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South Park Blocks Area Renewal Eligibility Analysis

Portland (Or.). Development Commission

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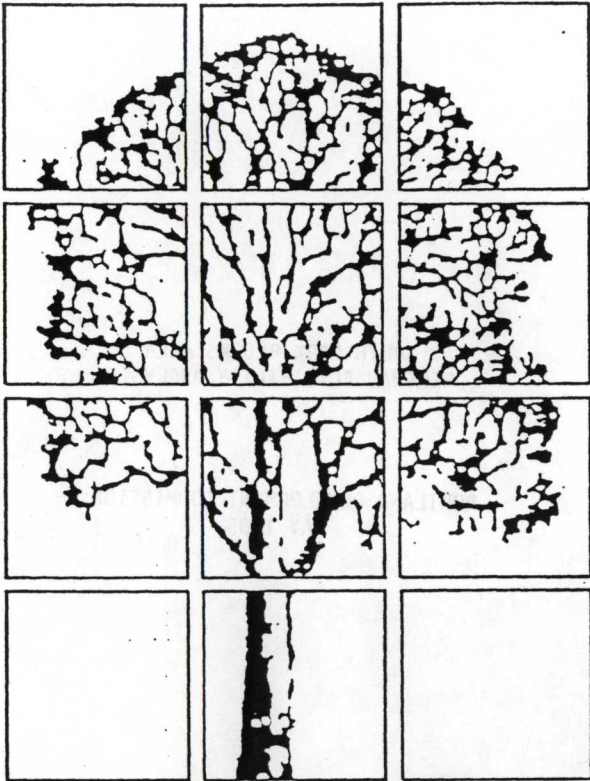
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South Park Blocks
Renewal Area Eligibility Study

SOUTH PARK BLOCKS AREA
RENEWAL ELIGIBILITY ANALYSIS

PORTLAND DEVELOPMENT COMMISSION
MAY 1985

South Park Blocks
Renewal Area Eligibility Study

TABLE OF CONTENTS

	<u>Page No.</u>
PART I - AREA OF INVESTIGATION AND PURPOSE OF ANALYSIS	1
PART II - EXISTING LEGAL, PHYSICAL AND FISCAL CONDITIONS	3
A. <u>Eligibility - Assessed Value and Land Area</u>	3
1. Assessed Value Limitation	3
2. Land Area (Size Limitation)	3
B. <u>Existence of Blight Required for Eligibility</u>	3
C. <u>Existing Physical and Fiscal Conditions Within the South Park Blocks Study Area</u>	4
1. Investigation Methods Used	4
2. Current Zoning and Land Use Findings	5
3. Age of Buildings	9
4. Condition of Buildings	9
5. Historic Landmarks	9
6. Ten Year Building Activity	14
7. Condition of Public Infrastructure	14
8. Value of Property	16
9. Police Activity in the Study Area	21
10. Fire Activity in the Study Area	21
PART III - SUMMARY AND RECOMMENDATION	22

LIST OF TABLES

<u>Table</u>		<u>Page No.</u>
1	Primary Land Use by Zoning Classification	6
2	Net Land Area by Zone - Land Area in Streets	7
3	Recent Publicly Assisted Construction	10
4	Rank Order of Land Use in Study Area	12
5	Condition of Buildings and Dwelling Units	12

LIST OF FIGURES (maps)

<u>Figure</u>		<u>Page No.</u>
1	Study Area's Relationship to Other Renewal Areas	2
2	Land Use Zoning	8
3	Publicly Assisted Projects	11
4	Historic Landmarks	13
5	Ten Year Building Activity	15
6	Storm and Sanitary Sewer Systems	17
7	Tax Exempt and Partially Tax Exempt Property	18
8	Streets Which are Deficient in Pedestrian Facilities - Particularly in Street Lighting	19

PART I
Area of Investigation and Purpose of Analysis

An area extending from S.W. Fourth Avenue on the east; S.W. Morrison Street on the north; S.W. Thirteenth Avenue on the west; and the Foothills-Stadium Freeway on the south was investigated and analyzed to determine if the area would qualify as an urban renewal area as defined by Chapter 457 of the Oregon Revised Statutes (ORS 457).

The study area excludes blocks situated within the physical boundaries of any of the adjacent (active and completed) urban renewal areas:

The Downtown Waterfront U.R. Area
The South Auditorium U.R. Area, and
The Portland State University U.R. Area

The study area contains 134 acres (See Figure 1) and has been designated the "South Park Blocks Area".

This analysis investigated the strengths and weaknesses of the area -- an area which contains many of Portland's older and historic buildings.

The public sector -- City, County, State and Federal governments -- has a substantial public investment in the South Park Blocks Area. In building improvements and land alone, the public owns \$52,293,890 worth of real property. Within the past ten years, the public has advanced low-interest loans to private sector developers in an amount of \$31,723,800 to construct new and substantially rehabilitated housing -- containing 940 apartment units. The area contains a major parking structure with shops on the ground floor financed with a \$5,600,000 City revenue bond. Three of the area's six Park Blocks were renovated and improved with Federal Block Grant and Jobs Bill funding of \$750,000. A non-profit, church-sponsored rehabilitation project for a child care center was assisted with a \$37,000 public loan. Finally, the City of Portland, with a General Obligation Bond and substantial private donations, acquired and has rehabilitated the historic Paramount Theater, which will become the centerpiece of the City's Performing Arts Center. Construction has now begun on the Phase II Theater Complex to be completed in 1986.

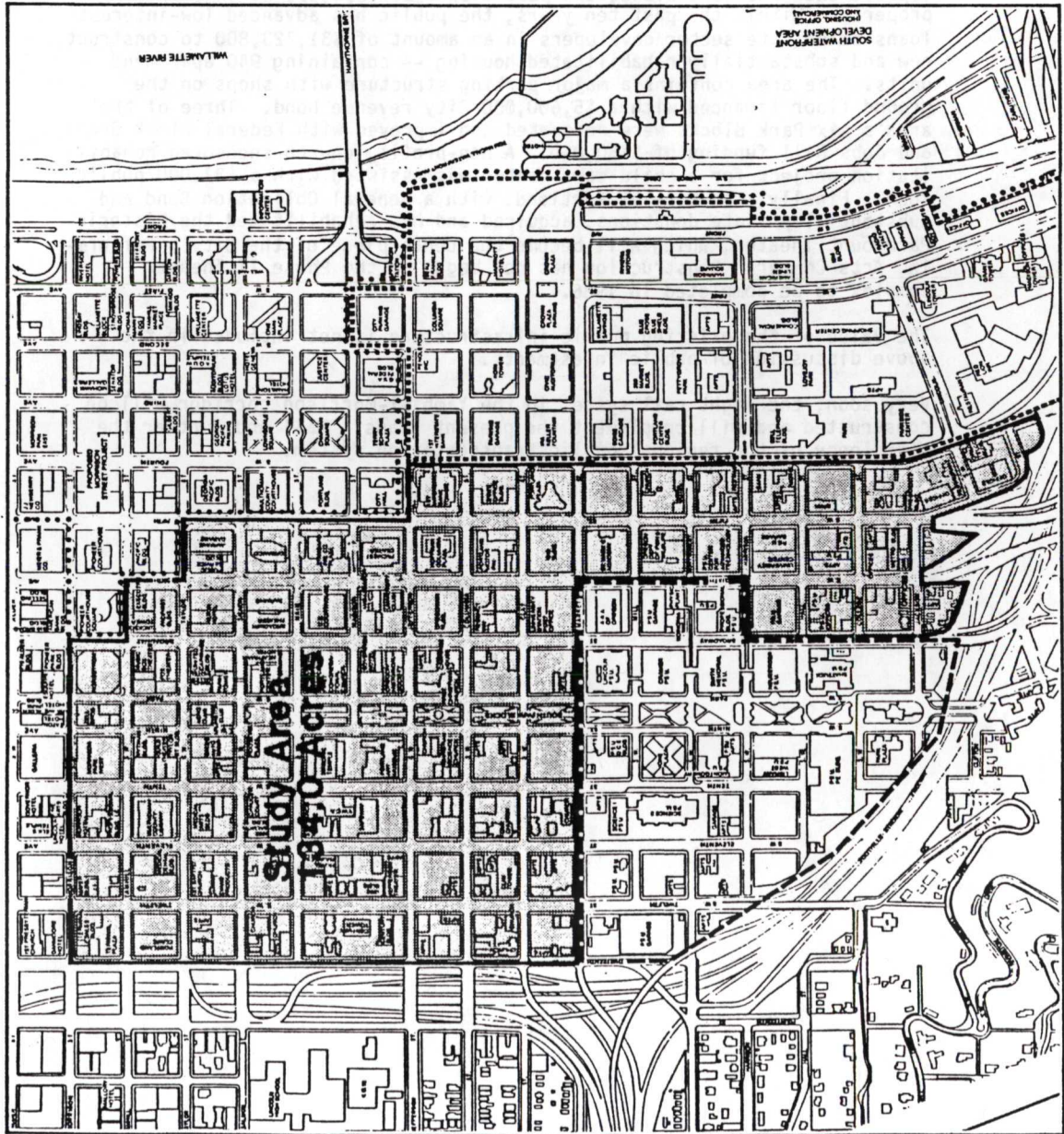
The value of the existing public infrastructure is not included in the above discussion of public investments.

Very soon, the light rail system in the Yamhill-Morrison corridor will be constructed and will complement the present Transit Mall and further the efficiency of the regional public transportation system.

SOUTH PARK BLOCKS RENEWAL AREA STUDY

**FIGURE 1
STUDY AREA'S
RELATIONSHIP TO OTHER
RENEWAL AREAS**

- PORTLAND STATE UNIVERSITY
RENEWAL AREA
- SOUTH AUDITORIUM RENEWAL AREA
- DOWNTOWN WATERFRONT RENEWAL AREA



**PART II
Existing Legal, Physical and Fiscal Conditions**

A. ELIGIBILITY - ASSESSED VALUE AND LAND AREA

1. Assessed Value Limitation

ORS 457.420 provides that if the division of property taxes (collection of tax increment proceeds) is planned, cities of 50,000 population or more are limited to a maximum of 15% of the City's total assessed value.

County assessed value of taxable property within the entire South Park Blocks Study Area for fiscal 1984-85 is:

County Assessed Real Property	\$336,834,706	(Tax Role)
County Assessed Personal Property	23,511,062	(Estimate)
State Assessed Property	16,168,065	(Estimate)
TOTAL 1984-85	<u>\$376,513,833</u>	

This value, when added to the modified assessed value of the frozen base of the City's three other active urban renewal areas* totals \$528,503,867 for the same period.

Existing Urban Renewal Areas*	\$151,990,034
South Park Blocks Study Area	<u>376,513,833</u>
TOTAL 1984-85	<u>\$528,503,867</u>

The total taxable assessed value of the City of Portland for fiscal 1984-85 was \$12,816,728,842. The above estimated, total combined assessed value of \$528,503,867 represents 4.12% of the City's total assessed value. The entire South Park Blocks Area is well within the 15% limitation and is, therefore, eligible in regard to its taxable assessed value.

2. Land Area (Size) Limitation

ORS 457.420 further provides that the total land area of a proposed urban renewal land, when added to the land area of existing urban renewal areas in which tax increment proceeds are being collected, may not exceed 20% of the City's total land area.

The land area of the South Park Blocks Study Area is 134 acres. This land area, when combined (added) with the total physical land area of existing urban renewal areas, totals:

Existing U.R. Areas	810.07 acres
South Park Blocks Area	<u>134.00 acres</u>
TOTAL	<u>944.07 acres</u>

The City's total land area is reported to be 70,647.68 acres. The above total area (944.07 acres) represents 1.34% of the City's total land area. The South Park Blocks Area is eligible in regard to its physical land area.

B. EXISTENCE OF BLIGHT REQUIRED FOR ELIGIBILITY

ORS 457.010 defines Blight as follows:

1. "Blighted areas means areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination

* The City's three urban renewal areas which are receiving tax increment proceeds are: Downtown Waterfront U.R. Area,; Northwest Front Avenue U.R. Area; and St. Johns Riverfront U.R. Area.

of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

- a. "The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:
 - 1) Defective design and quality of physical construction;
 - 2) Faulty interior arrangement and exterior spacing;
 - 3) Overcrowding and a high density of population;
 - 4) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
 - 5) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses.
- b. "An economic dislocation, deterioration or disuse of property resulting from faulty planning;
- c. "The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;
- d. "The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
- e. "The existence of inadequate streets and other rights-of-way, open spaces and utilities;
- f. "The existence of property or lots or other areas which are subject to inundation by water;
- g. "A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;
- h. "A growing or total lack of property utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare; or
- i. "A loss of population and reduction of property utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere."

C. EXISTING PHYSICAL AND FISCAL CONDITIONS WITHIN THE SOUTH PARK BLOCKS STUDY AREA

1. Investigation Methods Used

a. Conferences with City Bureau Representatives

Portland Development Commission staff and consultants have met with the staff of applicable commissions and City bureaus to discuss existing conditions within the Study Area. Specifically, subjects investigated were: new and rehabilitated building activity; traffic, street lighting and utility conditions; police and fire activity; public financial assistance given to stimulate new and rehabilitated building activity; new, private sector financed, building activity; the value of property for taxing purposes; and the effectiveness of the "RX" land use zone toward the stated goal of realizing a greater supply of decent, affordable housing in the downtown area.

b. Field Investigations

Field investigations were conducted throughout the entire Study Area noting the following:

- o The use (or non-use) of each parcel of property
- o The occupancy (or non-occupancy) of each building
- o The condition of each building as could be determined from an exterior, walk-around observation
- o The general level of street lighting
- o The condition of streets -- pavement, sidewalks, pedestrian amenities
- o Pedestrian circulation patterns and the adequacy of pedestrian linkage from one functional use area to another within the study area and the adequacy of pedestrian linkage from the study area to other sectors of the downtown/waterfront/auditorium/university area.

2. Current Zoning and Land Use Findings (see Tables 1 and 2, and Figures 2 and 3)

Based on the Commission's field survey, the primary use of property in the Study Area is reported by zoning classification in Table 1. Further the vehicle used by the City to guide and regulate land use is zoning and the quantity of land segregated into two basic zoning classifications (C1 and RX) is presented in Table 2.

The relationship of zoning to existing land use, among other things, can reveal how effective comprehensive planning is in guiding or stimulating market response to planning philosophy.

Almost 63% (62.8%) of the structures in the Study Area are in excess of 50 years of age. Current planning and zoning provisions have been operative for a significantly shorter period of time. How effective has zoning been?

The C1 Zone regulations permit a broad range of uses including office, retail, entertainment, housing and supporting institutional and service uses which are designed to maintain downtown Portland as a strong commercial, cultural and governmental center, "... in furtherance of planning goals and public policies".

The net developable land area (exclusive of streets) within the Study Area which is zoned C1 amounts to 47.1 acres. Since all uses found in the C1 Zone are permitted uses, the effectiveness must be rated at 99% effective -- less than 2.9 acres is vacant or contains vacant buildings.

The RX Zone -- a classification designed to provide and encourage a mixture of residential and institutional uses together with "appropriate" (compatible) office and retail activities serving the residents of the zone as well as complement nearby downtown retail and office uses -- contains a combined net 33.52 acres in the RXZ, RXZS and OSRXZ zones. See Tables 1 and 2.

The goal of the RX Zones is that they produce a quantity of close-to-downtown housing -- affordable to a broad spectrum of people. Less than six acres of the 33.52 acre (17.03%) combined RX Zones are used for housing; 23.16% is used for automobile parking; 11.09% for public uses; and 30.20% for hotel-retail-service-office-amusement uses.

The RX Zone has not been effective in producing a quantity of affordable housing. In the Study Area there are 62 buildings whose primary use is residential. These 62 structures contain a total of 2,062 separate dwelling units.

TABLE 1
PRIMARY LAND USE BY ZONING CLASSIFICATION*

Primary Use of Property:	ZONING CLASSIFICATION					Net Total Sq.Ft. By Land Use
	CIZ Sq.Ft.	RXZ Sq.Ft.	RXZS Sq.Ft.	OSRXZ Sq.Ft.		
Vacant Land	68,738	20,000	10,000	--		98,738
On-Grade Parking	143,420	210,820	107,371	--		461,611
Structured Parking	170,000	20,000	--	--		190,000
Residential	165,509	102,500	146,180	--		414,189
Fraternal/Club	30,000	69,000	--	--		99,000
Hotel/Motel	116,667	29,000	--	--		145,667
Commerical-Retail	145,578	64,345	28,925	--		238,848
Commerical-Service	111,610	23,610	3,264	--		138,484
Office	706,455	60,250	225,635	--		992,340
Amusement/Cinema	55,000	--	5,942	--		60,942
Public	228,000	66,000	--	96,000		390,000
Church	50,000	80,725	78,700	--		209,425
Vacant Building	61,062	--	11,980	--		73,042
TOTALS	2,052,039	746,250	617,997	96,000		3,512,286
%	58.42	21.25	17.60	2.73		100

*Excludes land devoted to street use.
Land area in streets = 2,334,000 sq.ft.
Total study area = 5,846,286 sq.ft. = 134 acres

TABLE 2

NET LAND AREA BY ZONE - LAND AREA IN STREETS

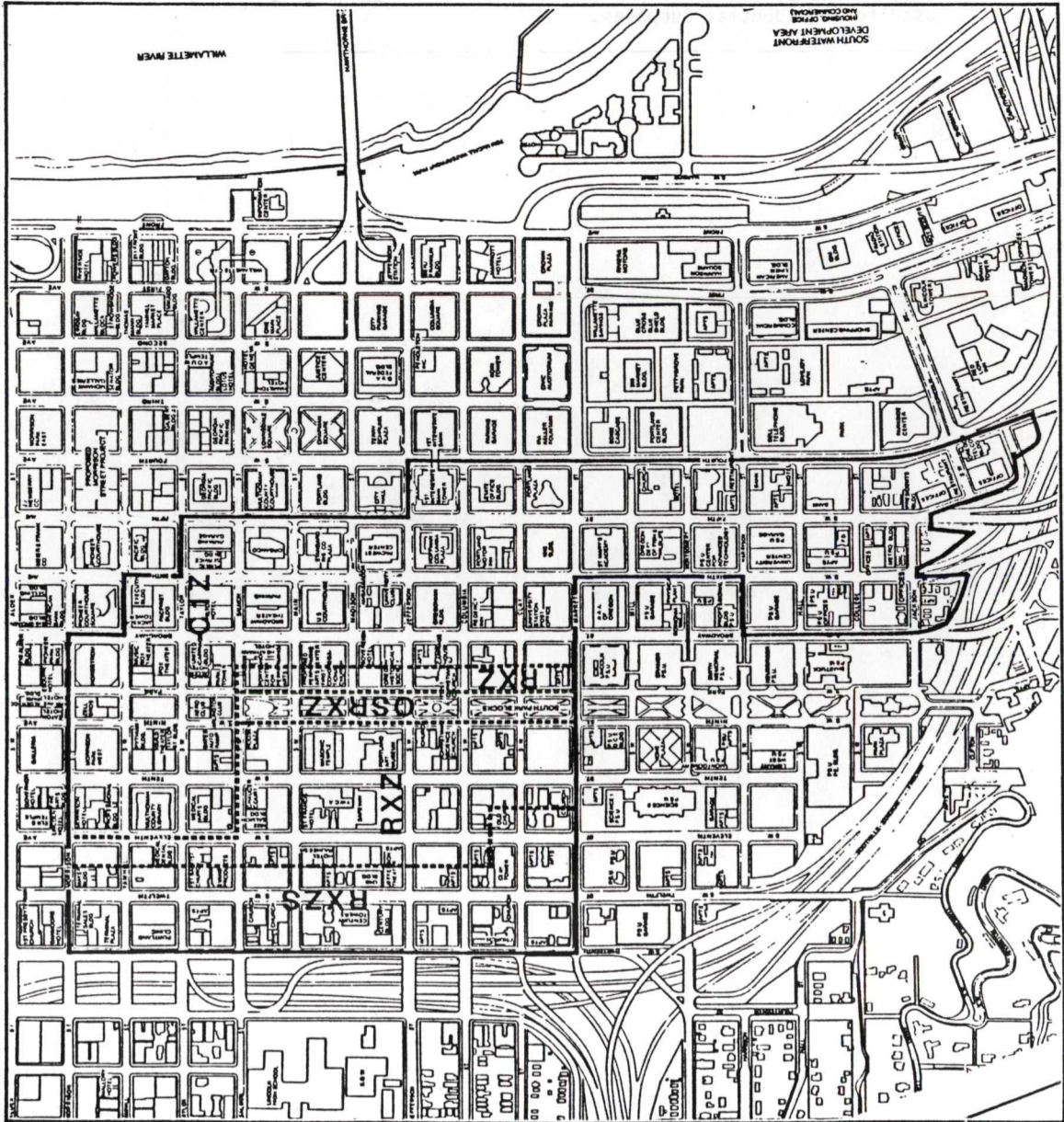
<u>Zone</u>	<u>Square Feet</u>	<u>% of Total</u>	
C1Z	2,052,039	35.10	
RXZ	746,250	12.76	23.33
RXZS	617,997	10.57	
USRXZ	96,000	1.65	
SUBTOTAL	3,512,286	60.01	
STREETS	2,334,000	39.92	
TOTAL SQ.FT.	5,846,286	100.00	
TOTAL AREA	134 acres		

Only 18.23% of the developable "RXZ" and "RXZS" zones property is used for residential purposes.

SOUTH PARK BLOCKS RENEWAL AREA STUDY

FIGURE 2 LAND USE ZONING

- RXZ DOWNTOWN MULTI-FAM RESIDENTIAL
- RXZS DOWNTOWN MULTI-FAM RESIDENTIAL
- OSRXZ PARK BLOCKS
- C1Z CENTRAL COMMERCIAL
- Z DOWNTOWN DEVELOPMENT
- S SIGNBOARD CONTROL
- OS OPEN SPACE



Of significance, 940 (33.38%) of these 2,062 dwelling units are in 12 buildings which have received substantial public financing assistance -- two new buildings contain 324 units, and 10 older, substantially rehabilitated buildings contain 616 units. See Table 3 and Figure 3. It appears reasonable to assume that substantial new or rehabilitated housing units are significantly dependent upon public assistance in the financing of such developments.

Within the Study Area's total land area of 5,846,286 square feet, the ranking of the several existing uses are as reported in Table 4. The quantity of land devoted to the automobile is impressive:

Streets	39.92%
On-Grade Parking	7.90%
Structured Parking	3.24%
	<u>51.06%</u>

On-Grade Parking -- third in rank -- accounts for 7.9% of the land and consumes a greater land area than residential, retail, service, hotel or amusement uses.

3. Age of Buildings

The Study area contains some of Portland's older buildings dating back to 1879. Of the Area's 246 buildings, the age of 210 is known. Of these, 81 (38.6%) range in age from 69 to 106 years. 132 (62.8%) buildings were built prior to 1940.

At the other end of the age spectrum, only 44 of the buildings (20.95%) were constructed since 1960. The majority of the remaining buildings appear to have been constructed in the 1900 to 1930 era.

The 81 buildings of known age which are over 65 years old by type of use are:

Residential	41 buildings
Commercial	30 buildings
Parking Structures	0
Churches	8 buildings
Public	1 building
Fraternal	1 building
TOTAL BUILDINGS	<u>81 buildings</u>

4. Condition of Buildings (see Table 5)

During the field investigation period, Commission staff and the consultant evaluated the condition of each principal building. The judgement in most cases was based on an exterior view of the building and not on a detailed interior structural evaluation. Each building was graded:

- "A" - Substantially up to current building codes
- "B" - Older buildings - many of which pre-date development of building codes - exhibit code deficiencies, but appear to be economically feasible for rehabilitation
- "C" - Buildings which appear to be deteriorated beyond their ability to be economically rehabilitated.

Table 6 shows such condition evaluation for the 252 buildings including the 2,816 dwelling units within the Study Area.

5. Historic Landmarks

23 buildings and two specimen trees within the study area have been designated as "Historic Landmarks" by the Portland Historical Landmarks Commission and are delineated on Figure 4.

TABLE 3
RECENT PUBLICLY ASSISTED CONSTRUCTION*

No.	Type of Improvement	Type of Assistance*	Cost Total Develop.	No. of Housing Units
1	Morrison Park West Parking Structure	City Revenue Bonds	\$ 5,600,000	-
2	Admiral Hotel Housing Rehab	Sect 8 S. Rehab OSHD	1,325,000	37
3	Park lower Housing Rehab	Sect 8 S. Rehab OSHD	8,208,000	162
4	Performing Arts Center	City G.O. Bond & Private	28,000,000	-
5	Roosevelt Hotel Housing Rehab	Sect 8 S. Rehab OSHD	1,193,000	56
6	Chaucer Court Housing Rehab	Sect 8 S. Rehab OSHD	3,717,250	84
7	Lexington (Hawthorne) Housing Rehab	Sect 8 S. Rehab OSHD	2,080,000	60
8	1200 Building New Housing	Sect 8 N. Const OSHD	5,338,000	89
9	Empire Apts. Housing Rehab	IRL	49,000	34
10	Jefferson West Housing Rehab	IRL	1,337,700	80
11	S. Park Blocks Phase I Improvements	HCD Jobs Bill	550,000	-
12	Rose Friend Apts. Housing Rehab	IRL	754,000	61
13	St. James Child Care Center	IRL Non-Profit	37,000	-
14	Ethridge Apts. Housing Rehab	IRL	156,450	9
15	Chandler Apts. Housing Rehab	IRL	65,400	33
16	Clay Towers	Sect 8 N. Const OSHD	7,500,000	235
TOTAL			\$65,910,800	940

* S. Rehab Substantial rehabilitation
 OSHD Oregon State Housing Division
 G.O. Bond General Obligation bond
 N. Const New construction
 IRL Investor Rehabilitation Loan
 HCD Housing & Community Development

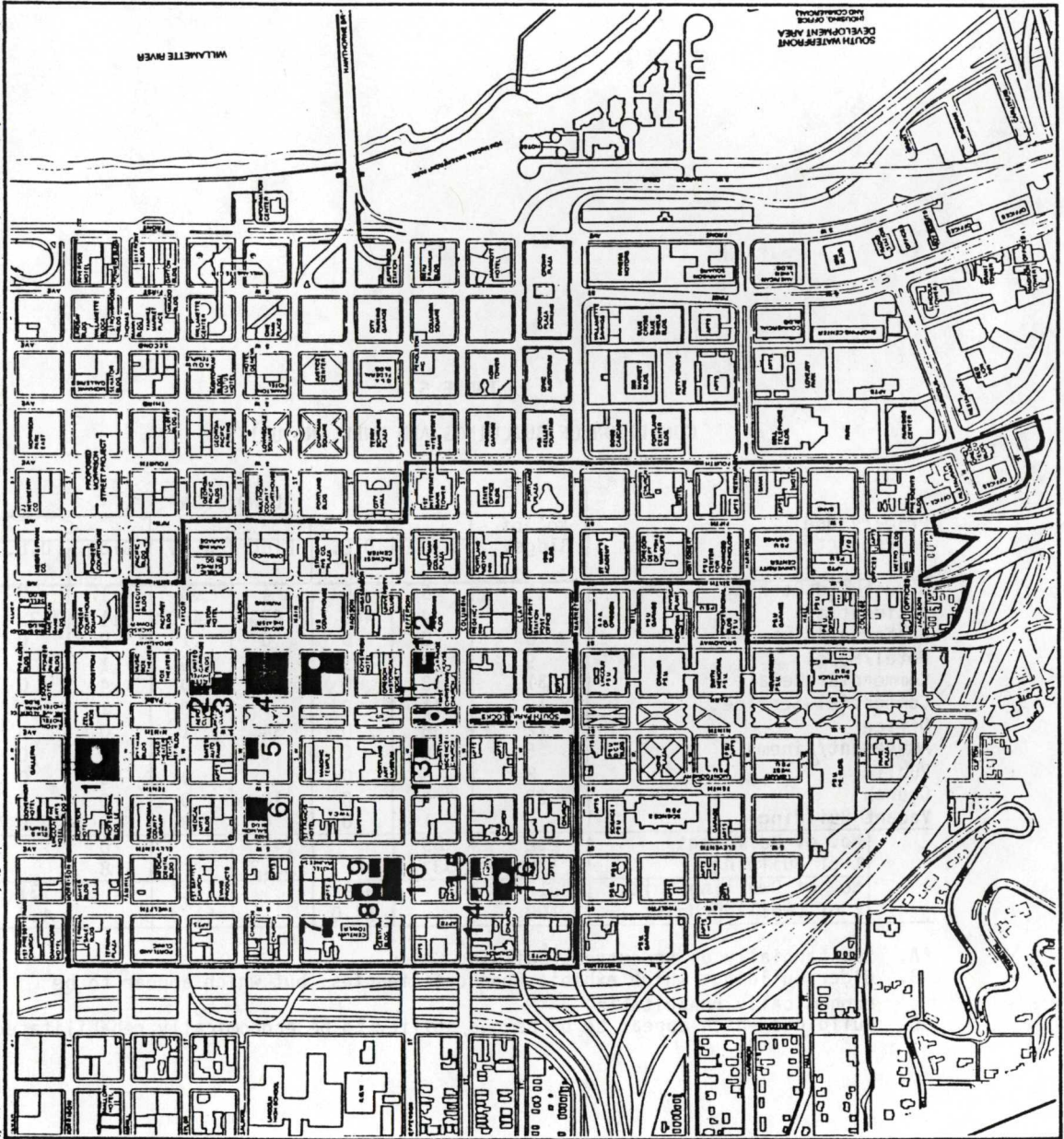
SOUTH PARK BLOCKS RENEWAL AREA STUDY

FIGURE 3 PUBLICLY ASSISTED PROJECTS*

NEW CONSTRUCTION

SUBSTANTIAL REHABILITATION

14 PROJECT I.D. see text, Table 3



*SINCE 1976

PORTLAND DEVELOPMENT COMMISSION

TABLE 4

RANK ORDER OF LAND USE IN STUDY AREA

Primary Use of Property	Land Area Sq.Ft.	% of Total	Rank
Streets	2,334,000	39.92	1
Office	992,340	16.97	2
On-Grade Parking	461,611	7.90	3
Residential	414,189	7.08	4
Public	390,000	6.67	5
Commercial-Retail	238,848	4.09	6
Church	209,425	3.58	7
Structured Parking	190,000	3.24	8
Hotel/Motel	145,667	2.49	9
Commercial-Service	138,484	2.37	10
Fraternal/Club	99,000	1.70	11
Vacant Land	98,738	1.69	12
Vacant Building	73,042	1.25	13
Amusement/Cinema	60,942	1.05	14
TOTALS	5,846,286	100.00	

TABLE 5

CONDITION OF BUILDINGS AND DWELLING UNITS

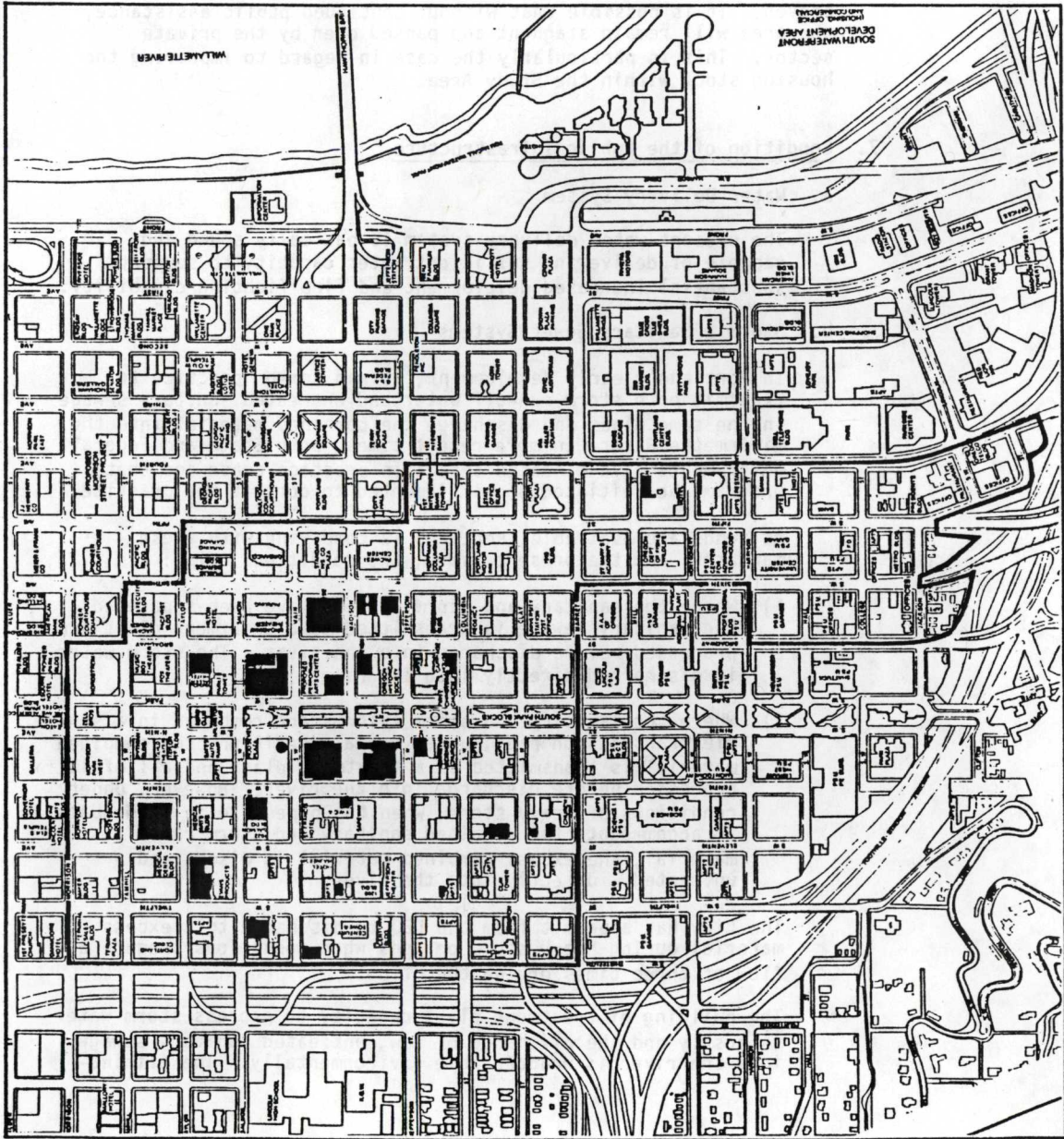
Primary Use of Property:	No. of Bldgs.	CONDITION*					
		A		B		C	
		Bldg	D.U.	Bldg	D.U.	Bldg	D.U.
Structured Parking	11	6	0	4	0	1	0
Residential	62	4	480	47	1460	11	122
Fraternal/Club	6	0	0	6	11	0	0
Hotel/Motel	9	4	479	4	255	1	9
Commercial-Retail	31	12	0	15	0	4	0
Commercial-Service	19	11	0	7	0	1	0
Office	72	38	0	34	1	0	0
Amusement/Cinema	5	0	0	5	0	0	0
Public	8	5	0	3	0	0	0
Church	22	4	0	18	0	0	0
Vacant Building	7	1	0	4	0	2	0
No. of Buildings	252	85		147		20	
% of Buildings	100	33.7		58.3		8	
No. of Dwelling Units	2817		959		1727		131
% of Dwelling Units	100		34.0		61.3		4.7

- *A. Substantially up to current Building Codes.
- B. Older buildings which exhibit Code deficiencies, but which appear to be economically rehabilitable.
- C. Buildings which appear to be beyond ability to be economically rehabilitated

SOUTH PARK BLOCKS RENEWAL AREA STUDY

FIGURE 4 HISTORIC LANDMARKS

- DESIGNATED LANDMARK
- TREES
- ELIGIBLE BUT NOT DESIGNATED LANDMARK



6. Ten Year Building Activity

Figure 5 shows the location of new and substantial building activity within 90% of the Study Area for the ten-year period 1974 to 1983. Such building activity is described in three categories:

New construction, publicly assisted	3 buildings	1.56%
Substantial rehabilitation, publicly assisted	12 buildings	6.25%
New construction, privately financed	12 buildings	6.25%
TOTAL 10-Year Building Activity	27 buildings	14.06%

of this area's 192 buildings

It will be noted that only 12 of this area's 192 buildings (6.25%) have been constructed in the past ten years. During the same period, three new and 12 rehabilitated buildings - including the City's Performing Arts Center - have been built with more than \$65,000,000 of public funds involved in the form of low interest loans and general obligation and revenue bonds. See Table 3.

Building construction and property development activity during this 10 year period has been sparse when compared with the rest of the downtown area and with the region. Without the substantial infusion of public funds into the area, the 15 publicly assisted new and rehabilitated buildings most likely would not have been improved. It is possible that without continued public assistance, the area will remain stagnant and passed over by the private sector. This is particularly the case in regard to improving the housing stock within the Study Area.

7. Condition of the Public Infrastructure

a. Water Delivery System

The present water delivery system is basically sound and capable of delivering sufficient water capacity to support substantial increased development and fire fighting capability.

b. Storm & Sanitary Sewer Systems

In Portland's early development, it was common practice to transmit both storm run-off water and untreated sanitary sewage in the same pipes and discharge the combined material into the Willamette River. In more recent times, both State and Federal governments have mandated that this practice cease and that programs be initiated and implemented to correct the practice.

As funds are available, Portland is complying with these mandates. At the present times, two conditions exist:

- 1) Where the sanitary and storm systems have been separated, the sanitary sewage is transmitted to a treatment plant and processed before discharge into the river. The storm water is discharged directly into the river.
- 2) Where the sanitary and storm systems are combined in a single transmission pipe, under normal conditions the combined material is transmitted to a treatment plant and all of it processed before discharge into the river. However, under conditions of heavy storm, when the pipe size is inadequate to accommodate the combined sanitary and storm run-off material, the excess combined material is discharged - untreated - directly into the river.

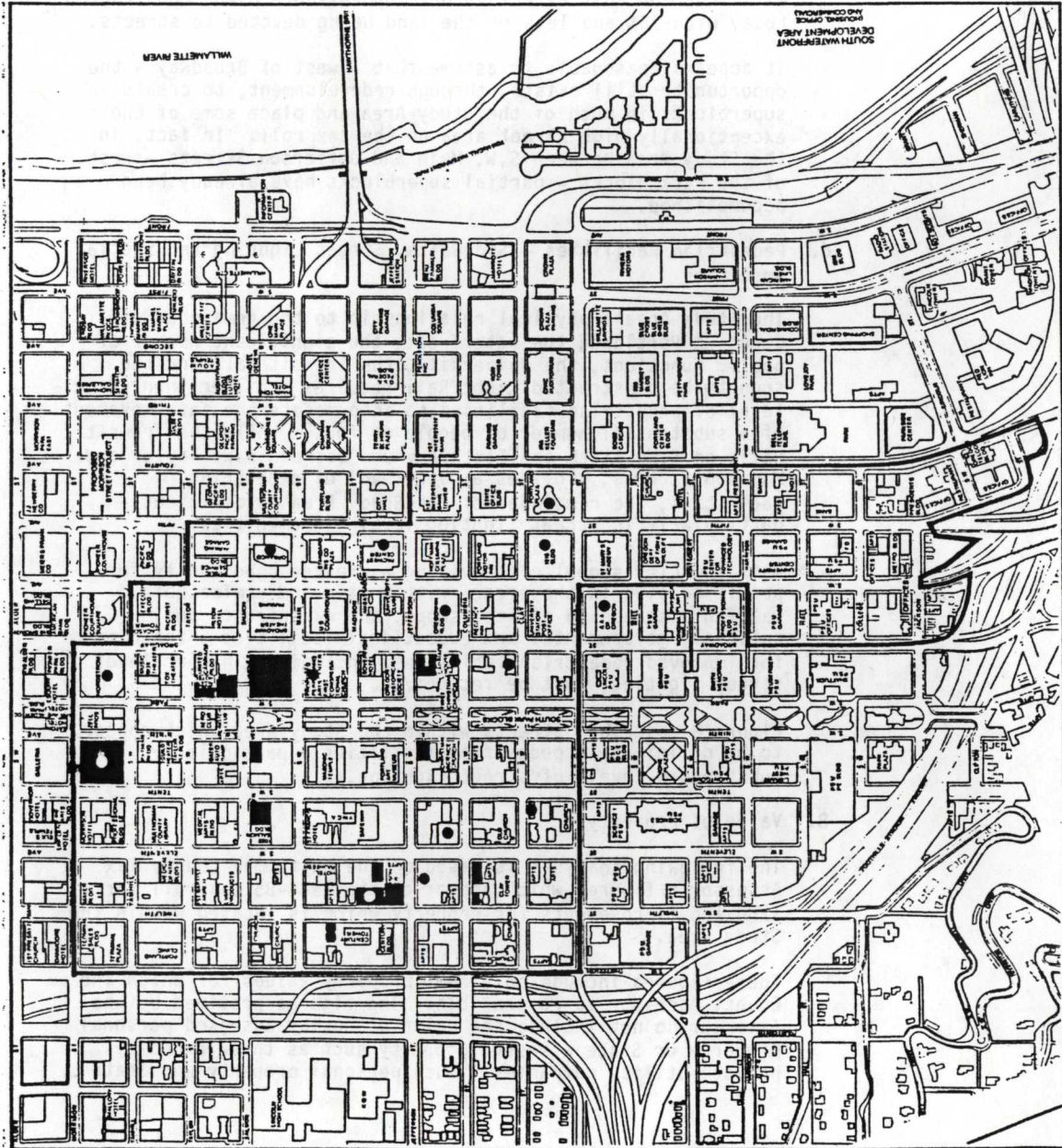
The City has a permit from the DEQ to discharge this excess material during heavy storm periods when conditions produce a flow of three times dry weather flow.

The building of treatment plant capacity to process storm water is costly and the discharge of raw, untreated sanitary sewage into the river is unacceptable environmentally. The elimina-

SOUTH PARK BLOCKS RENEWAL AREA STUDY

FIGURE 5 10 YEAR BUILDING ACTIVITY

- NEW CONSTRUCTION -- 3 PUBLICLY ASSISTED
- SUBSTANTIAL REHABILITATION -- 12 PUBLICLY ASSISTED
- ◐ NEW CONSTRUCTION -- 12 PRIVATELY FINANCED



tion of the combined system would free up valuable and needed wastewater treatment capacity of the present treatment plants to process sanitary sewage generated by property developed or annexed to the City in the east county.

Nearly half of the Study Area's total land area of 134 acres is sewered by a combined, single-pipe system. See Figure 6. Of equal concern, the combined sewer area includes some very intensive uses such as the Interstate Bank Tower, Equitable Building, Oregon State Office Building, Hilton Hotel, Oregonian Building, Federal Courthouse, Clay Tower and others. The City's Performing Arts Center, with the second phase currently underway, also is located within the area of combined sewer systems. Also, a portion of the sanitary sewage generated by the new PacWest Building is also transmitted in the combined system.

c. Streets

The surface street grid, which consumes a high 40% of the Study Area's total land area, is in good repair. However, the decision by Portland's early planners to develop a square 200-foot block, grid-iron pattern is considered by some to be wasteful of land and inefficient by today's standards. Very efficient and cost effective developments are being constructed today with 25% and less of the land being devoted to streets.

It appears reasonable to assume that - west of Broadway - the opportunity still exists, through redevelopment, to create superblocks in much of the Study Area and place some of the exceptionally high street area on the tax roll. In fact, in the Study Area between S.W. Main and Jefferson Streets - west of the Park Blocks - partial superblocks have already been accomplished.

d. Pedestrian Facilities - Sidewalks, Street Lighting and Special Amenities

The Study Area's physical relationship to the remainder of downtown Portland, the waterfront, the significant number of public functions, the University, the Transit Mall and the soon-to-be-constructed Light Rail requires a higher than normal level of pedestrian facilities to accommodate the safe movement of a substantial number of people on foot. While the Transit Mall, on S.W. Fifth and Sixth Avenues between S.W. Taylor and Madison Streets, provides a high level of pedestrian facilities, the remainder of the Study Area is deficient - particularly in street lighting level and amenities.

With the City's goal of providing a greater opportunity for people to live in the area - within safe and comfortable walking distance to office, shops, the waterfront, and cultural, governmental and educational facilities - the need for improved pedestrian facilities, including a higher level of street lighting, must be recognized.

Figure 8 describes streets within the Study Area which appear to be deficient in pedestrian facilities - particularly substandard levels of street lighting.

8. Value of Property

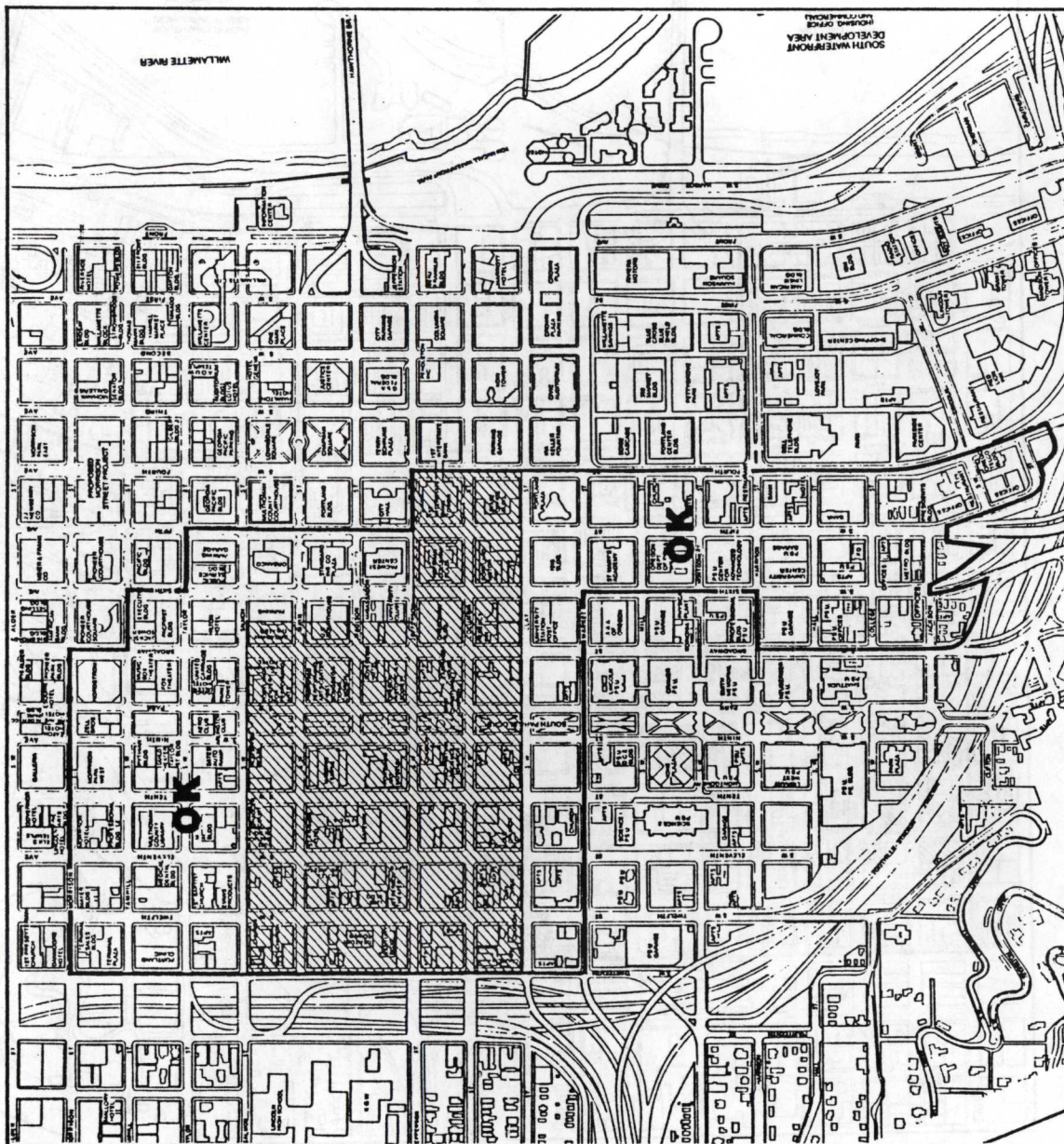
The following analysis is based on the Multnomah County Tax Assessor's figures which appear on the 1984-85 tax roll for land and improvements for property which is located within the Study Area.

These figures include only real property values for which the County Assessor is responsible. The figures provided by the Assessor do not include the value of County assessed personal property or State assessed property such as those owned by private utility companies. Such personal property and State

SOUTH PARK BLOCKS RENEWAL AREA STUDY

FIGURE 6 STORM & SANITARY SEWER SYSTEMS

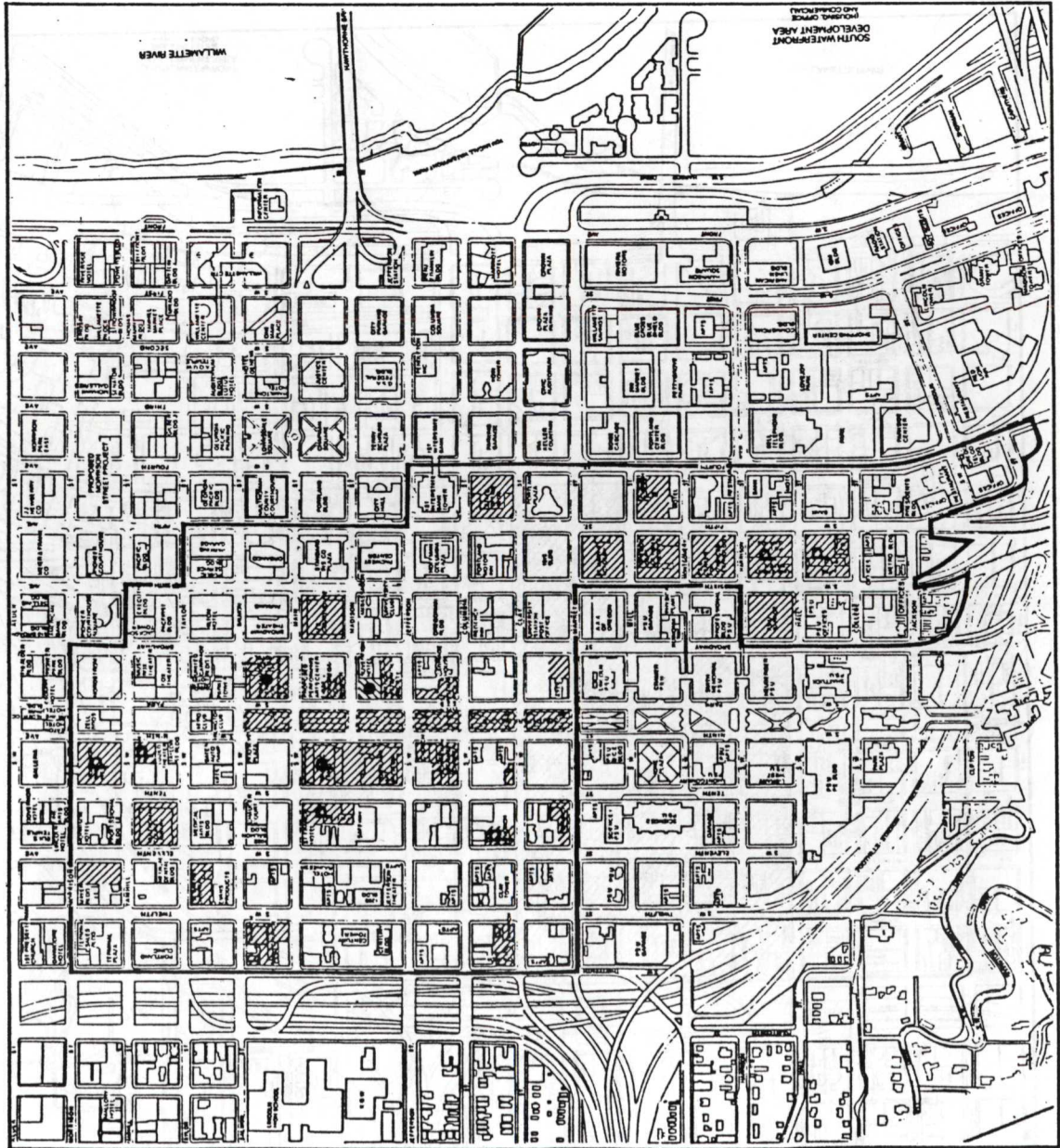
-  STORM AND SANITARY SYSTEMS ARE SEPARATED
-  STORM AND SANITARY SYSTEMS NOT SEPARATED



**SOUTH PARK BLOCKS
RENEWAL AREA STUDY**

**FIGURE 7
TAX EXEMPT AND
PARTIALLY TAX EXEMPT
PROPERTY**

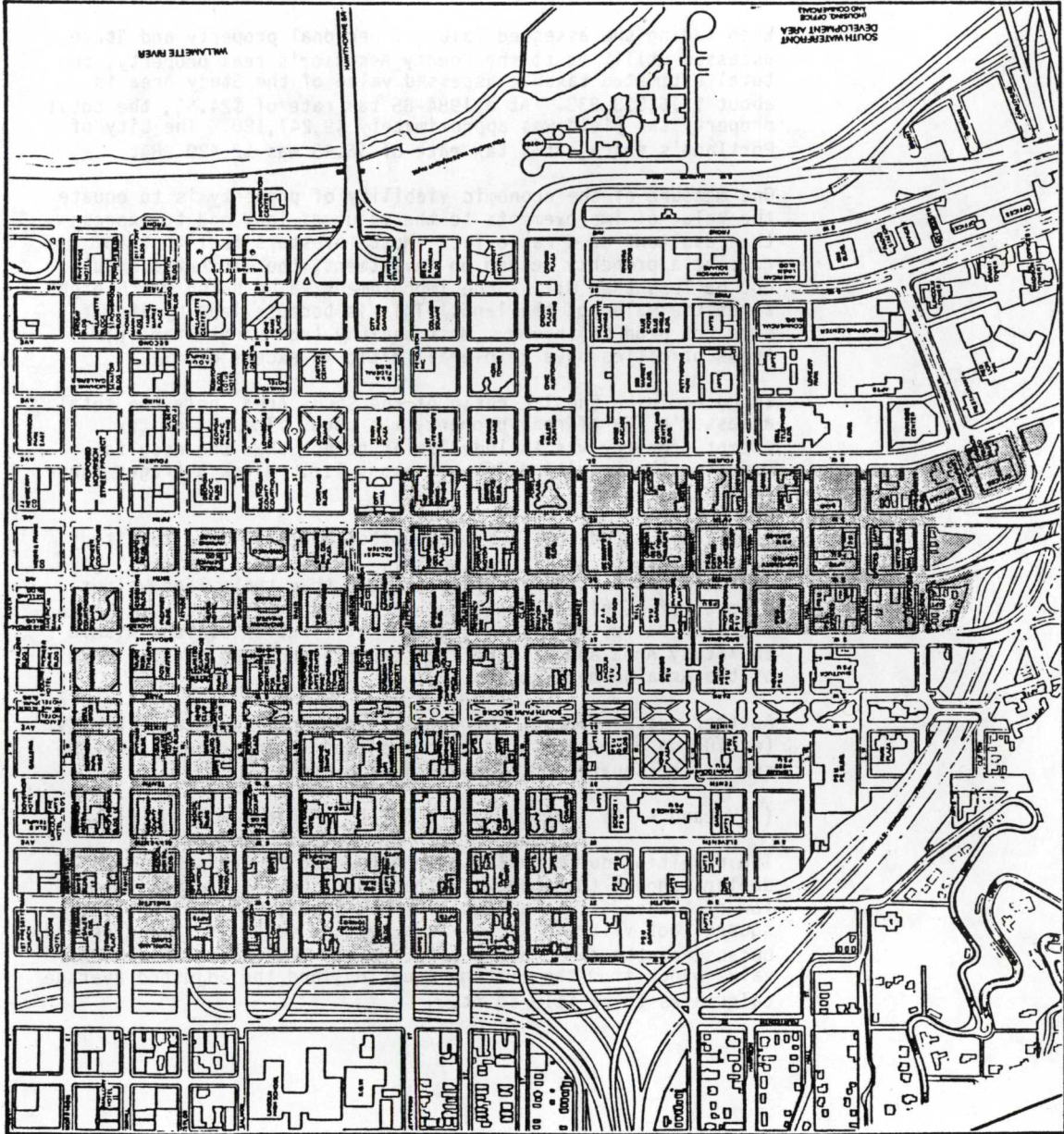
-  TAX EXEMPT
-  PARTIALLY TAX EXEMPT
-  PROPERTY WHICH HAS BECOME
TAX EXEMPT SUBSEQUENT TO
JAN. 1, 1983...TCV \$1,692,700



SOUTH PARK BLOCKS RENEWAL AREA STUDY

FIGURE 8 STREETS WHICH ARE DEFICIENT IN PEDESTRIAN FACILITIES... PARTICULARLY IN STREET LIGHTING

- STREETS WITH DEFICIENT
PEDESTRIAN FACILITIES



assessed values, in certain analyses reported herein, have been estimated on the basis of the percentages they represent of total County assessed real property. Where estimates are used, they are so noted.

Since 1980, the true cash value (TCV) of all property is no longer the figure on which property taxes are based. The TCV of "homestead" and "all other" property is reduced annually (by the State) by factors calculated to limit assessed value growth - statewide - not to exceed 5%. These factors vary annually and, when multiplied by their true cash values, become the assessed values (AV) for taxing purposes for any given year.

The County Assessor's total 1984-85 TCV for the entire Study Area - including the 46 tax exempt accounts - is calculated to be \$435,942,550. When the TCV of 46 tax exempt properties - calculated to be \$85,073,064 - is subtracted, the resultant, taxable TCV of County assessed real property is \$350,869,486. 19.5% of the Study Area's total value is excused from paying taxes.

For fiscal 1984-85, the statewide reduction factors (described above) were:

Homestead Property	96%
All Other Property	96%

When adding the assessed value of personal property and State assessed utilities to the County Assessor's real property, the total estimated taxable assessed value of the Study Area is about \$376,513,833. At a 1984-85 tax rate of \$24.56, the total property tax yield was approximately \$9,247,180. The City of Portland's share, at a tax rate of \$6.43 was \$2,420,984.

One measure of the economic viability of property is to equate the value of improvements to the value of land and to express the resultant as a ratio I:L. Most investors feel that to receive a property return on investment, the I:L ratio should not be less than 8:1 -- the improvement value being worth eight times the value of the land. This is because land by itself does not produce income. Most healthy (non-single family) areas of cities have an overall ratio in excess of 4:1.

In determining the I:L ratio of the Study Area, only the total assessor's TCV of real property was used. The TCV of tax exempt property was included so as to not skew the results. Overall, the resulting TCV was about 1:7. Block averages range from 0 to 20.3:1.

It will be noted that 45% of reported blocks within the Study Area fall below an I:L ratio of 1. Those 45% (39 blocks) have improvements which are valued at less than their land values. A total of 65 blocks (75%) have I:L ratios less than 2. These very low ratios underline the underutilization of land within the Study Area and also reflect the age and condition of much of the Area's improvements.

Another measurement of the value of property is to add the TCV (excluding exemptions) of land and improvements and divide the sum by the square footage within each block.

$(TCV \text{ Land} + TCV \text{ Improvement}) \div \text{Sq.Ft. in Block} = \$/\text{Sq.Ft.}$

The resulting dollar values, when rounded to the nearest dollar, showed that blocks within the Study Area range from a low of \$12/sq.ft. to a high of \$1206/sq.ft. The average per square foot value is \$125. This average value is skewed upward because of the one block's \$1206 value. Excluding this high value block from the average equation, and the adjusted average calculates to be \$110/sq.ft.

The Assessor assigns no improvement value to the Park Blocks. The three blocks on which new construction was completed in 1984.

The TCV of land only per square foot of land in each block within the Study Area was also examined.

The resulting land values in the area ranged from a low \$22.05 to a high of \$77.70 - the average calculates to be \$36.73 per sq.ft.

9. Police Activity in the Study Area

A study of historical data for police activity was completed for the norther 120 acres of the Study Area bounded by Fourth and Thirteenth Avenues, Morrison and Mill Streets. This area is the most densely developed within the Study Area. The following types of information were reviewed in this study:

- a. Police aid requested by major category
- b. Statistics for the six most serious types of crimes
- c. Statistics for the most frequent police calls, regardless of type

1,676 or 37% of a total of 4,532 calls made during the 12-month period sampled by this study were "Extreme Emergency" and "Emergency" calls. The remaining 63% were "Urgent" or "Routine".

This one-year sample's total of 4,532 responses translated into a daily average of 12.4 calls, which appears quite high.

Further quantify the police activity profile of the area, it was found that the average cost per response during this period was \$183.81 or \$833,026.92 for the year. This amount equalled 38% of the total City of Portland property taxes assessed in the area during the same period.

Furthermore, on a per acre basis, it was determined that the annual police cost per acre to serve the area was \$6,914. This is more than 13 times greater than the city-wide cost per acre of police responses, which averaged \$529 per acre during the same period.

10. Fire Activity in the Study Area

During a 12-month period, the Portland Fire Bureau made 668 calls to the same northerly 120 acres of the Study Area for which police activity data was obtained. Of these calls, over half (55%) were for First Aid, and 249 were for false or accidental alarms. Only 54, or 8%, of the total number of calls made were for actual fire activity.

The figures, other than First Aid responses, do not appear unusually high. Total property loss for the year due to fire damage was \$437,275. Most of this dollar amount \$429,075 (98.1%) resulted from structural fires. The \$429,075 figure represents less than 2/10ths of one percent (0.2%) of the Study Area's total improvement value.

PART III
Findings and Recommendation

The South Park Blocks Study Area qualifies and is within the assessed value and size limitations of ORS 457. Further, the entire area qualifies as a blighted area as defined by State law in that:

1. The Area is deteriorated - 58% of the buildings need rehabilitation and 8% are deteriorated beyond what appears to be economic rehabilitation. Almost 63% of the Area's buildings were constructed prior to 1940 -- over 38.6% prior to 1920.
2. The Area's original planning made inefficient use of the City's developable land resources. Almost 40% of the area is devoted to streets.
3. The Area has improper and inadequate (public) facilities. More than 35% of the area is sewered and drained in a combined, single-pipe system. During heavy storms, combined storm water and raw sanitary sewage are discharged directly, without treatment into the Willamette River. Pedestrian facilities throughout the area, particularly in street lighting, are inadequate. Pedestrian linkage throughout the area and to the remainder of downtown, the waterfront, the university areas and the Light Rail system is inadequate.
4. The lack of substantial, private sector, new and rehabilitation building activity in the Area - without public assistance - is indicative of economic stagnation prevalent in the majority of the Study Area.
5. The Area's prevalence of depreciated value and inability to generate property taxes to pay for the public services demanded by it is caused, primarily, by the low overall value of the improvements on the land - the low I:L ratio. The large amount of land devoted to on-grade parking lots -- rather than multi-level parking structures in conjunction with intensive development -- also contributes to the Area's low improvement values.
6. The cost to the community, on a per acre basis, to provide police service to the study area is more than 13 times the city-wide per acre costs, and suggests the existence of social problems. Such police costs alone, consume more than 38% of the property taxes levied by the City in the Study Area.
7. To realize the City's housing goal for the area, the creation of new public financing tools to supplement existing incentives such as property tax abatement, will be essential. A viable source and method to generate those funds will have to be established.
8. The upgrading of the Area's private investments will improve the Area's tax base and substantially assist in protecting the more than \$52,293,890 public investment in the area.

Clearly, the entire Study Area meets the "blight test" required by ORS 457.010 and is eligible to be designated (and the blighting conditions corrected) as an urban renewal area by the City.