

## The Oregonian

### Portland still working toward urban renewal deal with Portland State University: Portland City Hall Roundup

*By Brad Schmidt*

To a large degree, Portland Mayor Charlie Hales' effort to redraw urban renewal boundaries is like a row of dominos.

It all hinges on Portland State University.

To knock everything else down, Hales needs to secure support by ensuring that at least some of the city's previous financial commitments to the university are kept.

But say this: the mayor appears to have the rest of the dominoes lined up.

New financial projections show that Hales' plans would now positively impact city, county, school and affordable housing coffers – providing a big boost to his argument that Portland should eliminate its newest urban renewal district centered around Portland State.

Hales' urban renewal plans include: killing off the so-called Education district, ending the Willamette industrial district, expanding the North Macadam district, expanding the Central Eastside area and reducing the size of the River district, which includes the Pearl.

The latest projections, which head to the Portland Development Commission's governing board today for review, paint an even rosier financial picture for the city, county and school district than numbers released about six weeks ago.

The reason is simple: the city may double the amount of money returned to the tax rolls from the wildly successful Pearl District, from nearly \$300 million to almost \$600 million.

Taxing those properties would provide more money for city, county and school annual budgets.

Here's a look at the long-term forecast through 2045:

City: \$48.9 million, up from earlier projection of \$33.3 million

County: \$46.4 million, up from \$31.6 million

Schools: \$51 million, up from \$34.7 million

At the same time, Hales' proposals to pump more money into affordable housing in the Interstate district – while reducing spending in the Oregon Convention Center area – would keep overall spending in the black.

Under the original proposal, the city would have spent \$10.4 million less on affordable housing over 30 years (although front-loaded spending provided a slight increase in terms of present value).

Now there's no argument: affordable housing would come out ahead \$2.9 million overall.

That just leaves the issue of Portland State University, where President Wim Wiewel wants city leaders to commit funding for university projects. The city is looking to provide some money by expanding the North Macadam district.

Negotiations are focused on providing \$20 to \$30 million toward Portland State projects in the next five or so years, Wiewel has said. The city originally outlined spending of \$50.3 million as part of the Education district.

A spokesman for the university said conversations remain positive.

But the domino has yet to fall.