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# Unblighting the Burbs: Renewing the Edges

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# UNBLIGHTING THE BURBS: rene

TEXT AND PHOTOGRAPHS BY MATEUSZ PERKOWSKI

The term “urban blight” conjures up images of the stereotypical devastated American inner city: drunks and drug addicts sitting against graffiti-splattered walls, decaying buildings with broken windows that nobody bothers to replace, and alleyways layered with decades of discarded liquor bottles and other debris symptomatic of poverty and hopelessness. “Urban renewal,” which federal, state and local governments have used to combat blight since middle of the 20th Century, has itself become a phrase loaded with negative connotations, because many efforts to improve “slums” only ended up aggravating poor neighborhoods’ problems with crime and economic dysfunction.

“Urban blight” and “urban renewal” in the suburbs around Portland however, are drastically removed from this historical context. Unlike the large public projects in cities like Chicago, the areas being renewed are seldom blighted in the traditional sense

of the word, and some aren’t even remotely urban. Beneath these lingual ironies exist real issues that the municipalities surrounding Portland must deal with. The population of the metroscape has soared. The number of Clackamas County inhabitants has quadrupled since 1950, while the largest growth has by far been in Washington County which now has eight times as many citizens as it did fifty years ago.

The explosive expansion of Washington and Clackamas counties, which have greatly outpaced the growth of largely urban Multnomah County, is an indicator of how massive the rise of suburbia has been in the past half-century. This has forced the communities surrounding Portland to face two challenging questions: how can you economically take advantage of growth without succumbing to sprawl? And, can a town retain an individual identity despite an increasing populace of commuters living on almost indistinguishable swathes of suburban subdivisions?



Two views of Bridgeport Village in Tualatin.

# wing the edges

## Definitions of Blight

Oregon law is very broad in defining “blight,” which is a necessary precondition to begin the urban renewal process. Dilapidated or unsafe structures are part of this definition, but it also includes areas that show symptoms of “economic dislocation,” or are equipped with inadequate “open spaces and recreation facilities.” Essentially, a jurisdiction can declare any area blighted if it believes the land is being underutilized.

Critics argue that planners and municipalities are fairly arbitrary in their designations, declaring blight simply because they think an area is ugly. Beyond cracked sidewalks and a lack of fancy street lamps, however, so-called blighted areas do actually dampen the potential of local economies. Structures that were built back when land was relatively cheap didn’t need to be big investments. The land was inexpensive and so were the buildings. But as the land’s

value increased, the low-investment buildings remained and sometimes prevented higher-end development from taking place. Local governments tend to believe that it’s in the public’s best interest to catalyze this change with their tax dollars. Critics say that the market would inevitably correct the problem for free.

## Tax Increment Financing

“When you hear the term ‘urban renewal,’ it is often synonymous in a lot of folks’ minds with TIF [tax increment financing],” says Gary Cook, president of the Association of Oregon Redevelopment Agencies. Cook explains that TIF is the main mode of funding urban renewal projects because of its versatility. Bonds are taken out by municipalities to fund redevelopment, and are gradually paid back by the rising property taxes within the urban renewal district. As long as they stay within the parameters of the urban renewal plan’s maxi-

imum indebtedness, local governments are afforded extensive financial discretion. “The diversity of projects in an urban renewal plan is generally greater than a specific project that gets an appropriation from local, state or federal money,” says Cook.

Skeptics counter that TIF actually operates like an optical illusion: it gives redevelopment the appearance of paying for itself by cultivating new tax revenues, when in fact it drains money from other crucial services. The amount of money collected by school districts, fire districts, as well as the city and county “freezes” when TIF is implemented. As assessed values within the district rise, all the money collected above that “frozen” limit goes to urban renewal projects when it would have otherwise gone to overlapping districts. Even though the diversion isn’t direct, critics say, the effect is the same as if funds were being reallocated.

However, once the urban renewal plan is terminated, the increased revenues are once again spread among the overlapping districts. Because major redevelopments have taken place, the funds they collect are significantly higher. The question to ask, says Gary Cook, is “would the property values and corresponding property taxes rise in the absence of an urban renewal program?”

### **Tualatin Commons and Bridgeport Village: Two Paths to Redevelopment**

With a dog food factory located downtown, and a gravel quarry right next to one of its main highway interchanges, the city of Tualatin has faced two major opportunities for redevelopment. Now complete, the two projects are noticeably similar in design, though not in their visual features. Much of the Tualatin Commons, located on the site of the former Herwin Pet Food Company, is stately in appearance: uniform red-brick buildings with angular features give it a business-like tone. Bridgeport Village, on the other hand, is light and multicolored with a variety of stylish windows, awnings and small decorative aspects that collectively give the impression of a bustling shopping district in a European city.

### *The developers themselves may also create complications when their visions don't match with those of local governments.*

What unites the two designs is their adherence to principles that run counter to most residential and suburban development in the past half-century. The boom of American automobile culture after World War II led to the emergence of large subdivisions of

single-family homes, “big box” stores and strip malls with enormous parking lots. Residential and commercial uses didn't overlap, and retail centers placed an emphasis on easy automobile access rather than outdoor pedestrian uses.

Tualatin Commons and Bridgeport Village are a departure from this model: instead of anchor stores, their designs emphasize the center. Their pedestrian boulevards are devised to make visitors get out of their cars and walk, rather than park as close to the stores as possible. Both are throwbacks to the way small towns operated before automobiles took over. One is a private development, however, while the other was a public project funded with urban renewal dollars.

The Durham Quarry that once existed on the spot of Bridgeport Village would have seemed like a reasonable candidate for urban renewal. Owned by Washington County, for years the site was used to extract gravel for roads, but as the availability of land along major highways withered it became clear that the quarry could be put to more effective use. But building Bridgeport Village never required the urban renewal process. In fact, developers Opus Northwest and Center Oak Properties not only paid for the land and the \$270 million development itself, but also shelled out \$8 million for surrounding road improvements. Why was this possible? The entire 28-acres of land were owned by Washington County, and weren't divided into a hodge-podge existing developments.

Integrating ownership of land is a key feature of the urban renewal process, because larger structures such as office buildings can't be built on postage-stamp sized lots. The market can indeed renovate an area on its own, as evidenced by Bridgeport Village, but without the power of eminent domain, private developers can be stopped in their tracks by owners of small but consequential lots who refuse to sell. “If you were going to build something that's of a suburban downtown scale, then you're going to need to consolidate,” said Doug Rux, Tualatin's community development director.

The developers themselves may also create complications when their visions don't match with those of local governments. Once the land acquisitions surrounding the dog food factory were complete, Tualatin approached two separate companies about selling the land. They hit a snag, however. Oregon's economic situation in the late 1980s was weak, and private firms weren't eager to take risks with mixed-use developments meant to resemble village squares.

“We stepped back and said, ‘If these guys can't do it, could we do it?’” remembers Rux. They decided they could, and the city of Tualatin became its own



**Tualatin Commons, Tualatin.**

developer. Their final concept for the project, a 3-acre man-made lake, hit two birds with one stone. Not only did the displaced dirt provide enough fill to keep building pads above the flood plain, but created an attraction that would draw people to the downtown area. “A lake creates value: community value and property value,” says Rux. “People like the outdoor experience, even in Oregon where we have rain. They like the ability to be outdoors, intermingle, watch other people, and have a variety of shopping experiences, all within some defined area.”

Completed in 1994, the Lake on the Commons and the public plaza provide this central gathering point, where Tualatin residents come to feed ducks, test their remote-controlled model boats, and swim in canoes during the town’s yearly crawfish festival. Since then, office buildings, restaurants, row houses and apartments have sprung up around the lake. While ultimately providing new jobs and increased economic activity in the city center, Rux believes the underlying goal of urban renewal is to rebuild a sense of community in the suburbs. Large housing subdivisions and strip malls may have been the most utilitarian way to live for the past 60 years, but the lifestyle “lacked a sense of interconnectedness,” says Rux. “Communities have stepped back and asked, ‘What makes me unique and different from the next town?’”

### **Hillsboro and Wilsonville: Rural Renewal**

Urban renewal in the towns of Hillsboro and Wilsonville runs along almost completely opposite tracks. One redevelopment program built a stronger industrial base, while the other is aimed at getting housing to catch up with an already robust business economy. The strongest parallel between the two towns is that the areas being redeveloped were never truly developed in the first place.

Back in 1959, Ronler Acres – the site of Hillsboro’s urban renewal project – was owned by a man named Ralph Fowler. In a rather freewheeling manner, Fowler began selling hundreds of single-family home parcels of his 360 acre property. “What happened was, when Ralph sold the property, he said in his deed: once you build your house, then I’ll run the streets and water and stuff. So the people came down to the permit counter and said, ‘We’re ready to go,’” says David Lawrence, Hillsboro’s deputy city manager. “No way government gives someone a [building] permit on a lick and a promise. So, no one could build.”

Thirty years after Fowler began selling lots, the land still lay fallow. By the late 1980’s, Intel, Fujitsu, NEC, and residential neighborhoods had gradu-

ally sprouted around it, and Ronler Acres became a noticeably empty void. Despite efforts by private developers, consolidation of the land proved impossible because some owners held out for unreasonable amounts of money, while others simply couldn’t be located. “What you had at the time was infrastructure on all sides with a big hole in the middle,” says Lawrence. Oddly enough, the first step of Hillsboro’s 1989 urban renewal plan was a letter-writing campaign. Although some parcels were already owned



**Ronler Acres Intel campus in Hillsboro.**

by developer Pac Trust, most of the owners were scattered – some as far as Japan and Australia. Hillsboro’s offer to them was cut-and-dry: here’s the fair market value of the land, sign and notarize the contract, and you’ll get your money within 48 hours. In some cases, purchasing a lot involved getting as many as 10 signatures per ownership. “There were thousands of people that had to sign,” says Lawrence. Surprisingly, the legal power of eminent domain did not even need to be employed. “Just the threat of condemnation has a leveling effect on people’s expectations,” he says.

The bulk of the property, 250 acres, was sold to Intel for over \$7 million, while the rest was developed by Pac Trust and Costa Pacific Communities into Orenco Station, a development similar to Tualatin Commons with town-homes and lofts above upscale retail stores and restaurants. To say that these developments – especially Intel’s \$2.5 billion investment in hi-tech plants – have been a shot in the arm for the economy would be a gross understatement. The significance for Oregon as a whole is immeasurable. Having one of the world’s leading microchip producers not only manufacture, but also conduct cutting-edge research and development in the state, is prestigious and spurs further investment. “Oregon, with Ronler acres, is a changed place,” says Lawrence. “What they do at Ronler Acres is unparalleled in the

globe for what occurs in semiconductor technology. This is where the technology is being developed for the next twenty years is being worked on.”

Home to the headquarters of sporting-goods retailer G.I. Joe’s, electronic-design software company Mentor Graphics, video-rental chain Hollywood Entertainment, and the color-printer division of Xerox, Wilsonville is also a prominent business hub in the Portland area. In fact, business interests have grown so rapidly that the city is now in the unusual position of having more employees than actual residents. “We have the opposite problem of most communities in the state,” says Constance Sylvester, the town’s redevelopment director. “We’re a sleepy little suburb of 15,000 people, but in fact we’ve got twice that many people on the road during p.m. peak hours and morning peak hours.”

Wilsonville’s urban renewal program is primarily focused on developing roads and infrastructure around the grounds of now-defunct Dammasch State Hospital, while Costa Pacific Communities will develop 2,500 dwelling units. Enough to accommodate about 7,000 new residents, the Villebois development may increase Wilsonville’s population by nearly half its current size.

Almost 98% of the nearly 400-acre urban renewal district is either vacant or farmland. The only significant structure on the property – from the perspective of redevelopment, anyway – is the abandoned mental health facility, which has provided a steady supply of controversy years before it closed in 1995. General scrutiny of Oregon’s mental health system, state-wide budget cuts, and a series of patient deaths caused the hospital to begin phasing out the number of people it treated in the early-to-mid-nineties. At the same time, state officials began mulling over Dammasch’s potential for a new women’s prison or juvenile jail, which was not met with much enthusiasm on the part of Wilsonville residents. While the city council squabbled with the Oregon Prison Siting Authority over the proposed corrections center, the Dammasch facility fell into disrepair; windows were broken, doorways were overgrown with ivy, and the place generally lived up to the stereotypical image of a forsaken mental institution. Local teenagers, at least, did not miss the opportunity to explore Dammasch at night and later post the photos on the internet.

A prison was finally built in Wilsonville, but it was located a mile to the north of Dammasch, outside Wilsonville city limits. Not everyone was thrilled with the relocated female prison, but most citizens seized the chance to put the land to another use. In 2003, they overwhelmingly approved the urban re-

newal plan by a 4 to 1 margin, effectively ending Dammasch’s reign as a local source of anxiety and morbid fascination. Portions of the old mental hospital may be adapted to Villebois’ “village center” mix of high-density residential, commercial, and light industrial uses. Most of it, though, isn’t expected to survive the wrecking ball.



**Downtown Lake Oswego.**

### **Perspectives on Displacement: Lake Oswego and Gateway**

In late June, 2005, the U.S. Supreme Court decided that government has the right to condemn property then sell it to developers to revitalize the economy and broaden its tax base. In many peoples’ eyes, the *Kelo vs. New London* decision allows the misuse public power – an accusation that has been dogging urban renewal ever since the process first came into use. It has also provoked a broader question: how influential should the government’s hand be in shaping the nature of change in a community?

Lake Oswego, one of the most prosperous towns in Oregon, opted to use urban renewal in 1979 primarily because of the low building-to-land value ratio in its downtown. Acquiring the land proved simpler than selling the concept to Lake Oswego residents. In a few instances, the city needed to threaten condemnation, but eventually even the most resistant owners ended up selling rather than actually going through

with court proceedings. Voters, however, were less pliant. In 1998, they rejected a measure allowing a \$43 million maximum indebtedness to complete outstanding urban renewal projects, effectively cutting the city's urban renewal budget by 40% and requiring it to downsize its planned projects.

Robert Galante, Lake Oswego's redevelopment director, says that in large part, Lake Oswego residents



were deeply hesitant about change. Now that the main features of the plan have been completed – in scaled-back versions – he says the community has come to accept the slowly transforming downtown. “Prior to the year 2000, when we built Millennium Park, we had no farmer’s market in the downtown, we had no Friday noon concert series, we had no movies in the park on Sunday,” says Galante. “As a result of all of these activities, 3,000 to 5,000 people are coming to the downtown on weekends that never came before.”

Projects such as Lake View Village drove out small businesses, replacing them with higher-rent, upscale shops and restaurants, but the development has also created a drastically larger employment base downtown. Redevelopment is bound to be accompanied by growing pains, Galante says. “I can’t say change is always popular and that it’s always the best thing for individuals. You don’t want to lose mom and pop stores. On the other hand, there were only 30 employees on that block. Now there’s over 300.”

With a median household income of over \$70,000 – higher than other areas surrounding Portland – it is hardly surprising that Lake Oswego has a market for stores with such names as Meringue Boutique and Sur La Table. One has to wonder, however, whether these retail operations would have much success trying to sell \$429 patchwork jeans or \$335 copper roasting pans in a working-class neighborhood such as Gateway.

With roughly 30% of its population making under \$25,000 in annual household income, compared to 6% in Lake Oswego, the Gateway neighborhood in northeast Portland is the kind of place where more pragmatic shopping decisions are made. Located at the confluence of two interstate highways, I-84 and I-205, as well as a light rail line, the region is expected to become a major regional center over the course of the next decade. “Growth is inevitable in the region, and we need to find ways to accommodate it,” says Barry Manning, a senior planner at the Portland Bureau of Planning. The transformation will be difficult because unlike other redeveloping areas around Portland, Gateway doesn’t have the “bones” of an established urban center. “Our older neighborhoods and older commercial districts have a grid system and have the elements of a strong commercial district, so it’s just a matter of rebuilding in that fabric,” he says. “Gateway just doesn’t have that.”

Multi-story apartment buildings and condos have risen somewhat sporadically in environments where no other houses exceed a single level. Not only is this visually incongruent, but some community members worry that it will change the fundamental character of the neighborhood. Craig Flynn, a community activist who lives near the Gateway district, says that the car-oriented, suburban atmosphere is the reason people moved to neighborhood in the first place. “When you come in and buy into a neighborhood, for most people it’s the biggest expenditure of their life. They look at the zoning, they look at the neighborhood and think, ‘I’d like to live here,’” says Flynn. “Then some planner comes along, and decides, ‘You really like that neighborhood, but now we’re going to change that and you don’t have a say.’”

Even without the use of eminent domain, Flynn says the lifestyle change alone is often enough alienate residents. Problems with parking and overcrowding, he believes, are just as efficient as condemnation in conducting long-time home owners to sell their properties to developers. “How long are you going to stay in an area where you’re surrounded with multi-story buildings?” asks Flynn.

Planners counter such arguments by saying that strategically placed high density housing actually

prevents neighborhoods from being disrupted. By centralizing growth in a few areas with ample access to transit and other modes of transportation, quiet single-family neighborhoods are preserved from an influx of new people and development. “If you don’t look at having sufficient centers for commercial, office, and retail that are connected by the investment in transportation, then you’re going to have more growth at the edge,” says supervising planner Robert Clay of the Portland Bureau of Planning.

#### **Urban Renewal as a System of Transition**



**Orenco Station, Hillsboro, Oregon.**

In the eyes of John Charles, president of the libertarian Cascade Policy Institute, such village squares and mixed-use urban centers are self-serving monuments to planners’ creativity, but do little to serve the surrounding communities. “It’s sort of the Potemkin village effect,” he says, referring to the legend of the Russian minister who constructed elaborate fake villages to impress Catherine the Great. “There’s this nostalgic longing for the 1920s and 30s pushed mostly by people who were never even alive in that era.”

Charles doesn’t believe that there is something inherently wrong with Orenco Station, Villebois, or Tualatin Commons – as long as tax money isn’t used, mixed-use residential/commercial redevelopments are as good as any. However, because cities have such wide discretion in the appropriation of funds, he’s concerned that jurisdictions believe they’re dealing with funny money. “How do they know that’s the appropriate mix [of uses]? They don’t know. They continue to treat this as their own monopoly board,” he says.

Steve Schopp, a general contractor and community activist, says high-density urban centers funded through TIF are just another way that public dollars are being wasted on a quixotic quest to contain growth. He compares the urban renewal process to a spouse that spends prolific amounts of cash. “Say my wife goes to Nordstrom and blows a lot of money on clothes. It strains the family budget, and we’re struggling to pay the bills. Then she points to her closet and tells me, ‘But my wardrobe is a success,’” he says. “Under that standard, urban renewal projects are all successful.”

Redeveloping a downtown area for the purpose of creating a “heart of the city” is indeed of intangible value, and the merit of using public funds to achieve this end is debatable. While government should not be trusted as an infallible judge of how to spend people’s money, believing in the omniscience of the private sector is equally erroneous. Market forces have been responsible for building crucial economic and cultural centers. However, when these same forces have gone completely unchecked, it has also led to haphazard developments. Disorganization often leads to decay – visual, societal, and economic.

It is entirely plausible that, in the absence of urban renewal districts, stagnant areas in the suburbs surrounding Portland would eventually redevelop. But it is also plausible that they would continue to descend a downward spiral. If market failures have in fact occurred, mitigating them with zoning changes or other measures may be a better choice than urban renewal. TIF-funded redevelopment should be used to correct specific, underlying issues, rather than reach for vague notions of improvement.

“It’s a very surgical tool, and it’s not good when the doctor says, ‘Let’s just do surgery, what the hell! What’s wrong with the patient? Well, I don’t know, but it’s something. Let’s just get in there and fix him,’” says Hillsboro’s David Lawrence. “[Urban renewal districts] are successful when you define the problem well and you can tailor a solution correctly to that problem.”

Although urban renewal is certainly intertwined with Oregon’s conservation-minded land use system, at the core it’s a very localized process. The shifting nature of Portland’s suburbs will advance with or without government-aided redevelopment. As the population swells, small towns have no choice but to become more compact – the question is how much of this change can be anticipated ahead of time to ease the transition. Urban renewal, if tactically employed, can be a useful instrument in keeping the inevitable march toward an urban future in formation. **M**