

DATE: December 8, 2004
TO: Henry Kunowski, Portland Parks & Recreation
FROM: Kia Selley, ASLA
SUBJECT: Greenway Implementation Strategy
South Waterfront Greenway

The purpose of this memorandum is to describe the Greenway Implementation Strategy project as well as our initial findings of project challenges, which we will work to address over the next several months. The Portland Development Commission (PDC) is managing this effort in close coordination with Portland Parks & Recreation (PPR), Bureau of Planning (BOP) and a citizen stakeholder advisory committee. All parties described have reviewed this memorandum and have demonstrated support for our next steps.

Greenway stakeholders have long envisioned a Greenway Master Plan comprising three elements:

- **Greenway Development Plan** – the design of the Greenway;
- **Greenway Implementation Strategy** – a guide for financing implementation and managing the resource; and,
- **Greenway Codification** – zoning code amendments to allow for implementation of the Greenway Development Plan as one of three options.

Parks has completed the Phase I design component called the Greenway Development Plan. Phase II, which includes the Greenway Implementation Strategy and Greenway Codification, is now moving forward and must be completed prior to acceptance of the Greenway Master Plan and subsequent build-out of the Greenway. The Greenway Implementation Strategy will inform the final Greenway Master Plan process.

The purpose of the Greenway Implementation Strategy is to prepare a plan for:

- Assembling a continuous Greenway with singular ownership;
- Funding and financing Greenway capital improvements and operations and maintenance; and,
- Developing a Greenway governance structure based on public-private partnerships.

The Greenway Implementation Strategy project began in November 2003 with the first meeting of the project advisory committee, called the *Partnership Group*. Committee meetings are open to the public and posted on PDC's website. The *Partnership Group* is comprised of a diverse group of stakeholders including private property owners, natural resources advocates, neighborhood representatives and key city bureau and regional government staff; the committee is advisory to PDC staff and its Commission. Recommendations from the *Partnership Group* on the Greenway Implementation Strategy will inform the process for revisions to the design of the Greenway.

Over the past several months, the *Partnership Group* discussions have evidenced the interrelationships of numerous South Waterfront District projects to the Greenway—particularly

transportation access and circulation—and underscore the necessity for a public-private partnership to ensure Greenway implementation. Given these interrelationships, it is important to understand the Greenway Development Plan design (Phase I) as a guiding vision that will likely change over time based on the Greenway Implementation Strategy (Phase II) and in response to new findings. To remain true to the original Greenway design vision to the highest degree possible, a commitment will be needed from City Council to provide the resources and political will to make the Greenway project a reality. Implementation of the South Waterfront Greenway will accomplish a broad range of district, city and regional goals, including those embodied in the River Renaissance Strategy.

Challenges to Greenway Implementation:

Commitment of city resources will be necessary to achieve the goals set forth in the Greenway Development Plan, since public-private partnerships and generation of urban renewal area funding hinges on private redevelopment in South Waterfront. Private parcel redevelopment is subject to market fluctuations and may be further hindered by district constraints that have yet to be completely solved; these development issues may ultimately affect the type and amount of redevelopment possible in the South Waterfront District and therefore the timing and extent of Greenway investments. Further, city funding may also be needed for Greenway connectivity on some parcels that will not be redeveloped for a long time, particularly if parcels are income producing and if market risks for redevelopment are high. Lastly, city resources for operations and maintenance will need to be considered in conjunction with capital improvements phasing to ensure that the level of service enhances rather than detracts from the South Waterfront neighborhood. Challenges to Greenway implementation will be addressed in the coming months and are summarized below in more detail.

1. Greenway Acquisition (fee simple acquisition, long-term lease, or easement)

The *Partnership Group* recommends singular Greenway ownership, either public or non-profit, to ensure implementation of *all* Greenway goals (including River Renaissance), continuity of design and quality, strategic management, habitat protection, and coordination of public-private partnerships.

- a) Assembling a continuous Greenway with singular ownership could be a lengthy process since redevelopment will be the primary trigger for land transfers.
- b) In the event that private parcel redevelopment does not proceed, public purchase of land or easements may be necessary to assemble a continuous Greenway.
- c) Liability issues must be addressed to allow for early or interim Greenway improvements on private Greenway property that has not yet been redeveloped.
- d) Greenway land transfers should be negotiated to include base-level improvements and/or an equivalent private financial contribution.
- e) The form of tenure and types of institutional controls must be carefully considered when negotiating transfer of environmentally contaminated Greenway lands.

2. Greenway Capital Improvements

- a) The availability of Tax Increment Financing for Greenway improvements could be limited by market conditions and other Renewal Area needs.
- b) No requirement or incentive currently exists for private property owners to construct and allow for public use of the waterfront Greenway unless their property is redeveloped.
- c) Design flexibility should allow modifications that improve the quality of the Greenway and adjacent urban redevelopment yet maintain diverse stakeholder buy-in and the original Greenway vision.

- d) Phasing based on development agreements and financial limitations could render a discontinuous Greenway or incomplete Greenway segments.
- e) Constraints on redevelopment (financial, economic, physical and institutional) could affect public-private partnerships and the availability of Tax Increment Financing for Greenway improvements.
- f) Phasing of Greenway improvements must be guided by criteria to optimize benefits with limited financial resources, such as maximization of trail connectivity, creation of habitat in conjunction with upland improvements for permit approvals, and focused build-out of key areas to serve neighborhood as well as city users.

3. Greenway Operations and Maintenance

- a) Operations and maintenance resources must sustain a level of service that enhances rather than detracts from the South Waterfront neighborhood.
- b) An equitable solution is required to determine the private financial responsibility for Greenway operations and maintenance, for all District property owners.
- c) City and regional use of the Greenway must be addressed so that neighborhood property owners are not unduly burdened with financing Greenway operations and maintenance.
- d) The availability of Greenway operations and maintenance resources must be considered in conjunction with capital improvements phasing.
- e) If neighborhood property owners elect to fund an improvement district for a higher level of service, coordination with public service providers must be formally coordinated.

4. Greenway Governance

- a) A public-private governance model must clearly define the level of service expectations at the outset of operations.
- b) City involvement is critical in the governance structure to maintain proper funding levels in perpetuity, as compared with other Portland neighborhoods, and service that is consistent with city goals.
- c) Broad representation is necessary within the governance structure to enfranchise all financially responsible stakeholders, public and private.
- d) The governance model must balance city-funded service delivery, as compared with other neighborhoods, with privately-funded services that expand upon the city's Clean and Safe model.
- e) The selected governance model may address Portland Parks & Recreation funding shortfalls with business practices that are more typical of the private sector.

5. Greenway Financing

- a) Implementation of the Greenway is limited by the availability of funding resources, such as Tax Increment Financing, private property owner contributions, and corporate, local, state and federal grants and aid.
- b) The benefit of the Greenway and the development opportunity within South Waterfront, given current entitlements, assessments and potential development issues (such as transportation access) will need to be quantified to understand the capacity of private property owner financing of Greenway improvements and management.
- c) The financing model must take into consideration that some parcels will not be redeveloped for a long period of time if they are currently income producing and market forces hinder redevelopment.

- d) Developing a strategic, equitable and coordinated approach to phasing must be carefully considered since early Greenway improvements may trigger redevelopment and support early investments; however, development issues, such as transportation access and circulation, may ultimately affect the type and amount of redevelopment and therefore the timing and extent of Greenway investments.
- e) A broad range of public and private funding resources will be required to construct and manage the Greenway including property owner contributions and dedications, Tax Increment Financing, System Development Charge revenues, non-profit, local, regional and federal grants and aid and corporate sponsorships, Business Improvement District charges, and facility rental and user fees.

The South Waterfront Greenway is a critical future neighborhood amenity and environmental resource. PDC is committed to working with the City Council, PPR, BOP and community stakeholders over the coming months to develop a strategy for successful implementation and management of the South Waterfront Greenway. PDC will propose final recommendations to City Council in summer 2005, in conjunction with the codification proposal from BOP.

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