CITY OF PORTLAND | BUREAU OF ENVIRONMENTAL SERVICES

Unlocking the Potential of Outer Southeast Portland

MAY 8, 2014



Harold Street and SE 113th Ave • January 2009



Nick Fish, Commissioner Dean Marriott, Director

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Acknowledgements

The following materials draw upon the efforts of many people who imagine a future when, once again, Johnson Creek flooding is a natural, regenerative process instead of a difficult and expensive hardship for residents, workers and business people. The materials are most directly informed by the Bureau of Environmental Services' Johnson Creek Watershed Restoration Program and the collective efforts of the City of Portland's Foster Lents Integration Partnership in 2013. The following people made valuable contributions to the content of this report:

BUREAU OF ENVIRONMENTAL SERVICES

Marie Walkiewicz, report author Maggie Skenderian, Johnson Creek Watershed Program Manager

FOSTER LENTS INTEGRATION PARTNERSHIP

Kevin Cronin, Portland Development Commission Karl Dinkelspiel, Bureau of Housing Trang Lam, Portland Development Commission Mauricio Leclerc, Portland Office of Transportation Sarah Huggins, Portland Parks & Recreation Christine Scarzello, Bureau of Planning and Sustainability

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Marie Walkiewicz City of Portland Bureau of Environmental Services 503.823.6199 Marie.Walkiewicz@portlandoregon.gov

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The Flooding Problem







For decades, flooding has shaped the Lents and Powellhurst Gilbert neighborhoods. The Johnson Creek floodplain covers 330 acres from the I-205 Freeway to SE 122nd Avenue, from the base of Mt. Scott almost to Holgate Boulevard. The area is part of the Lents Urban Renewal District, which has brought significant public investments to promote revitalization,

	Approx. acreage
Land Use	in 100-year floodplain
Industrial	70
Commercial	8
Single family resid	dential 94
Multi-family resid	ential 31
Open space	128
Total	331

yet flooding is seen by many as a critical reason the area hasn't realized its potential.

The recently completed Foster Floodplain Restoration Project reduces how often floods occur but doesn't change the 100-year flood footprint. Before the project was completed, Foster Road flooded about every other year. Now it can be expected to flood about every 6-8 years.

Currently, about 70 acres of industrial land is within the 100-year floodplain, much of it covered by auto salvage yards. The area's ready access to the freeway, large development parcels and low vacancy rates for limited industrial space should make it suitable for more job-intensive development, however, the risk of flooding and the lack of property owner confidence complicates the area's long term redevelopment.

Today over 600 modest, single-family properties are within the 100-year floodplain. Not only do families face the risk of flooding, they also pay an average of \$1,100 a year in flood insurance. Rates are projected to increase up to 15-18% a year, placing

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a significant financial burden on vulnerable households, and seriously limiting the resale value of their homes.

Although Johnson Creek hasn't flooded since January 2009, it is only a matter of time before flooding again inundates Foster Road, local homes and businesses.

Floodplain Restoration and Community Revitalization

While flooding seems like an overwhelming problem for the Lents and Powellhurst Gilbert neighborhoods, a recent hydrologic study found that it is possible, with careful design and targeted investments, to manage the 100-year flood. Using an approach similar to the Foster Floodplain Project, about 31 acres could be purchased from willing sellers and converted into more natural floodplains that would hold floodwater on publicly-owned open space. By slightly elevating Foster Road and creating a system of habitat-friendly culverts, over 400 single-family properties would no longer need to pay for flood insurance.

An economic study indicates that the number of jobs in the area could more than double from about 300 to over 800. Wages could increase by about \$25 million annually and property values could go up by over \$100 million dollars. The new flood mitigation sites would enhance habitat and the natural character of the area by creating connections between Johnson Creek, its floodplain and wetlands. The restoration sites would also increase recreational opportunities and connect to an emerging system of green spaces that includes Zenger Farm, Leach Botanical Garden, Beggars Tick Marsh and Powell Butte, linked along the Springwater Corridor Trail.







Recent Efforts

Over the past two years an interbureau team known as the Foster Lents Integration Partnership identified strategies for revitalizing the Foster Corridor. As part of that effort, analyses were conducted demonstrating that flood mitigation in the Lents and Powellhurst Gilbert neighborhoods is possible and could yield a reasonable return on investment. While those findings were encouraging, it was also clear that such an effort would require "all-hands on deck" to mobilize expertise and resources.

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Currently city partners are gathering information to support discussions about whether to pursue a project to mitigate flooding. Their work could be used to initiate a master planning process to guide public infrastructure investments, promote private investment and enhance community livability. One idea for the area's future is to create an industrial sanctuary to promote job growth while also creating a regional wildlife refuge that stitches together existing green spaces with the new flood infrastructure.

A master plan for the area would include an investment strategy that could be used to solicit funds from state or federal programs, foundation grants or private finance mechanisms. The team developed the following materials to serve as a starting point for a future master planning effort:

- A summary of technical analyses needed to identify necessary infrastructure investments;
- An overview of potential funding sources for planning and implementation;
- A description of potential support city bureaus could contribute to the project.

Potential Next Steps

While the Lents Flood Mitigation project offers great potential for revitalizing the area, the project's complexity, interrelated issues and opportunities, and anticipated timeline for planning and implementation, call for a project management structure that doesn't fit neatly within any existing organization. To address this, we suggest seeking the assistance of the Regional Solutions Team or the Oregon Solutions Team. The solutions team would be asked to solicit involvement from critical project stakeholders, including businesses, neighborhood, and public leadership to:

- Identify an organizational structure that would support the project through planning and implementation;
- Recommend funding strategies to support the project, and;
- Develop guiding principles for the project and targets for housing, jobs, industrial acreage, natural resource enhancements, transportation performance and recreational opportunities.

The issues identified in the Foster Corridor analysis are pressing and timely. To build on the momentum generated by that effort, we suggest meeting with community, business and civic leadership to gage their interest in finding a solution to flooding in Lents, with the intention of building a coalition of leaders who can launch and guide the Lents Flood Mitigation Project.

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January 2009 Flooding

The January 2009 flood was a 25-year event, meaning there is a 4% probability of a similarly sized flood happening in any given year (or a once in 25-year average). During the flood, Johnson Creek crested at its second highest level since records were first kept in the 1940s, at about 3.7 feet above flood stage. However, the flood extent covered a smaller area than the 100-year floodplain, which is officially regulated by the Federal Emergency Management Agency (FEMA). In this part of the Lents and Powellhurst Gilbert neighborhoods, the 100-year floodplain covers about 330 acres.









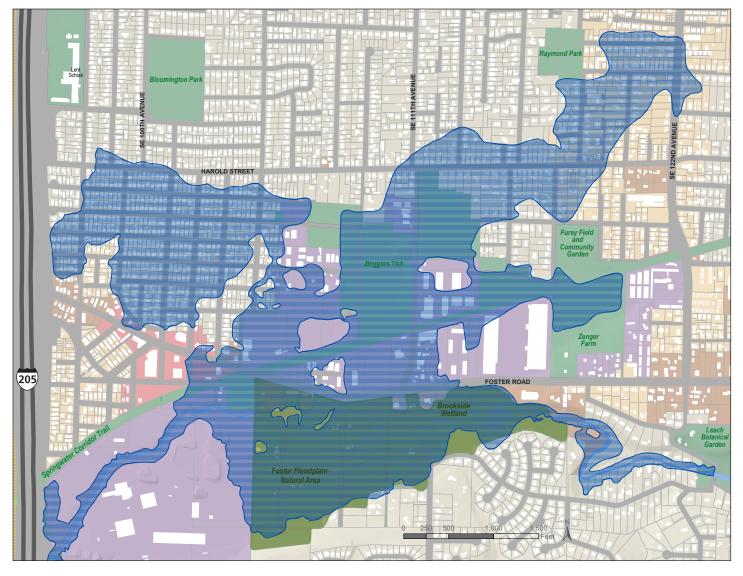








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Lents 100-year Floodplain—Existing Conditions

SOURCE: Integrated Framework (Revised), Foster Corridor Investment Strategy, June 4, 2013



Area subject to flooding

- 331 acres 100-year floodplain (1% annual chance of flooding)
- 140 acres –nuisance floodplain (10% annual chance of flooding)

Community impacts of flooding

- 600 single-family properties
- 40 businesses
- 29,000 single-direction vehicle trips per day on Foster Road

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Lents Flood Mitigation Concept

Anticipated Community Project Benefits

- 520 new jobs
- 400 single-family properties no longer in the floodplain
- 31 additional acres of open space
- Additional trails
- Improvements to Foster Road, local streets and sidewalks

Land Use—Approximate Acreage No Longer in the 100-Year Floodplain

	Approximate		
Land Use	acreage		
Industrial	60		
Commercial	2		
Single family residentia	l 71		
Multi-family residential	31		
Total	164		

Overview of Significant Costs and Benefits

ESTIMATED ANNUAL BENEFITS

Net Annual Benefit	\$24,500,000
New wages	\$24,000,000
Insurance cost avoidance	\$1,500,000

ESTIMATED RESTORATION COSTS*

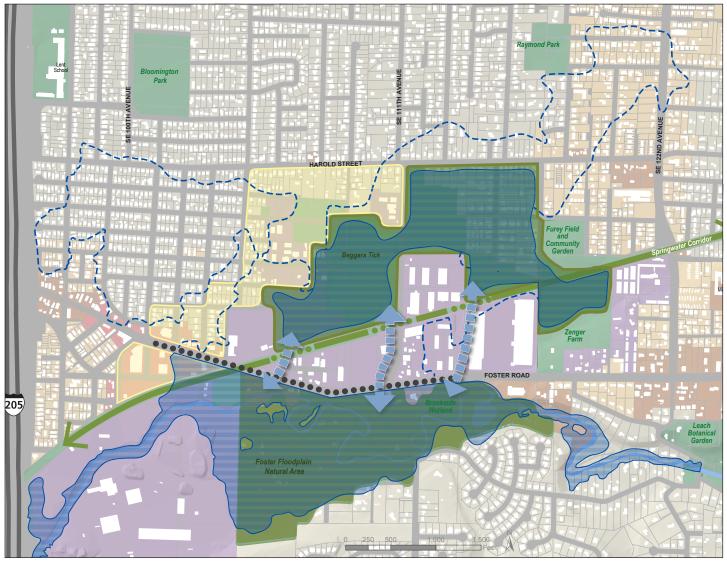
Net Restoration Costs	(\$89,000,000)
Other street improvements	(\$10,000,000)
Foster Road improvements	(\$7,000,000)
Restoration Costs	(\$45,000,000)
Net Acquisition Costs	(\$27,000,000)

^{*}Does not include costs of handling contaminated fill.

ESTIMATED PROPERTY VALUE BENEFITS

Net New Property Tax Potential Annually	\$800,000
Net New Property Value Benefit	\$110,700,000
Increase in total residential property value	\$5,000,000
Net new employment property value	\$105,500,000

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Flood Mitigation Concept

SOURCE: Integrated Framework (Revised) Foster Corridor Investment Strategy, June 4, 2013

The flood mitigation concept shown on this map is one of three alternative designs developed as part of the City of Portland Foster Corridor Investment Strategy in 2013. The alternatives were used to test the technical feasibility and the potential costs and benefits of mitigating the 100-year flood in the Lents and Powellhurst Gilbert neighborhoods. Of the three alternatives, this concept provides the most benefits for residential and industrial properties. While, this map shows potential locations for flood storage and fill, these are only initial ideas developed primarily for analysis purposes. If flood mitigation is pursued in this area, the exact location of flood storage and fill would be determined through a public process.



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Project Management

The Lents Flood Mitigation project would be a multifaceted project to plan and implement on-the-ground improvements by restoring 30 acres of floodplain, creating jobs, and relieving hundreds of households from the threat of flooding and cost of flood insurance.

Project success will depend on a strong organizational structure to support the effort from the initial planning process through implementation, which is expected to happen over many years. More discussion is needed to determine the most effective project management structure to support the project. However, because of the complexity of the project, the effort would need to engage a number of partners with critical technical skills and access to resources.

Partner Organizations

The following City of Portland bureaus and agencies would provide critical support to the project:

- **Environmental Services** conduct hydrologic analyses; fund mitigation of 10-year flood; assist in the design of the flood mitigation and habitat elements; provide technical assistance for brownfield remediation; assist in securing funds for floodplain acquisition and restoration
- Emergency Management identify potential funding related for hazard mitigation and/or climate mitigation; provide technical review regarding emergency response
- Equity facilitate involvement of community members from communities of color, non-English speaking households and other vulnerable residents and businesses
- Housing assist in securing funds to support housing improvements and/or redevelopment of properties; assist in temporary or permanent relocation of affected households; identify and collaborate with community development organizations
- Neighborhood Involvement support community engagement through the neighborhood associations, the East Portland Neighborhood Office, and other community groups
- Parks & Recreation support connections between floodplain restoration and other East Portland parks, trails and natural areas; assist in the design of flood-mitigation areas; assist in securing funds for open space acquisition, and management

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- Planning and Sustainability identify potential land use opportunities; implement potential zoning or other land use changes; develop coordinated strategy for infrastructure, transportation, and parks investment; coordinate with regional land use, transportation, and employment planning
- Portland Development Commission coordinate with Lents urban renewal efforts; promote industrial property owners' participation; support job cluster strategy; support business development in the corridor; provide advice or support for property tax and/or other property-based financing strategies; consider tax increment finance
- Transportation plan transportation system improvements for freight, bike and pedestrian mobility; design and engineer streets; secure funding for transportation elements

Additional skills and expertise would be needed:

- **Finance:** develop and coordinate a funding strategy that would engage resources from a number of sources, including City of Portland infrastructure funding, government and foundation grants, tax-based and/or property-owner contributions
- Land acquisition, management and development: depending on the project's organizational structure, this could be managed by a City of Portland agency or by a different entity

Other government agencies, nonprofit organizations, business associations, and community groups could also be involved in project planning and implementation.

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Supporting Plans, Strategies and Analyses

Primary Resources

Economic Cost Benefit Analysis and Methodology for Foster Floodplain
Redevelopment. Memorandum prepared by Leland Consulting for Portland
Development Commission and Bureau of Environmental Services. April 2013.
(available on CGIS)

Foster Corridor Investment Strategy Technical Memorandum: Foster Road Flood Mitigation Concepts. Prepared by ARUP North America for Portland Development Commission and Bureau of Environmental Services. June 2013.

<u>FLIP Flood Mitigation Executive Summary</u>. Portland Development Commission. July 2013. (available on CGIS)

Lents 5-Year Action Plan. Portland Development Commission. May 2014.

Updated Infrastructure and Financing Considerations. Prepared by ARUP for the Portland Development Commission for the FLIP flood mitigation alternatives. December 2013.

Additional Resources

<u>Climate Change Preparation Strategy</u> Public Review Draft. Bureau of Planning and Sustainability. 2014.

East Portland Action Plan. Bureau of Planning and Sustainability. February 2009.

<u>East Portland in Motion</u>: A 5-Year Implementation Strategy for Active Transportation. Office of Transportation. March 2012.

Foster Corridor Exploratory Study. City of Portland. August 2008.

<u>Foster Green EcoDistrict Assessment Report</u>. Portland Sustainability Institute; Portland Development Commission. March 2012.

<u>Johnson Creek Basin Protection Plan</u>. Bureau of Planning. August 1991.

Johnson Creek Restoration Plan. Bureau of Environmental Services. June 2001.

Regional Equity Atlas. Coalition for a Livable Future.

Natural Area Acquisition Strategy. Portland Parks & Recreation. November 2006.

Natural Hazard Risk Reduction Strategy. Bureau of Emergency Management. 2010.

Lents Neighborhood Eco-Industrial Development Workshop Summary Report. City of Portland. July 2002.

Lents Neighborhood Plan. Bureau of Planning. March 1996.

Outer Southeast Community Plan. Bureau of Planning. March 1996.

Parks 2020 Vision. Portland Parks & Recreation. 1999.

Regional Trail Strategy. Portland Parks & Recreation. June 3 2006.

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Analysis Tasks

LEAD STAKEHOLDERS RESEARCH QUESTIONS

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FLOOD	MITIGATION	
BES	All stakeholders FEMA Emergency Management Oregon DEQ Permitting agencies	 How much further analysis does the hydrology study need? How does seasonal groundwater interact with the proposed floodplain restoration? What options might exist for handling fill? How much would need to go to the locations shown on the concept? Could any of it be moved to other sites (like industrial properties) if that was more beneficial? What contaminants are present? How would that affect cut and fill? What mitigation would be required on fill sites? What permitting issues would need to be resolved to implement the floodplain restoration and cut and fill? To what extent do upland or upstream drainage issues impact flooding? What strategies can prevent or minimize those impacts?
WATER	SHED HEALTH	
BES	JC Watershed Council NOAA Fisheries Oregon Fish & Wildlife Environmental orgs	 How would floodplain restoration be designed in this area to benefit fish and wildlife? Would any specific species be of particular interest or concern? How would flow channels be designed to facilitate flood mitigation benefits without creating hazards for fish and wildlife?
PARKS	AND RECREATION	
PP&R	Community members	 Would flood mitigation create parcels that would be usable for needed park facilities? What kinds of experiences would be appropriate for visitors to the mitigation sites How would the site design facilitate that? What design or management issues should be considered for the restored floodplains? How would visitors get to the sites? Would the sites be connected physically and/ or programmatically with other natural areas?
TRANS	PORTATION	
PBOT	ODOT Freight Advisory Committee Industrial property owners Pedestrian and bike advocates Community members	 What are current traffic counts? What are the projections for future traffic? What kinds of transportation modes need to be accommodated? Could Foster Road be redesigned to limit flooding? How would freight traffic be facilitated? What changes would be needed to neighborhood streets in response to fill and changes on Foster Road? What street improvements would be needed as part of the area's redevelopment? What would the costs be? How could/would transportation improvements be funded? How could pedestrian and bike conditions be improved?

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Analysis Tasks (continued)

LEAD	STAKEHOLDERS	RESEARCH QUESTIONS
LAND	USE AND URBAN FO	RM
BPS	Community members	 How could changes to the floodplain and transportation influence future land development? If the project results in redevelopment sites, what uses should go on those sites? Housing, industrial, parks? What development patterns would maximize project benefits? What impacts existing residents, businesses? How could negative impacts be mitigated? What are the best tools for achieving desired land use outcomes? Are there land use tools to reduce/prevent the impacts of upland drainage issues on the floodplain?
ECONO	OMIC DEVELOPMENT	
PDC	Existing businesses and property owners Potential new investors Community members	 Does Leland's economic analysis need further technical review or refinement? What types of businesses and/or market niches might be interested in this area if flooding was no longer an issue? Would market forces be sufficient to stimulate reinvestment or would some level of public investment be necessary? Would any changes to land uses, transportation or other infrastructure be needed to prompt reinvestment? What would be the effect of market shifts on existing businesses? Would measures be warranted to assist them as the area transitions? If so, what would that be?
HOUS	ING	
Housing	ROSE CDC Community members Other housing organizations?	 Can we get more precise estimates of current and anticipated flood insurance costs? How vulnerable are area residents to displacement due to flood insurance costs? Which residential properties would be needed for flood mitigation or fill? How would properties be modified? Could the fill be handled through site changes or would acquisition be required? How would impacts to residents be minimized? How could relocation and compensation strategies assure fair/beneficial outcomes for existing residents? How could flood mitigation affect the housing market? How could displacement of existing residents be prevented?
UTILIT	IES	
?	Water, BES PGE, NW Natural Communications? Businesses	 Where is utility infrastructure located? What would be the extent and cost of utility modifications to accommodate anticipated changes? What are the potential issues and opportunities of the flood mitigation strategy for utilities? Any benefits related to reduced risks?

• What utilities would need to be relocated? Where? Costs?

continued

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Analysis Tasks (continued)

LEAD STAKEHOLDERS RESEARCH QUESTIONS

COMMUNITY INVOLVEMENT

ONI? Neighborhood
Office of associations
Equity Community me

Community members
Foster Lents EcoDistrict

ROSE CDC

Community/advocacy

orgs

- · Who lives in the area?
- · Proportion of homeowners and renters?
- · Language spoken and cultural issues?
- How should this information shape the community involvement and decisionmaking? Does it have any ramifications for strategy development?
- What roles should community members have in creating the master plan?
- · How could they be engaged most effectively?
- What are the community's interests, concerns and desired outcomes?

PROJECT MANAGEMENT AND FINANCE

? All stakeholders

Funding

- What would it cost to develop a master plan? How would/could the project be funded?
- What would project implementation cost? How would/could the project be funded?
- What existing sources of funding could be allocated through the City of Portland?
- What resources might be available within the district? From the state or feds?
 Other sources?

Organization and decision-making

- What organization would manage the effort?
- · How would decision making be handled?
- How could the leadership and organization affect the intended outcome?
- What management structure would support effective involvement/coordination amongst the technical stakeholders?
- Implementation
- How would property be acquired, managed and reallocated? What organization would handle that?

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Potential Funding and Other Resources

continued

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Potential Funding and Other Resources (continued)

9		POTENTIAL			
INTERESTS	OR OTHER	SOURCES	COMMENTS		
TION					
Prevent disruptions of freight traffic and employee access Prevent disruptions of traffic flow Improve bike/ped safety	Metro Transportation Funding Metro Planning Grants ODOT TGM grant	Statewide Transportation Improvement Program TIGER Grant Federal transportation funding Urban Renewal Tax Increment Finance Infrastructure finance district* Gainshare Strategic Investment Program*	Is Foster or its intersection with I-205 of interest to ODOT? Residential owner financing cannot exceed current flood insurance costs. Gainshare exempts a portion of large capital investments that create jobs from property taxes; it rebates a portion of state income taxes generated by the new employment back to the municipality. Metro grants support regional and local planning that is required to make land ready for development; supports planning for new communities, redevelopment of existing communities, and development of corridors and industrial and employment areas.		
ID URBAN FORM					
A coherent strategy Industrial job creation Neighborhood revitalization Promoting sustainability	BPS – project funding URA? Metro Planning Grant	Property owner contribution – LID, BID or similar tool	Planning consultation from Oregon Chapter or national APA PSU Planning Masters project for assistance on specific elements? Metro grants support planning to make land ready for development, redevelopment of existing communities and development of corridors and industrial and employment areas.		
ECONOMIC DEVELOPMENT					
Job creation Increased property values Brownfield cleanup	Opportunity Study	Increment Finance	PDC program funds development feasibility for property owners and businesses in urban renewal areas. Gainshare exempts a portion of large capital investments that create jobs from property taxes; it rebates a portion of state income taxes generated by the new employment back to the municipality.		
	INTERESTS TION Prevent disruptions of freight traffic and employee access Prevent disruptions of traffic flow Improve bike/ped safety Improve bike/ped safety Improve bike/ped safety Industrial job creation Neighborhood revitalization Promoting sustainability EVELOPMENT Job creation Increased property values	INTERESTS Prevent disruptions of freight traffic and employee access Prevent disruptions of traffic flow Improve bike/ped safety DURBAN FORM A coherent strategy Industrial job creation Neighborhood revitalization Promoting sustainability EVELOPMENT Job creation Increased property values Brownfield cleanup EVELOPMENT Job creation Increased property values Brownfield cleanup EVELOPMENT JEQ grant/brownfield funding	INTERESTS OR OTHER SOURCES NTION Prevent disruptions of freight traffic and employee access Prevent disruptions of traffic flow Improve bike/ped safety DURBAN FORM A coherent strategy Industrial job creation Neighborhood revitalization Promoting sustainability EVELOPMENT Job creation Increased property values Brownfield cleanup Brownfield cleanup Provent disruptions of transportation Transportation Improvement Program TIGER Grant Federal transportation funding Urban Renewal Tax Increment Finance Infrastructure finance district* Gainshare Strategic Investment Program* Property owner contribution – LID, BID or similar tool WAR? Grant PDC Development Urban Renewal Tax Increment Finance State brownfield Program State brownfield Program Property owner Contribution – Special assessment district, LID, BID or similar tool* Gainshare Strategic		

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Potential Funding and Other Resources (continued)

STAKEHOLDERS	INTERESTS	EXISTING OR OTHER	POTENTIAL SOURCES	COMMENTS
HOUSING				
Housing Bureau ROSE CDC Community members Other housing organizations?	Protecting local property owners Protecting property values Reducing/eliminating flood insurance costs Neighborhood revitalization Housing affordability Healthy housing Impacts of fill	Section 108 Housing Opportunity Fund (City of Portland)	HUD's Section 203(k) program to raise flood- damaged homes out of the floodplain Community development corporation*	HUD's program provides assistance to property owners for rehabbing their homes. Provisions are being modified to allow flood-damaged homes to be raised out of the floodplain
UTILITIES				
Water BES PGE NW Natural Communications? Businesses		Capital Improvement Project funding		
COMMUNITY	INVOLVEMENT			
ONI? Office of Equity Neighborhood associations Community members Foster Lents EcoDistrict ROSE CDC Community/ advocacy orgs			Foundation grant funding?	
PROJECT MAN	AGEMENT AND FINA			
?	All stakeholders	Regional Solutions Oregon Solutions		Regional Solutions or Oregon Solutions could provide assistance in: Engaging critical stakeholders Identifying an optimal organizational structure Identifying/confirming potential funding strategies Providing guidance on planning process.

Other potential resources:

- Federal funding for climate mitigation, health and human services
- Foundation funding for floodplain restoration, climate resilience, community development, economic development