

**TO: Urban Renewal Advisory Group**  
**FROM: Erin Flynn, Economic Development Director**  
**Portland Development Commission**  
**DATE: November 27, 2007**

**Re: River District Expansion and Job Creation Opportunities**

Following the *Jobs and the Economy Panel* at the October 23<sup>rd</sup> Urban Renewal Advisory Group meeting, PDC's Economic Development Department was asked to comment on River District Urban Renewal Area (River District URA) expansion options from a job creation/job quality perspective. This is our response.

### **RECOMMENDATION SUMMARY**

River District should be expanded to include up to 40 acres of Old Town/Chinatown and approximately 10 acres each near Pioneer Place and the Park Avenue area. If these areas are added to the River District, the Economic Development Department will develop and execute short term (1-5 years) business development strategies for each area. These strategies will focus downtown economic development efforts pending completion of the Central Portland Plan Update.

### **OLD TOWN/CHINATOWN**

Old Town/China Town is ideally situated to become an innovation hub for design firms, sustainability-focused enterprises and high tech start-ups. Firms in these target industries are drawn to the area's historic building stock, unmanicured environment and proximity to light rail. Some of these same qualities, however – e.g. historic character, height limits, and small parcel sizes, combined with fractured ownership – mean that Old Town/China Town will require public involvement and investment to reach its full potential. Yet the opportunity is clear: since July 2001, PDC has provided assistance to 18 businesses to build out space in renovated OTCT buildings, with 10 of these loans being inside of the proposed acreage. This renovation has created a base of traded sector firms that embody Portland values: they are small, innovative, locally owned and pay high wages.

The following three areas within OTCT contain particular promise to reinforce Portland's economic brand of creativity and sustainability through quality job creation:

- ***Ankeny/Burnside (approximately 17 acres)*** The Ankeny/Burnside area is within the Skidmore/Old Town Historic District and is often referred to as the “soul of Portland”. There are several catalytic projects in the works in Ankeny/Burnside which will bring new vitality and hundreds of new jobs to the area. These include the Mercy Corps headquarters, the University of Oregon's new Portland Center at the White Stag Building and the mixed-used Beam-Naito Master Plan for Block 8. These signature developments will create demand for retail amenities and spur smaller firms to locate in this part of OTCT in coming years. We will build off this new energy to recruit businesses and quality jobs to this area.

- **Arts and Technology Blocks (approximately 7 acres)** Old Town/Chinatown is becoming a hot location for arts organizations and technology start-ups. Renovation of the four buildings at 520 NW Davis – known collectively as the Arts and Technology Block -- has created tremendous buzz in the Portland start-up world. Three fast growing software companies including eROI, Wired.MD and Monsoon will soon locate in the buildings, creating 150 + high quality jobs. We believe this is just the beginning of location and expansion opportunities for entrepreneurial firms in the seven acres between Burnside and Everett and NW 4<sup>th</sup> and 6<sup>th</sup> Avenues and strongly recommend they be included in River District.
- **Union Station (Approximately 18 acres)** Union Station area (including the US Main Post Office, blocks U&R, the Federal 511 building, the Greyhound Terminal and Union Station) is likely to undergo a radical transformation in the next decade. This area has the potential to emerge as a signature development for the city, generating tremendous energy and pedestrian activity. We believe it is critically important that the area develop in a way that reinforces Portland's position at the forefront of both creativity and sustainability. For example, the area might house a *Portland Sustainable Research & Design Center*, featuring the expertise, products and professional services that have gained Portland an international reputation for leadership in sustainability.

### **PIONEER PLACE**

Strong, dynamic retail is integral to downtown and requires continuous investment. The downtown office core is equally vital. Commercial brokers predict a severe shortage of office space downtown, and a larger business with 350 employees wanting as little as four floors of space currently has no place to go in the central business district. As the new owner of Pioneer Place, General Growth has stated that public partnership is necessary to create a catalytic upgrade of the east end of the downtown retail core. Opportunities include a new tower above Pioneer Place II (the Pioneer Place I tower is fully leased) and the redevelopment of the 3<sup>rd</sup> and Alder Garage.

### **PARK AVENUE**

Linking the downtown core to the West End and Pearl District, Park Avenue holds the key to as much as 120,000 square feet of office space with the redevelopment of the 10<sup>th</sup> & Yamhill Garage, along with potential for mixed used development on block 216, which is privately owned. New office space in this area would also serve OHSU, PSU and other institutions that need leased space to meet short and long term needs that cannot be filled on their campuses.

### **NEXT STEPS**

If the Advisory Group is interested in these areas, the Economic Development Department will prepare a more detailed proposal to show what can be done in each area. A combined strategy for these three areas should serve as the foundation for an interim downtown economic development effort pending the completion of the Central Portland Plan.