Order 22-08/09
Tab 34 7-21-08

EDWARD J. SUSLOVIC (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
DANIEL S. SKOLNIK (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

JAMES I. COHEN (5)
JOHN M. ANTON (A/L)
JILL C. DUSON (A/L)
NICHOLAS M. MAVODONES, JR. (A/L)

ORDER AMENDING ORDER 133-05/06 RELATING TO BROWNFIELD ECONOMIC DEVELOPMENT INITIATIVE GRANT

WHEREAS, pursuant to the Order 133-05/06, the City Council authorized the City Manager to apply to the United States Department of Housing and Urban Development ("HUD") for a Section 108 Loan and a Brownfield Economic Development Initiative ("BEDI") Grant under Section 108 of the Housing and Community Development Act of 1974, as amended (the "Act"), to be used for economic development activities in the City's Bayside neighborhood; and

WHEREAS, pursuant to said Order, the proceeds of the BEDI Grant in an amount not to exceed $1.9 million were accepted and appropriated for the following purposes: relocation of scrap yard businesses and purchase of scrap yard land, buildings and other improvements in Bayside, and for such other Bayside projects as the City Council approved at a future date (the "Original Projects");

WHEREAS, the City Council desires to revise the Original Projects to clarify the purposes for which the proceeds of the BEDI Grant will be used;

WHEREAS, on March 24, 2008 the City Council approved the Consolidated Annual Action Plan which amended the Consolidated Housing and Community Development Plan to include undertaking eligible activities to be financed with the said BEDI Grant; and

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and a public hearing upon the proposed BEDI Grant, and has considered the extent of objections and support received from residents or property owners as to said proposal;

NOW, THEREFORE IT IS HEREBY ORDERED THAT ORDER 133-05/06 BE AND HEREBY IS AMENDED AS FOLLOWS:

1. That the BEDI Grant of approximately $1.9 million originally appropriated pursuant to Order 133-05/06 for the Original Projects be deappropriated for such purposes and be re-appropriated to fund grants to finance a portion of the costs of some or all of the following improvements:

- Infrastructure improvement with respect to Whole Foods Market;
- Relocation of New England Metal Recycling and E. Perry Scrap Yards;
- Acquisition of the current New England Metal Recycling site;

Given First Reading: 7/21/08
Public Hearing & Passage 8/4/08 8-0 (Cohen absent)

- Design and construction of a privately owned, approximately 700 space parking garage with ancillary retail space (all referred to collectively as the "Bayside Projects"); and

2. That the City Council makes the following findings and determinations:

   a. The purpose of the Bayside Projects is to help revitalize the distressed Bayside neighborhood. Bayside was once a densely settled, mixed use neighborhood with a working class enclave of carpenters, masons, and blacksmiths who worked in tanneries, foundries, and other factories. The neighborhood had more industrial uses than its adjoining urban neighborhoods. Over the past 40 years, approximately one half of its housing was demolished, much of it replaced by parking lots. Today, Bayside is a blighted area with uses incompatible with an area adjacent to a vital downtown. Bayside's industry has largely closed or migrated and today is predominantly scrap metal yards, brownfields or vacant industrial land of unusual configuration, parking lots serving downtown, and class C office space. It has poor circulation patterns, an abandoned rail line, and disjointed land configuration related primarily to parcels on which the old rail line once trafficked.

   b. Completion of the Bayside Projects will help the City (i) establish new industries to replace obsolete ones; (ii) remove contamination, blighted buildings, and blighting land uses; (iii) upgrade and replace blighted infrastructure; (iv) relocate the scrap yard businesses outside the Bayside area to a more appropriate location facilitate (v) re-use by firms that complement downtown Portland and the City overall; (vi) creates an estimated 240 to 435 new jobs, all of which will be available to low/moderate income people; (vii) leverage private investment (estimated at approximately $62 million), to create new buildings and create a vital area of mixed business, residential, and recreational uses and (viii) increase tax revenues.

   c. Based on the foregoing, completion of the Bayside Projects will generate substantial direct and indirect economic benefits for the City and its residents. The Bayside Projects constitutes a good and valid public purpose and will contribute to the economic growth and well-being of the inhabitants of the City.

   d. Any adverse economic effect on or detriment to the City in pursuing the Bayside Projects and in accepting the BEDI Grant is outweighed by the contribution made by the Bayside Projects to the economic growth or well-being of the City and the betterment of the health, welfare and safety of its inhabitants.

3. That said BEDI Grant is hereby accepted in accordance with the provisions for said BEDI Grant as established by HUD; and

4. That the Director of Finance is authorized to negotiate, execute, and deliver, in the name of and on behalf of the City such contracts, agreements, and other documents and certificates as may be necessary or appropriate as determined and approved by the Director of Finance in connection with the BEDI Grant or the financing of the Bayside Projects (the "Grant Documents"), which Grant Documents shall be in such form and contain such terms and conditions, not inconsistent herewith, as may be approved by the Director of Finance such approval to be conclusively evidenced by her execution thereof;

5. That if the Director of Finance is for any reason unavailable to approve and execute the Grant Documents, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, is authorized to act for such official with the same force and effect as if such official had performed such act.