

Retrospective Cost-Benefit Analysis: Riverfront Urban Renewal District

Overview

The Riverfront Urban Renewal District Plan (the Plan) was originally adopted on September 11, 1985. The original district encompassed nearly 148 acres adjacent to and including the University of Oregon's Riverfront Research Park.

The Plan was amended on March 10, 2004. The 2004 amendment: a) added 30 acres, bringing the total area to approximately 178 acres, b) expanded and revised the list of project activities, c) provided new cost estimates of the projects to be undertaken, d) established a spending limit ("maximum indebtedness") of \$34.8 million, and e) provided other information about the impact of the amendments.

Major goals for the Riverfront Urban Renewal District (Riverfront District) are:

- To stimulate appropriate redevelopment in the EWEB Master Plan area.
- Promote redevelopment of public and private properties in the area around the Wayne Morse Federal Courthouse.
- Improve connections between the core of downtown, the riverfront area and the University of Oregon.

Net Revenue & Expense FY87-FY13

Revenues	
Property Tax	\$ 12,568,736
Other *	\$ 9,120,833
Net Revenues	\$ 21,689,569
Expenses	
Capital	\$ 8,824,354
Other **	\$ 5,798,113
Net Expenses	\$ 14,622,467

* Other Revenue primarily includes sale of property, interest, and rent.

** Other Expense primarily includes district administration (personnel, legal, materials/supplies), planning (initial District set-up, EWEB Master Plan, Courthouse District Concept Plan, Cultural Policy Review contribution, and Walnut Station Special Area Zone), and debt interest/issuance costs.

Revenue

The Riverfront District has a "frozen base" assessed value of approximately \$50.6 million. As stated in the FY14 Adopted Budget, the total estimated assessed value of property

within the district is \$109 million. Therefore, the FY14 incremental value is approximately \$58 million. For more information on urban renewal and assessed value, see the FY14 Adopted Budget: Assessed Value Information pg. 363.

Since its initial adoption in 1985, the Riverfront District has collected approximately \$12.6 million in tax increment revenue and an additional \$9.1 million from property sales, interest, and rent. The FY14 Adopted Budget estimates that the Riverfront District will collect approximately \$990,000 in property tax revenues.

Projects and Capital Expenditures

Projects completed within the Riverfront District can be separated into two main categories:

1. Wayne L. Morse United States Courthouse.

- a. *Chiquita property acquisition* (2001) \$4,142,000
The URA acquired approximately 8.52 acres of industrial property formerly occupied by Chiquita Processed Foods.
- b. *AutoCraft property acquisition* (2002 & 2003) \$2,200,000
The URA acquired approximately 0.57 acres of industrial property. Of the total cost \$550,000 is related to business relocation. The property consists of two parcels located at 8th Avenue and Mill Street (north and south of 8th Avenue).
- c. *Other capital expenditures* \$ 1,419,000
Property redevelopment preparation including demolition (\$560,000) and demolition related fees (\$253,000 in FY02 – FY05); transportation improvements (\$359,000 in FY04 – FY08); and relocating the Agripac Building off of the Northwest Community Credit Union development site (\$247,000 in FY13).

In 2004, the URA sold the land west of Ferry Street for the courthouse project to the Federal Government for \$3.8 million. In 2013, the URA sold the land east of Ferry Street to Northwest Community Credit Union for its headquarters project for \$1.2 million. The URA retains ownership of the southern parcel formerly owned by AutoCraft, which is managed by the City Parking Program.

2. Riverfront Research Park.

- a. *Riverfront Pkwy. & Franklin Blvd. acquisition* (1994) \$166,000
The URA acquired the former Coca Cola bottling plant site to facilitate Riverfront Research Park improvements.
- b. *Millrace Drive extension* (1997-1999) \$538,000
Infrastructure construction contracts (\$397,000) and engineering and design services (\$84,000).

- c. *Other capital expenditures* \$359,000
Streets, bicycle paths, sidewalks; footbridge roundabout; underpass connection; sanitary sewer and other utilities; infrastructure construction costs; and property improvements.

Overall, the largest capital expenditures can be contributed to property purchases, infrastructure construction, engineering, and design.

Summary of Benefits

The investments that the URA has made in the Riverfront District leveraged other investments. In the Courthouse District, the URA investments leveraged the \$80 million Federal Courthouse and the \$20 million headquarters building for Northwest Community Credit Union, which is now being constructed.

Three buildings with an estimated total value of \$34 million have been constructed in the Riverfront Research Park. These buildings generate an estimated \$180,000 in property tax revenue per year and house approximately 250 jobs in University related research and technology businesses. The URA has also leveraged investments in constructing the Riverfront Research Park from ODOT (\$5.25 million from the Capital Construction Trust Fund) and the State Lottery (\$1.2 million from funds dedicated to economic development projects).