

Development Potential Review

Appendix C

12.11.2020

Introduction

As part of Task 2.1.1 of Contract B37418, the Independent Assessment of Highway Covers for I-5 Rose Quarter Improvement Project, led by ZGF Architects, HR&A Advisors, Inc. (HR&A) and Leland Consulting Group (LCG) (together, the Finance and Governance team) have reviewed documents and data that make up the project record to inform our understanding of how the proposed highway covers do or do not align with community and stakeholder goals. The Finance and Governance team is focused on understanding the potential for development (of buildings and other amenities, such as open space) on the highway covers to support successful project outcomes, defined as those that align with the Executive Steering Committee's (ESC) Values and Outcomes, as well as potentially others generated through this Independent Assessment process. This memorandum summarizes our team's takeaways from preliminary document review.

Record Review Findings

As part of the background assessment, HR&A reviewed the record of information from a variety of project documents relevant to understanding existing plans, previous site and market conditions analysis, and public and stakeholder responses to the project to date. The independent market analysis described later in this memo helped us to identify areas in which the background documents and previous analyses either do or do not address key issues of this project.

HR&A's review focused on two key documents within the Environmental Assessment (EA): The ODOT Socioeconomic Technical Report (Socioeconomic Report) and The ODOT Land Use Technical Report (Land Use Report). These documents, and as we understand from other team members, all EA documents, take a literal approach to evaluating the project's impacts. While we understand from other team members' reviews that this is appropriate and sufficient based on the technical requirements of an EA, this approach does not reflect goals that have emerged for this project since it was initiated, such as restorative justice, community input and transparent decision-making, and climate action and improved public health. The EA's framework results in the use of a limited geography for consideration of impacts and the prioritization of roadway-focused improvements over strategies that may balance benefits to infrastructure and community. The implications of this approach are described further below.

The ODOT Socioeconomic Technical Report

The Socioeconomic Report provides a concise overview of the demographic and economic existing conditions within the Area of Projected Impact (API), a narrow area that surrounds the sections of I-5 planned for improvement. The Socioeconomic Report covers a wide range of topics, from demographics to fiscal impacts associated with the project, and appropriately considers impacts for both a No Build and Build Alternative. However, the API used allows for a study of only an extremely narrow view of the population and area that may actually be affected by the project, given the reach of I-5 through the east side of Portland. Additionally, the analysis and description of economic impacts of the project largely focus on the project's regional benefits and state that the project's local impacts will be aligned with those experienced throughout the areas surrounding the API. Again, the narrowness of the API and a lack of specificity around the economic development and growth dynamics that may affect the area leave out important considerations about the project. Specifically:

- The limited study boundary (API) excludes the community (households, individuals, and businesses) that was impacted by the construction of I-5 through the Rose Quarter, which is no longer there. In doing so, the project remains solely focused on the impact of the direct roadway improvements, rather than considering the broader effects of the project and the potential for this project to benefit surrounding communities.
- The report claims both that the project (referred to as the Build Alternative) would “not have a long-term direct effect on population, demographic, housing, or income in the API or the MSA” and that “Reasonably foreseeable future actions are also likely to contribute to patterns of growth and development that have and would continue to result in changes to the regional and local economies, including property value increases and transitions in neighborhoods.” Through these statements, the report fails to recognize and clearly describe the threats that increased property values and “transitions” in neighborhoods may pose to long-term community stakeholders, or to identify mechanisms to leverage value created by the project to the benefit of the surrounding community.

The ODOT Land Use Technical Report

The ODOT Land Use Technical Report (Land Use Report) provides an overview of land use impacts for a No Build and Build Alternative through: 1) documenting compliance or compatibility with state, regional, and local transportation and land use laws, plans, and policies, 2) identifying direct land use impacts by quantifying the amount of land acquired and converted to right of way (ROW) to accommodate Project improvements, and 3) assessing indirect impacts by demonstrating how ODOT and the City of Portland integrated land use considerations into the development of the plan for the project.

- The Land Use Report concludes that not moving forward with the project may threaten ODOT's concurrence with the Central City 2035 Plan. The No-Build Alternative would be predicated on potential amendments to the Central City 2035 Plan to account for the removal of the Project and potentially the multimodal mixed-use area (MMA) designation; removing the MMA designation would modify the types of allowed future development.

- Additionally, the Land Use Technical Report found that the Build Alternative's direct land use impacts would be relatively small in scale, minimizing the physical impacts of the project. The Build Alternative would convert approximately 2.54 acres of land to transportation use. Several parcels would be subject to acquisition for the purpose of construction staging; however, these parcels would be sold after construction is completed and would not be converted to transportation use.

Stakeholder Letters

HR&A also reviewed stakeholder letters from the Albina Vision Trust (AVT), Portland Public Schools (PPS), Metro, the City of Portland, and Multnomah County. These letters called for a greater focus on other project goals, including restorative justice, community input and transparent decision-making, and climate action and improved public health. Specifically:

- The May 27, 2020 OTC joint letter requested ODOT develop a partner agency agreement that outlines how collaboration will occur within the governance structure and outcome-based process. In the August 25, 2020 letter from Metro to ODOT, the request was echoed as Metro called upon ODOT to fully implement OTC's commitments and make the ESC's work to establish the outcomes-based framework the top priority for the Rose Quarter Improvement Project.
- As observed in the May 27, 2020 OTC joint letter, stakeholders have consistently requested commitments to restorative justice and to environmental justice. In the April 1, 2019 letter from Metro to ODOT, Metro requested documentation of the project's plan to address concerns that arose from community engagement events: government services, economic opportunity, gentrification, and historical injustice with past developments, agency distrust, and broken promises with development initiatives. In its March 29, 2019 letter, AVT noted that the EA did not adequately address environmental impacts, including community, social, and economic outcomes. In the August 25, 2020 memo from Metro to ODOT, Metro requested clearly defined actions that pave the path for achieving the restorative and environmental justice and community development benefits envisioned. The August 25, 2020 Metro letter called for the need for the development of a community benefit agreement that commits to addressing concerns related to project outcomes.

A full list of documents reviewed can be found in Appendix F: Bibliography.

Summary of Outcomes and Opportunities

Preliminary findings in this review align with ESC Values and Outcomes under the value categories of Restorative Justice; Community Input and Transparent Decision Making; Mobility Focused; and Climate Action and Improved Public Health. The following table summarizes opportunities for a change in policy or physical configuration supportive of ESC Values and Outcomes. ESC can consider how these opportunities are measurable and sustain desired outcomes when evaluating the highway covers within the Rose Quarter Improvement Project.

A. Restorative Justice

Aim: Advance social and racial equity resulting in positive change.

Desired Outcomes	Opportunities
<p>Alignment with existing ESC outcome: “Acknowledge the impacts of these developments on the community to earn community trust and advance short-and long-term actions that aim to create community stability, economic wealth and opportunity in Albina.”</p>	<p>Broadening the area of study for the Independent Cover Assessment will enable to team to more effectively evaluate the potential impacts and benefits of the highway covers and development on the covers, to align these with ESC values and aims.</p>
<p>Ensure that resources available to the Urban Renewal Areas within the project area are focused on projects/programs on the highway covers that support community members harmed by past injustices in the Rose Quarter. (See also: Community Input & Transparent Decision-Making)</p>	<p>There may be existing resources to “foster economic prosperity among communities and individuals who have not fully participated in or benefited from economic opportunities in the Interstate Corridor URA.”¹ Identifying these resources could be an important part of defining the financing strategy for the highway covers.</p>
<p>Address the threats that increased property values and “transitions” in neighborhoods may pose to long-term community stakeholders, including residents, businesses, and community institutions.</p> <p>Identify measures to maintain affordability of housing, commercial space, and community spaces to preserve remaining elements of the Albina community where they are today.</p>	<p>The Independent Cover Assessment team’s framework for assessing highway cover scenarios could include criteria that measure the extent to which highway cover development scenarios deliver on community needs and spaces, including affordable housing, commercial spaces, community spaces, and other opportunities for ownership and community-building with the Albina community.</p>

B. Community Input and Transparent Decision Making

Aim: The project reflects community-informed & involved decision-making through a community-connected, transparent, and inclusionary process.

Desired Outcomes	Opportunities
<p>Create a process/pathway for community input into the expenditure of remaining resources associated with the URAs encompassed by the project area. (See also: Restorative Justice)</p>	<p>There may be existing resources to “foster economic prosperity among communities and individuals who have not fully participated in or benefited from economic opportunities in the Interstate Corridor URA.”¹</p> <p>As noted above, these resources could be an important part of defining the financing strategy for the highway covers. They may also be useful tools in delivering or directing value to members of the Albina community, even if not delivered directly on the highway covers.</p>
<p>Increase transparency into the governance and economic decisions being weighed as part of this project plan (likely through the ICA).</p>	<p>There is an opportunity to engage stakeholders from AVT, PPS, Metro, the City of Portland, and</p>

	Multnomah County, who have specifically requested governance and cost transparency. ²
Document the roles and responsibilities of each leadership, advising, and coordinating board or group associated with the project and make each body's work available for public review.	Clear, specific agreements between members of the ESC and amongst project stakeholders, as well as publicly-available work can help build trust in the process.. ³

C. Mobility Focused

Aim: Increase connectivity for the traveling public and local community

Desired Outcomes	Opportunities
Consistency with traffic mobility assumptions and conclusions in the Central City 2035 Plan.	A project that honors the ESC's Values and Outcomes will allow ODOT to be concurrent with the Central City 2035 Plan. ⁴

