

7-1-1985

Report on the South Park Blocks Urban Renewal Plan

Portland (Or.). Development Commission

Let us know how access to this document benefits you.

Follow this and additional works at: http://pdxscholar.library.pdx.edu/oscdl_cityarchives



Part of the [Urban Studies Commons](#), and the [Urban Studies and Planning Commons](#)

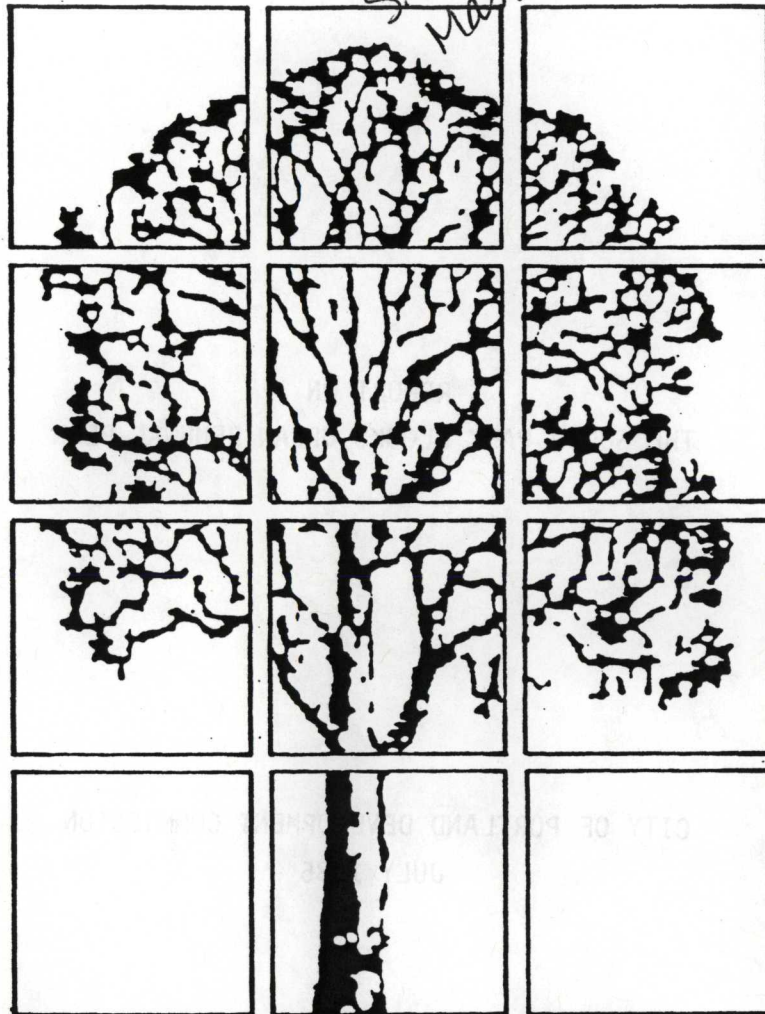
Recommended Citation

Portland (Or.). Development Commission, "Report on the South Park Blocks Urban Renewal Plan" (1985). *Portland City Archives*. Paper 40.

http://pdxscholar.library.pdx.edu/oscdl_cityarchives/40

This Report is brought to you for free and open access. It has been accepted for inclusion in Portland City Archives by an authorized administrator of PDXScholar. For more information, please contact pdxscholar@pdx.edu.

Asked that p.18
include reference to
S. Park Blocks Framework
Master Plan. Was done.



South Park Blocks

Report on the Urban Renewal Plan

JULY 1985

REPORT ON
THE SOUTH PARK BLOCKS URBAN RENEWAL PLAN

CITY OF PORTLAND DEVELOPMENT COMMISSION
JULY 1985

TABLE OF CONTENTS

	<u>Page</u>
Chapter I. Introduction	1
Chapter II. A Description of the Physical, Social and Economic Conditions in the Urban Renewal Area	2
Chapter III. The Expected Impact, Including Fiscal Impact of the Plan in Light of Added Services or Increased Population	13
Chapter IV. Reasons for Selection of Each Urban Renewal Area in the Plan	15
Chapter V. The Relationship Between Each Project Activity to be Undertaken Under the Plan and the Existing Conditions	16
Chapter VI. The Estimated Total Cost of Each Project or Activity, the Sources of Monies to Pay Such Costs, and the Anticipated Completion Date for Each Project or Activity	17
Chapter VII. The Estimated Amount of Money Required Under ORS 457.420 to 457.440 and the Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided for Under ORS 457.440	23

Chapter VIII. A Financial Analysis of the Plan with Sufficient Information to Determine Feasibility	24
Chapter IX. Relocation Report	25

LIST OF TABLES

Table

- 1 Primary Land Use by Zoning Classification
- 2 Net Land Area by Zone - Land Area in Streets
- 3 Condition of Buildings and Dwelling Units
- 4 Assessed Values of Affected Taxing Bodies
- 5 Estimated PDC Income/Expenditure Analysis
- 6A Estimated Effect of Renewal Plan on Taxing Bodies
- 6B Estimated Effect of Renewal Plan on Taxing Bodies with Sales Tax

LIST OF FIGURES (maps)

Figure

- 1 Renewal Area Boundary
- 2 Land Use/Zoning
- 3 Storm and Sanitary Sewer Systems
- 4 Streets Which are Deficient in Pedestrian Facilities - Particularly in Street Lighting
- 5 South Park Blocks Renovation Area
- 6 Main Street Improvements Area

LIST OF EXHIBITS

Exhibit

- 1 South Park Blocks Renewal Area Eligibility Study

CHAPTER I. Introduction

The Portland Development Commission, the City of Portland's urban renewal agency, has prepared an Urban Renewal Plan for the South Park Blocks Area complying with the provisions of Chapter 457 of the Oregon Revised Statutes (ORS 457).

Section (3) of ORS 457.095, the State of Oregon law regulating the urban renewal of blighted areas, requires that an urban renewal plan be accompanied by a report. This document, consisting of text, tables and an appendix containing graphic exhibits, constitutes the required Report.

- o The Urban Renewal Plan is known as the "South Park Blocks Urban Renewal Plan" and is hereinafter referred to as the "Plan".
- o The Urban Renewal Area contains approximately 134 acres and is known as the "South Park Blocks Urban Renewal Area", and is hereinafter referred to as the "Area" or "Renewal Area". A written legal description of the Renewal Area is set forth in Section 300 of the Plan and is described on all graphic exhibits included in such Plan. Further, the boundary of the Renewal Area is graphically delineated on each exhibit located in the appendix of this Report.
- o Other defined terms of Section 200 of the Plan have the same meaning and usage in this Report on the Plan.
- o This Report has been prepared by the City of Portland's urban renewal agency, known as the Portland Development Commission, hereinafter referred to as the "Development Commission".

CHAPTER II. A Description of the Physical, Social and Economic Conditions in the Urban Renewal Area

This chapter describes the physical, social and economic conditions found within the Area. This information is also contained in the South Park Blocks Renewal Area Eligibility Study, which is incorporated and made a part of this Report as Exhibit 1, and formed the basis of that Study's finding of blight as defined by ORS 457.

A. PHYSICAL CONDITIONS

1. Land Area. The South Park Blocks Urban Renewal Area encompasses 134 acres. The City's total land area is reported to be 70,647.68 acres; therefore, the renewal land area, when combined with the total physical area of existing urban renewal areas, totals 944.07 acres, which represents 1.34% of the City's total land area and is less than 15% of the City's total land area - a State law maximum per ORS 457.420(2)(a). The 134-acre Area represents less than .19% of the City's total land area. (See Figure 1)
2. Existing Land Use and Zoning. Within the total 134-acre Area there are three major land use zoning districts. Following is a brief description of the intent of these three land use zones and net land area encompassed by each zoning category. Net land area includes only parcels of property capable of development and excludes all land devoted to street and alley rights-of-way. (See Figure 2 and Tables 1 and 2)

"C1Z" - Central Commercial Zone - Downtown Development. The City's zone designed to regulate development of downtown Portland. 47.11 net acres (2,052,039 square feet) of the Area are zoned "C1Z" and are used as follows:

Vacant Land	3%
On-Grade Parking	7%
Structured Parking	9%
Residential	8%
Fraternal/Club	1%
Hotel/Motel	6%
Commercial-Retail	7%
Commercial-Service	5%
Office	35%
Amusement/Cinema	3%
Public	11%
Church	2%
Vacant Building	3%

"RXZ" - Downtown Apartment Residential Zone - and "RXZS" - with Signboard Control - Downtown Development. The regulations provide for a mixture of apartment and institutional uses together with appropriate office and retail. In the Area there are 31.32 net acres (1,364,247 square feet) zoned RXZ or RXZS and are used as follows:

Vacant Land	2%
On-Grade Parking	23%
Structured Parking	1%
Residential	18%
Fraternal/Club	5%
Hotel/Motel	2%
Commercial-Retail	7%
Commercial-Service	2%
Office	21.5%
Public	5%
Church	12%
Vacant Building	1%
Amusement/Cinema	.5%

"OSRXZ" - Park Blocks Open Space - Downtown Development. In the Area there are 2.20 net acres (196,000 square feet) zoned "OSRXZ" and are used as follows:

Public Park Blocks 100%

3. Condition of Buildings and Dwelling Units.

Age of Buildings. The Area contains some of Portland's older buildings dating back to 1879. Of the Area's 252 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	<u>1 building</u>
TOTAL BUILDINGS	81 buildings

Condition of Buildings (see Table 3). During the field investigation period, Commission staff and a 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 3 shows such condition evaluation for the 252 buildings including the 2,817 dwelling units within the Area.

4. 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.

5. 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:

- a) 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.

- b) 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 elimination 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 Renewal Area's total land area of 134 acres is sewered by a combined, single-pipe system. See Figure 3. Of equal concern, the combined sewer area includes some very intensive uses such as the Interstate Bank Tower, Hoffman Plaza, 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 transmitted in the combined system.

6. Streets

The surface street grid, which consumes a high 40% of the Renewal 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 Renewal Area and place some of the exceptionally high street area on the tax roll. In fact, in the Renewal Area between S.W. Main and Jefferson Streets - west of the Park Blocks - partial superblocks have already been accomplished.

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

The Renewal 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 Renewal 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 4 describes streets within the Renewal Area which appear to be deficient in pedestrian facilities - particularly substandard levels of street lighting.

B. SOCIAL CONDITIONS

Research was conducted to ascertain the social and economic conditions of the Area utilizing 1980 Federal Census data and Police and Fire Bureau data. Census data for the Area was provided by the Metropolitan Service District for parts of Census Tracts 53 and 56, which reasonably approximate the boundaries of the Area.

1. Population

An estimated 4,380 people live within the Area. The following shows the age distribution of residents within the Area compared to that found in the City generally:

	<u>Area</u>	<u>City</u>
19 years or less	9%	25%
20 to 64 years	68%	60%
65 years or more	<u>23%</u>	<u>15%</u>
	100%	100%

From this age grouping of the Area's population, it is clear that the people living in the Area are considerably older than within the City as a whole. The percentage of Area residents who are less than 20 years old is nearly one-third that of the City generally, while the proportion of Area residents who are over 64 years is 53% greater than the City-wide average.

2. Household Income and Poverty

Within the Area, household income is measurably lower than that found within the City of Portland.

<u>Income in 1979</u>	<u>Area</u>	<u>City</u>
Less than \$5,000	43%	16%
\$5,000 to \$9,999	32%	19%
\$10,000 to \$14,999	12%	16%
\$15,000 to \$19,999	6%	14%
\$20,000 to \$29,000	4%	19%
\$30,000 or more	<u>3%</u>	<u>16%</u>
	100%	100%

According to Census figures, approximately 39% of those persons for whom poverty status could be determined were classified as being below the Federal poverty guideline. This compares with only 13% found in the City of Portland generally during this period.

3. Police Activity

A study of historical data for police activity was completed for the northern 120 acres of the Renewal Area bounded by Fourth and Thirteenth Avenues, Morrison and Mill Streets. This area is the most densely developed within the Renewal 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.

To 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.

Furthermore, on a per resident basis, it was determined that the annual police cost per person to serve the area was \$190. This is more than 86% greater than the city-wide cost per person of police responses, which averaged \$102 per person during the same period.

C. ECONOMIC CONDITIONS

1. Value of Property Within the Urban Renewal Area

State law requires that no more than 15% of a City's total Assessed Value be frozen by the establishment of urban renewal areas.

The estimated total True Cash Value (TCV) of County and State assessed property within the entire Area for fiscal year 1984-85 is calculated as follows:

County Assessed Real Property	\$350,869,486 (tax role)
County Assessed Personal Property	24,490,690 (estimate)
State Assessed Property	<u>16,841,734 (estimate)</u>
	\$392,201,910

Using the State-wide reduction factor of 96% TCV, the estimated Assessed Value of the Area for fiscal year 1984-85 is \$376,513,833.

The County and State assessed value for the entire City of Portland (fiscal year 1984-85) is \$12,816,728,842. Therefore, the Assessed Value of the Area represents 2.9% of the City's total Assessed Value.

This value, when added to modified Assessed Value of frozen base of the City's three other urban renewal areas (\$151,990,034 + \$376,513,833 = \$528,503,867) represents 4.12% of the City's total Assessed Value -- well within the 15% maximum authorized by State law for an urban renewal area.

The tax rate for the Area for fiscal year 1984-85 is \$24.56 per \$1000 assessed valuation. At this rate, the total yield for property tax in the Area would be approximately \$9,247,180 annually. The adoption of the Plan will not affect the ability of the various taxing jurisdictions to continue receiving these funds from the Area.

2. The Relationship of the Value of Improvements to the Value of Land

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 proper 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 Renewal Area, only the total assessor's TCV of real property was used. The TCV of tax exempt property was excluded 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 Renewal 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 Renewal 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.

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

The resulting dollar values, when rounded to the nearest dollar, showed that blocks within the Renewal 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 three Park Blocks on which new construction was completed in 1984.

The TCV per square foot of land in each block within the Renewal 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.

3. Tax Exempt Property

The County Assessor's total 1984-85 TCV for the entire Renewal 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 Renewal Area's total value is exempted from paying taxes.

CHAPTER III. The Expected Impact, Including Fiscal Impact of the Plan, in Light of Added Services or Increased Population

One of the principal objectives of the Plan is to renovate the Area and through the renewal process, create a stronger, more attractive area that will attract new development to underutilized land and substantial rehabilitation of existing buildings in the business and residential sectors of the Area. With such new and rehabilitated development, new and expanded businesses and housing units will cause the assessed value to increase and, in turn, should cause the property tax rates to decline. Business expansion and construction activities will also provide new employment opportunities for Portland residents.

Important elements of the Plan are to upgrade the Area's infrastructure - specifically its street lighting and sanitary sewer systems, and its open space and pedestrian facilities. Nearly half of the Area is sewered by a combined single-pipe system and, under conditions of heavy storm, the pipe system is unable to handle both sanitary and storm runoff. The excess combined material is discharged - untreated - directly into the Willamette River. Sanitary sewer system improvements may free up additional waste water treatment capacity. Lighting system improvements will improve the nighttime illumination for pedestrians at a nominal increase in annual operating costs, but are expected to decrease the Area's demand for costly police services.

The Renewal Area (134 acres) encompasses land included within seven taxing bodies. Table 4 shows the 1984-85 total Assessed Value for computing taxes of each of the seven, and the percentage represented by the Renewal Area's taxable assessed value. The TCV of the Area will increase significantly as a direct result of the Plan's redevelopment activities, and upon the date of the Plan's termination, more taxable value will be added to the tax role than would otherwise have taken place.

The infrastructure capacity of the Area is adequate for serving all contemplated redevelopment without additional public investment. The anticipated increase in the number of Area residents from new residential development is not expected to increase the demand for City or school district services due to the small size of households which will be attracted to the Area.

CHAPTER IV. Reasons for Selection of Each Urban Renewal Area in the Plan

The South Park Blocks Urban Renewal Area is a single urban renewal area. The City Council, by Resolution 33892, found the Area to be eligible pursuant to the provisions of ORS 457.

The purpose and objective of the Plan is to initiate and implement activities and actions that will eliminate existing blight and blighting influences, achieve the Area's middle-income housing goals, stimulate redevelopment of underutilized land, and improve the Area's living, shopping and working environment.

CHAPTER V. The Relationship Between Each Project Activity to be Undertaken Under the Plan and the Existing Conditions

All public improvements, including improved street lighting, pedestrian amenities and sewer improvements; redevelopment financing programs; administrative and technical support; property acquisition and redevelopment authorization; relocation activities (if any); property disposition; creation of redeveloper's obligations and owner participation programs set forth in Section 600 of the Plan are intended to correct the deficiencies described in Chapter II of this Report.

CHAPTER VI. The Estimated Total Cost of Each Project or Activity, the Sources of Moneys to Pay Such Costs, and the Anticipated Completion Date for Each Project or Activity

The following program activities and projects are provided for in the Plan and are more fully described below.

A. PEDESTRIAN SAFETY AND AMENITIES

A significant program of public improvements oriented toward improved pedestrian safety, comfort and circulation was identified in the AX Zone Development Notebook as an essential element in the Area's rehabilitation and redevelopment.

Figure 4 describes those parts of the Renewal Area where improvements in the public right-of-way will be undertaken.

Improvements within these areas will include, but not be limited to, the following, as required:

1. New street lights and traffic control devices;
2. New curbs and gutters, including curb extensions into on-street parking areas;
3. New sidewalks;
4. Trees, shrubs, flowering plants, ground covers and other plant materials including irrigation systems, soil preparation and/or containers to support same;
5. Tables, benches and other street furniture;
6. Shade structures or other weather-protecting devices;

7. Drinking fountains;
8. Pedestrian crosswalks;
9. Special graphics for directional and informational purposes;
10. New fire hydrants; and
11. Patching and replacement of street pavement as required.

The commencement of planning, design and construction of the aforementioned improvements is expected to begin in Fiscal Year 1985-86 and be completed in Fiscal Year 2006-07. The total completed in-place costs of these improvements could be \$5,571,000 inclusive of all hard and soft costs.

Approximately \$453,000 of these costs associated with lighting improvements may be funded by the City of Portland through a tax levy approved in May 1985. The remaining costs may be paid from tax increment proceeds as conditions and plans may dictate.

B. SOUTH PARK BLOCKS RESTORATION

Figure 5 describes the South Park Blocks Area in which a major program of restoration and rehabilitation will be undertaken. The improvements, which are called for in the South Park Blocks Framework Master Plan, will include, but not be limited to, the following, as required:

1. Survey, design, soil testing;
2. Utility relocation, replacement or upgrading;
3. Drainage, grading, soil preparation;

4. Trees, shrubs, flowering plants, ground covers and other plant materials including irrigation systems;
5. Park benches and other street furniture, including kiosks, drinking fountains;
6. Repair and restoration of public art;
7. New street lights and traffic control devices, and other directional and informational devices;
8. Pedestrian crosswalks, paving, curb and street repair;

The commencement of planning, design and construction of the aforementioned improvements is expected to begin in Fiscal Year 1985-86 and be completed in Fiscal Year 1986-87. The total completed in-place costs of these improvements is expected to be \$883,000. All costs are expected to be paid from tax increment proceeds.

C. MAIN STREET IMPROVEMENTS

Figure 6 describes the area of the Main Street Improvements Project where improvements in the public right-of-way will be undertaken. The improvement program, which was a key recommendation of the Portland Center for the Performing Arts Area Development Plan, will provide a safe and attractive pedestrian linkage between Phase I and Phase II of the Center.

The Main Street Improvements Project will include, but not be limited to, the following, as required:

1. Utilities and fees, and provision of drainage;
2. Grading, regrading, paving of streets;

3. New sidewalks, steps and pedestrianways;
4. Trees, shrubs, flowering plants, ground covers and other plant materials, soil preparation and/or containers to support same;
5. Benches and other street furniture, including kiosks;
6. Special paving surface; entrance frames, steel canopy, shade structures, other weather-protecting devices or other appurtenances;
7. Drinking fountains;
8. Directional and informational signs;

The commencement of planning, design and construction of the aforementioned improvements is expected to begin in Fiscal Year 1985-86 and be completed in Fiscal Year 1986-87. The total completed in-place costs of these improvements will not exceed \$668,000 inclusive of all hard and soft costs. All costs will be paid from tax increment proceeds.

D. IMPROVEMENTS TO SANITARY SEWER SYSTEM

Figure 3 of this Report identifies those areas within the Renewal Area which are served by a combined sanitary and storm water system. That portion of the combined sewer system located in Main Street between Broadway and Park will be upgraded beginning in fiscal 1985-86 and completed in fiscal 1986-87. The remaining sewer system upgrading and replacement is scheduled to begin in fiscal 1987-88 and completed by fiscal 1989-90.

Approximately \$52,000 of tax increment proceeds will be used to cover the total costs of the sewer upgrading and replacement in the aforementioned Main Street area. Approximately \$3,360,000 in Bureau of

Environmental Services funds are expected to be used to pay the remaining costs of this program.

E. REDEVELOPMENT FINANCING FUND

The Plan provides for the provision of financial assistance to property owners within the Area for the redevelopment of underutilized property through new construction, and the rehabilitation and conservation of existing structures of historic value or where such rehabilitation is economically feasible and will extend the useful life of the structure.

Priority shall be given in the utilization of the Redevelopment Financing Fund to projects which most directly address and assist in the achievement of the objectives of the Plan and, in particular, the Plan's housing objectives. The Development Commission may establish such policies for the administration of the Redevelopment Financing Fund as it believes necessary for the achievement of the Plan's objectives.

The Development Commission may use the Redevelopment Financing Fund to make loans at below-market or at market rates of interest, or provide such other forms of financial assistance or participation in an assisted project as may be required to achieve the objectives of the Plan.

The Redevelopment Financing Fund will be established by the Development Commission in Fiscal Year 1985-86 and receive funding over the life of the Plan totaling \$16,900,000 in tax increment proceeds.

The Redevelopment Financing Fund will be maintained by the Development Commission until the earlier of the termination of the Plan or the substantial achievement of the Plan's objectives.

To the maximum extent feasible, the Redevelopment Financing Fund will be used in conjunction with other forms of Federal, State and local grant, loan and tax exempt bond financing programs to insure the efficient use of the Fund's resources.

F. PROJECT MANAGEMENT, LEGAL AND FINANCIAL SERVICES

\$1,920,000 has been projected to pay the costs of staff; technical services such as accounting, auditing, economics and marketing studies, renewal studies; legal services, etc. which will be required for the administration of the Plan's projects and activities, including office costs over 23 years.

G. BORROWING FUNDS AND ESTABLISHING INTEREST BEARING ACCOUNTS

The Development Commission is authorized and expects to borrow money to carry out the Plan. A \$7,000,000, 20-year urban renewal bond is budgeted for fiscal 1985-86. Further, a \$5,000,000 urban renewal bond issue is estimated to be sold in fiscal 1988-89 and a \$10,000,000 bond in 1992-93. A bond reserve fund equal to one year's debt service of an estimated \$2,917,000 begins in 1985-86 and is to be completed in 1992-93. The bond reserve fund will be placed in an interest-bearing account and remain in place until the year 2007-08 when the \$3,552,000 will be transferred to other Plan implementation accounts or used for bond retirement.

CHAPTER VII. The Estimated Amount of Money Required Under ORS 457.420 to 457.440 and the Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided for Under ORS 457.440

Table 5 describes the estimated amount of tax increment proceeds required, the amount of other sources of urban renewal bond income and the Development Commission's expenditures by major categories or project activities.

It is estimated that \$59,910,000 of tax increment proceeds for bond principle and interest is required to implement the Plan. This sum is estimated to be collected during or before fiscal year 2004-05. Therefore, it is further estimated that between fiscal 2004-05 and 2007-08, an increased taxable assessed value of \$525,930,000 over and above the initial base year assessed value of \$392,202,000, will be turned over to the seven affected taxing jurisdictions. Of this increase, an estimated \$255,865,000 of new value may be attributable to projects assisted by the Plan.

Table 4 illustrates the tax rates and revenues of the seven taxing bodies attributable to the Area. The tax revenues shown for each taxing body will be unaffected by the adoption of the Plan.

CHAPTER VIII. A Financial Analysis of the Plan with Sufficient Information to Determine Feasibility

Table 5 demonstrates the need to receive tax increment proceeds for a 19-year period beginning in fiscal year 1986-87. Table 6 estimates the impact such tax increment financing will have on the tax rates of each of the affected taxing jurisdictions. The tax rate increase is estimated to vary from \$0.066 to \$0.135 per \$1,000 of assessed value over the 19-year period.

When the tax increment process is terminated -- estimated to be at the end of fiscal 2004-05, the increased assessed value generated within the Renewal Area will be unfrozen and turned back to the seven taxing jurisdictions.

The cash flow projections illustrated in Table 5 indicates that the Renewal plan is financially feasible.

CHAPTER IX. Relocation Report

An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of Development Commission actions under ORS 457.170.

The Plan allows for the acquisition of property. However, no occupied residences, businesses nor any other occupied properties are proposed for acquisition. Therefore, no relocation activities are anticipated.

A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in the Renewal Area in accordance with ORS 281.045 through 281.105.

No relocation activity is anticipated in the Plan. However, should conditions change at a future date, relocation activities and assistance would be provided in accordance with ORS 281.045 through 281.105. The Development Commission has prepared and maintains information in its office relating to the relocation program and procedures, including eligibility for and amounts of relocation payments, services available and other relevant matters.

An enumeration, by cost range, of the existing housing units in the Renewal Area of the Plan to be destroyed or altered, and new units to be added.

No existing housing units are proposed to be destroyed by actions of the Development Commission. New units to be added will consist of rental apartments, the majority of which are expected to rent for between \$500 and \$900 a month in 1985 dollars. These rents would be affordable by persons earning between approximately 80% and 150% of the metropolitan area's 1985 median income of \$28,800.

TABLE 1

SOUTH PARK BLOCKS URBAN RENEWAL AREA

PRIMARY LAND USE BY ZONING CLASSIFICATION*

Primary Use of Property:	ZONING CLASSIFICATION				Net Total Sq.Ft. By Land Use
	C1Z 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
Commercial-Retail	145,578	64,345	28,925	--	238,848
Commercial-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

Source: Patterson Stewart & Associates; Portland Development Commission

TABLE 2

SOUTH PARK BLOCKS URBAN RENEWAL AREA

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	
OSRXZ	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.

Source: Patterson Stewart & Associates

July 1985

TABLE 3

SOUTH PARK BLOCKS URBAN RENEWAL AREA

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

Source: Patterson Stewart & Associates; Portland Development Commission

July 1985

TABLE 4

SOUTH PARK BLOCKS URBAN RENEWAL AREA

ASSESSED VALUES OF AFFECTED TAXING BODIES AND OF THE RENEWAL AREA AND TAXES GENERATED FROM THE RENEWAL AREA

Taxing Body	Taxable A.V. of District - 1984-85		Tax Rate	Taxable A.V. of Renewal Area		Tax Yield from Area
	\$			\$	%	
Multnomah County	\$18,164,755,289		3.13	\$376,513,833	2.07	\$1,178,488
Port of Portland JT	34,835,586,489		.41	376,513,833	1.08	154,371
Port of Portland (1963-73)	--		--	--	--	--
City of Portland	12,816,728,842		6.43	376,513,833	2.94	2,420,984
Multnomah County ESD						
- Elementary	18,321,989,049		.78	376,513,833	2.05	293,681
- High School	18,500,087,959		.38	376,513,833	2.04	143,075
Portland Comm. College	24,645,277,550		.57	376,513,883	1.53	214,613
Portland School District	13,333,917,284		12.70	376,513,833	2.82	4,781,726
Metro Service District	31,423,360,205		.16	376,513,833	1.20	60,242
Totals			24.56			\$9,247,180

All taxing bodies would continue to receive taxes based on the \$376,513,833 (estimated) assessed value of the South Park Blocks Renewal Area times their tax rate in any given year while the tax increment process is in effect.

Taxes generated from any increased values within the Renewal Area will accrue to the South Park Blocks Urban Renewal Sinking Fund to retire debts incurred in planning and carrying out the Plan.

Source: Portland Development Commission

July 1985

TABLE 5

SOUTH PARK BLOCKS URBAN RENEWAL AREA

ESTIMATED PORTLAND DEVELOPMENT COMMISSION INCOME/EXPENDITURE ANALYSIS
(to be re-evaluated annually throughout the life -- 23 years -- of the Urban Renewal Plan)
(in thousands of dollars)

Fiscal Year	Development Commission Income			Development Commission Expenditures			Bond Sinking Fund			Annual Balance Carried Forward
	Estimated Annual Tax Incr.	Interest from Various Accounts	Funds Borrowed	Public Improvements	Redevelopment Financing	Project Management Professional Services	Bond Reserve	Bond Debt Service & Other Costs	Addition To Fund	
1985-86	\$1409	22	\$ 7,000	\$ 970	\$ 1,500	\$	\$ 756	\$ 175	670	\$ 3,509
1986-87	2,066	60		881	1,000	90		739	1,326	1,560
1987-88	2,207	105	5,000	520	1,000	70	584	740	1,131	3,836
1988-89	2,337	105		520	1,500	70		1,076	1,036	1,851
1989-90	2,455	127		520	1,500	70		1,301	1,153	1,388
1990-91	2,561	171		520	1,400	70		1,302	1,254	1,89
1991-92	2,654	192	10,000	320	1,400	70	1,577	1,998	906	8,064
1992-93	2,735	214			1,500	80		2,196	539	6,698
1993-94	2,802	237		200	1,500	80		2,190	612	6,655
1994-95	2,855	252		200	1,000	80		2,192	663	5,827
1995-96	3,042	267		200	1,000	80		2,323	719	5,814
1996-97	3,232	282		200	1,000	80		2,482	750	5,016
1997-98	3,426	297		200	1,000	80		2,637	789	5,033
1998-99	3,826	312		300	1,000	90		2,799	1,027	4,255
1999-00	4,032	327			1,500	90		2,962	1,070	4,192
2000-01	4,242	349			1,500	90		3,026	1,216	2,951
2001-02	4,456	372			1,000	90		3,093	1,363	3,233
2002-03	4,675	387		200	1,000	90		3,153	1,522	2,530
2003-04	4,898	402		200	2,000	100		3,226	1,672	2,642
2004-05		432		220		100		3,294		974
2005-06		462				100				1,116
2006-07		484				100				
2007-08										
Totals	\$59,910	\$5,858	\$22,000	\$5,571	\$16,900	\$1,920	\$2,917	\$44,211		

Source: Portland Development Commission; Government Finance Associates

July 1985

TABLE 6A

SOUTH PARK BLOCKS URBAN RENEWAL AREA

ESTIMATED EFFECT OF THE SOUTH PARK BLOCKS URBAN RENEWAL PLAN ON THE SEVEN AFFECTED TAXING BODIES

Fiscal Year	County	City	Port	ESD	PCC	School	Metro	Tax Rate Increase
1984-85	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1985-86	0.00827	0.02387	0.00056	0.00302	0.00110	0.04570	0.00024	0.08276
1986-87	0.00899	0.02573	0.00061	0.00329	0.00119	0.04968	0.00026	0.08975
1987-88	0.00960	0.02726	0.00064	0.00351	0.00126	0.05308	0.00028	0.09563
1988-89	0.01295	0.03645	0.00086	0.00473	0.00169	0.07157	0.00037	0.12862
1989-90	0.01325	0.03699	0.00088	0.00484	0.00171	0.07322	0.00038	0.13127
1990-91	0.01347	0.03730	0.00089	0.00493	0.00173	0.07447	0.00038	0.13317
1991-92	0.01363	0.03743	0.00089	0.00498	0.00174	0.07536	0.00039	0.13442
1992-93	0.01373	0.03739	0.00089	0.00502	0.00174	0.07591	0.00039	0.13507
1993-94	0.01378	0.03721	0.00089	0.00504	0.00173	0.07618	0.00038	0.13521
1994-95	0.01378	0.03690	0.00088	0.00504	0.00172	0.07618	0.00038	0.13488
1995-96	0.01374	0.03648	0.00087	0.00502	0.00170	0.07595	0.00038	0.13414
1996-97	0.01366	0.03597	0.00086	0.00500	0.00168	0.07552	0.00037	0.13306
1997-98	0.01355	0.03538	0.00085	0.00495	0.00165	0.07490	0.00037	0.13165
1998-99	0.01341	0.03472	0.00084	0.00490	0.00162	0.07411	0.00036	0.12996
1999-00	0.01324	0.03400	0.00082	0.00484	0.00159	0.07319	0.00036	0.12804

8.2764 / \$1000

13.5214

Figures are dollars per \$1,000 of assessed valuation, also known as millage rate.
3 Bond Sales
 7 mill
 5 mill
 10 mill

*Figures are dollars per \$1,000 of assessed valuation, also known as millage rate.

Source: Patterson Stewart & Associates

July 1985

TABLE 6B
SOUTH PARK BLOCKS URBAN RENEWAL AREA

ESTIMATED EFFECT OF THE SOUTH PARK BLOCKS URBAN RENEWAL PLAN ON
THE SEVEN AFFECTED TAXING BODIES
WITH SALES TAX

Fiscal Year	County	City	Port	ESD	PCC	School	Metro	Tax Rate Increase
1984-85	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1985-86	.00827	.02387	.00056	.00302	.00110	.04570	.00024	.08276
1986-87	.00899	.02573	.00061	.00272	.00099	.04113	.00026	.08043
1987-88	.00960	.02726	.00064	.00245	.00089	.03702	.00028	.07814
1988-89	.01295	.03645	.00086	.00220	.00080	.03332	.00037	.08695
1989-90	.01325	.03699	.00088	.00198	.00072	.02998	.00038	.08418
1990-91	.01347	.03730	.00089	.00178	.00065	.02699	.00038	.08146
1991-92	.01363	.03743	.00089	.00160	.00058	.02429	.00039	.07881
1992-93	.01373	.03739	.00089	.00144	.00053	.02186	.00039	.07623
1993-94	.01378	.03721	.00089	.00130	.00047	.01967	.00038	.07370
1994-95	.01378	.03690	.00088	.00117	.00043	.01771	.00038	.07125
1995-96	.01374	.03648	.00087	.00105	.00038	.01593	.00038	.06883
1996-97	.01366	.03597	.00086	.00105	.00035	.01593	.00037	.06819
1997-98	.01355	.03538	.00085	.00105	.00035	.01593	.00037	.06748
1998-99	.01341	.03472	.00084	.00105	.00035	.01593	.00036	.06666
1999-00	.01324	.03400	.00082	.00105	.00035	.01593	.00036	.06575

*Figures are dollars per \$1,000 of assessed valuation, also known as millage rate.

Source: Patterson Stewart & Associates

July 1985

SOUTH PARK BLOCKS URBAN RENEWAL AREA

FIGURE 1

RENEWAL AREA BOUNDARY

- PORTLAND STATE UNIVERSITY RENEWAL AREA
- SOUTH AUDITORIUM RENEWAL AREA
- ... DOWNTOWN WATERFRONT RENEWAL AREA
- SOUTH PARK BLOCKS RENEWAL AREA

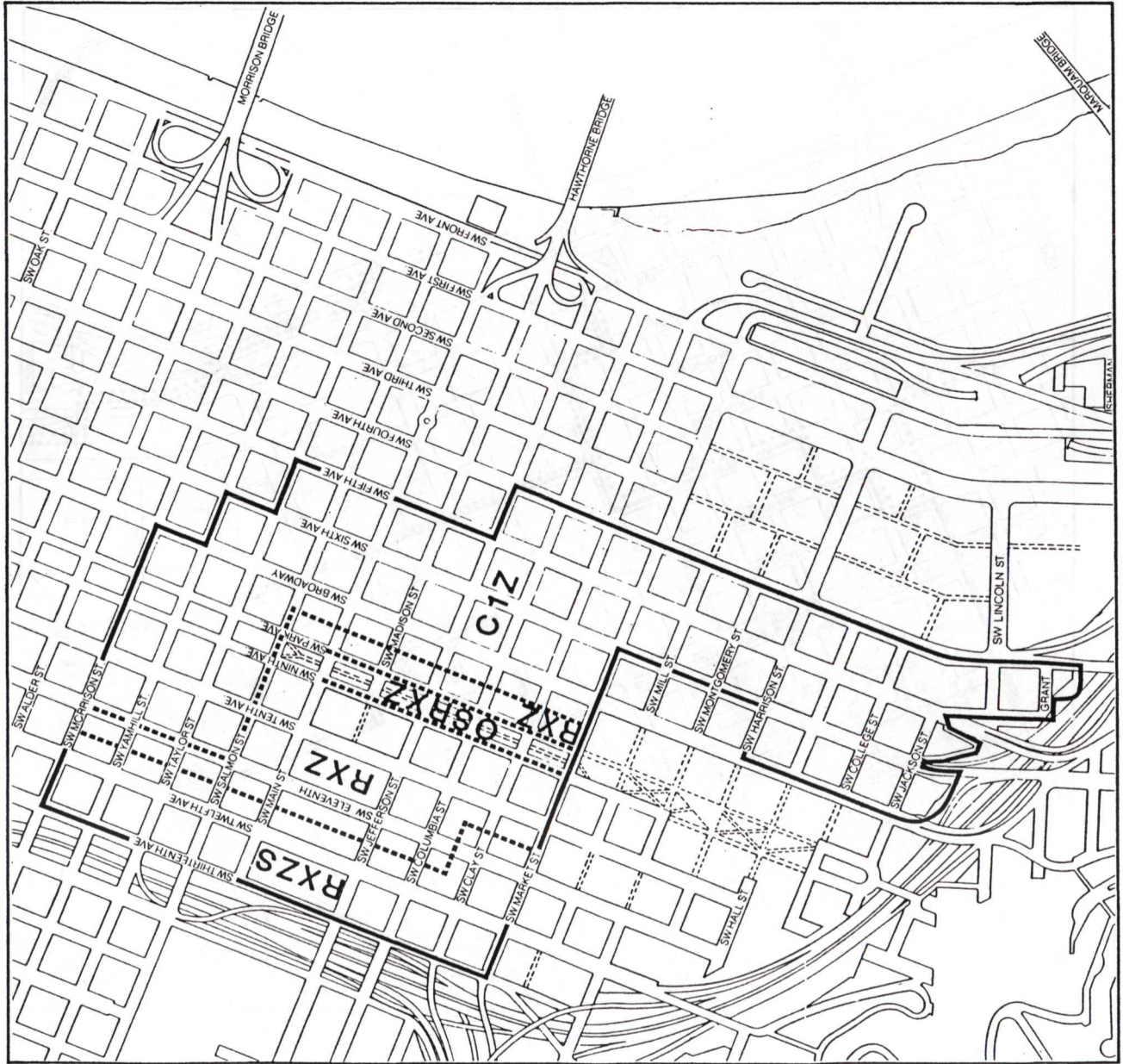


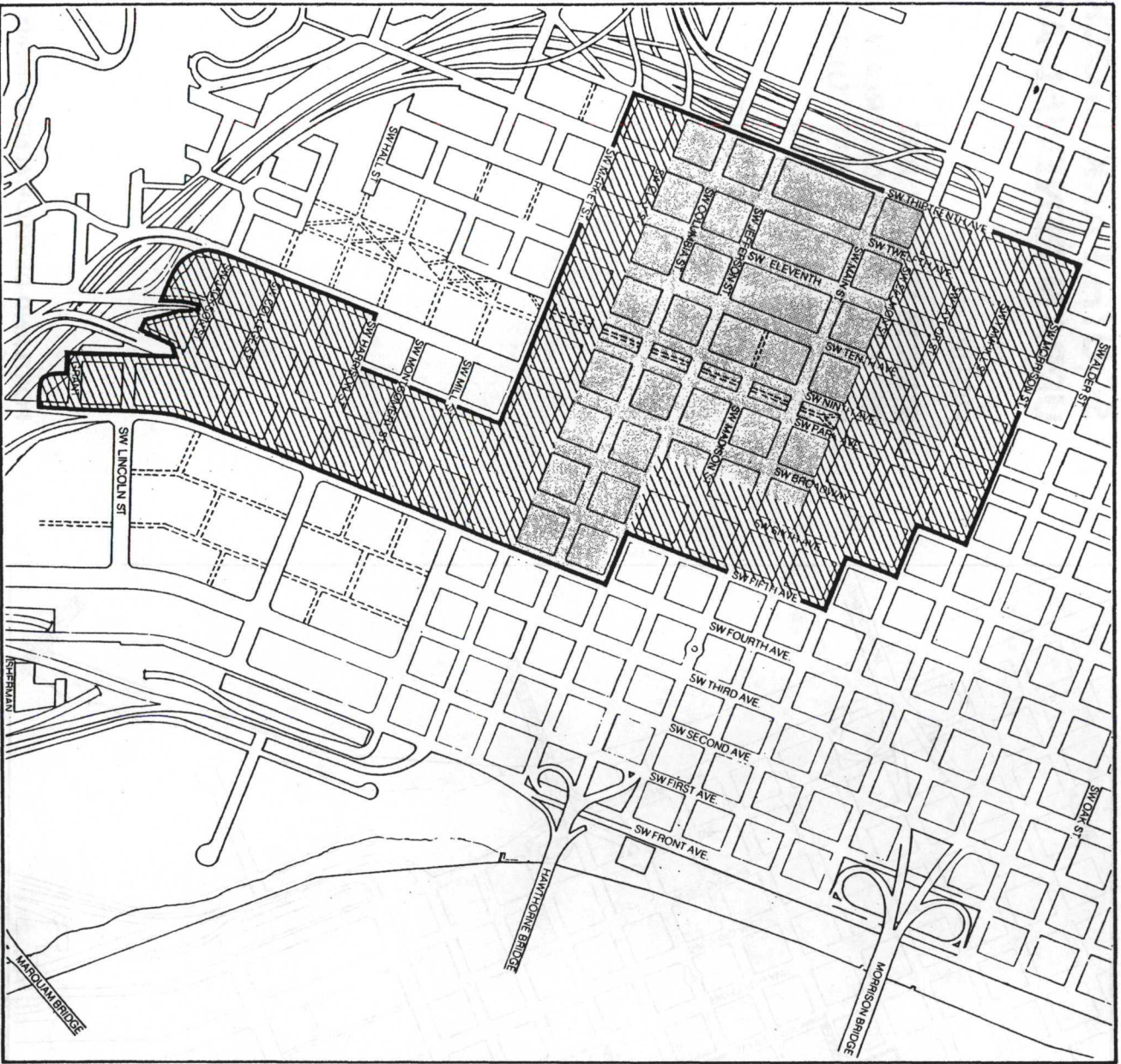
SOUTH PARK BLOCKS URBAN RENEWAL AREA

FIGURE 2

LAND USE/ZONING



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





**SOUTH PARK BLOCKS
URBAN RENEWAL AREA**

**FIGURE 3
STORM & SANITARY
SEWER SYSTEMS**

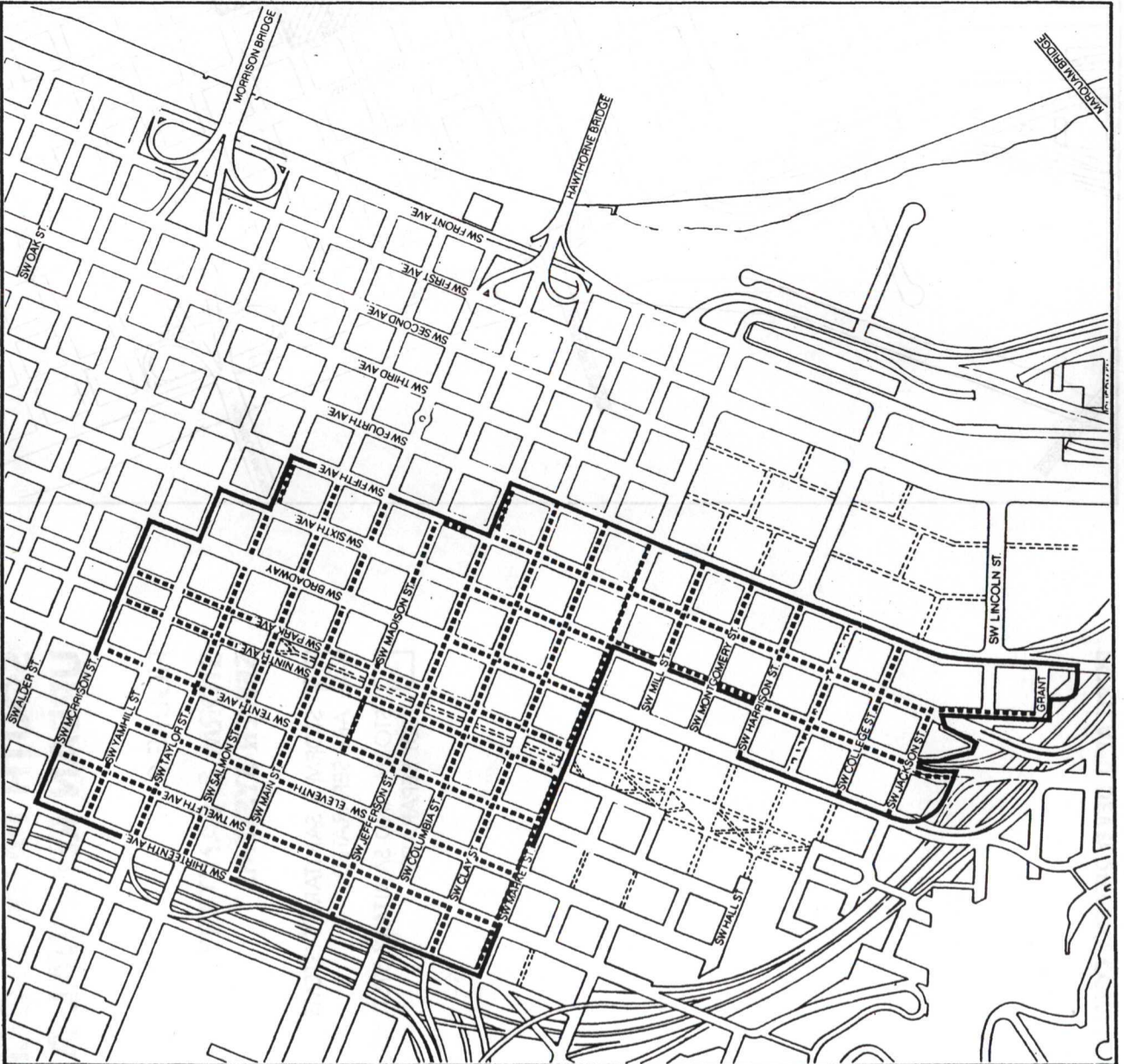
-  STORM & SANITARY SYSTEMS ARE SEPARATED
-  STORM AND SANITARY SYSTEMS NOT SEPARATED

SOUTH PARK BLOCKS URBAN RENEWAL AREA

FIGURE 4

**STREETS WHICH ARE
DEFICIENT IN PEDESTRIAN
FACILITIES . . . PARTICULARLY
IN STREET LIGHTING**

..... STREETS WITH DEFICIENT
PEDESTRIAN FACILITIES

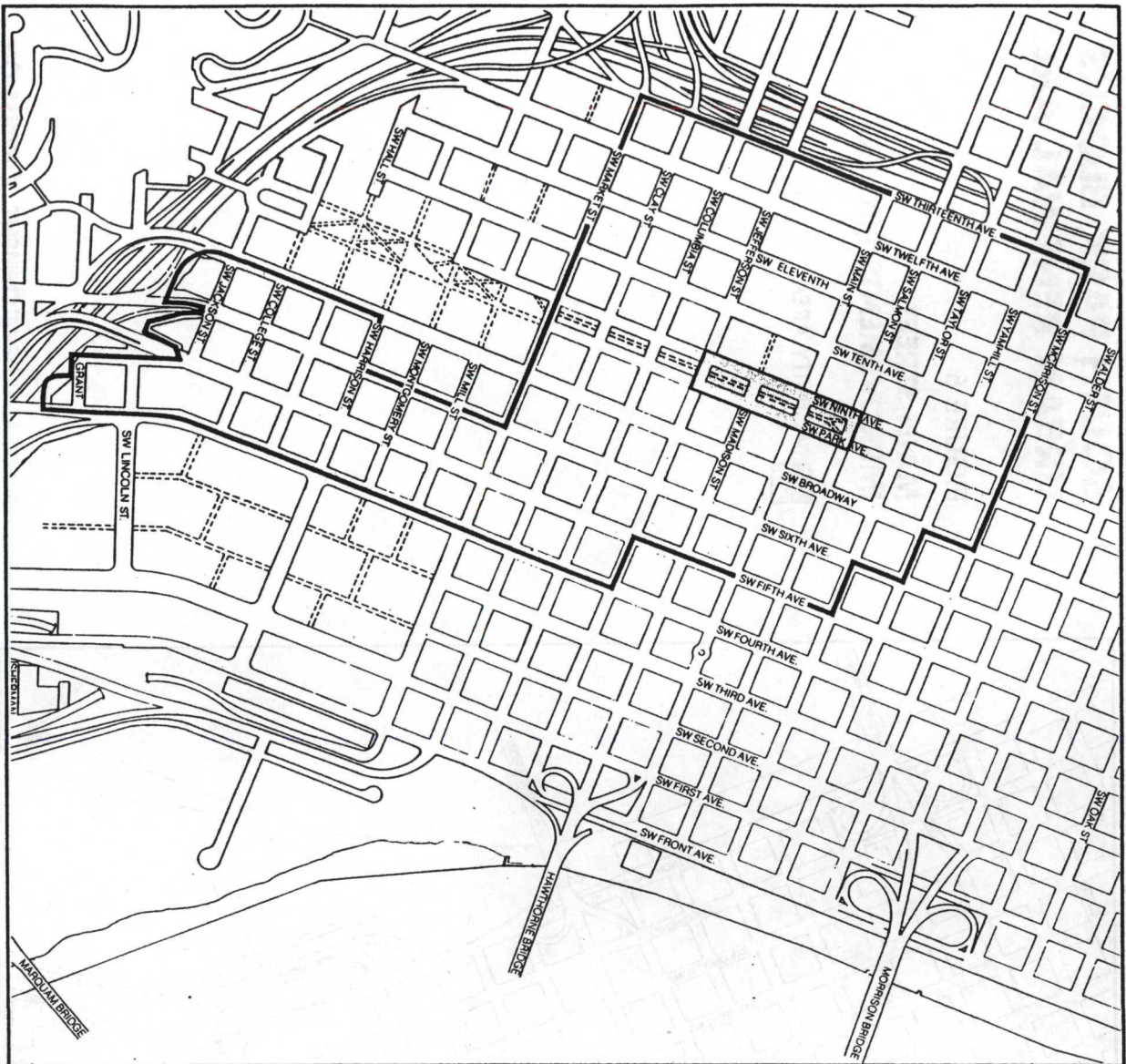


SOUTH PARK BLOCKS URBAN RENEWAL AREA

FIGURE 5

**SOUTH PARK BLOCKS
RENOVATION PROJECT**

■ ACTIVITY AREA



SOUTH PARK BLOCKS URBAN RENEWAL AREA

FIGURE 6
MAIN STREET
IMPROVEMENTS PROJECT

ACTIVITY AREA

