

Portland Development Commission *Quarterly*

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WELCOME to PDC Quarterly

From the Executive Director

Through this publication we hope to keep you, our constituencies and community partners, informed of our projects and programs, issues and progress. In each publication we will provide you with information on agency-wide activities as well as the activities of our individual departments.

Each of our areas of focus - jobs, housing and revitalization - are intricately entwined as we strive to enhance and maintain Portland's livability. While you may have interest in only one of these areas, our goal is to provide the broader perspective, to provide you with insight into how jobs programs can help our housing agenda, how revitalization can spur economic vitality.

As one of the city's key implementers of the 2040 Plan, we have many challenges ahead. Challenges that are much better addressed through open dialog, the sharing of ideas and the cooperation of many different interests. We welcome your comments on this publication and its contents and we look forward to working with

you as we move into the challenges of the next millennium.



Felicia Trader
Executive Director

after much work on the part of residents, community representatives, business and property owners and PDC staff to develop community neighborhood and business plans, the City Council voted on September 9 and October 21, respectively, to designate Lents Town Center and the River District as Portland's newest urban renewal areas.

The designation will fund activities in the plans using tax increment financing.

Lents Town Center,
◆ River District
Designated as
Urban Renewal Areas



◆ *The River District was recently made an urban renewal area, a designation which provides funding for a variety of revitalization projects.*

"Tax increment financing is one of the most effective ways to spark revitalization efforts," said David Nemo, PDC project manager for Lents Town Center. "It provides the community with the financial tools to take on the bigger public projects that in turn encourage private investment."

Urban renewal works like this: a line is drawn around a deteriorating area. Property values are frozen within that boundary. Money is borrowed to finance improvements, which spur further development and private investment. Once property values begin to rise, taxes are levied on the new value and then are used to pay off the initial borrowing.

The Lents Town Center urban renewal area is 2,472 acres and is generally bounded by S.E. 82nd and 122nd Avenues on the west

PDC Past & Current Urban Renewal Areas

In its 40-year history, PDC has carried forward 16 urban renewal plans beginning with the South Auditorium area in the 1960's.

This fall two new areas were added – Lents Town Center and the River District.

South Auditorium, 1960-1988

*Ira Keller Fountain/Civic Auditorium
Multifamily housing • Business/Job development*

Albina Urban Renewal Area 1964-1974

Unthank Park • Home rehab and new construction

PSU Urban Renewal Area 1967-1997

*Housing preservation and rehabilitation
Expanded campus buildings • Park improvements*

Emanuel Urban Renewal Area 1970-1978

Acquisition and sale of land to Emanuel Hospital for medical facilities • Street reconstruction and modification

Woodlawn Neighborhood Development

begun: 1970; status: completed

New affordable/housing rehabilitation • Woodlawn Park

Irvington Neighborhood Development

begun: 1970; status: completed

*Irvington School playground expansion
New "mini" parking/Irving
Park improvements • Housing rehabilitation*

King Vernon Sabin Neighborhood

Development begun: 1971; status: completed

*Low and moderate income housing
Park improvements • Street trees*

Eliot Neighborhood Development

begun: 1972; status: completed

Street improvements • Portland School District #1 facilities • Affordable housing

Boise Humbolt Neighborhood Development,

begun: 1972; status: completed,

*Multifamily residential development
Pedestrian greenways*

Northwest Front Avenue

begun: 1978; status: completed

Jobs (Wacker Siltronic) • Road improvements

St. Johns Urban Renewal Area

begun: 1979; status: completed

*Land acquisition and sale/public water facilities
Greenway expansion*

Downtown Waterfront 1974 to present

RiverPlace/Marina • Waterfront Park

South Park Blocks 1985 to present

Housing • Park improvements

Central Eastside 1986 to present

*Site acquisition for jobs development
Street improvements • Business/job development*

Airport Way 1986 to present

*Arterial access and linkages to I-205 and I-84
Columbia Slough Trail • Business/job development*

Oregon Convention Center 1989 to present

Land acquisition • Infrastructure improvements

and east, and by S.E. Clatsop and Powell Boulevard on the south and north. Some of the activities envisioned in the Lents Town Center Plan include: public improvements such as sidewalks, transit systems, parking, parks and sewers; road improvements along Foster, 82nd and 92nd Avenues; public facilities and open spaces; watershed and flood management; economic

community celebrated one of the first successes of redevelopment with the official opening of S.E. 91st Street on October 17.

The River District is generally bounded by I-405 on the west, the Willamette River on the north and east, and by West Burnside on the south. This area is slated to be Portland's next great neighborhood. The

Urban Renewal Plans are developed in close cooperation with community residents and business owners. Here, community members in Lents discuss ideas.



and commercial development and housing development.

"It's our turn, our time," said Kathleen Lansing, chairwoman of the Lents urban renewal advisory committee and one of the tireless volunteers in the community-driven effort. "Lents is just the kind of area that urban renewal was designed to boost."

The next steps will include a series of five budget meetings to determine the next fiscal year allocations as well as a five year budget for PDC's overall Five Year Business Planning process. Throughout the fall work will proceed on the design phase of the Lents Downtown Business District project. In addition, the

focus of urban renewal efforts will be housing, transportation improvements, parks and open space. The goal will be to create at least 5,000 new housing units, taking the pressures of growth off of Portland's established neighborhoods and reclaiming underutilized or vacant land.

The River District has not been without controversy. Critics have claimed that the area is developing just fine without urban renewal. However, this comment primarily refers to the recent growth in the Pearl District near N.W. 12th and Hoyt which represents approximately 10 to 15 percent of the entire urban renewal area of about 250 acres. It already has

its infrastructure in place-- streets, utilities, sidewalks, etc., and is an existing neighborhood. The majority of the River District is blighted with contaminated soil, no streets, utilities or sidewalks. The public funds resulting from urban renewal designation will be used for public improvements that would not occur without public intervention, such as parks and open spaces, financing for affordable housing, and transit facilities.

The question of affordable housing has also been raised. Fifty-three million dollars has been added for affordable housing. No public funds are slated for market rate housing.

and housing programs. Although the plan is updated every year, extensive public and community outreach is conducted every other year to assure our projects and programs are in line with community needs. The final public hearing will be held November 18 at 3 p.m. at PDC.

HIGHLIGHTS FROM THE PLAN INCLUDE:

Airport Way: In cooperation with Tri-Met, the Port of Portland and Bechtel (a private developer) PDC will be working to bring light rail to the airport through the Portland International Center.

Central Eastside: Construction of the Eastbank Riverfront, stretching from the Steel Bridge to OMSI along the Willamette's east bank, has begun. The one-mile linear

esplanade will provide a pedestrian and bicycle trail and access to the riverfront for Eastside neighborhoods, visitors to the Convention Center, and OMSI as well as a link to downtown over three bridges.

Downtown: PDC will provide \$2.5 million in funding for the new Portland State University Urban Plaza, will assist with the construction of the streetcar line from N.W. Portland to PSU, and will continue work toward the development of a Central City Science Park focusing on the biotechnology target industry. Downtown housing preservation and new affordable housing development will also be a focus.



Commissioner Jim Francesconi; Mike Johns, Advanced American Diving; Commissioner Charlie Hales; Mayor Vera Katz; Chris Steinbrecher, Capital Project Consultants; Michael McElwee, PDC; and Barbara Walker, Parks Advocate push the button to drive the first pile and officially begin the work on the Eastbank Riverfront project.

Gateway: PDC's newest target area is projected to become the most accessible location in the Portland metropolitan area with two interstate freeways, light rail access to downtown and ultimately the airport as well as excellent bus service. Plans will be developed to transform the area into a transit-oriented center for housing and employment.

Inner Northeast: Small business lending will continue to be a focus here along with street improvements on Martin Luther King Jr. Blvd. and Alberta Street. Continued single family rehabilitation and multi-family housing development programs will be offered throughout the target area and surrounding neighborhoods.

Lloyd District: Staff has initiated work to update the area development strategy and will promote future development of high density, mixed-income housing.

River District: Many projects in the area will move forward including Phase II and III of the Union Station housing (510 new units) the construction of the Food Innovation Center, new

housing in the Chinatown area and construction of the Classical Chinese Garden at N.W. 3rd and Flanders.

North Macadam/River Place: Work will include continued commercial, retail and hotel development in RiverPlace and transformation of the former industrial lands in North Macadam into a new central city neighborhood complete with a mix of housing, commercial/retail, open space and office on 124 acres of riverfront.

PDC's Five Year Plan also includes our city-wide business development and housing programs. These programs include business retention and recruitment, business loan programs, city policy and strategy development to tap the growth of regional industry clusters, single family homeownership and home rehabilitation programs and financing for affordable multi-family development.

The next steps on the Plan include a work session to review the second draft with PDC Commissioners on November 9 and a public hearing on the final

PDC's Five Year Business Plan Nearing Completion

After spending the summer meeting with more than 100 organizations, community partners and individuals, PDC's 1998-2003 Business Plan is nearing completion. Our outreach efforts were extensive and included two public workshops, a joint meeting with the Housing and Community Development Commission (HCDC) and a standing room only meeting focusing specifically on PDC's housing agenda.

PDC's Five Year Business Plan guides the agency's activities, concentrating our resources on nine target areas as well as city-wide business development

Department *H* ighlights

draft on November 18. The final version of the Five-Year Business Plan will go to City Council for approval on November 25. If you would like to receive a copy of the Five Year Plan or would like more information, please call Beth Putnam at 823-3281.

Housing Update

PDC's Housing Department celebrated record housing unit production for the fiscal year ending June 30, 1998. The Department closed and committed loans on 38 projects, yielding 1,447 units of affordable housing for the city. In addition, just this quarter we celebrated a number of project openings including:



The Yards at Union Station: Phase I of a three-phased plan, 158 units of affordable housing, owned by the Housing Authority of Portland.



Stadium Station Apartments: a transit-oriented development

on the MAX line near Civic Stadium, 115 units affordable to those earning 60 percent or less of median income.

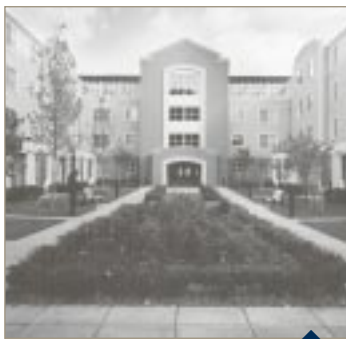
MLK/ Wygant: 38 units of market rate housing which were 100 percent rented at opening.

Otesha Place: 11 units of affordable housing at 14th and N.E. Alberta which also serves as the new home of Sabin Community

Development Corporation.

Franciscan Enterprise: five new units and one rehabilitated Victorian home, located at Mason and Mississippi.

Gladstone Square: a 48-unit development addressing the chronic shortage of affordable housing for larger low-income families. Units are two and three bedrooms and feature front porches, private patios and storage rooms. Half of the units are for 30 percent of area median income and half are priced for the 31 to 60 percent income bracket.



Buckman Heights: a 144-unit, mixed income development with studios, one and two-bedroom units.

Powell Blvd. Apartments: a 20-unit property for low income people with chronic mental illness who are in recovery from a history of substance abuse.

Spring Housing RFP: In addition, PDC's spring Rental Housing Request for Proposals yielded eleven projects. This round of PDC funding will help develop 456 units targeted for the following populations: 39 units for the 0 to 30 percent median family income range; 375 units for 31 percent to 61 percent and 42 units for 61 percent and above.

The Rosemont: This quarter we also acquired the Rosemont, a 7.6 acre property located at 597 N. Dekum. The site features the former Villa Saint Rose Convent and school. PDC staff continues to work with an 11 member Rosemont committee of city and neighborhood representatives. Recently a team led by Pacific Rim Resources was chosen to assist the committee with planning.

Fannie Mae Seller/Servicer: Another important development in housing was PDC's new designation as a Fannie Mae seller/servicer. This allows us to use \$16 million in Fannie Mae funds for low and moderate income homeowner loans and redirect some of our scarce housing funding to other housing projects and programs.

Housing Preservation: The Commission made major strides on the housing preservation front with the acquisition of the 333 Oak Building. This important project prevented the displacement of 90 low income residents of the building. In August the Selection Committee chose Northwest Housing Alternatives as the successful new owner. Preparation is underway on the purchase agreement and it is anticipated that transfer of ownership will occur by the end of December.

HOUSING PRESERVATION POLICY DEVELOPMENT

Housing preservation is one of the key focus areas for our Housing Department and staff was instrumental in assisting with the development of the city's new Preservation Ordinance. The Ordinance, approved by City Council on September 30, addresses three categories of low-income/affordable housing projects:

- ◆ **Federal Preservation Projects** Projects which have received HUD mortgage assistance and project-based Section 8 rent subsidies.
- ◆ **Local Preservation Projects** Rental projects of 10 or more units which have received state or local subsidies since 1988 to make units affordable to low income households, and
- ◆ **Future City Subsidized Affordable Housing Projects** Rental projects of five or more units which seek city subsidies to develop or rehabilitate housing affordable to low-income households.

The Preservation Ordinance requires specific regulations for each of these three categories.

One of the key issues of the ordinance is a 60-year affordability requirement that would apply to new city funded low-income housing projects in the third category. As administrator of city housing funds, the Portland Development Commission is responsible for implementing the 60-year affordability requirement, including developing a methodology for determining the number of units in each project that would be "designated" to be affordable for 60 years.

◆ Revitalization Update

The River District: in the area of revitalization, key projects in the River District are moving forward. Construction has begun on the Agricultural Marketing Center and the Port of Portland Headquarters. The Chinese Garden fundraising efforts are 75 percent of the way to their goal with construction slated to begin in February. We also recently issued the River District Housing Implementation Strategy Annual Update for 1997. The

Gateway: We've kicked off the work in the Gateway Regional Center. We have hired a consultant team and are beginning a series of meetings with community and business partners.

North Macadam/RiverPlace: In the North Macadam area, the City, property owners and OHSU have signed a letter of intent which provides the framework and principles to guide the preparation of more detailed planning documents over the next several months. These include a Business Plan, which outlines

We also recently announced the availability of a development site in the RiverPlace Project for a new hotel and residential development project. A Request for Proposals (RFP) was issued for a mixed-use development of a full service 80 to 130 room hotel combined with at least 150 condominiums. The new project will complement existing development within the RiverPlace project area as well as future residential and commercial development proposed for the North Macadam district to the south. The 2.37 acre-site, referred to as Parcel 1, lies northwest of the PG&E Gas Transmission - Northwest headquarters and is currently bounded by S.W. River Parkway and the planned Waterfront Park extension currently under construction. It is the site of the former Pacific Power and Light steam plant.

Also in the RiverPlace area, the new 240-room Residence Inn by Marriott has passed design review and should break ground in spring 1999.

South Waterfront Park: Work has begun on the extension of Waterfront Park south to the Marquam Bridge. The first projects include re-grading and rip-wrapping the river bank. The park is scheduled for completion in May 1999.

Old Town/Chinatown: We recently selected a consultant team (architects, designers, transportation, etc.) to prepare a Development Plan for Old Town/Chinatown. This important work will help set development priorities for the area much like the River District Plan did for that area.

New Park Block: City Council has approved a basic schedule and process to design and build the new downtown park block (the Moyer block) next to the emerging Fox Tower. Initial planning steps include appointing a citizens advisory group, naming a steering committee and starting monthly public forums. Construction is tentatively set for April 2000.



The Chinese Garden, scheduled to break ground this February, will make Portland the only American city to possess an authentic, classical garden in an urban environment.

numbers are very good. More than 1,400 units have been built or are underway since the plan was adopted four years ago. This means that we are already at one-fourth of our goal (5,500 units) after only four years. Additionally we are meeting our low and extremely low income targets and are exceeding our moderate income targets.

the responsibilities of the parties to fund and implement specific improvements, and the Development Agreement which establishes legally binding funding and development obligations, other duties and conditions. Initial plans for the area call for a mixed-use development that could include a women's health center and clinical research and educational facilities to be operated by OHSU.

A 240-room Residence Inn by Marriott will soon break ground in the RiverPlace/North Macadam area. Two other parcels in the area were recently made available for hotel, residential and office use.



Smart Park Development:

The Development Department, under contract to the City of Portland's Bureau of General Services, continues to assist in the development of a new Smart Park Garage. Retained as Project Manager, PDC has finished reviewing approximately 40 potential sites in the retail core, and is negotiating to acquire or jointly develop one of three or four sites. This project is a follow up to the previously proposed Fox Tower Smart Park project, and is targeted to be on line soon after Pioneer Place II opens.

Lents: In Lents, we have begun an RFP process to select a developer for two parcels of property in the business district and have begun meetings with an Urban Renewal Area Advisory Committee for implementation of the recently adopted urban renewal plan.

Lower Burnside

Redevelopment Area: In late June PDC completed the purchase of the Recovery Inn/Union Oil sites on the northwest corner of MLK and Burnside. Last month staff met with a group of property owners along the Burnside corridor from the bridge to 12th Avenue to begin work on creating a vision and implementation plan for the area. The goal is to create a place that is attractive to major corporate employers and is supported by a mix of uses including retail, commercial, housing, and transit. Additionally, new development should be attractive and draw customers to a safe and comfortable area. The group feels that the redevelopment of the PDC-owned properties is key to wider area revitalization. Over the next four to



◆ *Commissioners Jim Francesconi and Erik Sten helped celebrate the opening of the Slough Trail with a canoe ride.*

six months PDC will continue to work with property owners to refine the vision, create the implementation plan and accompanying illustrations.

MLK/Grand Improvements:

Work has also begun on the improvements along MLK, Grand and Burnside. These include curb extensions on Grand, trees on all three streets and new lighting on Burnside and MLK. The work will start on S.E. Morrison at Grand and will move north for 11 blocks through the East Bank District, ending at S.E. Grand and Everett. Some traffic disruption is anticipated during the construction period which is expected to be concluded by late November.

Slough Trail: We recently celebrated the opening of the initial 1.2 mile segment of the Columbia Slough Trail, part of the 40-Mile Loop Trail System. In the Airport Way Urban Renewal Area, the trail will eventually run between N.E. 82nd Avenue and NE 181st Avenue. It features wildlife viewing and picnic areas, interpretive exhibits, a canoe launch and "waterwise" landscaping. Property owners in the Airport Way Urban Renewal Area

having a recreational trail zoning designation are required to dedicate a trail easement to the City and either build a trail or contribute a set amount to the Columbia Slough Trail Trust Fund during the building permit process. Once segments of

the trail are completed, the Parks Bureau maintains them.

60th & Glisan Development:

Demolition has begun at the site of the former Department of Motor Vehicles building in preparation for a new transit-oriented, 288-unit apartment complex. The project also includes 26 row houses, a day care facility and retail space. The first phase of the project will create 175 affordable rental apartments for seniors. Demolition is expected to take four to six weeks.

Storefront Program expansion:

PDC's popular Storefront Program has now been expanded to include a number of new areas including Hollywood/Sandy, St. Johns, SE Milwaukie Avenue and Albina/Killingsworth.

NEW ECONOMIC ANALYSIS

Jobs Update ◆

The PDC Economic Development staff has recently completed Phase I of the Regional Connections project. Regional Connections is a joint project of the Institute for Portland Metropolitan Studies (IMS), the Metro Regional Strategies Board, and PDC. The first phase of the project included:

- ◆ Analysis of the metropolitan area economy that assessed economic performance during the past decade and key employment trends.
- ◆ Identification of major traded sector clusters driving our economy and providing a foundation for understanding regional competitiveness.
- ◆ Development of schematic outlines of producer/supplier relationships within each of the clusters using nationally derived models and multiple presentations on initial findings.

The project staff has been literally overwhelmed with reception given to the first phase findings and is now beginning Phase II of the project which will include:
- ◆ Development of in-depth profiles for up to three of the clusters identified in Phase I.
- ◆ Creation of a Regional connections atlas to include geography of producers, suppliers, and workforce; and
- ◆ An update of the metropolitan performance data compiled in Phase I as well as expanded outreach efforts and public presentations.

BUSINESS

RECRUITMENT/RETENTION

The Economic Development staff is currently working with about 115 prospect companies representing about 7,000 jobs. The majority of these prospects are in the manufacturing arena, followed closely by call centers.

Smart Communities: PDC, US West and PGE, hosted a three-day community event in conjunction with the Portland region's participation in the Smart Communities project. Smart Communities is a national research project conducted by the International Development Research Council (IDRC). The goal of the project is to establish a partnership for corporations, economic development organizations and community leaders to explore and create complementary strategies that support the creation of world class communities. During the event participants examined Portland's growth and growth management, community, livability, sophistication of technology infrastructure, economic characteristics and competitive strengths for the 21st century. IDRC will publish findings of the national project in [Site Selection Magazine](#) and will present the report to the 3,000 corporate locations decision makers attending a November 1998 IDRC World Congress in San Antonio.

Brownfields: Earlier this year, Portland was one of 16 communities designated by the Clinton Administration as a Brownfield Showcase Community. Brownfields are sites with soil

contamination of some form. In a manner similar to Portland's Federal Enterprise Community designation, the Brownfield Showcase designation provides Portland with "preferred position" in competition for federal funds. The intent of the program is to serve as a vehicle for broad, federal, cross agency coordination/cooperation focused on brownfield redevelopment. In July Portland hosted



Before

After

a kick-off event for this designation. National, regional and local federal agency administrators, local stakeholders and community representatives attended this half-day event. Work on searching out and developing project proposals within this program is now getting underway.

Business Improvement Districts (BID): We have entered into a contract with the Oregon Downtown Development Association (ODDA) to assist in initiating business improvement districts in self-selected neighborhood business districts in the city. PDC is working closely with the Alliance for Portland Neighborhood Business Associations (APNBA) to initiate this program. A survey of all business districts in the city has been completed which will be



PDC's Storefront Program provides grants to business owners wishing to remodel building facades. This neighborhood revitalization program has assisted more than 100 businesses.

used to identify which areas are interested in establishing self assessment districts for identified projects or

programs. PDC will be working with the Mayor's office and other bureaus to establish a minimum of three BID's over the next two years.

Airport Light Rail: The



Airport MAX project has completed the first phase of preliminary engineering and design. The project includes infrastructure improvements to the Portland International Center (280 vacant acres on the southwest corner of I-205 and Airport

Way) and will lead to the creation of 6,000 to 10,000 jobs. A Public Review Committee has held six meetings to elicit citizen input on the project and provide opportunity for staff response to the questions raised. Approval of a Finance and Framework Agreement, the master document which outlines public and private partners responsibilities and financial obligations, was recently approved by all the partners. Construction could start spring 1999 with completion by summer of 2001.

PDC Quarterly is produced by the Portland Development Commission, the city's agency for housing, jobs and revitalization. Questions, comments, suggestions and mailing list additions should be directed to Martha Richmond, (503)823-3296.



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