

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** February 10, 2010  
**TO:** Board of Commissioners  
**FROM:** Bruce A. Warner, Executive Director  
**SUBJECT:** Report Number 10-17  
Ninth and Tenth Amendments to the Airport Way Urban Renewal Plan

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

Adopt Resolution No. 6769 & 6770

#### ACTION SUMMARY

This action will adopt the Ninth and approve the Tenth Amendments to the Airport Way Urban Renewal Plan (Plan). The Ninth Amendment eliminates language in Section 900 of the Plan that is inconsistent with other provisions of that section regarding amendments to the Plan. The Ninth Amendment is a minor amendment and is effective upon adoption by the PDC Board (Board). The Tenth Amendment removes approximately 870 acres from the Airport Way Urban Renewal Area (AWURA). The Tenth Amendment is a major amendment and must be approved by City Council (Council) after approval by the PDC Board.

#### PUBLIC BENEFIT

This action will benefit the public as it will release acreage under the 15% citywide cap and this property could be included in other urban renewal areas. Currently, the City cannot issue more bonded indebtedness for AWURA.

The URA is nearing the end of its plan life and has more assessed value than is necessary to pay back its debt. PDC is currently involved in analyzing the potential for creating a new urban renewal area in the downtown as well as analyzing the capacity of the Interstate Corridor Urban Renewal Area as part of the Future of Urban Renewal study. Releasing this acreage will allow PDC to continue its work in the central city and neighborhoods.

#### **This action will support the following PDC goals:**

- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Strong Economic Growth and Competitive Region
- Effective Stewardship over our Resources and Operations, and Employee Investment

#### PUBLIC PARTICIPATION AND FEEDBACK

PDC worked with the Columbia Corridor Association (CCA) and the Port of Portland to identify the final boundary changes. Based on feedback from stakeholders in the area, the majority of the parcels to be removed are undevelopable wetlands and right-of-way.

## **COMPLIANCE WITH ADOPTED PLANS AND POLICIES**

Revising amendment process language and removing property from the urban renewal area does not affect any adopted plans or policies.

## **FINANCIAL IMPACT**

This action will not have any financial impact on the Airport Way Urban Renewal Area (AWURA).

## **RISK ASSESSMENT**

A potential risk is that some property that is removed from the urban renewal area will have subsequent development and require AWURA funds. Care was taken in selecting those properties for removal with little or no redevelopment potential.

## **WORK LOAD IMPACT**

No impact to staff workload is anticipated.

## **ALTERNATIVE ACTIONS**

If the Board chose to take no action on the boundary reduction, PDC would be limited in our flexibility to use urban renewal in other areas. This would impact the potential amendments to the Interstate Corridor and Oregon Convention Center Urban Renewal Areas as part of the North/Northeast Economic Development Initiative, as well a potential new urban renewal area in the Westside of the central city, an effort led by Mayor Sam Adams.

## **CONCURRENCE**

The Columbia Corridor Association acts as the advisory committee for the AWURA and agrees with this action.

## **BACKGROUND**

The AWURA was formed in 1986 and included 2,780 acres with a maximum indebtedness (MI) of \$72 million. In 1996 through Measure 47 and 50, AWURA was designated as an Option 3 urban renewal area, which has a fixed divide the taxes amount it receives from tax increment each year and receives a portion of a \$15 million special levy. In 2006, AWURA reached its MI of \$72 million which cannot be increased without losing the Option 3 status. Existing bond/insurance covenants require that PDC maintain the Option 3 status.

The Ninth Amendment eliminates language in Section 900 of the Plan (the amendment section) that is inconsistent with other provisions of that section regarding amendments to the Plan. The Ninth Amendment is a minor amendment and is effective upon adoption by the PDC Board.

The Tenth Amendment removes approximately 870 acres from AWURA. Removal of property was initiated due to state statute limitations which state that no more than 15% of the city's total assessed value and acreage can be in urban renewal areas at any given time. The city is approaching both of these limits. In addition to these constraints, PDC is currently involved in

analyzing the potential for creating a new urban renewal area in the downtown as well as analyzing the capacity of the Interstate Corridor Urban Renewal Area as part of the Future of Urban Renewal study. Releasing this acreage will allow PDC to continue its work in the central city and neighborhoods through the Future of Urban Renewal effort. Property chosen for removal from AWURA was selected because it was relatively low value or did not have reasonable prospects for redevelopment. Removal of approximately 870 acres from AWURA is consistent with the covenants for the bonds outstanding in AWURA. Because the AWURA has reached its maximum indebtedness cap and no more debt can be issued, the area remaining within the boundary are properties that could benefit by limited funds from possible property sales. The Tenth Amendment is a major amendment and must be approved by Council after approval by the PDC Board.