

F I N A L D R A F T

**REPORT ON THE
NORTH MACADAM
URBAN RENEWAL PLAN**

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TABLE OF CONTENTS
REPORT ON
NORTH MACADAM URBAN RENEWAL PLAN

Section I - Introduction Page 1

Section II – Description of Conditions in the Urban Renewal Area Page 1

Section IIA – Physical Conditions..... Page 1

Section IIB – Social and Economic Conditions Page 7

Section III – Expected Impact of the Plan in Light of Added Services or Increased Population
..... Page 9

Section IV – Reasons for Selection of Each Area of the Plan..... Page 10

Section V - The Relationship Between Each Project Activity to be Undertaken Under the Plan
and the Existing Conditions Page 10

Section VI – The Estimated Total Cost of Each Project Page 10

Section VI I – The Anticipated Completion Date for Each Project Page 11

Section VIII – The Estimated Amount of Money Required in the Urban Renewal Area
and the Anticipated Year Indebtedness Will Be Retired..... Page 11

Section IX – Financial Analysis of The Plan Page 11

Section X – Fiscal Impact Statement Page 14

Section XI – Relocation Report Page 16

Report on the North Macadam Urban Renewal Plan

SECTION I. Introduction

The Report on the Plan for the North Macadam Urban Renewal Area provides technical information to support the Plan, and to assist the Portland Development Commission and the City Council in their deliberations on the North Macadam Urban Renewal Plan. This required contents of a Report on an Urban Renewal Plan are set forth in ORS457.085(3), subsections (a) through (i). The sections in this Report on the North Macadam Urban Renewal Plan cover each of those requirements of ORS 457.

Data for this Report has been compiled from several sources, including the Multnomah County Assessor, the Portland Bureau of Planning, Portland Development Commission staff, staff of City Bureaus participating in development of the North Macadam Framework Plan, and the firm of Spencer & Kupper. The Report also incorporates information from a 1997 urban renewal feasibility study of the North Macadam area, a 1999 update of that study, and technical information prepared by consulting firms engaged in preparation of the North Macadam Framework Plan.

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

IIA. Physical Conditions

1. Land Area

The North Macadam Urban Renewal Area is bounded roughly by Boundary Street on the south, by Macadam Ave., the western edge of Hood St., Front Ave, First Ave., and Fourth Ave. on the west, by Montgomery Street on the North, and the Willamette River on the east. Development in the area is constrained by the physical barriers of Interstate 5 to the west, and the Willamette River to the east. The North Macadam Urban Renewal Area contains 409.1 acres. Of the total acreage in the project area, 211.1 acres are in rights-of-way and water.

a. Compliance with Land Area Requirements of ORS457

ORS 457.420(2)(a)(B) provides that the total land area of a proposed urban renewal area, when added to the land area of existing active urban renewal plans, may not exceed 15% of the City's total land area. Table 1 below shows the acreage in existing renewal areas in Portland, and the estimated acreage to be added in the proposed North Macadam renewal area boundary.

TABLE 1	
Total Acreage in Portland Urban Renewal Areas	
	Acreage
Acreage in Seven Existing Renewal Areas	7,284
Acres in North Macadam	409
Total Acres, all areas	7,693
Acreage, City of Portland	92,614
Percent of Total Acreage in Renewal Areas	8.31%

The table shows that with the addition of the North Macadam Urban Renewal Area, the City of Portland remains well below the 15% acreage limitation.

2. Land Uses and Zoning

The North Macadam area contains a mixture of commercial office, warehousing, industrial, and residential land uses. Table 2 below provides data on acreage by Land use. The table shows that slightly more than half the project area acreage is in streets, or water. The next largest percentage of acreage is in vacant land. Together, streets, water, and vacant land comprise 70% of the acreage in the project area. The 1997 and 1999 surveys of the area count 151 buildings within the project area. Table 2 shows that approximately half the buildings in the project area are in commercial uses, primarily offices. Commercial uses represent the third largest percentage of acreage in the project area.

TABLE 2			
North Macadam Urban Renewal Area - Land Uses, by Acres			
Land Use	No. of Buildings	Acres	Percent of Total
Commercial	74	66.06	16.15%
Industrial	32	25.48	6.23%
Single Family Residential	31	15.98	3.90%
Multi-Family Residential	14	6.30	1.54%
Vacant	0	84.31	20.61%
Streets, ROW, and water	0	211.00	51.57%
Total	151	409.13	100.00%

The following table shows the zoning in the renewal area. The total acres in the zoning table obviously exclude acreage in streets, right-of way, and water. As the Urban Renewal Plan notes, the predominant zoning designation in the North Macadam Urban Renewal Area is Central Commercial (CX). There are Design (d) and River Greenway (g) overlay zones covering major parts of the urban renewal area.

North Macadam Urban Renewal Area – Zoning, by Acres		
Zoning	Acres	Percent of Total
CG	4.93	2.49%
CN	.09	0.04%
CO	22.37	11.29%
CX	160.02	80.77%
RH	3.53	1.78%
R1	5.52	2.79%
EG	1.67	0.84%
Total	198.13	100.00%

Key to Zoning designations

CG – The General Commercial zone is intended to allow auto-accommodating commercial development in areas predominantly built in this manner and in most newer commercial areas.

CN – The Neighborhood Commercial zone is intended for small sites in or near dense residential neighborhoods.

CO – The Office Commercial zone is a low and medium intensity office zone generally for Major City Traffic Streets as designated by the Arterial Streets Classification Policy.

CX – The Central Commercial zone allows a wide variety of commercial, industrial, and institutional uses.

RH – The RH zone is a high density multi-dwelling zone.

R1 – The R1 zone is a medium density multi-dwelling zone.

EG – The General Employment zone allow a wide range of employment opportunities without potential conflicts from interspersed residential uses.

3. Conditions - Streets, Curbs and Sidewalks

Redevelopment of the North Macadam area is hindered by geographic and access constraints which have left the area isolated from downtown Portland, and development activity occurring to the west of the project area. The existing street network in the North Macadam Urban Renewal Area is inadequate for the types and intensity of uses expected to develop in the renewal area. There is no continuous north-south street network between Macadam Avenue and the Willamette River, and thus key development parcels are lacking in access and visibility. The linkages between the North Macadam Renewal area, and Downtown Portland are few, and difficult to navigate. I-5 presents a formidable barrier to linkages to areas west of the renewal area.

Much of the existing street network in the area east of Macadam Avenue is incomplete, or in sub-standard condition., and lacks curbs, gutters or sidewalks. There is virtually no provision for pedestrian or bicycle use in the area east of Macadam Ave. These deficiencies must be corrected in order to meet renewal plan goals for new jobs and housing in the North Macadam area.

A November, 1998 traffic analysis conducted for the North Macadam Framework Plan identified conditions that warrant correction as the area of the Framework Plan, and this Renewal Plan reach full buildout. Anticipated traffic conditions in the Renewal Area that warrant correction include:

- The Bancroft, Macadam and Hood intersection will be significantly congested during the AM and PM

peak travel hours.

- Conflicts will increase from increased traffic weaving on Macadam as a result of additional right turns into the district.

Improvement projects to correct these conditions have been identified, and will be addressed in the North Macadam Urban Renewal Plan. The transportation analysis further concluded that the transportation mitigation improvements should be near-term in that the portals to the North Macadam Framework Plan and Renewal Area are expected to operate at or above capacity under the 2003 desired development scenario.

4. Conditions - Flooding and Drainage

Major flooding occurred in February 1996, and flooding occurred again in January 1997. The District's storm drainage systems are currently limited to the existing outfalls, catch basins within existing roadways, and private properties with small piping connections to the combined sewer system. North Macadam development will require a new collection system and will include taking existing connections off the combined sewer. This new system would connect to new pipe replacing portions of the existing City of Portland outfall pipes. No upgrades or connections are proposed to the ODOT pipes except as may be necessary to move the 42- to 48-inch line on the north to accommodate development.

5. Conditions - Storm Water Sewer Systems

The storm sewer system in North Macadam is limited to the five outfall connections to the river. The oldest line appears to be the City of Portland 60-inch combined sewer located along the south side of the Ross Island Bridge. This pipe is a brick and stone construction that will need to be replaced along its entire length within the District by a new 72-inch pipe. Of the five outfall pipes, two are ODOT systems which only carry stormwater and are separated from the City system. In order to develop the property north of Sheridan, the ODOT 42- to 48-inch pipe will need to be reconstructed to the north within the Marquam Bridge right-of-way. This new location has been discussed with ODOT during the preliminary design of Sheridan and River Parkway as part of the Schnitzer site. At this time, it appears that the 36- to 42-inch ODOT culvert located approximately 400 feet south of Bancroft will not be affected by North Macadam District development.

Portions of the other two City of Portland outfall pipes most likely will need to be reconstructed and increased in size. The conceptual plan indicates that a portion of the 66-inch City outfall pipe located within Sheridan will need to be replaced by a 72-inch from the intersection with River Parkway to the river. The 36-inch outfall pipe located within Lowell will need to be replaced with a 72-inch line from Bond to the river.

The storm sewer system concept includes dividing the site into smaller drainage basins in order to minimize flow concentrations and keep pipe sizes at a minimum. Based on the anticipated development density and the proximity to the river it would be very difficult, if not impossible, to treat stormwater on the surface. Surface water collected by a typical public storm system is, at a minimum, three feet underground, which does not leave enough room to bring it to the surface by gravity therefore dictating a mechanical means of treatment. Pervious surfacing materials could minimize the size of the mechanical treatment systems. However, DEQ agreements for capping some soils in-place in brownfield areas limits storm water disposal options in those areas.

The concept plan and proposed treatment locations assume that stormwater from public areas such as streets, sidewalks, and pathways will be collected with drainage from private developed parcels and treated together prior to entering the public drainage system. Because of the possible location of the Streetcar

within the Moody right-of-way, no new systems are proposed in that street.

6. Sanitary Sewer System

Two sanitary sewer pump stations serve this area. These pump stations lift sewer flows into a 42-inch gravity line in Moody. Both pump stations are slated for upgrade by BES; however, the timing is highly dependent on the North Macadam development.

The development of the District will require extension of gravity collection systems and possibly construction of one or two sanitary sewer pump stations. These pump stations may not be required depending on the timing and construction of a new 96-inch gravity interceptor, located in Moody-Bond, planned by BES as part of the CSO program and scheduled to be in place by 2003. Initially, this 96-inch line is to operate as a wet weather line intercepting a portion of the combined sewer flows that currently discharge to the Willamette River. This line will not completely eliminate overflows to the river and will provide capacity for the North Macadam District whether by gravity or as a connection point from a pumping system.

The conceptual plans project either a one- or a two-pump station option for development. A one-pump station option is preferred and possible if the Zidell Barge Facility is decommissioned prior to needing gravity collection lines in the area of the bargeway. Depending on the timing of development, this station could be temporary until the 96-inch line is installed and operational, or permanent should the 96-inch line not be able to serve the site by gravity. The same conditions exist under the two-pump station option. The two-pump station option assumes the District develops around an operating barge facility which would not allow for continuous gravity sewer lines running north/south.

The gravity sewer system includes pipe sizes ranging from 8- to 10-inches in diameter. The conceptual plan assumes that due to the flat grades existing within the North Macadam District the pipe size will need to be increased from 8- to 10-inches in downstream reaches

7. Conditions - Water Delivery System

Initial findings by the Water Bureau indicate that no upgrades are necessary to the water feeder systems with water service provided by an extension of the existing two pressure zones and improvements will be limited to new distribution lines within the new public roadways.

Based on input from the Water Bureau, the following system improvements are anticipated to serve the District. First, a 12-inch main distribution line will need to extend from Macadam at Bancroft along River Parkway to the PGT building. This 12-inch line will serve as the main distribution loop supplemented by east-west cross connections of 8-inch and 12-inch lines to the existing 12-inch system in Macadam and Moody. Flow and pressure appears adequate to serve the development of the District assuming approximately 3,000 housing units and 10,000 jobs as a base case. Fire flows dictate line sizes for a development of this size and the conceptual cost estimate assumes a number of hydrants based on the street grid and coverage for the proposed buildings. Because of the possible location of the Streetcar within the Moody right-of-way, no new water lines are proposed in that street.

8. Conditions – Parks and Open Spaces

The Renewal Area is served by two regional parks, Willamette Park to the South, and by South Waterfront Park to the North. Willamette Park, which offers a boat launching ramp and other active recreation facilities, is so heavily used that it is the only City park which charges parking fees during times of peak usage. South Waterfront Park is part of a larger regional park system. This park is passive in nature, but it too, is heavily used by residents of the region and by tourists. There is only one neighborhood park close to the Renewal area, in the Lair Hill Neighborhood. While that park is close geographically, it is

inaccessible to the renewal area at this time. The Bureau of Parks lists the North Macadam area among areas that are deficient in neighborhood parks. The expected rapid growth of renewal area population will exacerbate this deficiency. The renewal area will require additional parks, open space and recreation facilities to serve its permanent and daytime populations.

9. Conditions - Public Transportation

Public transportation to and within the North Macadam Urban Renewal Area is inadequate. The main bus service to the area currently is provided along Macadam Avenue. Tri-Met currently runs two routes along Macadam Ave. Only one route provides continuous service throughout the day, with half-hour service intervals, shifting to twenty minute intervals during rush hour. Public transportation links from the North Macadam area to major employment and service centers in the downtown, and west of Interstate 5 should be expanded, and access to the public transportation network must be made convenient and reliable.

10. Conditions – Parking

Information gathered for this report did not uncover a total count of parking spaces within the proposed renewal project area. There is almost no curbside parking in the area along Macadam, and to the east of Macadam. Parking is available in several paid, and unpaid private parking lots in the developed areas east of Macadam. The unpaid lots are for visitors and employees of the adjacent commercial buildings. Providing parking to satisfy the projected densities represents a cost that could hamper the growth potential of the renewal area. The North Macadam Framework Plan addresses the parking issue in the North Macadam Framework Plan area. It states that “Parking strategies can influence real estate market acceptance of an area for development while it can also help control the number of commuter trips in and out of the district. Timing is another factor that influences the type and rate of development. Parking policies must be equitable for initial developments and also for later developments.” It further states that “A parking management strategy would be necessary to reduce congestion under the Metro model assumptions and to achieve the goal of a 30% mode split. At any rate, a parking strategy will be essential to attaining the expected growth and achieving the district vision over the next 20 years.” The Framework Plan statements hold true for the renewal area as well.

11. Conditions – Environmental and Geotechnical

The North Macadam area long had been a major industrial area for the City of Portland, with a history of manufacturing and other industrial uses dating back to the 1890’s. Uses included lumber mills and storage, steelworks and foundries, shipbuilding firms, and an assortment of other uses ranging from paint manufacturing to trolley repair shops. As a result of these uses, and their lengthy history in the area, there are contamination issues in the project area. Mitigation measures will add to cost of redeveloping affected properties in the project area.

Preliminary geotechnical work indicates that seismic conditions will be a design consideration in the project area. Adverse seismic conditions also affect development costs. Environmental and geotechnical conditions will act as penalties on the cost of development of affected land in the renewal area.

12. Conditions – Public Facilities

There currently are no public facilities available within the renewal project area. There is no fire or police station located within the project area boundary, and there is no public school building, library, community center, neighborhood park, or public athletic facility. There are two private schools, and two private athletic facilities in the renewal project area.

13. Building Conditions

Surveys of exterior building conditions in the North Macadam Area were conducted in 1997 and 1999. A

total of 151 buildings were counted in the project area. Building conditions were graded on the following scale:

Condition "A" New, near new or well maintained older buildings.

Condition "B" Buildings needing rehabilitation and improved maintenance. Without a detailed interior inspection and "cost work-up", the feasibility of buildings graded "B" being rehabilitated to comply with current building codes appears to be physically possible but economically questionable.

Condition "C" Buildings in poor condition, and which may be difficult or impossible to rehabilitate economically.

Table 4 presents the information from the building conditions surveys:

TABLE 4	
North Macadam Urban Renewal Area – Building Conditions	
Condition	No. of Buildings
A Condition	85
B Condition	38
C Condition	28
Total	151

Approximately 18% of the buildings in the area are deemed to be in poor condition. The majority of these buildings are older commercial and industrial properties.

IIB – Social and Economic Conditions

1. Social Conditions

It is expected that when fully built out, development in the North Macadam urban renewal area will produce from 1,500 to 3,000 new units of housing, available to a wide range of income levels, and household compositions.

At the time this Report is written, the full-time residential population within the boundaries of the North Macadam project area is undergoing a change in numbers, and demographics, and there currently exists no reliable census or demographic data for the project area. The full-time residential population of the area is rapidly growing as approximately 325 newly constructed multi-family housing units in the project area become occupied. Those new units are market rate housing, and it can be assumed that occupants of that housing will consist of small households, with incomes at, or above the median for Portland. The project area boundary also contains approximately 31 older single family and duplex homes, and two older multi-family dwellings, containing approximately 30 units between them. No demographic information is available on residents of this older housing stock.

Data on police and fire activity in 1998 showed the following activity. Fire Bureau activity - Portland Fire Bureau data reported 491 "incidents" within the project area in 1998. An incident for this purpose is any activity leading to the dispatch of fire or emergency equipment. It does not mean that a fire or other emergency was found in each incident. Police Activity - Police Department Central Precinct grids do not

exactly match project area boundaries, but Precincts 850 and 872 combined for 306 incidents during 1998. It appears that half or more of these incidents were in downtown areas just north of the North Macadam renewal area boundary. The fire and police activity data do not suggest any particular public safety issues in the project area.

As noted earlier in this Report, there are virtually no public facilities available within the project area. In addition, the project area lacks even a basic level of the retail and service businesses needed to serve a growing residential population.

2. Economic Conditions

The North Macadam Urban Renewal area had long served as a base of employment for jobs in manufacturing, warehousing, and waterfront-related businesses. Jobs in those uses have declined as a result of changes in general economic conditions in Portland, and in the region. As a result of changes in economic conditions and a lack of public and private investments in the area, land in the project area with excellent location advantages remains undeveloped, or under-utilized. A measure of the effective and productive utilization of land in an urban area is the ratio of improvement values to land values within the area. As public policy, it is desirable that well located land in an urban area be intensely developed, and developed to its best economic use.

The ratio of real market improvement values to real market land values in the North Macadam Renewal Area for the 1998-99 tax year was only 1.66 to 1. That is a ratio appropriate to a lightly developed rural or suburban area, or one that might be found in a badly deteriorated urban area. The North Macadam area in fact currently combines some elements of light development densities, with deteriorated conditions which discourage new building investments in the area. The ratio is inappropriately low for an area in close proximity to the Willamette riverfront, and to downtown Portland. Table 5, following, lends support to this statement. Note that only one of Portland's urban renewal areas (Downtown Waterfront) started with a significantly lower base of property values. While the compact size of the North Macadam area is a factor in the comparative level of values, the very low ratio of improvement to land values in the area reflects both the significant acreage of vacant land in the project area, and the static or declining improvement values of older commercial and industrial properties in the project area.

The long-term decline of the North Macadam area as a major center of family wage employment is an adverse economic condition for the renewal area, the City of Portland, and the Portland metropolitan area. Actions to be undertaken in this renewal plan are intended to revive the area as a family wage employment base, and to increase taxable values in the project area.

Total Assessed Value in Area – Compliance with 15% Requirement

ORS 457.420(2)(a)(A) provides that the assessed value of an urban renewal area, when added to the total assessed values previously certified by the assessor for all other urban renewal areas, may not exceed 15% of the total assessed value of the municipality, exclusive of any increased assessed value for other urban renewal areas.

Data assembled from the Multnomah County Assessor indicates that the 1998-99 total assessed valuation for real property within the proposed renewal area boundary is \$131,939,650. Table 5 shows the certified values for all of Portland's renewal areas, and how values in the North Macadam urban renewal area would influence the 15% limit.

TABLE 5	
Certified Assessed Values in Portland Urban Renewal Areas	
	Base AV
DT Waterfront	\$74,836,564
S Park Blocks	\$378,055,680
Convention Center	\$213,818,606
Central Eastside	\$224,605,349
Airport Way	\$129,701,177
River District	\$232,002,846
Lents	\$620,720,126
North Macadam (estimate)	\$131,939,650
Total Certified Assessed Values, all Renewal Areas	\$2,005,534,648
Total Assessed Value, City of Portland	\$28,620,000,000
Percent of Portland AV in Renewal Areas	7.01%

Addition of the values within the proposed North Macadam Renewal Area boundary would not bring the City of Portland close to the 15% limit.

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

The goals of the North Macadam urban renewal project call for adding 1,500 to 3,000 new housing units, and creating 8,500 to 10,000 new jobs in the project area over a twenty year period. Achieving those goals will transform the project area into one of Portland’s important employment and population centers. Attracting the new development, and serving that increased daytime and residential population initially will create needs for new streets, curbs and sidewalks, public parking, and improvements to the area’s drainage and sanitary sewer systems. As the area reaches latter stages of buildout, it is likely that there will be needs for improved public safety facilities, and other community facilities.

Urban renewal activities shown in Section 600 of the North Macadam Urban Renewal Plan are intended to allow use of tax increment funds to address the impacts described above. The estimated cost of carrying out the North Macadam Urban Renewal Plan is largely driven by anticipated expenditures to address the infrastructure and service needs created by the increased employment and residential population of the North Macadam project area. It is more difficult to quantify the positive fiscal and service impacts expected from the improvements made to transform the North Macadam area to an employment and residential center, but they are real nevertheless. Reduced automobile usage, increased use of alternative means of transportation, improved public and pedestrian safety, better flood control, better public access to, and use of the Willamette riverfront all represent positive fiscal and service benefits of the project.

Carrying out the Renewal Plan will require the use of tax increment revenues. With the passage of Ballot Measure 50, the basic fiscal impacts of utilizing tax increment financing have changed. Use of tax increment financing may result in some “foregone” property tax revenues by other taxing bodies. While some property taxes will be foregone during the life of the Plan, it is anticipated that new property values created by urban renewal activities will result in an early payback of these foregone revenues. Further, given the current conditions within the North Macadam area, it seems reasonable to assume that the increases in property values either would not materialize, or would be much lower if the urban renewal activities were not carried out.

The tax impacts of carrying out the North Macadam Urban Renewal Plan, and the new property values expected in the project area addressed in the Financial sections of this Report.

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

Conditions exist within the North Macadam Urban Renewal Area which meet the definitions of blight in ORS 457.010. The 1997 and 1999 Feasibility studies of the North Macadam area cite the existence of blighting conditions in the project area. These conditions and deficiencies are described in Sections II a., and II b of this Report, and are summarized below:

- Several lots are of irregular shape and size for proper usefulness and development;
- Property has been divided without regard to contours resulting in inadequate drainage;
- The area contains an inadequate and substandard street system;
- Property has been developed without direct access to, and frontage on, dedicated public streets;
- A significant portion of the area is subject to periodic flooding and inundation by water;
- Major portions of the existing, limited, sanitary sewer and storm water drainage systems are combined in single pipes requiring storm water to be treated as sanitary sewage;
- The entire public infrastructure is incapable of supporting development of the types outlined in the goals for the North Macadam Urban Renewal Plan, the North Macadam Framework Plan, and the Central City Plan;
- There area contains environmental contamination, and has seismic conditions which may affect building design and construction.. These conditions will adversely influence the cost of redevelopment of the project area.
- The Area is inadequately served by public transportation; and
- There is a lack of proper utilization of substantial portions of the Area resulting in a stagnant and unproductive condition of land. Such land is potentially useful and valuable for contributing to the public health, safety and welfare of the community.

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

All project activities described in Section 600 of the Plan are intended to correct the deficiencies described in Section II a and II b of this Report and summarized in Section IV of this Report.

A comparison of Plan activities in Section 600 with the deficiencies noted in Section II of this Report shows that there is a direct relationship between each project activity authorized in the Plan, and treatment of the existing conditions in the North Macadam Urban Renewal Area.

Project activities authorized in the Plan further the stated Plan goals, and City goals of creating new housing and jobs within the project area. In creating new housing and jobs, project activities will address conditions of lagging property values in the area, and the under- utilization of land in the project area.

SECTION VI. The Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

Estimated costs are shown on Table 6, Project Revenue and Expenditure Summary. Expenditures over the life of the Plan include an inflation estimate. Revenues are obtained from anticipated urban renewal bond

proceeds and the proceeds of short term urban renewal notes.

The capacity for urban renewal bonds is based on projections of urban renewal revenue, which in turn are based on projections of development within the Area. Projections of development within the district correspond to the 20-year build out targets for housing, retail, and office development.

Total estimated project costs over the life of the plan total \$264,349,000. As shown on table 1, revenue is sufficient to cover project expenditures.

SECTION VII. The Anticipated Completion Date for Each Project

The schedule of each urban renewal project is shown on Table 6. Project activities are anticipated to be undertaken starting in Fiscal Year (FY) 2000/01 and ending in FY 2019/20.

SECTION VIII. The Estimated Amount of Money Required in the Urban Renewal Area Under ORS 457.420 to 457.460 (Tax Increment Financing of Urban Renewal Indebtedness) and the Anticipated Year in which Indebtedness Will be Retired or Otherwise Provided for Under ORS 457.420 to 457.460

It is anticipated that the maximum indebtedness under the Plan will be \$288,562,000, reflecting project activities, district management, and reserve requirements. No additional indebtedness would be incurred under the Plan when either the maximum indebtedness amount is reached, or the urban renewal area no longer has indebtedness or any plan to incur indebtedness within the next year, whichever occurs first. District indebtedness is anticipated to be retired or provide for by the end of FY 2024-25.

SECTION IX. Financial Analysis of the Plan with Sufficient Information to Determine Feasibility

Table 6 demonstrates that projected tax increment proceeds are sufficient to cover projected expenditures and that the Plan is financially feasible.

Table 6 also demonstrates that projected urban renewal taxes are sufficient to support the bonded indebtedness necessary to provide project revenues. Additional revenue may be provided by short-term urban renewal notes, repaid on an annual basis from the ending fund balances.

Table 6

North Macadam Urban Renewal Area - Project Revenues and Expenditure Summary

Project/Program Expenditure Activities	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
REVENUES														
Annual Bond Proceeds	6,800,000	5,100,000	10,000,000	8,000,000	8,000,000	8,000,000	7,000,000	6,800,000	7,100,000	7,000,000	6,500,000	5,500,000	5,500,000	14,000,000
Annual Note Proceeds	140,848	259,499	864,739	775,712	1,250,712	1,280,328	1,392,684	1,563,981	1,749,692	2,304,644	2,645,275	3,935,630	4,673,114	5,049,121
TOTAL REVENUES	6,940,848	5,359,499	10,864,739	8,775,712	9,250,712	9,280,328	8,392,684	8,363,981	8,849,692	9,304,644	9,145,275	9,435,630	10,173,114	19,049,121
EXPENDITURES (with Inflation)														
JOBS														
Employee Investment Program			228,233	238,504	249,236	260,452	291,613	304,736	318,449	332,779	347,754	363,403	379,756	1,508,012
Strategic Land Acquisition - Target Industry Dev.			285,292	298,130	311,545	325,565	388,818	406,314	424,599	443,706	463,672	484,538	506,342	264,564
Business Innovation Center(s)							124,422	130,021	135,872	141,986	148,375	155,052	162,029	1,153,497
Employee Assistance Home Ownership														264,564
PARKS, OPEN SPACE, & GREENWAY														
Neighborhood Park														1,068,837
Urban Park														796,336
Riverfront Park	206,388	215,675	225,380	235,522	246,121	257,196	591,975	618,614	646,451	675,542	705,941	737,708	770,905	
Ross Island Bridge Park							710,564	742,540	775,954	810,872	847,361	885,492	925,340	
ODOT Zidell Property Park														560,875
ODOT Moody/Bond Property Open Space							312,998							
Greenway Trail	374,458	391,309	408,918	427,319	446,549	466,643								
Bank Treatment	620,904	648,845	678,043	708,555	740,440	773,760								
HOUSING INVESTMENT			713,229	745,324	778,864	813,913	1,117,851	1,168,154	1,220,721	1,275,653	1,333,058	1,393,045	1,455,733	4,431,440
TRANSPORTATION														
Street Improvements:														
Bancroft, Hood, and Macadam Intersection	68,333.33	70,042	71,793	73,588	75,427	77,313								
Curry and Macadam Intersection	153,750	157,594	161,534	165,572	169,711	173,954								
Bond Ave. (Marquam Bridge to Bancroft)	854,167	875,521	897,409	919,844	942,840	966,411								
Bancroft Widening to Bond	102,500	105,063	107,689	110,381	113,141	115,969								
Curry Widening to River Parkway	85,417	87,552	89,741	91,984	94,284	96,641								
Harrison Connector (Streetcar at Grade)	529,583	542,823	556,393	570,303	584,561	599,175								
River Parkway	597,916.67	612,864.58	628,186.20	643,890.85	659,988.12	676,487.83								
Additional Street Improvements	170,833	175,104	179,482	183,969	188,568	193,282								555,097
Transit Improvements:														
Central City Streetcar	699,904.17	717,401.77	735,336.82	753,720.24	772,563.24	791,877.32	2,604,920	2,670,043	2,736,794	2,805,214	2,875,344	2,947,228	3,020,908	2,233,104.20
Tram	512,500	525,313	538,445	551,906	565,704	579,847								
Central City Transit Hub	85,417	87,552	89,741	91,984	94,284	96,641								
Other (Transportation Management, etc.)	85,416.67	87,552.08	89,740.89	91,984.41	94,284.02	96,641.12								100,926.70
Pedestrian/Bike Improvements:														
Pedestrian Crossing Over I-5 @ Gibbs/Gains	256,250	262,656	269,223	275,953	282,852	289,923								
Pedestrian Improvements to Sheridan/Corbet	25,625	26,266	26,922	27,595	28,285	28,992								
PUBLIC PARKING							579,085.78	609,705.17	641,702.43	675,139.57	710,081.38	746,595.58	784,752.91	3,602,544.70
INFRASTRUCTURE														
Water System	179,375	183,859	188,456	193,167	197,996	202,946								
Sanitary Sewer System	153,750	157,594	161,534	165,572	169,711	173,954								
Storm Sewer	320,313	328,320	336,528	344,942	353,565	362,404								
Strategic Infrastructure Fund	242,925	248,998	255,223	261,604	268,144	274,847	645,456	661,593	678,133	695,086	712,463	730,275	748,531	560,547
Utilities	170,833	175,104	179,482	183,969	188,568	193,282	179,831	184,327	188,935	193,659	198,500	203,462	208,549	
RESERVES AND ISSUANCE COSTS	768,270	579,280	1,142,962	916,048	925,548	926,140	815,821	796,733	834,217	834,060	784,589	697,829	712,579	1,676,916
TOTAL EXPENDITURES	7,265,000	7,262,000	9,245,000	9,271,000	9,543,000	9,814,000	8,363,000	8,293,000	8,602,000	8,884,000	9,127,000	9,345,000	9,675,000	18,777,000
Annual Debt Service	629,454	1,101,544	2,027,211	2,767,744	3,508,278	4,248,811	4,896,778	5,526,232	6,183,455	6,831,422	7,433,106	7,942,222	8,451,339	9,747,273

Table 6

Project/Program Expenditure Activities	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	TOTAL
REVENUES							
Annual Bond Proceeds	14,500,000	15,000,000	15,500,000	16,500,000	16,500,000	17,500,000	200,800,000
Annual Note Proceeds	5,096,198	5,552,684	5,662,644	6,167,975	6,354,534	7,174,870	63,894,884
TOTAL REVENUES	19,596,198	20,552,684	21,162,644	22,667,975	22,854,534	24,674,870	264,694,884
EXPENDITURES (with Inflation)							
JOBS							
Employee Investment Program	1,575,873	1,646,787	1,720,893	1,798,333	1,879,258	2,052,196	15,496,268
Strategic Land Acquisition - Target Industry De	276,469	288,910	301,911	315,497	329,694	360,034	6,475,599
Business Innovation Center(s)	1,205,404	1,259,648	1,316,332	1,375,567	1,437,467	1,569,750	10,315,422
Employee Assistance Home Ownership	276,469	288,910	301,911	315,497	329,694	360,034	2,137,079
PARKS, OPEN SPACE, & GREENWAY							
Neighborhood Park	1,116,934	1,167,196	1,219,720	1,274,608	1,331,965	1,454,539	8,633,800
Urban Park	832,171	869,619	908,752	949,646	992,380	1,083,704	6,432,608
Riverfront Park							6,133,419
Ross Island Bridge Park							5,698,123
ODOT Zidell Property Park	586,114	612,489	640,051	668,854	698,952	763,273	4,530,608
ODOT Moody/Bond Property Open Space							312,998
Greenway Trail							2,515,196
Bank Treatment							4,170,546
HOUSING INVESTMENT	4,630,854	4,839,243	5,057,009	5,284,574	5,522,380	6,030,577	47,811,621
TRANSPORTATION							
Street Improvements:							
Bancroft, Hood, and Macadam Intersection							436,495
Curry and Macadam Intersection							982,115
Bond Ave. (Marquam Bridge to Bancroft)							5,456,192
Bancroft Widening to Bond							654,743
Curry Widening to River Parkway							545,619
Harrison Connector (Streetcar at Grade)							3,382,839
River Parkway							3,819,334
Additional Street Improvements	568,974	583,199	597,779	612,723	628,041	659,836	5,296,887
Transit Improvements:							
Central City Streetcar	2,288,931.80	2,346,155.10	2,404,808.97	2,464,929.20	2,526,552.43	2,654,459.15	41,050,196
Tram							3,273,715
Central City Transit Hub							545,619
Other (Transportation Management, etc.)	103,449.87	106,036.12	108,687.02	111,404.19	114,189.30	119,970.13	1,310,283
Pedestrian/Bike Improvements:							
Pedestrian Crossing Over I-5 @ Gibbs/Gains							1,636,858
Pedestrian Improvements to Sheridan/Corbet							163,686
PUBLIC PARKING	3,769,219.75	3,943,395.17	4,125,408.48	4,315,612.39	4,514,375.48	4,939,137.17	33,956,756
INFRASTRUCTURE							
Water System							1,145,800
Sanitary Sewer System							982,115
Storm Sewer							2,046,072
Strategic Infrastructure Fund	574,561	588,925	603,648	618,739	634,207	666,314	10,670,218
Utilities							2,448,502
RESERVES AND ISSUANCE COSTS	1,734,141	1,799,554	1,858,037	1,980,710	1,984,441	2,113,415	23,881,290
TOTAL EXPENDITURES	19,540,000	20,340,000	21,165,000	22,087,000	22,924,000	24,827,000	264,349,000
Annual Debt Service	11,089,490	12,477,991	13,912,774	15,440,125	16,967,475	18,587,392	

SECTION X. A Fiscal Impact Statement that Estimates the Impact of the Tax Increment Financing, both Until and After the Indebtedness is Repaid, Upon All Entities Levying Taxes Upon Property in the Urban Renewal Area

The amendments to the Oregon Constitution passed by voters in May 1997 resulted in a shift in Oregon's property tax system. The tax bases and most continuing levies of taxing districts were reduced and then converted to "permanent rates." These rates were sufficient to raise, in Fiscal Year (FY) 1997/98, the amount of revenue that each taxing district was authorized to levy.

In FY 1998/99 and subsequent years, the maximum revenues of each taxing district with a permanent rate will be determined by applying the permanent rate to the assessed value within the taxing district. Under this system of taxation, the fiscal impacts of urban renewal consist primarily of tax revenues foregone by taxing districts.

To a lesser extent, impacts in terms of increased tax rates to tax payers will result from any levy other than permanent rates. For example, if voters approve a local option levy or exempt bond levy, the tax rate necessary to raise the amount approved may be higher as a result of the existence of the Plan.

Table 7 projects the amount of tax revenue that will be foregone by each district over a 25-year period. By the end of FY 2024/25, sufficient urban renewal tax revenue is projected to be collected to retire all outstanding bonded indebtedness necessary to finance the plan. Urban renewal taxes would therefore be projected to cease after FY 2024/25. The foregone revenues are those revenues resulting from taxes on the level of development that would occur *without* urban renewal. The projection *with* urban renewal assumes new development resulting from urban renewal as well as new development naturally occurring in the market. The permanent rates are based on FY 1997/98 rates. No other adjustments were made since many of them require voter approval or will not exist for a significant duration of the plan.

Because of the increased assessed value that is projected to occur within the Area as a result of urban renewal through FY 2019/20, even with minimal growth in assessed value after such time (5% annually), the taxing districts are projected to recoup all foregone revenues within five years from the cessation of urban renewal tax collection, or by FY 2029/30. The number of years required to recoup foregone revenues may fluctuate, dependent upon the year of cessation.

Table7
North Macadam Urban Renewal Plan
Taxes Foregone to Taxing Districts

Fiscal Year Ending June 30:	Frozen Base											
	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
Total Assessed Value with UR	131,939,650	172,224,652	202,369,825	280,031,128	311,522,949	370,665,437	406,496,909	444,251,838	484,014,252	525,871,354	585,603,999	
Total Assessed Value without UR		172,224,652	202,369,825	259,945,371	270,052,821	306,451,396	320,587,240	335,316,861	350,663,339	366,650,574	386,441,392	
AV without UR Less Frozen Base		40,285,002	70,430,175	128,005,721	138,113,171	174,511,746	188,647,590	203,377,211	218,723,689	234,710,924	254,501,742	
Taxing District	Permanent Rate											
Multnomah County	4.3481	175,163	306,237	556,582	600,530	758,795	820,259	884,304	951,032	1,020,547	1,106,599	
City of Portland	4.5819	184,582	322,704	586,509	632,821	799,595	864,364	931,854	1,002,170	1,075,422	1,166,102	
Metro	0.0968	3,900	6,818	12,391	13,369	16,893	18,261	19,687	21,172	22,720	24,636	
Port of Portland	0.0702	2,828	4,944	8,986	9,696	12,251	13,243	14,277	15,354	16,477	17,866	
Portland Public Schools	4.7792	192,530	336,600	611,765	660,070	834,027	901,585	971,980	1,045,324	1,121,730	1,216,315	
Mult Co. Educ. Service Dist.	0.4581	18,455	32,264	58,639	63,270	79,944	86,419	93,167	100,197	107,521	116,587	
Portland Community College	0.2830	11,401	19,932	36,226	39,086	49,387	53,387	57,556	61,899	66,423	72,024	
Fiscal Year Ending June 30:		FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Total Assessed Value with UR		632,395,979	721,751,314	783,653,027	866,675,660	935,663,032	1,027,278,437	1,103,984,881	1,204,920,597	1,290,027,182	1,411,201,456	1,481,761,529
Total Assessed Value without UR		405,340,599	452,649,053	474,937,475	502,665,156	527,046,482	559,930,229	588,437,300	625,372,706	657,724,108	686,530,084	707,125,986
AV without UR Less Frozen Base		273,400,949	320,709,403	342,997,825	370,725,506	395,106,832	427,990,579	456,497,650	493,433,056	525,784,458	554,590,434	575,186,336
Taxing District	Permanent Rate											
Multnomah County	4.3481	1,188,775	1,394,477	1,491,389	1,611,952	1,717,964	1,860,946	1,984,897	2,145,496	2,286,163	2,411,415	2,500,968
City of Portland	4.5819	1,252,696	1,469,458	1,571,582	1,698,627	1,810,340	1,961,010	2,091,627	2,260,861	2,409,092	2,541,078	2,635,446
Metro	0.0968	26,465	31,045	33,202	35,886	38,246	41,429	44,189	47,764	50,896	53,684	55,678
Port of Portland	0.0702	19,193	22,514	24,078	26,025	27,736	30,045	32,046	34,639	36,910	38,932	40,378
Portland Public Schools	4.7792	1,306,638	1,532,734	1,639,255	1,771,771	1,888,295	2,045,453	2,181,694	2,358,215	2,512,829	2,650,499	2,748,931
Mult Co. Educ. Service Dist.	0.4581	125,245	146,917	157,127	169,829	180,998	196,062	209,122	226,042	240,862	254,058	263,493
Portland Community College	0.2830	77,372	90,761	97,068	104,915	111,815	121,121	129,189	139,642	148,797	156,949	162,778
Fiscal Year Ending June 30:		FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25							
Total Assessed Value with UR		1,555,849,605	1,633,642,085	1,715,324,190	1,801,090,399							
Total Assessed Value without UR		728,339,766	750,189,959	772,695,657	795,876,527							
AV without UR Less Frozen Base		596,400,116	618,250,309	640,756,007	663,936,877							
Taxing District	Permanent Rate											
Multnomah County	4.3481	2,593,207	2,688,214	2,786,071	2,886,864							
City of Portland	4.5819	2,732,646	2,832,761	2,935,880	3,042,092							
Metro	0.0968	57,732	59,847	62,025	64,269							
Port of Portland	0.0702	41,867	43,401	44,981	46,608							
Portland Public Schools	4.7792	2,850,315	2,954,742	3,062,301	3,173,087							
Mult Co. Educ. Service Dist.	0.4581	273,211	283,220	293,530	304,149							
Portland Community College	0.2830	168,781	174,965	181,334	187,894							

SECTION XI. Relocation Report

A. An Analysis of Existing Residences or Businesses Required to Relocate

There is no property currently identified for acquisition in the North Macadam Urban Renewal Plan.

B. A Description of the Relocation Methods to be Used

The Development Commission will provide assistance to persons or businesses displaced in finding replacement facilities. All persons or businesses to be displaced will be contacted to determine such relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made, in accordance with the requirements of ORS 281.045-281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060. Payments made to persons displaced from dwellings will assure that they will have available to them decent, safe and sanitary dwellings at costs or rents within their financial reach. Payment for moving expense will be made to businesses displaced.

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.

C. An Enumeration by Cost Range, of Housing Units to be Removed or Altered

There are no housing units currently identified for acquisition or removal in the North Macadam Urban Renewal Plan.

D. An Enumeration by Cost Range, of New Housing Units to be Added

The current estimate of housing production for the framework plan area anticipates 1500-3000 units. Urban renewal funds will be used as a direct subsidy for housing production to accomplish the city's adopted policy of matching the city's income profile in new redevelopment areas. Housing affordability estimates were determined by applying the available urban renewal resources to the city household income profile. Assumptions of the required financing from the city, in combination with other private and public resources, were applied to each income level to determine how many units could be successfully financed. Given this analytic approach, \$25 million of proposed urban renewal funding would generate approximately 800 affordable housing units, which would translate into a total of 1230 units in the district if the City's income profile were to be achieved.

In order to achieve city objectives of increasing the number of Central City housing units, matching housing availability to job growth in North Macadam, and improving the financial resources available to the urban renewal district, it is recommended that the production of units beyond that which reflects the City Income Policy should be encouraged by the private development community without direct financial subsidy.

Consequently, the anticipated distribution of rental and ownership housing in North Macadam includes:

**Targeted Subsidized Affordable and Moderate Income Units
(MFI is Median Family Income)**

	<u>Affordable Rental Units</u>	<u>Affordable Ownership Units</u>	<u>Total Affordable Units</u>
0-30% of MFI	166	0	166
31-50% of MFI	211	0	211
51-80% of MFI	205	0	205
81-100% MFI)	0	43	43
101-120%	<u>0</u>	<u>34</u>	<u>34</u>
Totals	582	77	659

**Targeted Affordable Rental Units for which Subsidy Needs are Undetermined.
(MFI is Median Family Income)**

	<u>Moderately Affordable Rental Units</u>
81-100% MFI	129
101-120%	102