

II Development Principles

THE ROSE QUARTER should proceed as a mixed-use district, including residential, office, retail, and institutional uses. A unified approach to the development of the Rose Quarter should be based on the following development principles:

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Start with strengths

Promote uses that build on the strengths of the district (Willamette River, Rose Garden, Transit Center, and adjacent neighborhoods, Lloyd District, Elliot, and Pearl District).

Create partnerships

Potential partners include the City of Portland, Tri-Met, Paul Allen interests, Portland School District, Portland State University, and major employers, such as Intel.

Use the New Economy

Target the knowledge workers of the New Economy: employ them, house them, serve them.

Develop strategically

Use Phase One to establish the agenda for the whole district. Whether Phase One is related to the Coliseum site or to river-front development, it should set the standard of quality and mix of uses that are compatible with the overarching vision for the Rose Quarter.

Facilitate Good Development /

Discourage Bad Development

Encourage development that fosters synergy in the redevelopment of the district, while discouraging development that does not either relate meaningfully and which lacks high potential for helping to further the overall vision for the district. Create a regulatory and financing climate enticing to developers.

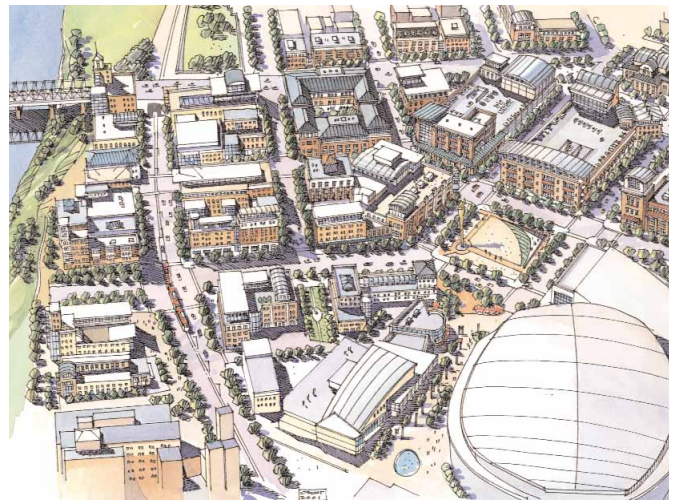
III Implementation

Catalytic Public Investments

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The Urban Design Plan illustrated in this report articulates the consensus vision of a vibrant mixed-use district with entertainment, retail, residential, and office uses. However, in order to maximize the development potential of the Rose Quarter, substantial new public and private investment is required.

Public projects will be required to stimulate private investment – to ‘prime the pump’. At first, this conclusion may seem at odds with the existence of so much public investment in freeways, streets, transit systems, and parking. The problem is that much of this public investment is underutilized. The publicly owned parking resources, for example, are largely empty during the day. Similarly, the Rose Quarter is not a destination for light rail and bus riders except during evening events. New infrastructure is needed to create development opportunities that will, in turn, maximize the district’s other public assets. In addition, quality public improvements will set the tone and pace for private development.



Five public investments are considered essential to fully realize the Preferred Vision of the Rose Quarter Plan: A transit Center; redevelopment of the Memorial Coliseum site; creation of plazas and public spaces; improved freeway connections; and a greenway. Each is described briefly below with estimated costs.

Transit Center

During the focus groups, citizens identified the Transit Center as an under-performing asset for both the Rose Quarter and the Lloyd District. The existing Transit Center is uncomfortable and confusing for both pedestrians and motorists alike. The pedestrian network

is fragmented and confusing. The rail platforms are dark and dreary. Vehicular movement through the area is awkward and time-consuming. When North Interstate Light Rail opens in the Summer of 2004, the problems with the Transit Center will be even more apparent.

The design process has produced a dramatically improved design for the Transit Center that addresses traffic, pedestrian and transit issues. The design is described in detail in the Transportation Master Plan.

The implementation of this design is estimated to cost \$12.7 million in 2002 dollars.



Eye-level view of a proposed overlook along the Willamette Riverfront

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Memorial Coliseum Site

If the City chooses to remove the Memorial Coliseum, new streets and public spaces will be needed to make the area ready for new development. The investment required to make the site (defined as the area bounded by Center Court, Broadway, Vancouver, and Interstate Avenues) available for development is:

Description	Cost
Mobilization and construction traffic control	\$500,000
Roadwork	\$2,400,000
Drainage and sewers	\$500,000
Signalization and illumination	\$1,700,000
Landscaping	\$900,000
Water supply	\$200,000
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Subtotal	
Estimated Construction Costs	\$6,200,000
Private utilities	\$300,000
Engineering/Admin (20% of construction total)	\$1,240,000
Contingency (40%)	\$3,100,000
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Total estimated costs	\$10,840,000
Inflation adjustment to 2004 costs (1.158)	\$1,700,000
Coliseum demolition and prep	\$5,000,000
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2004 Total Development Cost	\$17,540,000

Plazas and Public Spaces

Quality public spaces are an important component of the new Rose Quarter. The key public space will be the new public plaza adjacent to the Rose Garden. It is at the heart of the Rose Quarter and is a potential location for a new veterans memorial. The other major open space is the greenway setback area along the river. This space will be made available only if the rail line is moved into a tunnel that parallels Interstate Avenue.

The estimated cost of the public plaza is \$1,459,080. The cost of creating the greenway along the river is discussed below.

Freeway Connections

There are two major improvements to the freeway system identified in the plan. One improvement would be to move the exit from I-5 southbound so that it connects to Flint instead of Vancouver, thereby relieving congestion at this intersection and creating a direct route into

the Rose Quarter. The other change is to the access to I-5 southbound from Wheeler next to the preferred parking garage. The changes are described in greater detail in the Transportation Management Plan. The costs for these connection have not been determined.

Greenway

A central part of the vision for the Rose Quarter is connecting the district to the Willamette River. The plan calls for orienting the street grid to take advantage of river views and to improve pedestrian access. Yet direct access to the river is currently blocked by the main line of the Union Pacific Railroad.

The width of the rail bed and the noise of rail operations also diminish the development potential of the land between Interstate Avenue and the rail line.

Moving the rail line away from the River is technically possible. A study commissioned by Vulcan evaluated and priced the concept of moving the line to



Eye-level view of a proposed overlook along the Willamette Riverfront

the east by creating a tunnel or trench parallel to Interstate Avenue. This alignment has advantages for the railroad because it would allow their trains to travel at much higher speeds than is currently possible. The relocated line would not effectively serve the Dreyfus facility, so it may not be feasible to move the line until Dreyfus stops operations at this site – some thing that is unlikely in the near future. The cost for moving the line ranges between \$20 million and \$30 million.

In addition to moving the rail line, the other major cost is developing the greenway trail and the setback area. This plan has not produced a specific design for the greenway. Issues involving the correct location for the trail and the character of the setback area have yet to be addressed. The cost of improving the greenway will be driven by:

- The depth of the setback
- The character of the greenway setback area
- Location of the greenway trail
- The extent of grading needed to ‘lay back’ the bank

Financing Tools

Like other Central City development projects, a variety of financial tools will be needed in order to achieve the preferred vision. The following public financing tools are frequently utilized in Portland: tax increment financing; local improvement districts; revenue bonds; and private investment.

Tax Increment Financing

Most of the Rose Quarter lies within the Convention Center Urban Renewal District. Within such districts, Tax Increment Financing (TIF) is the primary funding source which the City can utilize to finance needed infrastructure improvements. After the City creates an urban renewal area, it periodically issues bonds to pay for improvements called for in the urban renewal plan (improvements such as new housing, parks and open space and other projects). As property values increase in the urban renewal area, the tax revenues from the increased value (the TIF) are used to pay for the bonds.

Local Improvement District

A Local Improvement District or LID provides a means for taxing private and public property to pay for infrastructure. An LID, if approved, creates a one-time assessment on private and public property. The one-time assessment can be paid in a lump sum, or paid over a period of time. A portion of the new Portland Streetcar was paid via assessments on property owners along the line.

Revenue Bonds

The City can issue tax-exempt bonds backed by the revenues of City enterprises. For example, the City parking garages in the area were largely financed through the issuance of bonds backed by the parking revenues from those garages.

Private Investment

By far the largest source of funds for achieving the Preferred Vision will come from private investment. Private dollars are attracted primarily by the prospect of a reasonable rate of return for the investor – be it a property owner or lender. Thus, any development strategy for the Rose Quarter must foster an environment wherein both public and private entities work together to achieve the public goals set forth in the Preferred Vision while providing the prospect of a reasonable return on the private sector's investment.

Creating a Neighborhood

Public infrastructure will set the framework for development and create the development opportunity. It will take private and public entrepreneurship and a catalytic set of uses to make it happen.

Generally, new private development projects will include office buildings, mixed-income housing, live/work housing, and street-facing ground floor retail. A theme for the private development has emerged which features the attraction of New Economy businesses and knowledge workers to the Rose Quarter.

Quality of life enrichments and public amenities, such as those illustrated in the Urban Design Plan, are essential elements of twenty-four-hour/seven-day urban neighborhoods across the country. These districts are increasingly being populated by software designers, new media artists, web designers, and related technology and design professionals.

A technology-focused conference center/hotel and a creative services center (graphic design, digital media, film/video) are ancillary developments which would further support an emerging New Economy district in the Rose Quarter.

The Portland Trailblazer organization, and related companies owned by Paul Allen, are the major private stakeholders in the Rose Quarter, which hold the future development rights to the Memorial Coliseum site. In order to protect and enhance their current investment in the Rose Garden — and to capture the increased value brought about by the public investments described above — it is anticipated that the Paul Allen interests will be the primary private developer of the new blocks.

The vibrancy of the new mixed-use district can be further enriched by providing development sites for uses which are not market driven, but which are highly visible and valuable community assets, such as a college branch campus, magnet high school, performing arts facility, museum, or sports and recreation facility. A concerted effort should be made to attract one or more such uses to the Rose Quarter. Another potential non-market driven development is a corporate headquarters or research facility for which a company is looking for a prestige site with high visibility in the Rose Quarter.

Phasing - Preferred Vision

The phasing illustrated below is a suggestion, not a requirement. In an ideal scenario the Transit Center would be developed first to both act as a catalyst for investment and to establish a southern gateway to the area. The Coliseum blocks would be completed next, followed by the riverfront blocks and the area north of Broadway Avenue.

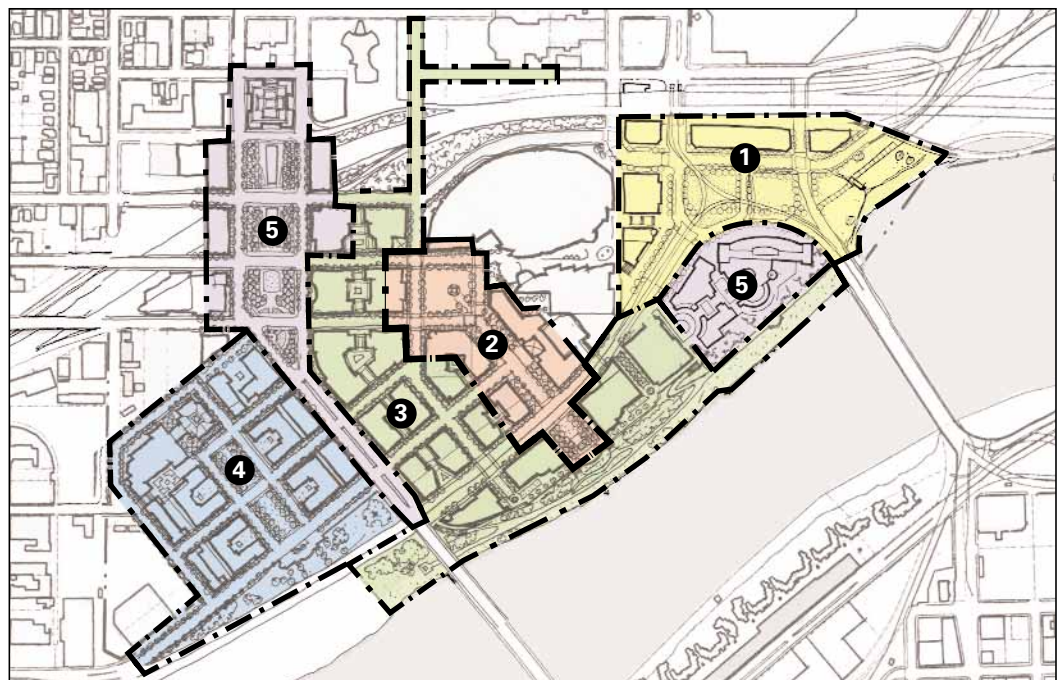
Market Forces, and the funding and construction of public investments will

more than likely modify the ideal scenario. In any case, development should be phased to create complete addresses (both sides of the street) since this has proven to be the most successful model for retail. Phasing should also build on existing strengths such as the Rose Garden and LRT. Individual phases should be linked, not scattered.

PREFERRED VISION					
	Linear Feet of New Streets	Building Gross Square Feet	ACREAGE		
			Infrastructure	Development	Public Open Space
Phase I	1620	403,700	2.6	2.5	2.0
Phase II	1180	736,000	1.9	2.6	1.4
Phase III	2050	2,973,440	3.3	11.5	4.8
Phase IV	1410	2,144,000	2.3	7.6	3.5
Phase V	0	1,718,700	0.0	7.1	2.9
Total	6260	7,975,840	10.1	31.3	14.6

NOTE: These materials are conceptual only and are for purposes of conveying general information about the present state of proposed plans. Up to a 20 year buildout is anticipated. The proposed plans are subject to change over time.

Preferred Vision Phasing Diagram



Phasing - Infill Alternative

The phasing illustrated below is similar to the Preferred Vision Phasing with the Transit Center being developed first. Blocks with riverfront views would be completed next, followed by the area north of Broadway Avenue.

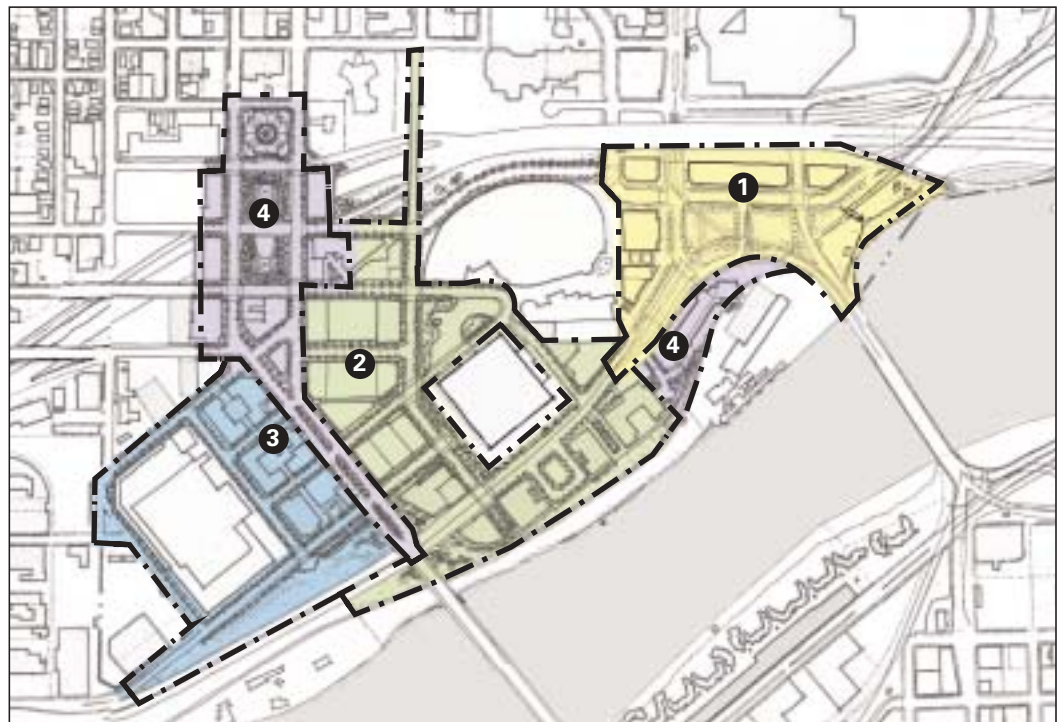
Market Forces, and the funding and construction of public investments will

more than likely modify the ideal scenario. In any case, development should be phased to create complete addresses (both sides of the street) which may include building across from existing buildings. New development should be linked, not scattered.

INFILL ALTERNATIVE					
	Linear Feet of New Streets	Building Gross Square Feet	ACREAGE		
			Infrastructure	Development	Public Open Space
Phase I	1620	403,700	2.6	2.5	2.0
Phase II	1650	2,613,700	2.6	10.2	2.6
Phase III	850	527,300	1.3	2.2	2.3
Phase IV	0	1,424,700	0.0	6.0	1.8
Total	4120	4,969,400	6.5	20.9	8.7

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Infill Alternative Phasing Diagram



Steps to Implementation

The first implementation step has been taken with the preparation of this Rose Quarter Urban Design Plan and Development Strategy. The flow chart illustrates the key steps to follow, which are described below.

Step 1

Prepare the Rose Quarter Urban Design Plan and Development Strategy.

Step 2

The Portland Development Commission, the Portland City Council, and the Portland Planning Commission will officially adopt the Rose Quarter Plan.

Steps 3/4

Two actions will occur simultaneously: Tri-Met will begin the design and initiate a strategy to finance the Transit Center redevelopment; and the City will initiate a process to determine the future of the Memorial Coliseum building and site.

Step 5

Once a decision has been made about the Memorial Coliseum, the City and the

Oregon Arena Corporation will enter into a joint programming phase to address the following questions for development sites in the Rose Quarter: what to build; how much to build; when to build (phasing); what it costs; and who pays.

Step 6

The Oregon Arena Corporation will assemble a development team to prepare and present a development proposal to the City.

Step 7

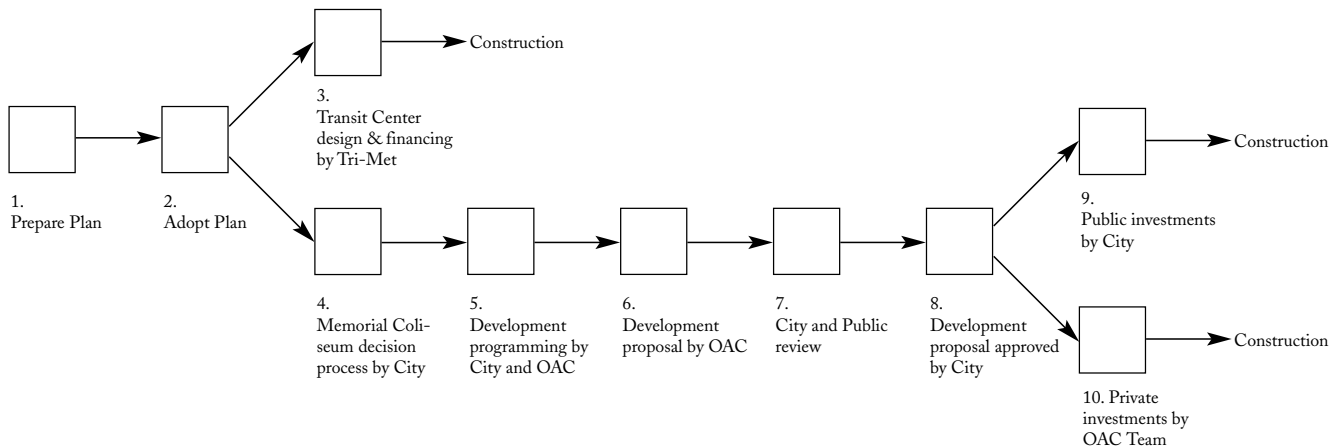
The development proposal will be reviewed by the City and the public.

Step 8

The City will approve the development proposal, with revisions as required from the public review process.

Steps 9/10

The City will design and construct the public investments in infrastructure (streets, plazas, etc.) and the Oregon Arena Corporation development team will design, construct, and market the private real estate investments.



Steps to Implementation