

ORDINANCE NO.

Approve the Amended and Restated River District Urban Renewal Plan to expand boundaries by a net 41.98 acres, increase maximum indebtedness by approximately \$325 million, and extend expiration date to June 30, 2021 (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Council adopted the River District Urban Renewal Plan (Plan) on October 21, 1998, by Ordinance No. 172808 to provide tax increment funding and urban renewal authority to eliminate blight and foster development and redevelopment in order to protect the public health, safety, and welfare in the City of Portland (City).
2. The Council established the maximum indebtedness of \$224,780,350 when it adopted the Plan.
3. The Plan has a last date to issue bonded indebtedness of October 1, 2020 after which time the City and the Portland Development Commission (Commission) will lose the ability to issue additional debt to carry on the important work of alleviating blight in the area.
4. The 2004 Central City Urban Renewal Area Study Review Committee recommended to the Commission that the needs of Old Town/Chinatown portion of the Downtown Waterfront Urban Renewal Area be addressed with remaining Downtown Waterfront resources and that the Commission explore the need to move priority projects to the River District Urban Renewal Area for completion.
5. In April 2007 the Commission appointed the Urban Renewal Advisory Group (Advisory Group) to review the status of three downtown urban renewal areas – Downtown Waterfront, South Park Blocks and River District.
6. The Advisory Group consisted of members of the Portland Development Commission, Portland City Council, Portland Planning Commission, Multnomah County Board of Commissioners, and a private citizen, and met nine times through March 2008, receiving broad community input.
7. The Advisory Group recommended the Downtown Waterfront and South Park Blocks Urban Renewal Areas should utilize all of their debt capacity but that the current last date to issue bonded indebtedness under those plans should not be extended.
8. The Advisory Group determined that the Downtown Waterfront and South Park Blocks Urban Renewal Areas should be closed. The group also identified which potential priority projects in those two districts should be moved into the River District Urban Renewal Plan.

9. On March 4, 2008 the Advisory Group issued its recommendations that:
 - a. 47.03 acres be removed from the Downtown Waterfront Urban Renewal Area and transferred to the River District Urban Renewal Area as described in Exhibit A;
 - b. 3.8 acres (the Commission subsequently determined the area to be 3.20 acres) be removed from the South Park Blocks Urban Renewal Area and transferred to the River District Urban Renewal Area as described in Exhibit A;
 - c. the River District Urban Renewal Area be extended for one year;
 - d. the River District Urban Renewal Area's maximum indebtedness be increased;
and
 - e. the River District Urban Renewal Area's boundaries be reduced by 30.7 acres (the Commission subsequently determined the area to be 8.25 acres) under the Interstate 405 right-of-way.

10. The Commission has sought and received valuable input from related taxing jurisdictions pursuant to ORS 457.085(5), citizens and other interested parties in Portland who have requested the continuation of urban renewal activity within the district.

11. The Commission has also determined that 8.25 acres under the Interstate 405 right-of-way can be removed from the River District Urban Renewal Area.

12. On May 14, 2008, the Commission held a public hearing and, after considering testimony and other information presented to it, recommended approval of the Amended and Restated River District Urban Renewal Area Plan (Amended and Restated Plan) which, among other changes, expands the boundaries by a net 41.98 acres, increases maximum indebtedness by approximately \$325 million and extends the expiration date of the district to June 30, 2021. (PDC Resolution Number 6586.)

13. The Executive Director, under authorization from the Portland Development Commission Board, has submitted the Amended and Restated Plan, together with resolutions, reports and other supporting materials, to the Portland Planning Commission for review and recommendation, and to the City Council for final approval in accordance with the terms of the Plan and ORS 457.095.

14. The Portland Planning Commission reviewed the Commission's proposed Amended and Restated Plan at a public hearing on June 3, 2008. After considering testimony and other information presented to it, the Commission recommended changes to explain the Amended and Restated Plan's relationship to local objectives pursuant to ORS 457.085(2)(d) and, as modified, recommended approval of the Amended and Restated Plan.

15. On June 18, 2008, the City Council received and considered public testimony on the proposed Amended and Restated Plan at a public hearing, with notice of such hearing distributed to all postal patrons within the City of Portland as required by ORS 457.120.

16. The City Council also considered materials forwarded by the Portland Development Commission and the Portland Planning Commission and the input of the community and

believes additional time and resources are required in order to eliminate blight and invest in the economic development activities within the area covered by the Amended and Restated Plan.

17. A finding of blight was made in the original ordinance adopting the Plan (Ordinance No. 172808). Since the original Plan has not been completed, the original findings of blight continue to be accurate. In addition, the Commission's report accompanying the Amended and Restated Plan includes findings of blight with respect to property to be added to the River District Urban Renewal Area by the Amended and Restated Plan.

18. Pursuant to ORS 457.095 and as described in greater detail in the attached Exhibits A, B and C, the Council finds: (a) the Amended and Restated Plan area is blighted; (b) rehabilitation and redevelopment is necessary to protect the public health, safety and welfare of the City of Portland; (c) the Amended and Amended Plan conforms with the Comprehensive Plan of the City of Portland and provides an outline for accomplishing urban renewal projects proposed in the Amended and Restated Plan; (d) provisions have been made to house displaced persons within their financial means in accordance with ORS 35.500 to 35.530 and, except in the relocation of elderly or disabled individuals, without displacing on priority lists persons already waiting for federally subsidized housing; (e) acquisition of real property is provided for and it is necessary; (f) adoption and carrying out the Amended and Restated Plan is economically sound and feasible; and (g) the City shall assume and complete any activities prescribed it by the Amended and Restated Plan.

19. The Amended and Restated River District Urban Renewal Plan is being adopted as a substantial amendment pursuant to Section XIII(A) of the Plan. For a substantial amendment, Section XIII(A) requires the notice, hearing and approval procedures required for adoption of the original plan by statute. These requirements include approval of the proposed amendment by the Portland Development Commission, review and recommendation by the Planning Commission, approval by the City Council in accordance with ORS 457.095, and the notice required by ORS 457.120. The City Council and the Portland Development Commission have complied with all of the requirements for adoption of a substantial amendment under the Plan and ORS 457.095.

20. As described in the Commission's report accompanying the Amended and Restated Plan (included in Exhibit A), after approval of the Amended and Restated Plan, the City will remain in compliance with the land area and assessed value limits imposed by ORS 457.420.

NOW, THEREFORE, the Council directs:

a. The Amended and Restated River District Urban Renewal Plan, attached hereto as Exhibit C, and incorporated herein by reference, is hereby approved.

b. The City Auditor shall forward to the Portland Development Commission and to the City of Portland Planning Commission certified copies of this Ordinance upon adoption by the Council.

c. The Portland Development Commission shall record in the Deed Records of Multnomah County, Oregon, a copy of this Ordinance and the Amended and Restated River District Urban Renewal Plan upon adoption by the Council.

d. The City Auditor, in accordance with ORS 457.115, shall publish notice of the adoption of this Ordinance approving the Amended and Restated River District Urban Renewal Plan, including the provisions of ORS 457.135, in the newspaper having the greatest circulation in the City of Portland within four days following the adoption of this Ordinance.

Passed by Council: _____, 2008
Mayor Tom Potter
Prepared by:

GARY BLACKMER
Auditor of the City of Portland
By /S/ Andrew N. Bryans
Deputy