

# **NORTH OLD TOWN/CHINATOWN REDEVELOPMENT STRATEGY STAKEHOLDER ADVISORY COMMITTEE MEETING #4**

APRIL 9, 2007 ♦ 9:00 A.M. – 11:00 A.M.

PDC COMMISSION ROOM

**SAC Present:** Doreen Binder, John Case, Brian Ferschweiler, Patrick Gortmaker, Richard Harris, Blaine Hoggard, Gloria Lee, Richard Louie, Carol McCreary, Steve Walti

**SAC Absent:** Tim McCarron, June Schumann, Carly Riter, Louis Lee, Betty Jean Lee

**Others Present:** Phil Hart, Larry Norton, Karl Lisle, Steve Iwata, Ron Paul, Richard Shavey, Adam Ataar, Steve Phelps, Vic Steves, Rudy Munzel, Dick Spies, Peter Englander, Karen Perl Fox, Sarah Harpole, Lew Bowers, David Horsley, Joann Le, Kathy Fong Stevens, Clark Worth

## **I. Welcome and Introductions**

## **II. Development Scenarios**

### **Scenario #1:**

- The “Big Now” project – single block or possibly multi-block development
  - Highest total cost - \$96 Million (Blk 25 only)
  - Gap of \$20.8 million (22%) (Blk 25 only)
  - Built within single phase
- Assumes Blanchet House relocates to another site
- More commercial space than other scenarios. Can accommodate small scale grocery, cultural center topped by community center.
- Mix of housing types on Blocks 25 and 26 to avoid flooding market and reduce holding cost associated with absorption period. Combination of 250 ownership units and 180 apartments on Block 25.
  - High FAR on all blocks 12:1 on Blocks 25 & 26, 9:1 on Block 24. Full build out could accommodate as much as 550 housing units on given block.
- 380 parking spaces on Block 25 with this scenario – 2 levels of underground parking. Single level for NW Natural and one level valet parking for housing units.
- All gross cost estimates based on standard cost per square ft., includes property acquisitions and site prep costs, 30% soft cost contingency. Approximately \$240 per square ft.
- NW Natural rate-payers own Block 24 – no incentive to redevelopment right away. Potential for NW Natural headquarters, condos, and hotel over long-term.

### **Scenario #2**

- High-density, incremental build-out of Block 25
  - Total development cost: \$92.4 m (Blk 25 only)
  - This scenario has lowest gap of any \$17.9 million (19%) (Blk 25 only)
  - Block 25 phasing:
    - Phase 1 – ½ block condo project fronting Flanders (190 units)
    - Phase 2 – Apartment tower on NW corner of block (180 units)
    - Phase 3 – Mid-rise condos and townhouses (60 units)
    - Use of half block surface mechanical parking configuration on Block 25 can be used to accommodate phasing. Can accommodate 389 spaces on site. Could also be built out over 2 levels of underground parking.

- Assumes Blanchet House relocates.
- Assumes reduced commercial space due to hydraulic parking configuration
- Difference between scenarios 1 and 2 comes down to parking and phasing.
- Block 26 assumes retail and office space over parking with condos and apartments above.
- In long-term, Block 24 assumes headquarters office configuration with some housing.

### Scenario #3

- Similar to scenario 2, but assumes Blanchet remains of Block 25 (NW corner)
  - Total development cost: \$75 million (Blk 25 only)
  - Highest gap at \$21.5 million (29%) (Blk 25 only)
  - Block 25 phasing:
    - Phase 1 – Blanchet House on NW corner
    - Phase 2 – ½ block condo project fronting Flanders (190 units)
    - Phase 3 – Apartment tower on NE corner of block (180 units)
    - Use of half block surface mechanical parking configuration on Block 25 can be used to accommodate phasing. Can accommodate 278 spaces on site.
- Includes 60 less condo units on Block 25
- Block 26 assumes retail and office space over parking with condos and apartments above.
- In long-term, Block 24 could include grocery store, in addition to NW Natural offices.

### Scenario #4

- Lower density scenario, assumes Blanchet remains of Block 25 (NW corner)
  - Total development cost: \$58 million (Blk 25 only)
  - Gap of \$18.1 million (31%) (Blk 25 only)
  - Block 25 phasing:
    - Phase 1 – Blanchet House on NW corner
    - Phase 2 – ¾ block development (140 condos, 100 apartments)
    - Can accommodate 278 parking spaces on site using mechanical parking.
- Block 26 includes input from charrette, such as Cultural Center opposite entrance to Chinese Garden. Community Center is above that.
- In long-term, Block 24 could include grocery store, in addition to NW Natural offices.

### Developer Outreach Summary

- Synopsis of feedback from development community:
  - Condo project of 140 units offers lower risk, easier absorption
  - Area needs to be discounted from Pearl prices – roughly 25%
  - Offer smaller units, aimed at younger buyers with lower parking ratios. Project should be unique and affordable.
  - Blanchet retention on Block 25 is a significant deterrent to development
  - Condos may be feasible, apartment project likely to require subsidy
  - Commercial uses should be minimal, build-to-suit or low cost construction

### Blanchet House

Brian Fershweiler read a statement from the Blanchet House Board regarding relocating. The Board does not support relocation to Block A & N, looking at ¼ block development on current site.

Lew Bowers said PDC is concerned that there may have been misinformation and would like to request a debriefing to better understand their arguments. Lew said he feels it needs more discussion and PDC is asking Blanchet to continue to work with staff.

Brian said Blanchet does not want to move as there are safety concerns with Light Rail during peak hours. He does not think the safety issues have been addressed adequately.

Gloria Lee asked if there were other scenarios besides staying on the same site and Block A & N which could be considered. Brian responded that they did look and other sites were not available. They have already invested money looking at other possible sites and they are anxious to move ahead with development/redevelopment.

Richard Harris said that the operation of queuing in streets has a negative impact on development of other businesses in community. Neighborhood has advocated for PDC funds to assist. This goes back about five years, and there is strong commitment from the neighborhood. None of the development scenarios work unless there is good partnership between social services agencies. Nothing can change until we figure out Blanchet. Need to work on finding solutions that work for everybody.

## **Seattle**

Peter gave an overview of his trip to Seattle with Ross Plambeck and Sarah Harpole. They toured the Chinatown International District and met with representatives from:

- Connections (a social services facility): similar to Access Center concept, but focused on employable segment of homeless population. Access to “day center” uses requires commitment to program. Space does not accommodate queuing lines, shopping carts, etc.
- The Panama Hotel: Group stayed a night at the Panama Hotel which is the only existing original hotel in the Chinatown International District, one of two in-tact Japanese bathhouses in the country. Going for historical representation of what district has been like. Gives interesting historical perspective. Owner has preserved historic elements including bathhouse and luggage stored at bottom of building from internment. Teahouse was created on groundfloor. Owner has observed groups visiting from Portland and Vancouver to learn from Seattle’s International District. May be value in coordinating with other cities given similar challenges.
- Inter\*Im: Seattle International District differs from Portland in that they were trying to preserve the population that lived there. We would be trying to bring people in. They leveraged siting of Interstate 5 in 1960’s. Able to control parking underneath freeway, creating an on-going revenue stream. The also were able to leverage the KingDome. They’ve had an evolution that we haven’t had. We have the Visions Committee which is a benefit. They have been adept at negotiating with different public agencies, including the creation of a library and community center.
- Uwajimaya: The meeting with Uwajimaya went extremely well. They are interested in finding out more about the Portland market in general and Chinatown in particular. They are considering expansion in Portland. They are not reaching the eastside and Vancouver markets as they would like with their Beaverton store and they seem to be intrigued with the Chinatown idea. They do not have a specific timeline. It was a great introduction and some good connections were created.

## **Access Center**

Part of the 10 year Plan to End Homelessness. The City of Portland wants to assist in providing access services to help homeless people into housing. They are moving forward in partnership with Transition Projects (TPI), as their current offerings are in line with what the city is envisioning. The

PDC Housing Department will be working with the City and TPI, and will determine what public process will be involved. David Horsely noted that the scenarios have either Blanchet and/or Access Center. If Blanchet moves, an Access Center could go on Block 25. Housing would be above.

### **East of Pearl**

Blaine Hoggard is moving forward with the East of Pearl development. Full entitlements (bldg permits) are expected to occur within the next 90 days. Will submit for final design review on April 15. On March 29 the lease with a major office tenant, Ensequence, was approved and has been subsequently executed. Occupancy is expected by October 2008. Ensequence will bring 250 employees (software techs, \$95K/yr). Project will include housing on top.

### **Open Discussion**

Clark Worth – lots of info presented, the focus is on the development of Block 25.

Carol McCreary asked a question regarding valet (Attendant) parking. She would like more information on parking options including mechanical parking.

John Case said there should be agreement on Block 25, and whatever happens, it needs to enhance Old Town Chinatown. He said that there is an opinion that Blanchet would be a negative to the area. He is concerned that in the future, if Blanchet's requirements expand, then they will be in trouble. Blanchet says their goal is to make their facilities more efficient. It doesn't sound to John like there is a lot of support for Blanchet to stay on Block 25.

Gloria Lee stated her opinion that Blanchet belongs in Old Town Chinatown, but does not think it should stay on Block 25. She believes the full block is needed for development. Also, she is not in favor of the scenario that takes out the grocery store. Food is the cornerstone foundation of Asian culture and a grocery store is necessary.

Beam Development and the Naito family have come together to look at a master plan effort over the next three months. After this, they will ascertain what uses they have for those blocks. They want to be very open with what they are doing. Ankrom Moisan and the Oregon College of Oriental Medicine are both very interested as future tenants.

There is a lot going on right now. Timing of development may be influenced by construction already going on in combination with everyone's goals and objectives. There is much interest in this neighborhood.

Richard Harris noted that all of the scenarios have a gap: what are the resources that can help this? Peter responded that it depends on how eager people are and what concessions can be made. We are starting to look at the possibility of annexing portions of the district into the River District. Richard also noted that City Council has not been interested in subsidizing market rate housing and tax abatement is off table. The politics of the situation seem pretty challenging at the moment.

Blaine asked about other options for Blanchet and what committee will follow up with this? Blanchet sites are limited. They've looked and PDC has helped. They are open to any new ideas and are willing to meet with PDC again.

Regarding the location of Blanchet, Lew said everyone shares the desire for an improved Blanchet, but what is the most appropriate site? PDC would like more discussion; it is an important community decision. None of this project is being done with purely private funds.

Carol McCreary said that as a neighborhood resident she is getting uncomfortable with how long it is taking with discussions. Personally she's comfortable with Blanchet remaining at their current site. She said she would like to increase the public participation with Old Town Lofts Home Owners Association and to this effect she asked whether documents could be made available to the community. She said advocacy is what we need to do in this neighborhood. People who live here accept it.

Doreen Binder asked what is the objection to what Blanchet House is trying to do? At some point a decision has to be made and you deal with it. The TPI building has outgrown itself. You have to ask the question: Do we really want people off streets or do you just want them out of the neighborhood? PBA has said it wants people off street, but you need to give people some place to go. Services need to be provided, which is part of what the Access Center is.

David Horsely summarized the next steps:

- One more SAC meeting will be held. Additional resolution is needed on Blanchet and the Access Center. Further refinement of the implementation strategy, including the timing of development on Block 25 and the NW Natural Parking strategy, needs to be focused on.
- Touch base on extending Urban Renewal District for some blocks.
- Draft report will go out to team about a week before the next meeting