

**Lents Town Center Urban Renewal Area Budget Scenarios Matrix - AAA Baseball Proposal - June 15, 2009**

This narrative is a companion to the alternative budget scenario spreadsheets, which illustrate the impacts of the AAA Baseball Proposal on the Lents Town Center Urban Renewal Area (LTCURA) budget. The matrix is organized and color coded to the budget scenarios for consistency. The two primary scenarios analyzed are a Stadium investment of \$42.3 Million (p. 1) or \$27.3 Million (p. 5). Additional variations are shown examining different levels of funding for housing projects and programs under the TIF Set Aside policy, and an additional City Line of Credit (Scenario 3).

All Scenarios are compared to a “base case,” which is the current Approved Budget and Five Year Forecast (2009/10 – 2013/14). This narrative also discusses the impacts on the remaining six years of the URA (2014/15 - 2019/20), based on the projections completed and adopted for the 2008 URA Plan Amendment.

Note that the Portland Development Commission (PDC) budget is set on a year-by-year basis. These scenarios illustrate potential versions of project and program budget changes based on the impacts to available resources (i.e. budget) as a result of funding a Stadium. Any future budget for the URA will receive greater public input and prioritization each year.

**SCENARIO ANALYSES: \$42.3M Stadium Investment**

Program	Base Case	Scenario 1: \$42.3 M for Stadium with a 30% Set Aside for Housing	Scenario 2: \$42.3 M for Stadium with a 15% Set Aside for Housing	Scenario 3: \$42.3 M for Stadium with a 15% Set Aside + \$15M Line of Credit
<b>Business &amp; Industry</b>	<p>The current approved budget includes funding for three economic development programs:</p> <p><i>New Community Economic Development (CED) program will be rolled over the next couple years. CED Strategy includes Green Main Streets USA, Economic Opportunity Initiative, &amp; Economic Gardening. Each program is identified in the DRAFT Economic Development Strategy.</i></p> <p><i>Business Finance programs will continue to be available to eligible small businesses that meet job creation objectives. PDC has many tools (loan products) to retain/create jobs, expand existing</i></p>	<p>In the first five years, all programs would be eliminated. PDC would likely have no tools available in Lents to assist small businesses or do business recruitment and retention (100% reduction)</p> <p>In the final six year period, programs would be reinstated, but not restored to same level as originally planned (a 43% reduction).</p>	<p>In the first five years, CED would be eliminated, and other economic development programs would be reduced by approximately 72%.</p> <p>In the final six year period, programs would be reinstated, but not restored to the same level as originally planned (a 43% reduction).</p>	<p>In the first five years, CED would be eliminated and other economic development programs would be reduced by approximately 43%.</p> <p>In the final six year period, programs would be reinstated, but at significantly lower levels than originally planned (a 64% reduction). This impact on the later years of the URA occurs for all categories of projects in this scenario because more borrowing in early years reduces the overall amount of resources available in the district.</p>

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	<p>businesses, and grow local, regional, and global markets.</p> <p><i>Business Retention or Target Industry</i> program will continue to retain and recruit new businesses. For example, recruiting a new manufacturer to Freeway Land site, or expanding existing businesses in the URA.</p>			
<p><b>Housing</b></p>	<p>The current approved budget includes funding for:</p> <p>Completion of existing homeownership development projects and future funding for several more, some as a part of mixed-use developments.</p> <p>Continued annual funding of successful home repair programs—both PDC loans to homeowners needing repairs, and the REACH Community Builders program, which serves senior and disabled homeowners needing home repairs.</p> <p>\$3.5 Million of rental housing funding for projects applying for funding through the current RFP (priority is acquisition/rehab of existing properties; 4 projects have been proposed and are under evaluation).</p> <p>Future rental funding to support new development of mixed-income housing on the 92/H* site and more renovation of existing poor-quality housing in Lents.</p> <p>Potential acquisition and new</p>	<p>Housing programs would be reduced by about 13% over the next 5 years. Funding would be available for \$3.5M in rental housing projects from the current RFP, although that means the Foster Woodstock Streetscape could likely not be funded until 2012.</p> <p>PDC would likely cancel homebuyer, rental and most home repair programs for 2 years. Currently committed development projects for homeownership would remain funded in 2009.</p> <p>Both rental and home ownership funding would resume again in 2012-13, most likely funding for a mixed income portion of the 92/H project, and resuming homebuyer programs. Foster School site or other opportunity sites would not be funded and there would likely be no future funding for repair of existing rental housing.</p> <p>In the final 6 years of the URA, funding would remain nearly the same as projected in the Lents URA Amendment</p>	<p>This scenario represents a 53% reduction in housing projects and programs budgeted over the next five years. The current slate of rental rehab projects could not be funded and there would be no housing funds for 2-3 years for home repair, homebuyer assistance, or rental housing.</p> <p>In 2012-13 and 2013-14, there would be funding available for home ownership programs, and potentially one small rental project.</p> <p>There would likely not be enough for a mixed income portion of the 92/H project or acquisition/redevelopment on the Foster School site or other opportunities. It is unlikely that a “market rate” housing project can occur on 92/H without some subsidy, so this scenario jeopardizes any mixed use development on that site.</p> <p>In the final 6 years of the URA, housing funding would remain nearly the same as originally projected (meeting the 30% Set</p>	<p>This scenario would result in a slightly lower reduction in housing programs for the next five years (44% reduction), which would allow some limited homebuyer assistance and home repair programs to continue for all five years, and potentially one small rental rehabilitation project to be funded from the current list, but no other funding for two years.</p> <p>There would be limited funding in 2012-13 and 2013-14 for a potential mixed income portion of the 92/H redevelopment.</p> <p>However, in the final 6 years of the district, there would be significant cuts to housing, like all other projects, due to limited TIF resources in out-years.</p> <p>The impact would likely be discontinuation of all housing programs and projects, other than limited home repairs or homebuyer assistance.</p>

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	<p>development of the Foster School site or other opportunity sites (including station-area properties).</p> <p>Continued PDC homebuyer assistance programs for first-time homebuyers.</p>	<p>process. Homeownership &amp; home repair would continue at current (2008-09) levels and potentially enough to fund 1-2 future rental construction projects.</p>	<p>Aside) although there would be approximately \$3 Million less due to the reduced overall resources for the URA.</p>	
<b>Infrastructure</b>	<p>Approved budget includes infrastructure investments (parks, streets, and public facilities) to continue. Infrastructure projects include 104<sup>th</sup> Ave., 122<sup>nd</sup> Ave, Foster/Woodstock Streetscape, Lower Foster Road, LID Program, Johnson Creek Flood Mitigation, and various facilities and park improvements.</p>	<p>In the first five years, staff is showing a scenario where Foster/Woodstock street improvements are not funded until 2012/13, in order to fund rental housing RPF projects in 2009. That funding would be reduced from what is currently budgeted. All other street paving (LID) and neighborhood transportation improvement projects would be eliminated, as would all parks funding.</p> <p>In the final six years of the URA, Johnson Creek Flood Mitigation investments would be un-funded and planned funding for Multnomah County facilities or other public facilities would be eliminated.</p>	<p>In the first five years, Foster/ Woodstock Streetscape could be funded at reduced level starting in 2009/10, but no other parks, transportation improvements or street paving would be funded (total infrastructure reduction = 80%).</p> <p>The final six years of the URA are also the same as Scenario 1, with cuts to Johnson Creek Flood Mitigation investments and Multnomah County/public facilities, which is a 79% reduction from currently planned projects and funding through 2019/20.</p>	<p>In the first five years, the only project funded would be Foster/ Woodstock Streetscape at reduced level, but with more funding than in Scenarios 1 and 2. The total infrastructure budget would be about 36% less than currently planned.</p> <p>In the final six years of the URA, all planned infrastructure projects would be eliminated, including facilities, Johnson Creek Flood Mitigation, parks and transportation improvement investments (a 100% reduction).</p>
<b>Revitalization</b>	<p>The current approved budget includes redevelopment, acquisition/land assembly, and revitalization projects and programs.</p> <p>Over the next ten years PDC will focus on redevelopment of Town Center assets with funds for commercial and mixed use redevelopment: 92/H, Dance Club, Assurety NW Phase 2, and Crossroads Plaza block. (This includes funding for a potential grocery store and for mixed use</p>	<p>In the first five year period, all programs would be cut and all redevelopment, acquisition/land assembly, and revitalization projects and programs would be suspended, including current pending property acquisitions.</p> <p>Funding for the Johnson Creek Industrial Area project in would be unavailable until 2014/15, and would be reduced overall.</p> <p>In the final six year period, most</p>	<p>In the first five year period, funding for all programs and projects would be eliminated until 2012. There could then be minimal funding for programs like Storefront grants, and a minimal amount of funding for a first phase of the 92/H project.</p> <p>A reduced amount of funding for Town Center redevelopment would be focused on existing PDC properties located in the Town Center.</p>	<p>This scenario mirrors Scenario 2 in the first five year period, with the addition of a small amount (\$2M) of funding for Johnson Creek Industrial Area in early years, but a reduced amount in later years from what was originally planned.</p> <p>The final six year period is more restricted (approximately 38% reduction) than Scenario 1 or 2 in terms of available resources for projects. As a result, there are fewer resources for the projects</p>

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	<p>development from the current 92/H RFP process).</p> <p>Storefront and DOS (Development Opportunity Services) programs that assist small business and private property owners will be continued.</p> <p>The Johnson Creek Industrial Area (Freeway Land) project has projected funding of \$4M in early years and over \$8M in the final years of the URA to support infrastructure and redevelopment activities to create new jobs.</p> <p>A new community livability program will be launched to assist revitalization of civic and non-profit buildings. Work also includes assisting key sites along Foster Corridor (Ex: Days Theater), and future (6-10 years out) funding for revitalization along 122<sup>nd</sup> Avenue, and acquisition and redevelopment at other light rail station areas.</p>	<p>programs (Storefront, DOS, and Community Livability grants) could be restored at historic levels.</p> <p>Most currently-planned redevelopment projects would receive funding but at reduced levels; other projects like future station area redevelopment would be greatly reduced and future funding for 122<sup>nd</sup> Avenue and Foster Road sites may have to be reduced to fund the delayed Town Center properties.</p>	<p>Funding for the Johnson Creek Industrial Area project would be unavailable in early years.</p> <p>The final six year period includes funding for most projects and programs. However, similar to Scenario 1, many planned investments would be eliminated to fund core redevelopment activities and programs.</p>	<p>delayed from the early years, and funding decisions would have to be made between redevelopment projects along 122<sup>nd</sup> Ave. and Foster Rd versus Town Center programs and projects. There would likely not be funding for future station area development.</p>
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**SCENARIO ANALYSES: \$27.3M Stadium Investment**

Program	Base Case	Scenario 4: \$27.3 M for Stadium with a 30% Set Aside for Housing	Scenario 5: \$27.3 M for Stadium with a 15% Set Aside for Housing
<b>Business &amp; Industry</b>	(See above for base case)	<p>Funding for economic development programs can be available at less than half of the amount currently budgeted and forecast.</p> <p>Funding in the remaining 6 years of the URA (2014-2020) would be available at about 21% less than currently forecast.</p>	<p>Slightly more funding would be available for economic development in the first 5-year period (about 1/2 of what is currently budgeted).</p> <p>Future-year funding would be the same as Scenario 4.</p>
<b>Housing</b>	(see above for base case)	<p>Housing funding would stay essentially the same as in Scenario 1 in the first 5-year period and would be approximately the same as the base case (current plans/forecasts) in the out-years until 2020.</p>	<p>Housing funding would stay essentially the same as in Scenario 2 in the first 5-year period and would be approximately the same as the base case (current plans/forecasts) in the out-years.</p>
<b>Infrastructure</b>	(see above for base case)	<p>Reduced funding would be available for the Foster/Woodstock project to start on schedule in 2009/10, but no other street or transportation improvements would be funded. The overall infrastructure budget would be reduced by nearly 80% from currently plans.</p> <p>There could be \$120,000 for parks (Leach Botanical Gardens) in 2009/10, but no other park funding after that.</p> <p>In the out years (2014-2020), there would be a significant reduction in funding for infrastructure (down from \$8M current planned investments to approximately \$2M) that likely means no flood mitigation projects and very limited funding for parks and street improvements.</p>	<p>Infrastructure funding would be the same as Scenario 4, with approximately \$1M additional available in the first 5 years for a LID project or other infrastructure priority.</p> <p>In the final six year period, funding for infrastructure is the same as in Scenario 4 (approx. 74% reduction).</p>

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<p><b>Revitalization</b></p>	<p>(see above for base case)</p>	<p>A lower stadium investment than Scenarios 1-3 would allow for some continued programs over all of the next five years (Storefront, DOS, and small redevelopment loans), but at reduced levels from the current forecast. The total revitalization budget is reduced by about 57%.</p> <p>Funding will be available to complete a pending property acquisition in the Town Center area, but limited for development until later years on any Town Center sites, including 92/H. Assuming Town Center projects were prioritized, there would be virtually no funding for other station area developments through 2020, and reduced or delayed funding for projects on 122<sup>nd</sup> Ave. and Foster Rd.</p> <p>Funding for Johnson Creek Industrial area could be available in both the 5-year and 11-year timeframe, but at reduced levels.</p> <p>The final 6 years of the URA (2014-2020) shows a budget forecast for revitalization very similar to what was originally planned (Base Case), so funding would have to be prioritized to fund originally-planned projects or delayed projects from the earlier years.</p>	<p>This scenario is very similar in the first five years to Scenario 4, but with approximately \$6M more available for either Town Center redevelopment projects, Johnson Creek Industrial Area, or other priorities, at about 36% less than currently planned/budgeted.</p> <p>In the final 6 year period, funding would be the same as in Scenario 4.</p>
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