

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 06-059

Endorsing the Central Eastside Stakeholders Committee Recommendation and Requesting that the Portland Development Commission Concentrate Urban Renewal Funding on Projects that Provide Economic Development, Job Growth, Job Retention, and Special Needs Housing

The Multnomah County Board of Commissioners Finds:

- a. The Portland Development Commission's (PDC) Central Eastside Urban Renewal Plan (CES) was adopted by the City Council on August 26, 1986. It incorporates 681 acres along the East bank of the Willamette River between Interstate 84 and Powell Avenue, with an eastern boundary at 12th Avenue. It is a diverse Urban Renewal District that includes distinct industrial, warehouse, office, retail, and residential pockets. The Central Eastside accounts for 17,000 jobs, 1,100 businesses, and over 1,000 housing units.
- b. Over the course of the last 20 years the Central Eastside Urban Renewal has expended \$36.5 million on varying projects including: \$750,000 in storefront improvements, \$2.1 million in preservation and \$2.4 million in development loan assistance, 14 acres of land assembly, Burnside Bridgehead, East Bank Esplanade and East Bank Park, Holman Building, and Wentworth Place Redevelopment and completed studies for the Burnside/Couch couplet and Street Car Feasibility.
- c. The CES allows for bonds to be issued through August 26, 2006, and PDC plans on issuing \$17.3 million in 2006 prior to that expiration. If the 2006 bonds are issued, PDC will have expended \$53.8 million of the \$66.2 million of maximum indebtedness. This leaves \$12.4 million in debt capacity unused for the district.
- d. For the last nine months PDC managed a varied 14 member stakeholder committee which produced a recommendation on how to address the pending expiration and remaining indebtedness questions. There are several positive elements within the Stakeholders Committee recommendation that the County feels are supportive elements such as investment in Hooper Detox and the investment in Washington Monroe High School property.
- e. The committee negotiated a recommendation that extends bond issuance for an additional eight years, increases maximum indebtedness by \$22.7 million, and expands the district by 7.1 acres in order to fulfill the original goals for the district and ensure the district's development remains focused on an industrial sanctuary.
- f. Urban renewal directly impacts the County through a loss of foregone taxes. The result of the committee's recommendation will extend the burden on the County by foregoing \$22 million in tax revenue through 2023. That equates to approximately \$1.6 million a year in lost property taxes.
- g. A loss in tax revenue affects every resident in Multnomah County, not just those residing in the City of Portland. And even though the County does not have a vote in urban

renewal matters, the County examines urban renewal decisions from a larger perspective than both the Portland Development Commission and the City Council.

- h. The County supports the long term investment that urban renewal creates by providing over \$14 million toward long term investments across all the urban renewal areas each year. That commitment has been strengthened by the County's advocacy and support for prior urban renewal decisions.
- i. A concern for the County is the recent shift toward urban renewal dollars being used for City infrastructure investment. This shift takes funding away from the County's focus toward job growth, employment retention, and housing, especially special need housing. These latter types of investments increase the tax base and allow the affected taxing jurisdictions to receive full potential from urban renewal rather than having urban renewal make up funding gaps for City capital projects.

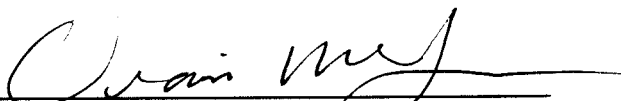
The Multnomah County Board of Commissioners Resolves:

- 1. The Board of County Commissioners supports the process and the compromises made by the Central Eastside Stakeholders Committee and endorses the consensus recommendation of the Committee to renew and extend the Central Eastside Urban Renewal Area Plan.
- 2. The Board requests that the Portland Development Commission concentrate urban renewal funding on projects that provide economic development, job growth, job retention, and special needs housing.

ADOPTED this 20th day of April, 2006.

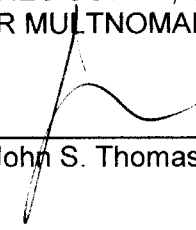


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Deputy County Attorney