

DRAFT URAG RECOMMENDATIONS

1. Recommend Proposed Boundary Changes:

- a. 46.67 Acres Old Town/Chinatown
- b. Other Additions: 7.03 Acres
 - i. 0.36 Acres Fairfield
 - ii. 1.99 Acres 10th & Yamhill
 - iii. 2.99 Acres General Growth
 - iv. 1.69 Acres Lincoln Bldg.
- c. Total: 53.7+ Acres Total
- d. Remaining Acreage: 7.3 acres

Comment: This is the configuration and maximum amount of acreage that should be added to River District at this time. It leaves approximately 7.3 acres for a potential reserve or satellite expansion.

2. DTWF/SPB 2018 Budgets as proposed with referral to budget process for any line item adjustments.

Comment: We will use a representational list of projects to review the decision-tree illustration of general budget categories: funded in SPB or DTWF, moved to RD, or not funded.

3. DTWF/SPB Budget Alternatives:

- a. **South Park Blocks:** Recommend use of maximum 2008 financial capacity of \$57.2M. This is \$16.0M more than the 2018 close-out budget. The additional money would be dedicated to Section 8 Preservation and Economic Development (pending completion of Downtown Transition Plan, see below).
- b. **Downtown Waterfront:** Recommend use of maximum 2008 financial capacity of \$75.1M. This is \$28.0M more than the 2018 close-out budget. The additional money would be dedicated to Multnomah County capital projects and Economic Development (pending completion of Downtown Transition Plans, see below).

Comment: The 2018 close-out targets limit the number of projects that can be completed in the two older districts. Some projects have been moved to River District but they will compete with pre-existing River District projects for funding. Using some additional capacity from these two districts will moderate the increase demand for River District resources and ease some pressure on that district's short-term cash flow.

Dedicated purposes for the extra resources will also ensure that some urban renewal activities continue in the downtown area while the community completes the Central Portland Plan Update.

Use of the additional resources will extend the close-out dates for both districts by about five years. This additional go-dark period can be off-set by downsizing the two districts by as much as 160-180 acres (cumulative depending on how much acreage is moved to RD). Downsizing should be feasible once close-out plans for the two districts have been finalized.

- 4. Maximum Indebtedness for River District should increase by \$311M for debt proceeds through 2020.** Combined with the current \$225M MI for a new overall MI of \$536M. The new \$536M MI minus the \$119M already spent leaves \$417M in available debt or approximately \$390M net of financing costs for projects.

Comment: We recommend a second look at the district's maximum capacity after the pending island district legislation and procedures for selecting islands have been resolved. Current draft legislation allows the formation of island districts and a maximum allocation of TIF resources to those districts up to 15% of the increased maximum indebtedness limit. In the case of River District, 15% of the proposed increase in maximum indebtedness would be \$46.65M.

- 5. Following the completion of the Westside Study, PDC in collaboration with the Office of Management and Finance should initiate a process to downsize DTWF and SPB as may be appropriate and fiscally feasible.**

Comment: This option can be pursued at any time following the adoption of a definitive Close-Out Strategy for the two districts. Once we finalize the expenditure expectations for the two districts, we can have a conversation with the bondholders' insurance providers. The OMF Debt Manager believes that the insurers would be willing to consider downsizing proposals for both districts. We are confirming our assumption that once acreage is released from the existing districts they become immediately available for a possible new district.

- 6. Following the completion of the Westside Study, PDC should host a stakeholder group to discuss options for the formation of one or more new downtown urban renewal areas (e.g., Lincoln HS, PSU, Con-Way Site). Discussions should include the need to set close-out strategies that include parameters on any new districts (e.g., real limits on MI, duration limits and specific close-out dates).**

Comment: Regardless of the outcome of the Westside Study, consideration of one or more new URAs is appropriate. Given the fact that ramp-up for increment generation is relatively slow, delaying formation of a new district will only delay the time when new urban renewal resources become available for downtown redevelopment work.

This effort should be undertaken in collaboration with the Bureau of Planning to ensure coordination with Central Portland Plan Update activities.

7. Following the completion of the Westside Study, PDC should host a stakeholder group to create a Downtown Transition Plan with interim development strategies to ensure adequate consideration of the following community needs pending the completion of the Central Portland Plan Update:

- a. Economic Development/Retail**
- b. Section 8 Preservation/No Net Loss Housing Policy**
- c. Multnomah County Office Space**
- d. Other Topics???**

Comment: The Westside Study has determined that two of our current downtown urban renewal tools will end soon. While the close-out dates will be between 2018 and 2023, the vast majority of funding for projects will be completed in the next year or two.

While the Central Portland Plan Update will be developed over the next several years, we ought not to wait for the completion of that plan to address issues that need more immediate attention. Developing interim urban renewal plans will ensure some development continuity as we transition from the close-out of DTWF and SPB to the implementation stage of the Central Portland Plan Update.

These interim development strategies should be designed to sustain some level of positive momentum for the next five years.