Luther King Jr. Blvd to the Lents Town Center, which included a storefront improvement grant and business assistance. There were also more than \$4.5 Million committed to economic development assistance loans that resulted in over \$11 Million in private investment. Direct assistance to small businesses has led to over 183 jobs being created or retained. Economic development also provides a matching grant program to support sustainable and lean operations that will reduce risk, lower operational costs, and have less of an environmental impact.

Work in Progress

PDC will continue its efforts to accomplish the goals identified in the LTC URA Plan. PDC's Adopted Budget for FY 2007-08 has over \$11.48 Million identified for projects and programs. The FY 2008-09 Forecasted Budget has \$7.97 Million slated for the same priority areas described below:

FY 2007-08 Adopted Budget:

Current project work focuses in four primary areas: Town Center Revitalization, Public Improvements, Affordable Housing, and Business Assistance. Together, these efforts seek to strengthen the neighborhood and the town center, preserve and support new housing, and rebuild infrastructure.

Programs/Projects	
LTC Redevelopment	\$1,590,000
Freeway Land	\$250,000
Commerical Corridor Assistance	\$500,000
Parks & Open Space Improvements	\$1,244,000
Streets & Sidewalks (LID)	\$150,000
Transportation Improvements	\$750,000
LTC SE 92 nd Ave Redevelopment	\$50,000
Foster School Reuse	\$700,000
Housing	\$4,755,904
Business Assistance	\$1,400,000
Central Services	\$90,000
PROJECT TOTAL	\$11,479,904

FY 2008-09 Budget Forecast:

Project work continues to focus in the same three primary areas. Together, these efforts seek to strengthen the town center; rebuild infrastructure, and preserve and support new housing to help activate the neighborhood.⁶

Programs/Projects	
LTC Redevelopment	\$1,815,000
Commerical Corridor Assistance	\$500,000
Transportation Improvements	\$900,000
LTC SE 92 nd Ave Redevelopment	\$700,000
Housing	\$2,640,000
Business Assistance	\$1,400,000
Central Services	\$20,000
PROJECT TOTAL	\$7,965,000

- Adopted FY 2007-08 Budget projects also reflect the implementation goals and actions associated with recent activity of existing projects in and near the town center, including:
 - *SE 92 Ave Redevelopment (redevelopment of the Lents Little League Site)*
 - *Freeway Lands Feasibility*
 - *Schools Family Housing: Foster School Master Plan/ Reuse/ Redevelopment*

Leverage

- Current LTC URA infrastructure investments are focused on the MAX Green Line, local streets, parks and open space, and major street improvements along SE Foster and 104th Ave. LTC URA funds have leveraged approximately \$2.93M of federal transportation funds (MTIP) for street projects within the URA and TriMet has

⁶ The FY 08-09 Forecast above was projected in mid 2007 as part of the budget process for FY 07-08. The actual FY 08-09 Requested Budget, published in February 2008, differs from those amounts indicated above.

secured approximately \$424M in federal transit funds for the MAX Green Line. In 2006 the Bureau of Environmental Services (BES) secured a \$2.7M grant from FEMA for floodplain restoration and mitigation.

- LTC URA funds have also been leveraged with federal and state funds for affordable housing. For example, the Lents Town Center Plaza project, which included other “scattered site” units, \$1.24M in TIF was leveraged with \$3.1M in state administered tax credits and \$307,000 in other state and local funds.

Work Unfunded

There are numerous projects that are reflected in adopted policy through the URA Plan, have the support of area stakeholders, and would implement LTC URA Plan strategies, but will be unfunded within four years, and some as soon as after next fiscal year.

Lents Town Center Redevelopment

At least three undeveloped blocks in the Town Center are examples of key redevelopment sites that are either owned by PDC or have potential for a public/private partnership in the core area of Lents Town Center. Each of potential project could be a catalyst in terms of generating more interest from private investors in other areas of LTC and generate TIF to fund additional projects in the URA.

Freeway Land

The privately owned Freeway Land was identified as one of seven key citywide sites by the PDC/City Council Budget workgroup. This 100-acre, industrial zone, located next to I-205 and light rail, has great potential for locating a job generating user. As an economic development opportunity, it currently has no budget allocation beyond this fiscal year.

Without dedicated funds to provide infrastructure and business assistance, PDC may not have the financial capability to attract a larger employer when the market materializes. This project is also an opportunity to create another sustainable/environmental development on urban wetlands.

Public Improvements

There are numerous unfunded public improvement projects that are adopted City policy for local streets and sidewalks, parks, transportation, and watershed enhancement, that will go unfunded because the demand for resources far outpaces the availability of URA and city funds through 2011.

Affordable Housing Challenges

The total housing stock in Lents is approximately 8,300 units (single family, multifamily, rental and ownership) according to the 2000 Census. Of these, approximately 300 are subsidized, rent-restricted affordable rental units and another 531 are affordable senior housing units with some form of federal or state contract. Lents has been considered a fairly affordable area of town for both rental housing and homeownership, but as rent and homeownership costs increase citywide, a major challenge will be to preserve the existing affordability of housing there and meet the needs of existing Lents residents – 45 percent of whom are already paying at least 30% of their income on housing costs. Market data shows that rents across Portland rose six to nine percent in 2006 and vacancy rates are dropping,

indicating that finding affordable rental housing in the marketplace is increasingly difficult for lower income people. Current PDC forecasts show rental housing funding of about \$6 Million over the next five years (enough to fund approximately 60-150 units). With the new TIF Set Aside policy in place, this funding must be used for 0-50 percent MFI rental housing. The MFI for Lents is estimated at \$40,472 (2002 Census) citywide, 100 percent MFI for a family of four in 2007 is \$63,800. The challenge will be spreading available funding between opportunities for new housing development projects and the need to rehabilitate and preserve existing, poor-quality rental stock. PDC's homeownership funding remains fairly stable, but a challenge is marketing and outreach about available programs for new homebuyers and home repair programs for low income homeowners to ensure maximum utilization of these resources. Another challenge for both rental and ownership housing is meeting the needs of larger family sizes and the burgeoning immigrant population in the Lents area.

Business Assistance

PDC will continue to implement the Economic Development Strategy but is faced with funding obstacles due to demand for services. The Foster Road business district consists of older buildings that still need capital improvements. PDC will work with business and property owners to implement façade improvements and business assistance projects. This will increase the commercial viability of the area, which is needed to attract quality businesses and jobs. Also, industrial land sites need to be identified. Current employers needing to expand or relocate are finding it difficult to identify available land that is appropriately zoned, free of environmental constraints, and has utility infrastructure in place.

PROJECT IDENTIFICATION AND CONSISTENCY WITH GOALS

For the LTC URA Plan Amendment Study, a prospective project list was compiled from all specific projects suggested by the URAC, neighborhood residents and businesses, general public, elected officials, City bureaus, and PDC staff. The list served as the framework for a variety of activities in the evaluation process, including:

- Review and prioritize specific projects to ensure alignment with the goals of the community and the URA Plan;
- Outline future activity in the district to help estimate TIF generation and uses; and
- Generate more general objectives to inform future planning and redevelopment in the URA.

Table 1 is a working list of potential projects at this moment in time and will likely change over time as priorities change and opportunities arise. It also is expected that not all of the listed projects will be undertaken. PDC is an entrepreneurial agency, seeking to form partnerships and leverage other public and private funds to take advantage of opportunities and market conditions as they present themselves. Many of these potential projects are dependent on other sources of funding and market factors. Funding of specific projects will continue to occur through the annual budget process with the ultimate decision residing with the PDC Board of Commissioners and Portland City Council.

Over the course of three meetings, subcommittee members ranked the prospective projects based on estimated project costs, leverage of other public and private funds, alignment with URA Plan goals, community-wide public participation findings and a financial analysis conducted by consultants. The final list of prospective projects is presented in the table below. Please note that the final proposed uses of tax increment revenue, modified from this prospective project list to align with the expected revenue schedule, are presented in Section IV of this report.

Prospective Project List Definitions

Project description: Brief narrative of project purpose and scope.

Total cost/value estimate: Total estimated cost or value of a project, including PDC investment and other public and private funding. Various methods were used to estimate total project cost/value, including analyzing current zoning and development standards, market conditions and construction costs for commercial and housing development projects; extending current program cost levels for projects such as Storefront Grants and NHP Homeownership Programs; and using comparable projects to estimate cost for projects such as the Lents Town Center Art Gateway project.

PDC investment estimate: PDC investment estimate needed to complete a project. Estimation methods include continuing current expenditures, identifying gaps in potential project costs and using comparable projects to estimate needed investment.

Financial leverage estimate: Ratio of PDC investment to total cost estimate illustrating other private and public funds contributed to the project.

Correspondence with original URA Plan (1998) Goals: The original LTC URA Plan goals are Neighborhood Revitalization, Commercial Revitalization, Housing Employment, Environment, Transportation, Parks, Recreation and Open Space, and Community Identity. An additional goal, Public Involvement, is assumed to be included in every project. PDC staff identified the primary (X) and secondary (x) goals of each prospective project in a goals matrix, which was reviewed by subcommittee members and other City bureaus.

FINANCIAL ANALYSIS

Consultants Jeff Tashman and Elaine Howard conducted financial analyses throughout the evaluation process to support subcommittee members in prioritizing prospective projects and to estimate the additional debt capacity or maximum indebtedness of an amended LTC URA. The subcommittee requested a quantitative analysis for each of the proposed projects that in theory would be a more accurate picture of TIF generation for each project. While a detailed financial analysis of all prospective projects was not feasible, consultants provided the following general guidelines of TIF generation for projects:

- Expenditures on street and streetscape improvements may generate increased tax increment revenues indirectly, but the amount and timing depends on the level of private investment in new development and rehabilitation of uses that pay property taxes.

- Expenditures on affordable housing are commonly made for projects that are property-tax exempt and do not directly generate any tax increment revenues.
- Expenditures for land acquisition may generate increased tax increment revenues directly, but the amount and timing depends on the level and pace of private investment in new development and rehabilitation of uses that pay property taxes.
- Expenditures on assistance to property owners and developers such as pre-development studies, storefront grants, business assistance, gap financing and land write-downs, will generate tax increment revenues directly in the development is for a property tax paying use.

Ultimately, the consultants recommended pursuing a variety of future activities that balance TIF generation with pursuing the completion of other community and URA Plan goals.

To estimate the additional maximum indebtedness, the consultants conducted an analysis of future tax increment revenues with and without the two expansion areas using three growth rate scenarios. The financial projections are based on County Assessor's data (2000-2007) and City of Portland building permit activity (2000-2006). The trend scenario uses the historic 4% growth rate observed in LTC URA between 2000 and 2006. The conservative scenario uses a 3% growth rate, and the aggressive scenario uses a 6% growth rate. The consultants recommended using the trend scenario to estimate future tax increment revenues in the existing LTC URA and the conservative scenario for the two expansion areas, Foster Road and Powell Blvd/ 122nd Avenue. All scenarios assumed extension of the district to 2020. The table below illustrates the maximum indebtedness for each alternative.

Table 2: Maximum Indebtedness Alternatives

Last Date for Issuance of Debt (All Alternatives)	2020
Bonds Repaid (All Alternatives)	2026
1. Existing URA (No Expansion) Assumes trend scenario (4.4% Growth)	
Added Maximum Indebtedness	162,000,000
2. Foster Road Expansion Area Assumes conservative scenario in expansion area (3% Growth)	
Added Maximum Indebtedness	6,600,000
<i>Subtotal</i>	168,600,000
3. Foster Road and Powell Blvd/ 122nd Ave Expansion Areas Assumes conservative scenario in expansion areas (3% Growth)	
Added Maximum Indebtedness	1,900,000
<i>Subtotal</i>	170,500,000
URAC Recommendation for Additional Maximum Indebtedness	170,000,000
Existing Maximum Indebtedness (1998)	75,000,000
TOTAL MAXIMUM INDEBTEDNESS	245,000,000

The debt capacity is estimated at \$162M for Alternative 1 (No Expansion). If the expansion areas are added, the total debt capacity can be raised slightly more to \$168M for Alternative 2 (Foster Road) and up to \$170M for Alternative 3 (Powell Blvd/122nd Ave).

As has been noted, the continuation of historic trends in increases in assessed value results in substantial additional bonding capacity if the last date for issuance of bonds is extended. Therefore, an increase in the maximum indebtedness would be supportable at the levels shown if the time for issuance of debt was extended to June 30, 2020. As with previous analyses provided to the subcommittee, the addition of the expansion areas does not make a major difference in the maximum indebtedness. The addition of both areas adds about 5% to the maximum indebtedness supportable by the existing area.

The projected additional maximum indebtedness figures varied slightly from those estimated earlier in the process, because in the previous analyses the total assessed value of the expansion areas was assumed to grow at the same rate as the existing area. If lower rates of growth for the expansion areas are applied, this results in a smaller increase in maximum indebtedness as a consequence of expansion.

It is important to understand that maximum indebtedness figures do not equal funds available for projects and programs. The maximum indebtedness is the amount *borrowed*. From this amount are subtracted issuance costs, which are substantial (~ 2%) for long term debt, indirect costs, administrative costs and potentially other costs related to implementing an urban renewal plan. These costs will be budgeted in the expenditures and exacted from the total revenues as part of the URA Plan & Report.

Assessed Value Growth in Lents Town Center URA

The success of urban renewal is measured by many factors including projects, programs, and civic pride. However, there is one key indicator of success that all urban renewal agencies use to evaluate: growth in assessed value. Recently, as part of an agency wide effort to measure performance of URAs, PDC calculated growth in assessed value per acre compared to the rest of the city without URAs. Based on this analysis, the assessed value per acre in the Lents Urban Renewal Area grew 17% percent compared to 13% for the rest of the City *outside* of urban renewal areas, over a seven year-period FY 2000-01 through FY 2007-08.

III. PUBLIC INVOLVEMENT REPORT

The Portland Development Commission (PDC) adopted the Public Participation Policy in 2005, which requires major policy decisions, such as amendments to urban renewal plans, to include public participation plans as part of the process. The Lents Town Center Urban Renewal Area Plan Amendment Study included a detailed public participation plan, the activities and results of which are summarized in this section.

The public participation plan, approved in early July 2007, was conceived as an extensive grassroots public campaign aimed to involve as many stakeholders and local residents, especially those that do not regularly participate in this kind of civic processes, as possible. The plan called for a variety of tools to be used to inform the stakeholders and the general public about the purpose and progress of the subcommittee deliberations on the future of the Lents Town Center Urban Renewal Area (LTC URA), and to provide them with opportunities to make comments and provide feedback to the subcommittee and PDC staff.

The study area included the existing LTC URA and the potential expansion areas along SE Foster Road (from 50th to 79th Avenues), and the north and east side of SE Powell Boulevard and SE 122nd Avenue, respectively. PDC staff in charge of implementing the public participation plan made efforts to provide information to, and solicit comments and input from, stakeholders and general public within the study area outlined above, and from its adjacent neighborhoods.

Following the implementation of the public participation plan, between August and October 2007, PDC staff made eight presentations about the study to community organizations and groups, conducted outreach at nine local events, organized an open house, and conducted two mailings. The following table presents these efforts in more detail:

Public Participation Activities:

Date	Event
Presentations to Community Organizations and Groups	
August 14, 2007	Foster Area Business Association
August 28, 2007	Lents Neighborhood Association
August 28, 2007	82 nd Avenue of Roses Business Association
September 10, 2007	Foster-Powell Neighborhood Association
September 17, 2007	Southeast Uplift Land Use Committee
September 27, 2007	Housing Subcommittee (Lents Town Center URAC)
October 3, 2007	Mt. Scott-Arleta Neighborhood Association
October 9, 2007	Creston-Kenilworth Neighborhood Association
Outreach at Local Community Events	
April 28, 2007	Lents Resource Fair (Marshall High School)
August 2, 2007	Lents Music in the Park Benefit (Lents Park)
August 7, 2007	National Night Out - Foster-Powell Neighborhood (Kern Park)
August 7, 2007	National Night Out - Lents Neighborhood (Lents Park)
August 7, 2007	National Night Out - Powellhurst-Gilbert Neighborhood
August 19, 2007	Lents Founder's Day (Lents Park)
August 19, 2007	Lents Music in the Park (Lents Park)

September 9, 2007 Lents International Farmers' Market (Lents Plaza)
September 9, 2007 Lents Music in the Park (Lents Park)
September 15, 2007 Fun on Foster (Laurelwood Park)

Other Activities

August 30, 2007 Post card mailed to all LTC URA residents inviting them to the Open House
September 11, 2007 LTC URA Plan Amendment Study Open House
October 5, 2007 Survey mailed to target area (mainly Powellhurst-Gilbert Neighborhood)

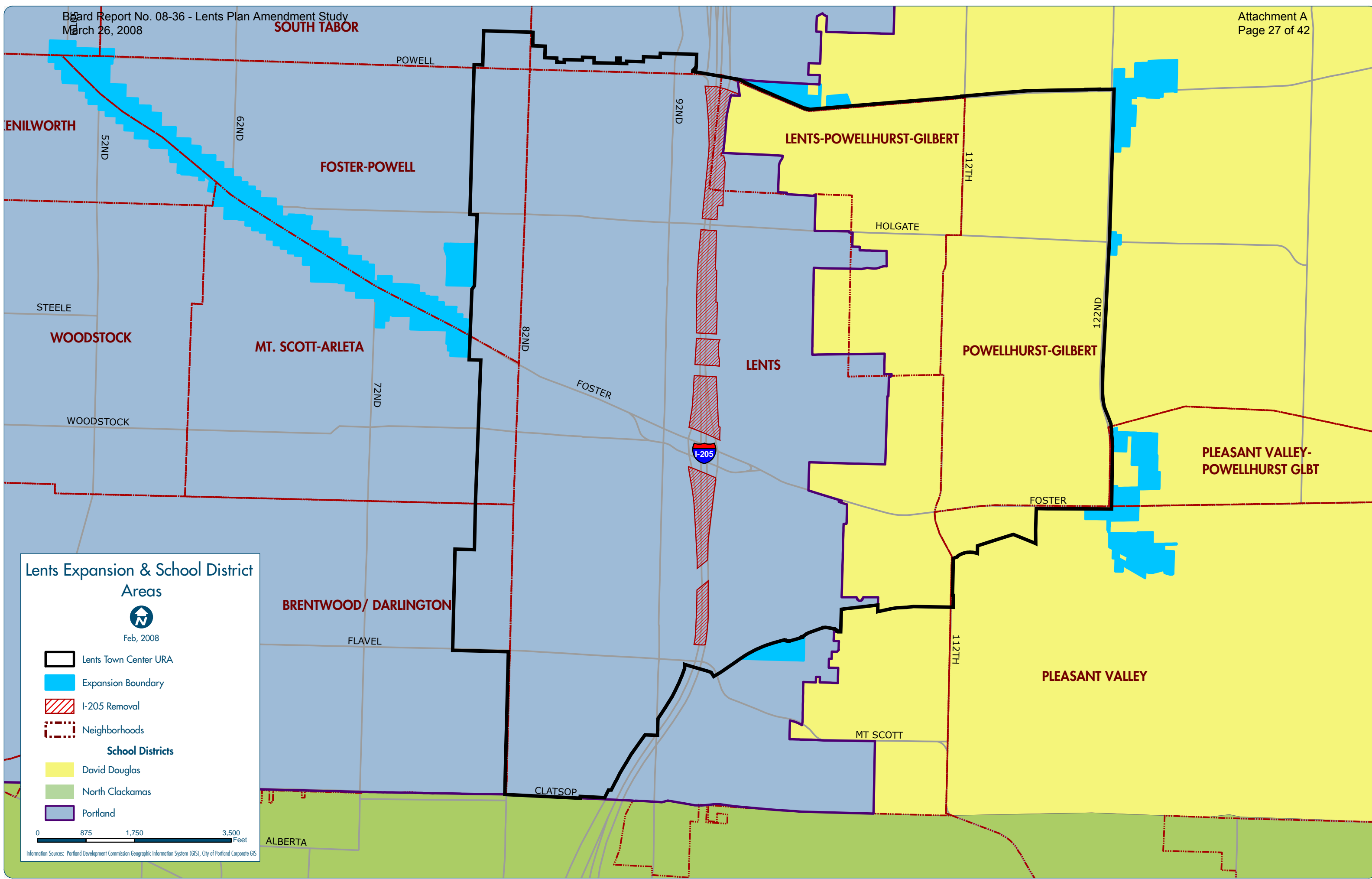
The main mechanisms used to collect information from the public were a survey and a comment card. The survey contained 13 structured questions designed to elicit public feedback on what types of urban renewal projects they considered to be more important than others, and obtain their opinion about the expansion of the LTC URA. The comment card allowed the public to provide input on additional subjects not covered in the survey.

PDC staff encouraged the public to provide input at the presentations and outreach activities specified above. Staff also created and regularly updated the project webpage (at the time it was www.pdc.us/ura/future-of-urban-renewal/lents-town-center.asp), which contained both the survey and comment card, and the notes and materials from all the Plan Amendment Subcommittee meetings. Staff encouraged the public to visit the webpage to fill out the electronic survey and/or comment card, and to learn more about the project and subcommittee's work.

In early October 2007, staff mailed the survey to approximately 5,000 residents primarily in the Powellhurst-Gilbert neighborhood (although it included residents of the Lents and Pleasant Valley neighborhoods as well). The reason for this mailing was the until-then low rate of response from residents of that area to the survey. The mailing was successful in generating more survey responses from this target area.

PDC received 181 total survey responses. For a sample of the survey and a complete analysis of the responses, please see **Appendix B**.

The following map illustrates the affected neighborhood associations and school district boundaries within the existing and proposed expansion areas. These organizations played an important role in public participation in Lents URA and in Portland.



Lents Expansion & School District Areas

Feb, 2008

Legend:

- Lents Town Center URA
- Expansion Boundary
- I-205 Removal
- Neighborhoods

School Districts

- David Douglas
- North Clackamas
- Portland

0 875 1,750 3,500 Feet

Information Sources: Portland Development Commission Geographic Information System (GIS), City of Portland Corporate GIS

Future Opportunities for Public Involvement

The Lents Town Center Urban Renewal Advisory Committee (LTC URAC) approved the study report and recommendations submitted by the subcommittee at their January 8, 2008 meeting. Following the LTC URAC approval, there are three other bodies that will consider the report and recommendations and potentially modify them before they are adopted and the LTC URA Plan is officially amended. These three bodies are: the PDC Board of Commissioners, the Portland Planning Commission, and Portland City Council, in this order.

The PDC Board of Commissioners will consider the LTC URA Plan Amendment Study results, modify them if necessary, and then submit them for further consideration to the Portland Planning Commission. The PDC Board is scheduled to have a formal briefing on the Plan Amendment Study recommendations as submitted by the LTC URAC at their March 26, 2008 meeting. On May 14, 2008, the PDC Board, is tentatively scheduled to vote on the recommendations and forward them to the Portland Planning Commission.

The Planning Commission will do the same, and submit their recommendations to City Council following their June 3, 2008 hearing. City Council has the final decision-making authority to adopt the study results as submitted by the Planning Commission, or modify them if they deem it necessary, or even reject them, although the last alternative is unlikely. City Council is tentatively scheduled to consider and vote on the recommendations during its June 18 and June 25, 2008 meetings.

The LTC URA stakeholders and the general public will have the opportunity to provide further comment and input regarding the Plan Amendment Study results and recommendations at the above-mentioned meetings. The meetings where decisions about the recommendations will be made are open to the public, and will include time for testimony from members of the public who sign up to do so.

PDC is required by State law (ORS 457) governing urban renewal to send a “supernotice” of any intended substantial changes to an urban renewal plan to Portland residents prior to City Council making its decision. In the case of the proposed amendment to the Lents Town Center Urban Renewal Plan, this notice will contain specific dates of the meetings where the general public will have the opportunity to provide further comment and formal testimony on the report and recommended amendment.

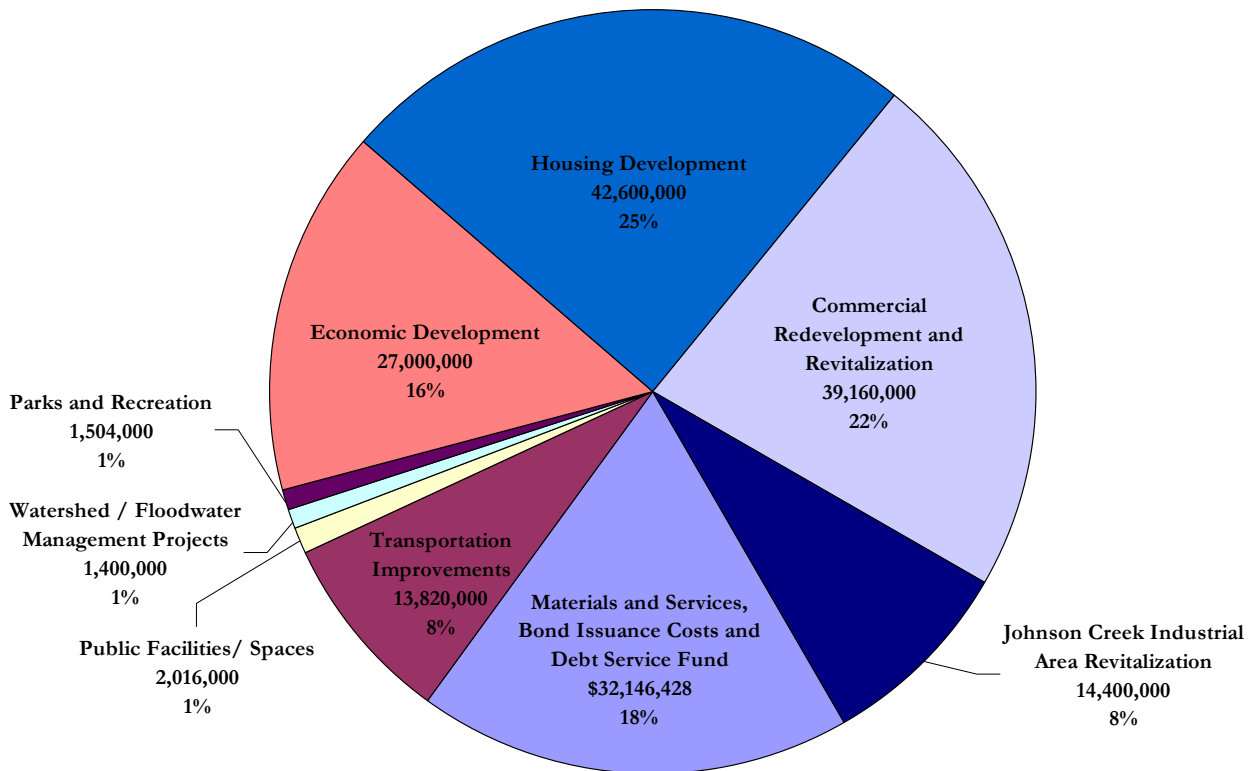
At the time of this report, the following is a *tentative* schedule to review and adopt the URA Plan & Report:

Legislative Body	Date	Purpose
Lents Town Center URAC	March 11, 2008	Status Report
PDC Board	March 26, 2008	Final URAC Report
PDC Board	May 14, 2008	URA Plan & Report
Planning Commission	February 12, 2008	Briefing
Planning Commission	June 3, 2008	Hearing
City Council	June 18, 2008	Hearing – 1 st Reading
City Council	June 25, 2008	2 nd Reading- Adoption

IV. PROPOSED USE OF TAX INCREMENT RESOURCES

The subcommittee approved a list of prospective projects, included in Section II of this report. Staff translated the project rankings into major project and program categories consistent with the original URA Plan, describing how the projected expenditures could be allocated over a twelve-year period from 2008-2020. The prospective project list was further modified by consultants to align with the expected timeline of bond issuance and projected revenue streams for the URA. Final proposed uses of revenues on expenditures (projects/programs) are presented in this section. However, as each project or program is considered in the future it will still need to be fully evaluated through the annual budget process, as well as through normal project specific public participation mechanisms.

Figure 1: Proposed Use of Tax Increment Resources



Housing development is 25% of total URA expenditures when including materials and services, bond issuance costs and the debt service fund. However, housing development expenditures exceed 30% of total direct project costs, meeting the requirement of the housing set-aside.

Additional maximum indebtedness totals \$170,000,000. Proposed tax increment resources total \$174,601,242 due to interest earned.

Public Improvements

Public improvements project categories include transportation improvements, public facilities/spaces, watershed/ floodwater management projects and parks and recreation.

Transportation Improvements: Transportation improvement projects consist of intersection improvements, including signals, pedestrian accommodations and curb extensions; pedestrian improvements, including traffic calming, signal improvements, crossing improvements and sidewalk repair or construction; bicycle improvements, including lane striping and signage; and street improvements, including road surface, storm water control, lights, trees curbs and curb extensions. Transportation improvement focus areas include SE Foster Road, 82nd Avenue, 92nd Avenue, 104th Avenue, 122nd Avenue and an area-wide street improvement program.

Public Facilities/Spaces: Public facilities/spaces projects consist of planning and development activities that serve to integrate resident and public uses with commercial and economic development activities to further investment and community identity. Focus areas include local gateway projects and school infrastructure improvements that address inadequate facilities impacting neighborhood livability.

Watershed/Floodwater Management: Johnson Creek is a major water feature and natural resource that greatly impacts past and future development in the URA. Watershed/floodwater management projects will serve to minimize flood damage to public and private property in the area and encourage the control and on-site management of storm water in existing and new development within the watershed.

Parks and Recreation: Parks are recreational, natural and cultural resources for the community. Projects consist of facilities upgrades to improve accessibility, add new site furnishings and enhance other amenities at area parks.

Table 3: Public Improvement Expenditures by Category

Prospective Projects by Category	Amount
Transportation Improvements	\$13,820,000
T4 - SE Foster @ 96th T5 - SE Foster @ 92nd T6 - Foster Rd Transportation and Streetscape Plan 79th to 90th T17 - Foster Rd Transportation and Streetscape Plan 50th to 79th T7 - Foster Woodstock Streetscape Plan T1 - SE Foster @ 82nd T2 - SE Holgate @ 82nd T3 - SE Duke @ 82nd T8 - SE Powell @ 82nd T10 - SE Powell @ 92nd T13 - 103rd/104th Powell to Holgate and 103rd Harold to Foster T9 - SE Powell @ 122nd T11 - SE Foster @ 122nd T12 - LID Phase 4 (Neighborhood)	
Public Facilities/ Spaces	\$2,016,000
R8 - Lents Town Center Art Gateway R3 - School Redevelopment: Foster School R13 - School Improvements: Alice Ott Middle School R14 - School Improvements: Marysville School	
Watershed / Floodwater Management Projects	\$1,400,000
E3 - South Foster Phase II/III E5 - Stormwater retrofits E2 - Springwater Trail E4 - Springwater Wetlands	
Parks and Recreation	\$1,504,000
P1 - Lents Park (ADA Stadium Improvements, Path Installation and Wading Pool Conversion) P2 - Glenwood Park P3 - Bloomington Park (Wading Pool Conversion and Various Improvements) P4 - Leach Botanical Garden	
Total Public Improvements	\$18,740,000

Housing Development

Housing development project categories include homeowner repair programs, homebuyer programs and housing new development and revitalization/rehabilitation.

Homeowner Repair Programs: Homeowner repair programs provide technical and financial assistance to homeowners for the purpose of making repairs and improvements to their house and property.

Homebuyer Programs: Homebuyer programs provide financial assistance to area residents and employees in purchasing single-family or multi-family homes in the area, and include funds for repair or rehabilitation of the homes.

Housing New Development and Revitalization/Rehabilitation (Rental and Ownership): Housing new development and revitalization/rehabilitation programs provide technical and/or financial assistance to developers of new rental and ownership housing, and property owners making improvements to existing affordable housing stock. This may include development of new affordable senior, workforce or family housing, repair/rehabilitation and preservation of existing low-income rental properties, and development of affordable rental and/or ownership housing as part of mixed-use projects that meet other revitalization goals.

Table 4: Housing Development Expenditures by Category

Prospective Projects by Category	Amount
Homeowner Repair Programs	\$6,200,000
NHP Homeowner Repair programs	
Homebuyer Programs	\$9,320,000
H3 - NHP Homeownership programs	
Housing New Development and Rehabilitation (Rental and Ownership)	\$27,080,000
H4 - New homeownership development	
H13 - Knapp Street Triangle	
H1 - SE 92nd and Harold	
H2 - LTC/TOD Housing Phase II	
H14 - Powell Blvd, Foster, and 122nd Ave Opportunity Sites	
H5 - Schools Families Housing: Foster School	
Total Housing Development	\$42,600,000

Economic Development

Economic development includes the program categories of business finance, storefront grants, business retention, target industry development and community economic development.

Business Finance: Business finance programs provide financial assistance through loans or grants to help businesses grow and create jobs.

Storefront Grants: The Storefront Grant program provides matching cash grants and design assistance to businesses and property owners for exterior property improvements.

Business Retention: Business retention consists of technical assistance for businesses to improve productivity, competitiveness and resource conservation.

Community Economic Development: Community economic development consists of financial assistance, technical assistance and other incentive programs to support commercial corridor revitalization, development of catalytic commercial projects, historical preservation and other opportunities that increase economic activity.

Target Industry Development: Target industry development includes planning and implementation of strategies to support target industries in the area.

Table 5: Economic Development Expenditures by Category

Prospective Projects by Category	Amount
Business Finance	\$16,570,000
ED1 - Business Loans (Existing URA)	
ED4 - Business Loans (SE Foster Rd expansion area)	
Storefront Grants	\$3,730,000
ED2 - Storefront Grants (Existing URA)	
ED5 - Storefront Grants (SE Foster Rd expansion area)	
Business Retention	\$1,100,000
ED3 - Business Retention	
Community Economic Development	\$3,900,000
Projects TBD	
Target Industry Development	\$1,700,000
Projects TBD	
Total Economic Development	\$27,000,000

Commercial Redevelopment and Revitalization

Commercial redevelopment and revitalization includes the project categories of Lents Town Center revitalization, station area redevelopment and commercial corridor revitalization.

Lents Town Center Revitalization: LTC revitalization projects will provide assistance to support development of the business district. Activities include predevelopment and technical assistance, and acquisition, improvement and disposition of real estate.

SE 92nd And Harold Redevelopment: SE 92nd and Harold is a 3.5 acre redevelopment site in the heart of Lents Town Center, currently in the planning phase. The site will eventually contain a mix of uses contributing to the commercial area revitalization goals of the Plan.

Commercial Corridor Revitalization: Commercial corridor revitalization projects and programs target assistance for commercial property redevelopment, retail retention and improvements, and redevelopment opportunities at key locations including 82nd Avenue, 92nd Avenue, SE Foster Road and Woodstock Blvd. in the LTC business district and SE Foster Road between 50th and 82nd Avenues.

Station Area Redevelopment: Station area redevelopment projects will facilitate and assist integration of transit oriented development around Green Line MAX light rail stations areas at Lents Town Center, Powell Boulevard, Holgate and Flavel Streets.

Table 6: Commercial Redevelopment & Revitalization Expenditures by Category

Prospective Projects by Category	Amount
Town Center Revitalization	\$13,200,000
R1 - Ramona Street Revitalization	
R2 - Town Center Revitalization	
SE 92nd and Harold Redevelopment	\$4,800,000
R12 - SE 92nd and Harold Redevelopment	
Commercial Corridor Revitalization	\$13,760,000
R5 - Commercial Corridor Assistance (includes DOS program)	
R15 - Foster Road Revitalization	
R16 - Foster Road Opportunity Sites	
R10 - 122nd Corridor Redevelopments	
R11 - 82nd and Foster	
Station Area Redevelopment	\$7,400,000
R6 - Station Area Redevelopment	
Total Commercial Redevelopment and Revitalization	\$39,160,000

Johnson Creek Industrial Area Revitalization

Johnson Creek Industrial Area Revitalization includes the project categories of financial assistance and access and infrastructure assistance for Foster Road industrial corridor, including the Freeway Land site.

Financial Assistance: Activities will provide assistance for improvements to support employment-generating development.

Access and Infrastructure Assistance: Access and infrastructure assistance will provide technical expertise and/or financial assistance to integrate access and infrastructure, including watershed/flood management planning that improves existing and future economic uses in the Johnson Creek Industrial Area and connectivity with the new MAX Green Line.

Table 7: Johnson Creek Industrial Area Revitalization Expenditures by Category

Prospective Projects by Category	Amount
Financial Assistance	\$8,150,000
ED6 - Freeway Land	
Access and Infrastructure Assistance	\$6,250,000
R7 - Freeway Land	
Total Johnson Creek Industrial Area Revitalization	\$14,400,000

V. IMPACTS & ISSUES CONSIDERED

In addition to evaluating the needs and benefits from urban renewal in LTC URA, the URAC/Subcommittee also considered several other critical questions:

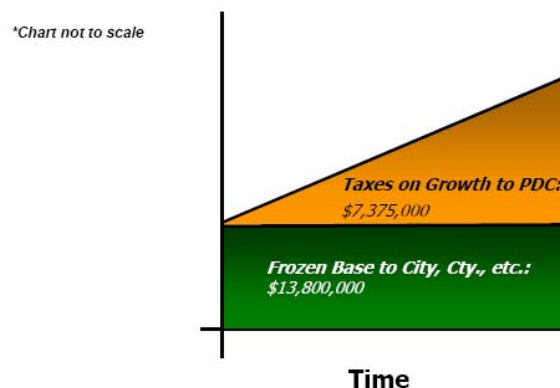
- What is the impact of an extension on overlapping taxing jurisdictions?
- How do Lents Town Center investments support citywide and regional needs and priorities?
- Is urban renewal essential for continued private investment in Lents Town Center?

Consideration was given to these factors in the technical analysis provided by the financial consultants. The subcommittee voiced concerns over the impact to the County and local schools and encouraged direct participation from these stakeholders. Although neither the County, nor the school districts, was available to meet with the subcommittee, PDC staff did share the results of the analysis with these stakeholders over the course of the project. As a result of this concern in Lents and the impact of changes in the Downtown URAs, a joint meeting of the PDC and County Boards is being scheduled in April to discuss these impacts.

Impacts to Taxing Jurisdictions

In 1998, PDC and the City Council designated LTC as a “Window” district. This means it operates in a manner where all property tax revenues generated above the “Frozen Base” flow to urban renewal until all of the debt is retired/defeased.⁷ All taxes within the “Frozen Base” flow to other taxing jurisdictions (City of Portland, Multnomah County, educational districts, Metro, and Port of Portland). The tax revenues generated by the Frozen Base are about \$14M per year. In 2007-2008, Lents Town Center generated over \$7M in TIF revenues above the Frozen Base. The following table illustrates the flow of property tax revenues in Lents:

Figure 2: Lents Town Center URA Flow of Property Taxes FY 2007-08*



⁷ In 1997 PDC and City Council collectively determined “Existing Urban Renewal Plans” should collect no more than \$40M annually in combined tax increment revenues and special levy revenues. The taxes on growth were capped at \$25M annually with a special levy that began at \$10M and grew to \$15M. The decision was based upon: anticipated costs to complete the plans, an effort to minimize impacts to taxpayers, an interest in sharing tax increment revenues with other taxing jurisdictions.

This operating structure differs from other urban renewal areas which were in existence prior to 1996. These older districts, such as Downtown Waterfront URA, function in a manner where a fixed amount of revenue above the Frozen Base is used for urban renewal, and all revenues above the fixed amount flow to taxing jurisdictions (in addition to the taxes in the Frozen Base). Therefore, only a portion of the taxes on growth in property value is used for urban renewal. The remainder of growth in value generates taxes for other jurisdictions. For example, the Central Eastside URA, which is an “Option 1” URA, was recently extended in 2006 to 2018 to allow additional maximum indebtedness (\$150M). As a result, the URA releases about half of the incremental assessed value to overlapping taxing jurisdictions. Conversely, the Downtown Waterfront URA, which was first established in 1974, was extended to April 2008, and over time has released about 60 cents on the dollar of incremental assessed value to overlapping taxing jurisdictions (it releases more than it keeps).

For the Lents Town Center, the decision to increase maximum indebtedness and extend the last date to issue bonds postpones the return of all taxes above the Frozen Base. In November 2007, the subcommittee reviewed the potential impacts to the taxing jurisdictions and considered a range of options. The subcommittee and the URAC were sensitive to this concern, but ultimately believed the extension of debt for five years and retirement of debt for another six years was a sound policy decision given the immediate benefits to the community, the long term growth in assessed value to the taxing jurisdictions, and the relatively short payback period to retire the debt.⁸

In all scenarios considered by the subcommittee, the analysis includes extension of the last date for issuance of bonds to June 30, 2020. It also shows the additional property tax revenues foregone by taxing districts as a result of extending the period of tax increment financing to pay off the increased maximum indebtedness.

Table 8 summarizes the aggregate and annual results of the analysis for each affected taxing jurisdiction from FY 2013-2014 to 2019-20. The evaluation period began in 2010-2011 because it is expected that existing revenues from the original \$75M debt will be exhausted in 2012-13.

**Table 8: Aggregate and Per Year Taxes Foregone by Taxing Jurisdictions
 2013-14 – 2019-20**

Revenues Foregone 2014-2025	Total	Annual
Port of Portland Permanent	\$571,180	\$47,598
City of Portland Permanent	\$37,293,756	\$3,107,813
City of Portland Local Option	\$6,518,463	\$543,205
Multnomah County Permanent	\$35,390,365	\$2,949,197
Multnomah County Local Option	\$7,333,271	\$611,106
Metro	\$787,104	\$65,592
East Multnomah County Soil & Water District	\$582,588	\$48,549
Portland Community College	\$1,540,617	\$128,385
Mount Hood Community College	\$1,327,763	\$110,647
Total		

⁸ See Appendix A – “Financial Memos”

The following table depicts the amount of acreage and percentages in each affected school district and organized into expansion areas as well as the new total acreage.

Table 9: School Districts Areas

School District Areas in Lents Expansion

Area	Acres (Percent)
Portland Public In Expansion	137.08 (67%)
David Douglas in Expansion	67.6 (33%)
Total Expansion Area	204.68

School District Areas in Proposed Lents URA

Area	Acres (Percent)
Portland Public In Lents	1,796.37 (63%)
David Douglas in Lents	1,050.37 (37%)
Total Proposed Lents URA	2,846.74

For K-12 districts and education service districts (ESDs) the state funding formula makes any revenue impacts very indirect. The impact of an expansion or extension in Lents would be indistinguishable from the impact of a new or expanded urban renewal area anywhere in Oregon. The impacts on the community colleges are relatively small because the Urban Renewal Area is a very small portion of their total assessed value.

Where a levy is listed as “permanent” it refers to the maximum property tax rate that the taxing district is permitted to levy each year without voter approval. Where the levy is labeled “local option” it means that the levy must be voter approved for a maximum of five years. To show the revenue impacts on local option levies, we assumed that those levies would be renewed or replaced at the existing rates. Because of when the Lents Town Center Urban Renewal Plan was adopted, it will continue to collect the revenues generated by local option levies (and general obligation bond levies) if and when they are approved. Tax increment financing does not result in foregone property tax revenues for general obligation bond levies, but it does for local option levies.

Local option levies are also especially vulnerable to Measure 5 compression losses (reductions in property taxes paid to meet the Constitutional limits) because by law they are reduced first, to zero if necessary, before the regular “permanent rate” levies are affected. The use of tax increment financing in Portland and Gresham results in additional compression losses to local option levies. The additional impact of tax increment financing of an expanded and extended Lents Town Center Urban Renewal Plan on these levies would be small relative to the innate losses resulting from the Constitutional property tax limits.

The revenues foregone to the taxing districts are in all cases a very small percentage of their overall property tax revenues. Nonetheless the revenues foregone, especially to the City and County, are not insignificant in absolute terms.

Support for Citywide and Regional Priorities

While the need for resources in Lents Town Center exceeds what is available through a five year plan extension, the URAC agrees an extension of an urban renewal district must

provide citywide and regional benefits as well as addressing critical local needs. Urban renewal investments in the LTC must also be able to leverage regional public projects. The URAC/Subcommittee was able to identify important public infrastructure and economic development projects of local and regional significance including the support for redevelopment of the Freeway Land employment center for substantial job creation, leveraging funds for the Foster Streetscape Plan, Town Center, and neighborhood transportation and streetscape projects, and leveraging local and federal funds for floodplain restoration and mitigation of flood water along the Johnson Creek Watershed. The “TIF Set Aside” for affordable housing also ensures a portion of URA resources are used to not only meet Lents area needs and revitalization goals, but also to support citywide and Metro regional housing policies, production targets, and priorities.

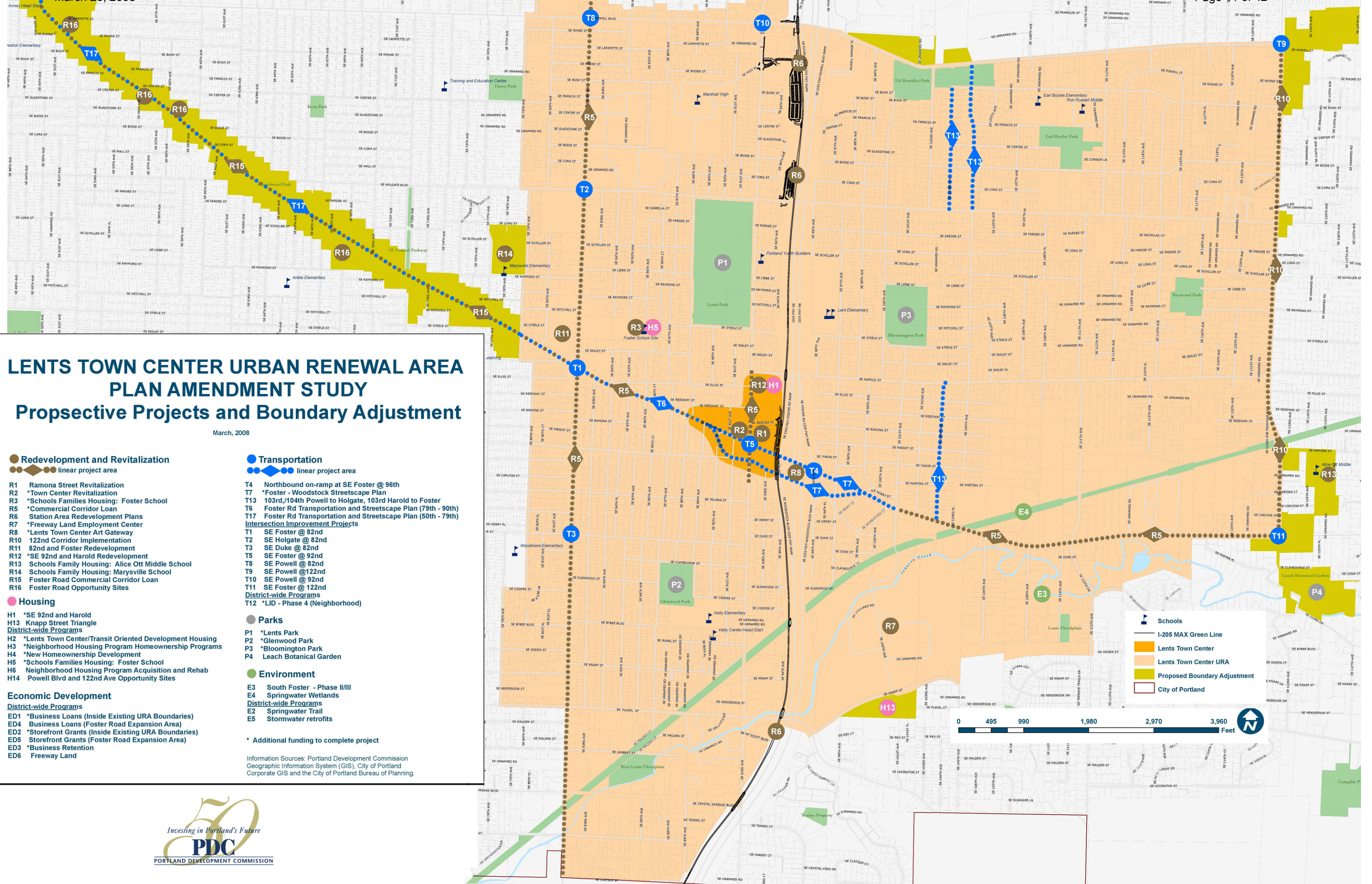
Prospects for Development without Urban Renewal

As part of the evaluation, the URAC/Subcommittee assumed that urban renewal support was essential to meet the development objectives of the URA. In addition, the URAC/Subcommittee heard recommendations from the financial consultants that validated this concern. Concurrently, but separate from the Lents Plan Amendment Study, a market analysis for Lents was completed by a consultant for PDC that also provided important and timely information regarding potential development for office, retail, and light industrial uses. Consultant recommendations noted a positive increase in household incomes, population, and residential building permit activity since 1998, but without urban renewal driven incentives and programmatic advantages (i.e. land assembly, infrastructure investments, etc), it would be difficult to attract a large scale employer, grocery store, or other large businesses. It is unlikely that without these incentive packages contributing to redevelopment costs, let alone direct investments in neighborhood quality of life, private investors and developers would look at Lents as a favorable location for substantial private investment.

While the market, acting alone, will undoubtedly produce development in the Lents Town Center area, the market is more likely to transform the town center central business district with direct public investment. Conversely, without public investment, it is likely that private investment will continue to focus on small residential improvements and limited investments by small business owners. This would not achieve the original goals of the URA Plan, regional goals for land use and transportation, and the community’s desire to redevelop the town center into a thriving center of business and civic activity. If the interests of Outer SE Portland and the community are to be served, something other than just the market and government regulations will need to be available and employed to a large degree in order for the Lents Town Center area to have a positive future and reflects the aspirations of existing city, county, and regional policy.

This knowledge collected over 10 months informed the URAC/Subcommittee on how to best apportion new resources based on the categories discussed earlier in the report. While there is always an opportunity to consider alternative methods of policy implementation, there is a limit to the availability of other tools to achieve the community’s goals. Throughout the process, no one has argued that Lents and the expansion areas do not qualify as blighted areas so the conversation among the community was more focused on getting the job done by using the original plan. To this end, the Lents Town Center Plan Amendment Study has focused on a balance of investments in public infrastructure,

redevelopment projects, housing, and economic development and strategic additions that would have the greatest impact and opportunity. All of these focus areas need TIF to leverage other public and private sources to generate additional TIF, improve the overall tax base for other taxing jurisdictions, and have resources available for economic development opportunities which may arise over the next twelve years. It is the hope of the URAC/Subcommittee that these achievements can be made in addition to the accomplishments that have already transformed portions of the URA. This transformation cannot be done without urban renewal as a key tool.



LENTS TOWN CENTER URBAN RENEWAL AREA PLAN AMENDMENT STUDY Propsective Projects and Boundary Adjustment

March, 2008

Redevelopment and Revitalization

- R1 Ramona Street Revitalization
- R2 *Town Center Revitalization
- R3 *Schools Family Housing: Foster School
- R5 *Commercial Corridor Loan
- R6 Station Area Redevelopment Plans
- R7 *Freeway Land Employment Center
- R8 *Lents Town Center Art Gateway
- R10 122nd Corridor Implementation
- R11 82nd and Foster Redevelopment
- R12 *SE 92nd and Harold Redevelopment
- R13 Schools Family Housing: Alice Ott Middle School
- R14 Schools Family Housing: Marysville School
- R15 Foster Road Commercial Corridor Loan
- R16 Foster Road Opportunity Sites

Housing

- H1 *SE 92nd and Harold
 - H13 Knapp Street Triangle
- ### District-wide Programs
- H2 *Lents Town Center/Transit Oriented Development Housing
 - H3 *Neighborhood Housing Program Homeownership Programs
 - H4 *New Homeownership Development
 - H5 *Schools Families Housing: Foster School
 - H6 Neighborhood Housing Program Acquisition and Rehab
 - H14 Powell Blvd and 122nd Ave Opportunity Sites

Economic Development

- ### District-wide Programs
- ED1 *Business Loans (Inside Existing URA Boundaries)
 - ED4 Business Loans (Foster Road Expansion Area)
 - ED2 *Storefront Grants (Inside Existing URA Boundaries)
 - ED5 Storefront Grants (Foster Road Expansion Area)
 - ED3 *Business Retention
 - ED6 Freeway Land

Transportation

- T1 SE Foster @ 82nd
- T2 SE Holgate @ 82nd
- T3 SE Duke @ 82nd
- T5 SE Foster @ 92nd
- T8 SE Powell @ 82nd
- T9 SE Powell @ 122nd
- T10 SE Powell @ 92nd
- T11 SE Foster @ 122nd
- T12 *LID - Phase 4 (Neighborhood)

Parks

- P1 *Lents Park
- P2 *Glenwood Park
- P3 *Bloomington Park
- P4 Leach Botanical Garden

Environment

- E3 South Foster - Phase I/III
 - E4 Springwater Wetlands
- ### District-wide Programs
- E2 Springwater Trail
 - E5 Stormwater retrofits

* Additional funding to complete project

Information Sources: Portland Development Commission
Geographic Information System (GIS), City of Portland
Corporate GIS and the City of Portland Bureau of Planning.



APPENDICES:

In order to encourage sustainable use of resources, Appendices A-B can be found on the Future of Urban Renewal website: <http://www.pdc.us/four/lents/default.asp>.

If you require a printed copy of an Appendix, please call (503) 823-3331 to request one.

Appendix A: Meeting Packets - Agendas, Rosters, & Minutes,

Meeting No. 1 - August 15, 2007: Subcommittee Charter, Evaluation Criteria, & ORS 457

Meeting No. 2 – September 19, 2007: Preliminary Financial Analysis, How Tax Increment Works, Prospective Project List & Map

Meeting No. 3 – October 17, 2007: Prospective Project Instructions, List, Map, & Follow Up Financial Analysis

Meeting No. 4 – November 14, 2007: Public Participation Analysis, Prospective Project List Ranking Results, & Preliminary Policy Recommendations

Meeting No. 5 – December 12, 2007: Prospective Project List Ranking Results By Maximum Indebtedness, Revised Investment Estimates by Operating Department, Refined Financial Analysis, Subcommittee Recommendations Worksheet, & 2007 URAG Criteria Preliminary Evaluation

Appendix B: Survey Results & Example of Survey

Board Report No. 08-36 - Lents Plan Amendment Study
March 26, 2008

Attachment B
Page 1 of 8

April Courtney
Foster Area Business Association, Vice President
4704 SE 65th Ave
Portland, OR 97206

February 6, 2008

To the Members of the Portland Development Commission, Planning Commission, City Council,
and Interested Citizens:

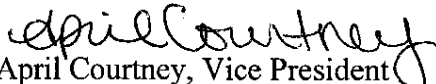
RE: Lents Town Center Urban Renewal Area Plan Amendment Study

I am writing in my capacity as Vice Chair on behalf of the Foster Area Business Association (FABA), and with support of the FABA board to ask for your acceptance of the Lents Town Center Plan Amendment Study Recommendations and Final Report and approval of the forthcoming URA Plan & Report. The Foster Road corridor, which includes a number of small businesses and residents, is currently part of the Urban Renewal Area. As part of the plan amendment study process we have carefully reviewed and recommended an expansion along Foster Road from the existing boundary at 79th Street to 50th Street. With this expansion, PDC funds from the Lents Town Center Urban Renewal Area will assist our efforts in revitalizing the business district and surrounding neighborhoods by attracting additional private investment in an area that is just beginning to flourish.

More specifically, these funds will provide grants and loans to help grow local businesses and beautify the gateway to the Lents Town Center, encourage the redevelopment of underutilized properties on a transit corridor, and, at last, help provide assistance in implementing the Foster Road Transportation and Streetscape Plan that was completed in 2003, but has since remained on the shelf because of a lack of funds. All of these opportunities were recommended as part of the plan amendment process that we participated in over the last year and fully support as approved by the Urban Renewal Advisory Committee on January 8, 2008. This plan amendment was developed with considerable community outreach and public participation, including our organizations.

We appreciate the focus and attention that is needed for the Foster Corridor. We believe with a small amount of public investment we will not only spur more private investment, but we will change the face of the corridor that everyone can appreciate and be proud to call their own.

Sincerely,


April Courtney, Vice President
Foster Area Business Association
503-423-8358



PORTLAND PUBLIC SCHOOLS

501 North Dixon Street / Portland, Oregon 97227
Mailing Address: P.O. Box 3107 / Portland, Oregon 97208-3107
Telephone: (503) 916-3741 • FAX: (503) 916-2724
E-mail: schoolboard@pps.k12.or.us
BOARD OF EDUCATION

Ruth Adkins
Sonja Henning
Bobbie Regan
Dan Ryan
Trudy Sargent
Dilafuz Williams
David Wynde

Antoinette Myers
Student Representative

RECEIVED
FEB 15 2008
Portland Development
Commission

Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209-3859

February 11, 2008

Dear Commissioners:

We are writing to support the proposed expansion of the Lents Urban Renewal Area to include Foster Road and Marysville School.

Marysville School has a long and rich history serving children and families in Southeast Portland. Marysville has a warm and caring environment, filled with individual and cultural diversity, respectful relationships and powerful community partnerships, which together form the foundation for student success.

We are deeply committed to building relationships between schools and communities, and part of that commitment means investing in our buildings as an integral part of the community and a place of pride for the neighborhood.

The school serves a population that lives within the urban renewal area, thus allowing us to work together for mutual benefit and in a way that meets goals of the urban renewal area.

In an area where housing is in high demand and the student population continues to increase, an investment in the infrastructure of the community, particularly the neighborhood school, will yield an excellent return.

We appreciate the collaborative relationship that is growing between Portland Public Schools, the City of Portland, and the Portland Development Commission and are pleased to support the vision we all have for revitalization.

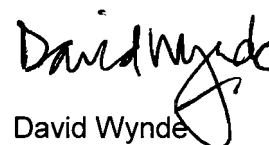
Sincerely,



Dan Ryan
Co-Chair



Dilafuz Williams
Co-Chair



David Wynde
Director



PORTLAND PUBLIC SCHOOLS

501 N. Dixon Street • Portland, OR 97227
Telephone: (503) 916-3200 • Fax: (503) 916-3110
Mailing Address: P.O. Box 3107 / 97208-3107
E-mail Address: csmith1@pps.k12.or.us

Carole Smith
Superintendent

~~OFFICE OF THE SUPERINTENDENT~~

February 11, 2008

Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209-3859

Dear PDC Board of Commissioners, Planning Commission, and City Council:

RE: Marysville School/Marysville Neighborhood Park Project

When we embarked on our current “Reshape Schools: Space and Place” effort, to identify the needs of our school district facilities, we established a set of guiding principles to shape our work, one of which was to...

...create facilities that serve the community, and enlist the community in service to children and youth. This means seeing schools as learning places and as community places. It means partnerships at all levels – government, business and neighborhood – to create better school facilities and to provide the services students and families need.

Marysville School, and the potential of the park area around it, is a perfect example of this principle.

Schools have *always* been centers of their community to one degree or another. But as our “Reshape Schools” agenda suggests, we want to see that concept expanded. Marysville School and its adjoining property, with its strategic location in the heart of the Lents neighborhood, serve as a gathering place for many families living in this area. That gathering place could be substantially enhanced.

What better way to accomplish that than to realize the vision of the Marysville Neighborhood Park Project, an undertaking that could be greatly assisted by expanding the Lents Town Center Urban Renewal Area to include the Marysville School property, using the tax increment resources that such a boundary expansion would allow.

We believe this project represents the essence of our strong City/Schools partnership, and another example of public-private cooperation to assist community-building. The objectives of Lents Town Center revitalization are achieved by enhancing a true community resource – Marysville School – benefiting the Lents community, and particularly the diverse families that reside there.

PORTLAND DEVELOPMENT

FEB 20 2008

RECEIVED

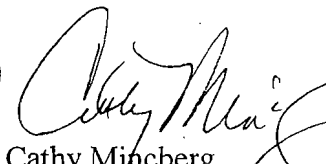
March 26, 2008

We appreciate all the work of the PDC staff and neighborhood representatives who have devoted time to this process. We would be very grateful if you would join this effort by supporting the Urban Renewal Advisory Committee's recommendation to expand the Lents Urban Renewal Boundary to include Marysville School.

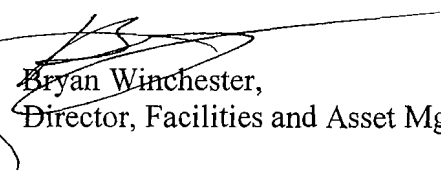
Sincerely,



Carole Smith,
Superintendent



Cathy Minberg,
Chief Operating Office



Bryan Winchester,
Director, Facilities and Asset Mgt.

cc: Jacque Shayne, Principal, and the Marysville Community
Amy Miller Dowell, PDC



February 28, 2008

To the Members of the Portland Development Commission, Planning Commission, City Council, and Interested Citizens:

RE: Lents Town Center Urban Renewal Area Plan Amendment Study

I am writing in my capacity as Chair on behalf of the Foster-Powell Neighborhood Association to ask for your acceptance of the Lents Town Center Plan Amendment Study Recommendations and Final Report and approval of the forthcoming URA Plan & Report. The Foster Road corridor, which includes a number of small businesses and residents, is currently part of the Urban Renewal Area. As part of the plan amendment study process we have carefully reviewed and recommended an expansion along Foster Road from the existing boundary at 79th Street to 50th Street. With this expansion, PDC funds from the Lents Town Center Urban Renewal Area will assist our efforts in revitalizing the business district and surrounding neighborhoods by attracting additional private investment in an area that is just beginning to flourish.

More specifically, these funds will provide grants and loans to help grow local businesses and beautify the gateway to the Lents Town Center, encourage the redevelopment of underutilized properties on a transit corridor, and, at last, help provide assistance in implementing the Foster Road Transportation and Streetscape Plan that was completed in 2003, but has since remained on the shelf because of a lack of funds. All of these opportunities were recommended as part of the plan amendment process that we participated in over the last year and fully support as approved by the Urban Renewal Advisory Committee on January 8, 2008. This plan amendment was developed with considerable community outreach and public participation, including our organizations.

We appreciate the focus and attention that is needed for the Foster Corridor. We believe with a small amount of public investment we will not only spur more private investment, but we will change the face of the corridor that everyone can appreciate and be proud to call their own. Neighbors are extremely excited about the prospect of actualizing the Main Street potential of Foster Road and the Lents Town Center, and the possibility of better uniting the Foster-Powell and Lents neighborhoods.

Sincerely,

Erica Bjerning, Chair
Foster-Powell Neighborhood Association

cc:
Lents Town Center Urban URAC
Amy Miller Dowell, PDC

Board Report No. 08-36 - Lents Plan Amendment Study
March 26, 2008

Attachment B
Page 6 of 8

DATE: Mar. 12, 2008

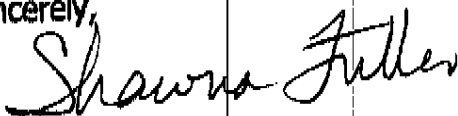
To the Portland Development Commission Board, Planning Commission, City Council,
and Interested Citizens:

RE: Lents Town Center Urban Renewal Area Plan Amendment Study

As Chair of the Mt. Scott-Arleta Neighborhood Association, I urge you to accept the Lents Town Center Plan Amendment Study Recommendations and Final Report and to approve the forthcoming URA Plan & Report. Our neighborhood has taken a great interest in this project because of the impact that Foster Road has on us, as well as SE Portland as a whole. Currently there are many empty storefronts, traffic issues, and a great need to revitalize this area. Mt. Scott-Arleta fully supports the Urban Renewal Study recommendations and Final report (as approved by the advisory committee on January 8th, 2008). We look forward to its adoption and implementation.

We appreciate the focus and attention that the study placed on the Foster Corridor. We believe that a small amount of public investment will not only spur more private investment, but will change the face of the corridor in a way that everyone can appreciate and be proud to call their own.

Sincerely,



Name Shawna Fuller
Title Chair, Mt. Scott-Arleta NA.



Creston-Kenilworth NEIGHBORHOOD ASSOCIATION

P.O. Box 86125
Portland, Oregon 97286-0125

March 13, 2008

To the Portland Development Commission Board, Planning Commission, City Council,
and Interested Citizens:

RE: Lents Town Center Urban Renewal Area Plan Amendment Study

I am writing on behalf of Creston-Kenilworth Neighborhood Association, as authorized at our meeting 2/12/08, to urge your acceptance of the Lents Town Center Plan Amendment Study Recommendations and Final Report, and to approve the forthcoming URA Plan & Report. At present, a segment of the Foster Road corridor, which includes a number of small businesses and residents, is part of the Lents Town Center Urban Renewal Area (LTC URA). After careful review and deliberations, the Plan Amendment Study Subcommittee recommended an expansion of the LTC URA along Foster Road from the existing boundary at 79th Avenue to 50th Avenue. With this expansion, funds from the Lents Town Center Urban Renewal Area will enhance the revitalization efforts in the business district and surrounding residential areas by attracting additional private investment in an area that is just beginning to flourish. A considerable segment of the extension is a border for the CKNA.

In the recommended expansion area, urban renewal funds will provide grants and loans to help grow local businesses, encourage the redevelopment of underutilized properties on a transit corridor, assist in implementing the Foster Road Transportation and Streetscape Plan that was completed in 2003, but was not implemented due to a lack of funds, promotes a consistent corridor, and generally revitalize a significant commercial district that will be used by neighbors. These opportunities were identified as part of the plan amendment process, which was developed with considerable community outreach and public participation, including input from members of our organization. The CKNA supports the LTC URA Study Recommendations and Final Report, as approved by the Lents Town Center Urban Renewal Advisory Committee on January 8, 2008.

We appreciate the focus and attention that the study placed on the Foster Corridor. We believe that a small amount of public investment will not only spur more private investment, but will change the face of the corridor in a way that everyone can appreciate.

Sincerely,

Benjamin Hazelton
Past Chair, CKNA

cc: Lents Town Center Urban URAC
Amy Miller Dowell, PDC