

The Oregonian

Big changes for Portland urban renewal districts? Portland City Hall Roundup

By Brad Schmidt

The Portland City Council could be asked to make big changes to some Portland urban renewal districts, freeing up money for basic government services and development projects in the South Waterfront district and the Central Eastside while jeopardizing funding for affordable housing and Portland State University.

The most notable option: eliminating the city's newest urban renewal area, called the Education district, approved by the Portland City Council less than two years ago.

Those options are outlined in documents released by the Portland Development Commission on Friday in response to a public records request submitted Jan. 15.

The Portland Tribune reported Mayor Charlie Hales' urban renewal plans Thursday.

The options could send \$106.2 million back to city, county and school district budgets through 2045, according to the documents. Eliminating the 144-acre Education district would more than account for the change.

Other notable moves: Portland could eliminate the Willamette Industrial district, which has stagnated without redevelopment for a decade; and the city could put nearly \$300 million back on the tax rolls from the thriving River district urban renewal area, which includes the Pearl District, although the amount of tax dollars recouped by local governments would be just \$18.9 million.

Expect members of the City Council to question how the changes would impact money for affordable housing and projects at Portland State University. One possible way to alleviate those concerns: promise money from an expanded North Macadam district, which includes the South Waterfront district.

The City Council would need to sign off on any changes. More than usual, vote-counting will be key to any changes.

Commissioner Amanda Fritz voted against the original Education district but now wants to ensure the city meets its commitments.

"My concerns are that the promises are kept to PSU and the promises are kept for affordable housing," she said.

Commissioner Dan Saltzman, whose family owns property in the Education district, recused himself from the 3-1 vote in May 2012.

A spokeswoman for the PDC referred questions to the mayor's office. A message and email sent to the mayor's office were not immediately returned.

Here's a look at some potential winners and losers:

Winner -- Local governments/taxpayers: The knock on urban renewal districts is that it siphons money away from basic services. The potential changes would kick back \$106.2 million to the city, county schools and library district over 30 years. That's an eye-popping amount of money. But in today's dollars, it's just \$35.1 million.

For context, Portland's slice of tax revenues is estimated at \$11.1 million in today's money. The city's general fund budget is more than \$400 million, meaning the change would represent less than 3 percent of discretionary spending in a given year. But with needs for parks and roads well documented, that's money that certainly could be put to use.

Losers -- Portland State University: The centerpiece of then-Mayor Sam Adams' Education urban renewal district, the downtown university was slated to receive some \$50 million of the \$169 million debt limit. That money was to help pay for expansions of science facilities, the business school and research facilities.

Hales' support of this urban renewal district has been all over the map. When Hales was running for mayor before the 2012 primary election, he said he supported the creation of the new district. A few months later, after the City Council approved it, he said he was "lukewarm at best."

Winner -- Development along the new Milwaukie light rail line: Instead of shutting down the Central Eastside urban renewal district, options are being studied to expand it in size and debt capacity. Any expansion would ensure that two new Orange Line light-rail stops -- Clinton Street and Rhine Street -- are part of the expanded boundary.

Hales has said he sees big things, in particular, for the Clinton Street stop. City planners are considering options to help foster high-density employment options. The company that is building the light-rail route has already scooped up land in advance of redevelopment opportunities.

Losers -- Affordable housing: Portland established a policy to set aside 30 percent of money from urban renewal districts to pay for affordable housing. If the city eliminates the Education district, then a projected \$45.9 million from that district to help subsidize projects for low-income Portlanders goes away, too, according to documents.

Winner -- South Waterfront: As it stands, Portland is supposed to stop issuing debt in the North Macadam district in June 2020. But the city is considering an option that would extend the deadline by five years, enabling more time to capture and reinvest money from redevelopment of the Zidell barge site. The city could also expand the 402-acre district by about 10 percent to snag some acres that had been included in the Education district.

The Portland Tribune

New construction demands exceeding city staff

By Jim Redden

In a sign of how the economy is recovering, the City Council will be considering adding 18 Full Time Equivalency (FTE) positions to the Bureau of Development Services on Wednesday.

BDS issues building permits and conducts inspections of buildings under construction, among other things. Its budget is supported by permit fees. When new construction projects dropped during the Great Recession, the council cut the staff at BDS by over half.

But the council has been adding staff back as the economy has improved and construction activity has picked up in recent years. It approved 13.0 FTE positions in the 2011 fiscal year, 26.6 FTE positions in FY 2012, and 29.5 FTE is the current fiscal year.

The new positions will be spread among various BDS programs. According to the resolution submitted to the council, benefits include allowing BDS to fully reopen the one-stop City Development Services Center on Mondays and Fridays. Those hours were cut during the height of the economic downturn.

The cost of the remainder of the fiscal year is \$800,000. The annual costs for the 18.0 FTE positions after that will be \$2.4 million. All costs will be financed with permit revenue.

BDS was considering asking for the increase in next year's budget but submitted its request early after hearing from the construction industry and other stakeholders.

The Mercury

Audubon's Good for At Least \$10,000 to Fight a Proposed Water District

By Dirk Vanderhart

We promise not to obsessively chronicle every campaign contribution as May's primary election draws near, but this is a biggie.

Among foes of a proposal to hand control of Portland's sewer/water systems to a new elected board, the Audubon Society of Portland has been the most vocal. And the wildlife group isn't stopping at rhetoric.

Audubon has kicked in \$10,000 to the campaign fighting the "Portland Public Water District," which would assume control of the Portland Water Bureau and Bureau of Environmental Services if approved by voters in May. The contribution ties one from the American Federation of State, County and Municipal Employees Local 189 as the opposition campaign's largest cash infusion to-date (it apparently began raising funds in mid-February).

Since the campaign for a seven-member utility district began in July, Audubon Conservation Director Bob Sallinger has been a chief critic—even filing complaints with the Oregon Secretary of State's Office after he said signature gatherers for the effort were spreading lies. Those complaints, and others like them, were eventually tossed when they couldn't be substantiated.

Proponents of the new district say it will rein in poorly reasoned expenditures (and their attendant rate increases) that have marked city hall's stewardship. They point most-frequently to projects like the Portland Water House and the purchase of the Rose Festival Building as places we could have saved, but it's other projects—like the massive Big Pipe, which keeps sewage from seeping into the Willamette River during rainy periods—that have most-influenced utility bills.

Sallinger and others (Mayor Charlie Hales is at the head of the opposition campaign) paint the proposed district as an attempt by industrial interests to hold out-size sway over their own utility rates. Big ratepayers Siltronic and Portland Bottling Company, along with property management groups, have primarily funded the water district campaign.