

UNDER THE AUTUMN MOON

中秋月夜

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



Prepared for the Portland Development Commission, Portland, Oregon
September 2008

Table of Contents

| | | | | | |
|------------|--|----|--|---|------|
| I | Executive Summary | 1 | VIII | Economic Overview | |
| | | | | Development Economics and Market Analysis | 63 |
| II | Background and Context | | IX | Implementation Recommendations | |
| | Past Studies | 5 | | Currently Proceeding Measures | 67 |
| | Urban Planning Framework | 8 | | Implementation Action Items Matrix | 68 |
| | Community Context | 10 | | | |
| III | Strategy Objectives | | Appendix | | |
| | Social Services Siting | 11 | I - Case Studies | | |
| | Determining Community Development Objectives | 13 | Housing | A -1 | |
| | Charrette Process and Concepts | 15 | Cultural Centers | A -8 | |
| IV | Concept Scenarios for Blocks 24, 25, 26 | | Community Centers | A -9 | |
| | Urban Design Principles | 21 | Hotels | A -10 | |
| | Development Scenarios | 24 | Groceries | A -12 | |
| V | Glisan Plaza Scenarios | | Parking | A -14 | |
| | Glisan Street Right-of-Way and | | | | |
| | Gateway Enhancements | 38 | II - Detailed Market Analysis | | A-17 |
| | Plaza Scenarios | 40 | | | |
| VI | Block A&N Scenarios | | III - Scenario Economic Analysis | | A-26 |
| | Block A&N | 49 | | | |
| | Development Scenarios | 50 | IV - Social Services Site Discussion Overview | | A-33 |
| VII | Historical Considerations | | | | |
| | Types of Designations, Review, and Options | 59 | | | |
| | Site Specific Implementation Considerations | 62 | | | |



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I Executive Summary

The North Old Town / Chinatown Redevelopment Strategy

District Overview

The historic Old Town/Chinatown neighborhood has served a vital role throughout this past century in the downtown waterfront district as well as Portland at large. It is a culturally pluralistic neighborhood with a uniquely diverse environment that historically has attracted newcomers, immigrants and other workforce populations with limited resources, including African Americans, Gypsies, Greeks, Japanese, and Chinese residents. Social service agencies such as Central City Concern, Union Gospel Mission, and Blanchet House also located in the area to provide support, food, and shelter and help to create a place where new immigrants and the working population found hospitality and understanding.

This area today maintains the diverse community aspect that includes social services, Asian and other businesses as well as a youthful demographic, attracted to the nightlife bars, arts, and music scene. This is a unique part of Portland, and its proximity to amenities such as the Classical Chinese Garden, Old Town Lofts, Pacific Tower, the new festival streets, light rail, and emerging Waterfront improvements offers strong links for this neighborhood which has the potential to develop into a unique welcoming gateway to the central city. Ironically, other factors have been at work in recent years to cloud the optimism for the area's potential to be a thriving neighborhood and desirable destination. Specific examples include the recent loss of several prominent asian restaurants and other businesses to SE 82nd Avenue, the lack of a grocery store (particularly one suited to the culture of the area) and other seemingly basic ingredients for viable neighborhoods. Community stakeholders also cite concerns about parking, impacts from gentrification, safety, and a lack of housing that balances low-income and supported workforce housing options. When viewed in a certain perspective, however, many of these physical and developmental challenges can also present opportunities.

Strategy Objectives

In late 2006, the North Old Town/Chinatown (NOTCT) Redevelopment Strategy was initiated by the Portland Development Commission (PDC), with the participation of a Stakeholder Advisory Committee consisting of area business owners, property owners, residents, social service providers, and members of the Asian community. The Strategy is a market analysis and urban design and planning effort to prepare a framework for future redevelopment in the North Old Town/Chinatown area, located in the Downtown Waterfront Urban Renewal Area.

The NOTCT Strategy builds upon the foundation of the community work that has been accomplished over the past several years in this area and neighboring districts, previous studies, reports, and plans: starting back with the 1988 *Central City Plan*, focusing more on the district with 1997's *Old Town/Chinatown Vision Plan*, the subsequent *Old Town/Chinatown Development Plan* two years later, the *OTCT 3rd & 4th Avenue Streetscape Plan* in 2002, as well as the *Update to the Vision and Development Plans* in 2003.



Aerial view of the study area from the southeast

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

The primary focus of the strategy report is the area comprised of the 3 blocks directly north and northwest of the Classical Chinese Garden:

- **Block 25** (the '*Blanchet House/Dirty Duck Block*', bounded by NW Glisan, NW Flanders, NW 3rd and NW 4th) which is owned in part by PDC and the City of Portland and 1/16th of the block by Blanchet House,
- **Block 24** (the '*NW Natural Block*'), owned by the gas company ratepayers of Northwest Natural,
- **Block 26** (the '*Fish Block*' from its earlier history as a fish storage warehouse), privately owned, as well as
- Potential opportunity sites surrounding these blocks also considered in discussions and scenario development, such as **Block A&N** where the historic Fire House is located and which is owned by PDC and partially dedicated to Tri-Met.

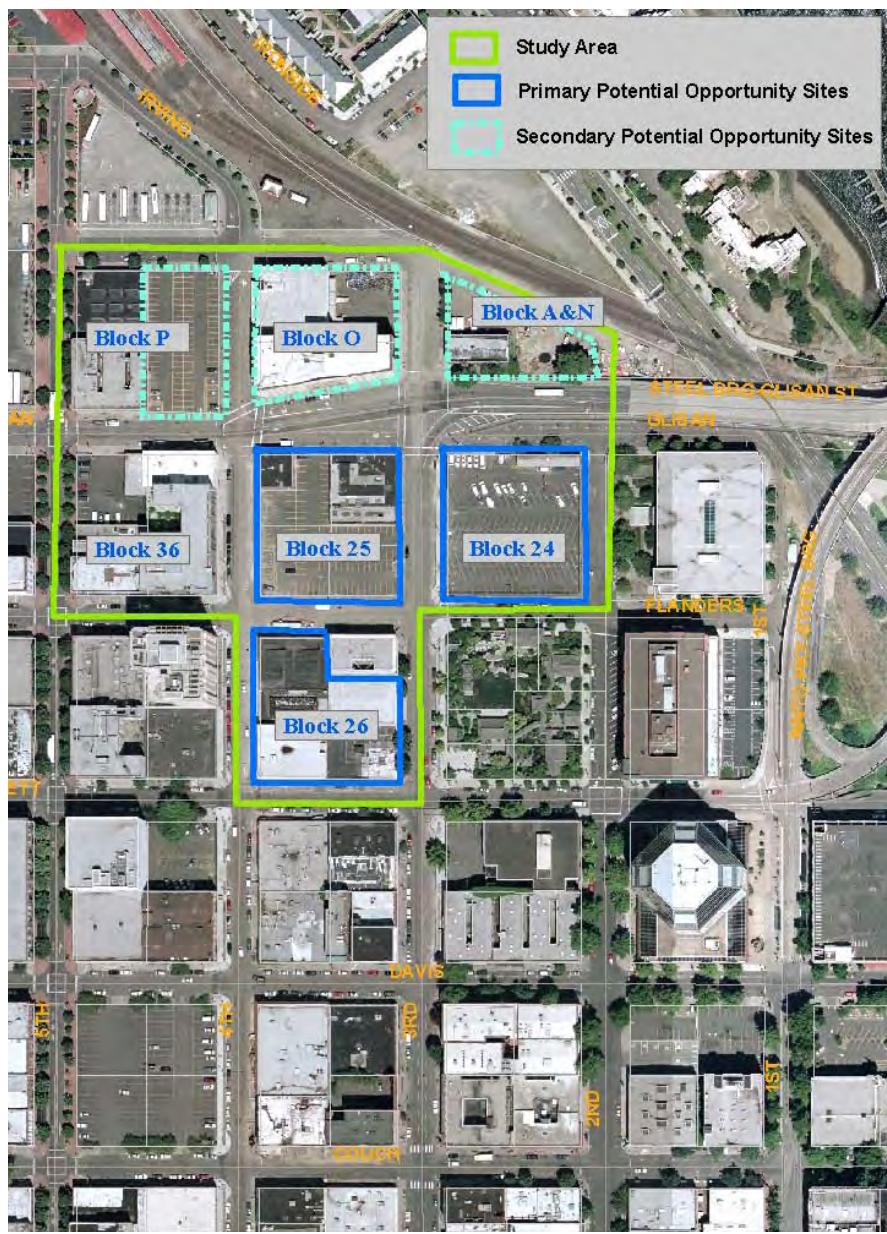
The NOTCT Redevelopment Strategy has two primary goals: 1) Provide direction on the short-term strategy for Block 25, focusing on the proposed Blanchet House expansion and its impact on the feasibility for redevelopment of the block, and 2) Report on the potential for revitalization on the blocks adjacent to Block 25 and develop potential redevelopment scenarios for the overall Study Area that reflect community values and priorities.

Strategy Process

Major components of the Strategy were:

- Community outreach to engage a wide range of people and develop partnerships and relationships to carry through identified priority actions,
- A stakeholder design charrette where participants envisioned and generated redevelopment scenarios,
- A financial market analysis of existing economic conditions and a conceptual financial analysis of the generated redevelopment scenarios,
- Refinement of the redevelopment scenarios showing a spectrum of options for uses, densities, open space opportunities, and ground floor urban design principles and strategies for the primary opportunity sites of Blocks 24, 25, and 26, and
- An implementation strategy outlining specific actions to guide public and private investment and lead to revitalization of key parcels and improved amenities in the area.

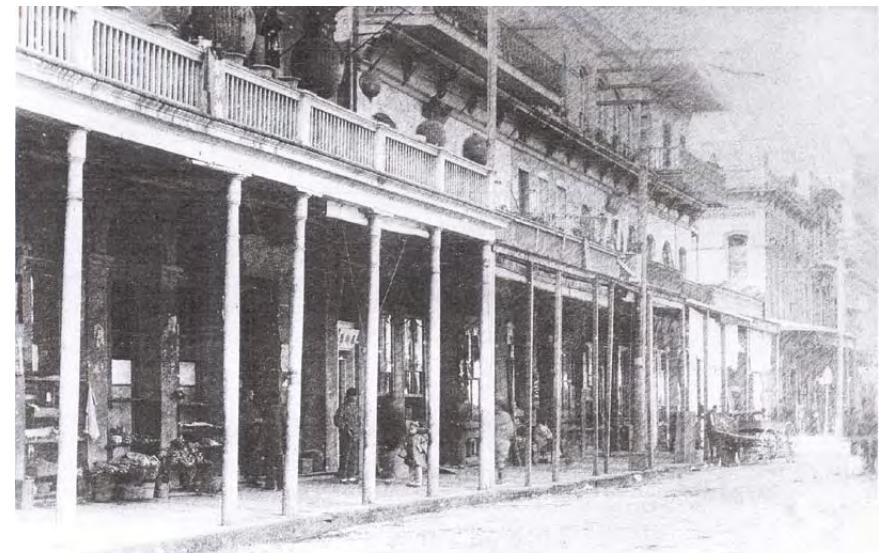
The work on the Redevelopment Strategy occurred in two main phases. The community outreach, charrette worksessions, redevelopment scenarios, and market and financial analysis, were completed in late 2006 and early 2007. In mid-2007, the Strategy process paused while discussions were held regarding the siting of an expanded and enhanced social service Resource Access Center operated by TPI on Block 25. At the completion of an exhaustive site search, this Center was located instead three blocks to the west (at Block U). A location for Blanchet House was finalized on Block 25 at the same time in early 2008. Finalization of the NOTCT Redevelopment Strategy then proceeded to the second phase.



This second phase included refinements to the conceptual phasing and configurations for Block 25, as well as open space concept scenarios for a Glisan plaza area directly north of Block 25, and redevelopment concepts for Block A&N, responding to the updated site influences during the pause in the Strategy work.

The community outreach, development scenarios, and market research all take a number of other factors and site-specific influences under consideration, including:

- A desire for compatible uses surrounding the Classical Chinese Garden, to enhance the overall visitor experience of this important resource within the district,
- Blanchet House's history in their present location and their proposed expansion,
- The NW Natural parking entitlement - 130 parking spaces are assigned to remain on Block 25, in exchange for NW Natural's donation of land for the Classical Chinese Garden,
- The need for an active and safe pedestrian street environment, which is currently lacking due to the abundance of surface parking lots and inactive storefronts,
- The potential of the study area blocks for synergy with the *3rd & 4th Avenue Streetscape Improvements* project, including the festival Streets on NW Flanders and NW Davis, and following through on a Glisan plaza that would close down the eastbound lane,
- A desire for cohesiveness and compatibility of uses and buildings, especially at the ground floor as the district evolves,
- Enhancing the connections and view corridors to the river and waterfront,
- Making connections with the addition of light rail on the 5th and 6th Avenue transit mall,
- Remaining cognizant of the boundaries of the New Chinatown/Japantown Historic District and historic properties within the area,
- Taking advantage of the historical, and arts and cultural character already existing within the district and its surroundings, and
- The desire to strengthen the identity of the district with some form of northern gateway to Old Town/Chinatown, as well as emphasizing this location as a gateway to downtown from the Steel Bridge.



Old Town historical photograph, courtesy Oregon Historical Society



Panorama looking east, south, and west, with Block 25 at center

Findings and Implementation

Overall, the Strategy is intended to stimulate and guide revitalization in the area by providing an analysis of current conditions and emerging development opportunities (residential, commercial, and other), identifying community values and priorities, and reporting on needed public amenity improvements. Maintaining the diversity of the district (including affordable housing facilities and social service programs) is both important and assumed, as well as recognizing that a balanced neighborhood needs to continue to address both the perceived and real issues of this district character. The community at large, and the key district leaders specifically, have a real desire for discernable progress in this area.

The Strategy's scenarios provide a spectrum of alternative directions for Blocks 24, 25, 26, and A&N, depending on whether the market is ready to maximize the development potential on these specific parcels. A range of densities and phasing is illustrated and variants are included to inform the timing and nature of PDC investment in continued revitalization of the area, including future solicitation for redevelopment proposals from interested developer teams.

Blanchet House is poised to proceed, and out of this study's implementation strategy comes definitive action items and implementable milestones on those affected parcels, as well as other district property acquisition possibilities. The implementation strategy notes the significant policy and bricks-and-mortar progress that has been within the district during the course of the study, as well as lists a myriad of additional action items in the following areas:

- Community Involvement and Partnership Building,
- Arts, Culture, History, and District Identity Measures,
- Housing Stimulus Measures,
- Commercial and Retail Oriented Measures,
- District Parking and Access Measures,
- and Block Specific Recommendations for development on Blocks 24, 25, 26, and A&N.

To further aid implementation of the Strategy, an appendix is included which documents:

- More in-depth case study information on relevant example facilities for housing, cultural and community centers, hotels, groceries, and parking uses.
- Detailed market analysis and economic proforma information on selected development scenarios (generated in 2007, as the market was beginning its current correction), and
- A brief overview of the stakeholder site discussions regarding Blanchet House and the TPI/Resource Access Center.

Future of the District

The successful Autumn Moon Festivals have shown that thousands of participants are interested in coming to this area for authentic cultural experiences and that people are drawn to the Chinese Garden and the traditions and history of Old Town/Chinatown. New and potential initiatives in the surrounding area (e.g. the University of Oregon program at NW 1st and Couch, the renovated DeSoto Arts Building at NW Broadway and Davis, the Mercy Corps headquarters near Skidmore Fountain, small creative work spaces, light rail system improvements, as well as the Davis and Flanders Festival Streets and the East of Pearl Building are bringing benefits, vitality, and activity to the redeveloping northern area of Old Town/Chinatown. We are optimistic that the North Old Town/Chinatown Redevelopment Strategy will contribute to the positive evolution of this diverse, historically rich neighborhood - balancing important social, economic, and cultural elements for the people who live, work, and play there.



Autumn Moon Festival activities

II Background and Context

Brief Synopsis of Previous Reports

This Redevelopment Strategy must be reviewed within the context of a long history of comprehensive planning and urban design studies, starting back with the *Central City Plan* of 1988, evolving into 1997's *Old Town / Chinatown Vision Plan*, the subsequent *Old Town / Chinatown Development Plan* two years later, the *Update to the Vision and Development Plans* in 2003, and sandwiched in-between, (in 2002) the *Old Town / Chinatown 3rd and 4th Avenue Streetscape Plan*. A brief overview of these pertinent past reports is listed below.

This planning and urban design legacy forms the context for the broader district. The purpose of this document is to build upon the context of these documents with a more specific redevelopment strategy for the study area in question.

Central City Plan, 1988

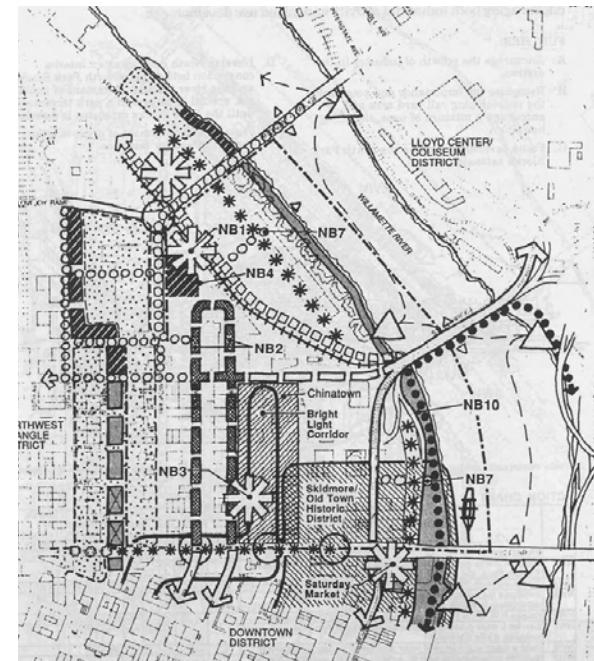
While far reaching in scope and covering the whole of the central city, the North of Burnside Urban Design Plan references several specific goals and actions pertaining to the area surrounding the current study blocks. They include:

- Preserving and enhancing the district's architectural character and international character,
- Focus development along the extended transit mall
- Maintain those social services in the area while supporting business activities and development opportunities,
- Pursue implementation of the Chinatown Development Plan,
- Preserve and maintain up to a maximum of 1282 SRO housing units and shelter beds.
- Limit the maximum number of permanent shelter beds to 252 and allow the replacement of all district shelter beds with SRO housing units.

In addition, several specific North of Burnside action items affecting the current study area were noted:

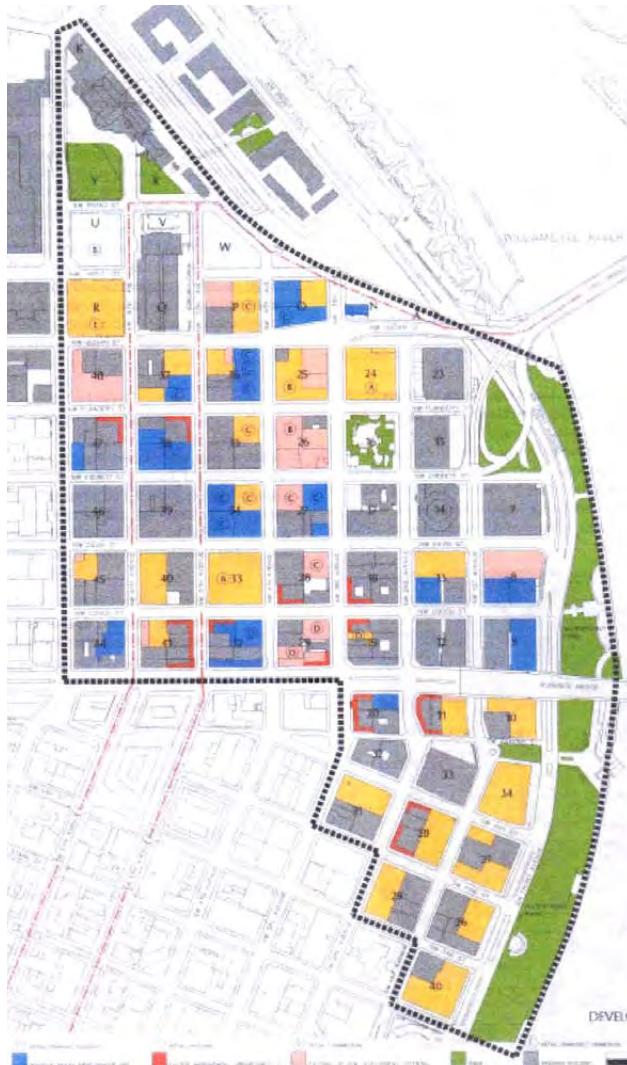
- Establish an Asian Market with a rooftop public plaza or Chinese Garden on the block bounded by 4th, 5th, Couch, and Davis Streets.
- Provide 'Portland Ornamental' cast iron lighting standards throughout the district.
- Maintain a community center for area residents with clean-up facilities, medical support, and a job bank.
- Build North of Burnside District gateways in locations shown on map, including additional cultural gateways on the north side of Burnside
- Increase the supply of housing for no and low-income individuals.
- Develop a strategy to reinforce the international character of this area.

The Human Services Sector was addressed with several recommendations, and three main items of note: establish a centralized human services info center; establish a youth center offering recreational programs, health care, counseling, and job placement; and conduct an additional study developing a city-wide plan to guide the siting and expansion of social services facilities.



Downtown Waterfront excerpt from the Central City Plan

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



*Excerpt from the Old Town / Chinatown Development Plan,
by Thomas Hacker and Associates, Architects, P.C.*

Old Town / Chinatown Vision Plan, 1997

This collaborative document brought together representatives of the neighborhood's diverse stakeholders and set forth a series of agreements, addressing five main areas. Periodic updating of the vision was recommended to create a living document. The five main areas were:

- Communication/Conflict Resolution reinforced the neighborhood's commitment to increased communication, namely through good neighbor agreements, while diversifying the housing, shelter, and social services.
 - Crime/Safety made mention of addressing not only the reality but the perception of safety in the district.
 - Street Environment and Public Improvements made broad recommendations regarding the physical appearance of the neighborhood.
 - Night Life/Marketing/Promotion encouraged businesses creating active, off-hour activities and streetlife inviting to visitors.
 - Development, Parking, and Circulation, listing the goals of the planning and implementation strategy. One item of note in the social service section opposed the notion of a single, centrally located assessment center, differing from the 1988 Central City Plan. Finally, the last chapter identified four specific action items: one or more housing developments in Chinatown, preparation of an Old Town/Chinatown Development Plan, soliciting a commercial development for the 'Trailways' Blocks U and R, and the construction of the Classical Chinese Garden.

Old Town / Chinatown Development Plan, 1999

This report was designed to complement the spirit and implement the economic development objectives of the Vision Plan, and to serve as a broad blueprint for public and private investment. The plan addressed a large area, spanning from Union Station in the north to SW Stark street in the south, and from the Willamette River in the east, to 7th Avenue in the west, so holds a large range of recommendations spanning from and integrating the planned Public Market and Fire Station redevelopments, to the Burnside street improvements, to the Arts and Cultural Marketing Strategy. Specific recommendations for the current Study Area included:

- Reduce the barriers to the OT/CT district at the edges and access points, consider construction of a new gate or similar feature.
 - Support new developments adjacent to the Classical Chinese Garden to enhance the visitor experience. Possibilities might include a hotel or Asian cultural center.
 - Acquire most of Block 25, undertake predevelopment work, and prepare a development offering that would include parking, housing, retail, and accommodation of the Blanchet House functions.
 - Address the district's parking needs with four levels of parking on Block 24, additional parking beneath and within large developments on Blocks 25 and 26, as well as Blocks O and P.
 - Proceed to develop the 3rd and 4th Avenue concept diagram,
 - Reconstruct the intersection at Glisan Street and 3rd Avenue and proceed with a tree planting program on Glisan.

Old Town / Chinatown 3rd & 4th Avenue Streetscape Plan, 2002

The improvements outlined in this document were intended to strengthen the identity of the historic district, fostering cultural and economic diversity, and promote a vibrant pedestrian streetscape. Three schemes were explored:

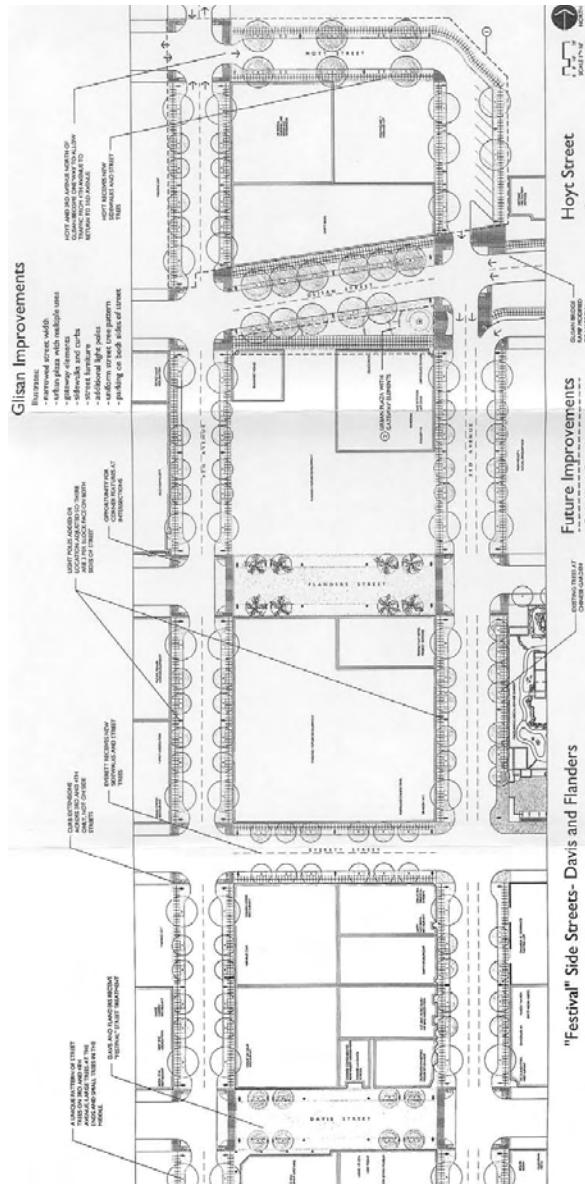
- ‘The Ribbons’, addressed the tree size and frequency, graphic signage, street furniture and lighting, and restriping along one, or both, of 3rd and 4th Avenues;
 - ‘The Ring’ emphasized creating a district center by temporarily blocking off Davis and Flanders for public events, and improving Glisan, to better link 3rd and 4th Avenues, and,
 - ‘The Jewel Box’ which defined additional sidewalk improvements on Couch, Everett, and Hoyt, as well as introduced the Festival Street concept for Davis and Flanders Streets. Ultimately, the Jewel Box approach was selected, and after some value engineering revisions, the design and engineering progressed and construction is now substantially completed. Additionally, a Glisan plaza was envisioned as a future consideration, north of Block 25, as a gathering area and potential gateway location.

Old Town / Chinatown Vision / Development Plan Update, 2003

The Re-Visions Committee, incorporating several members of the original 1997 and 1999 documents, was established to update and evaluate the progress of the earlier recommendations. In general, the 2003 report reaffirmed the goals and mission of the earlier efforts, while in some areas listed specific updates and recommendations. Pertinent items addressing the current Study Area centered on five topic areas:

- *Neighborhood Process* – The committee reiterated the priority of working with the Neighborhood Association to reach consensus on how to approach gentrification and balance in the area, ensure representation for all facets of the community in vision and land use work, and set up a clear communications network to promote relationship building and good neighbor agreements. The rebirth of a business association was emphasized.
 - *Housing, Development, Circulation / Barriers* noted a lack of success in breaking down the barriers to the waterfront, across Burnside, and to the Pearl District. Transit options were supported, as were the preservation of landmark and contributing buildings. The committee reiterated their goal of increasing the number of for sale housing units, particularly in the 60-120% MFI range, with parking included for all new mixed-use developments.
 - *Open Spaces, Community Center, Culture, History* emphasized the district's history, arts and entertainment, with particular note of the New Japantown Chinatown Historic District. It also included a clear priority for a Community Center and the desire to develop an appropriate model. A lack of consensus on the need for, or location of, potential open space in the district was also mentioned.
 - *Nightlife / Marketing / Promotion / Job Creation* noted that the challenge remained regarding the interaction of active nightlife and housing and parking, and mentioned the lack of a clear job creation strategy.
 - *Crime / Public Safety* stated a priority for future development to enhance the security of the neighborhood, as was the desire to address blank building walls, enhance lighting, and provide safe public restrooms.

Additional studies and reports recently completed primarily addressing housing needs and retail uses in downtown Portland include the **Workforce Housing Report Central City Portland, Oregon, 2003**; **Central City Housing Inventory, 2005**; **Downtown Retail Strategy, 2002**; **The 10-year Plan to End Homelessness in Portland and Multnomah County, 2002**; and the **No Net Loss/Preservation Policy**, which all serve to inform this strategy's jurisdictional context.



Excerpt from the 3rd & 4th Avenue Streetscape, by SRG Partnership PC, Nevue Ngan Associates, Suenn Ho Design

Urban Planning Framework

The study's primary opportunity sites of Block 24, 25, and 26 are on the eastern flank of Portland's River District, within the Central City Plan District. This area was envisioned by the city with the potential for larger-scaled structures, to take advantage of the location's views to the Willamette River in the east and north, and to downtown in the south, and the housing towers in the west. These parcels, along with the 1/4-block, 14-story Pacific Tower directly adjacent to Block 26, will help to transition from the low- and mid-rise environment at the center of Old Town and in the Skidmore / Old Town historic district to the taller structures to the west, in the Pearl.

In anticipating this vision, the zoning classifications for the study area's blocks is **CXd** (Central Commercial with a design overlay). Blocks 25 and 26 each have an allowable Floor-Area-Ratio (FAR) is essentially a measure of a building's bulk - 1:1 corresponds to the site area, 1-story deep) of **9:1**, bonusable to **12:1** (if certain amenity bonuses are proposed within the development, such as residential use, sustainability features, etc.) These two blocks also have an existing height limit of **350'**, bonusable to **425'**. These entitlements are quite generous within the city of Portland, able to accommodate large structures, or if the floorplates do not fill the parcel, more slender, higher towers.

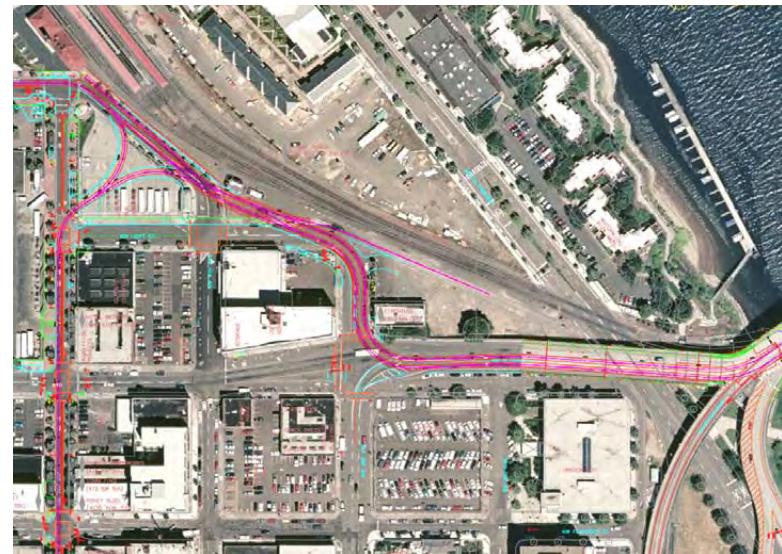
Block 24 has a similar height limit to these blocks, with an allowable FAR of 6:1, bonusable to 9:1, as does the developable parcels on Blocks P and O. Block A&N, closer to the river, has an FAR of 4:1, bonusable to 7:1, with a similar height limit to the other blocks in the study area, as shown on the map to the right.



Zoning Code Allowable Development Limits and Transportation Map, showing FAR (Floor-Area-Ratio), Height Limits, and Traffic Directions



Existing Conditions in and around the Study Area Blocks



TriMet Alignment under construction along the northern edge of the Study Area

An aerial view of the North Old Town / Chinatown Redevelopment Strategy study area and surroundings is shown at left, with present ownership, public amenities, and other district landmarks indicated. This aerial photo documents conditions at this study's outset, in early 2007. Not shown are the Tri-Met light rail tracks now completed on the 5th and 6th Avenue transit mall, or currently under construction on the Steel Bridge approach ramp, and nearly surrounding Block A&N. This alignment is shown on the engineering overlay, above, and shows the revised Tri-Met light rail locations, essentially passing to the south and west of Block A&N, rather than bridging overhead along the northern portion of the block, as earlier designed. A small spur line for train staging is now being constructed along the north of this block, which has ramifications for potential development of this block. This area is seen in greater detail in the Block A&N Scenarios chapter, later in this report.



*Looking north on 4th Avenue, with Block 26 on the right,
Blanchet House and Block 25 beyond*

Community Context

The North Old Town/Chinatown Study Area demographics reinforce both the district's opportunities and challenges. The diverse population is a rich mix of new and old, traditional and alternative, living in close proximity. The district is an historically rich and culturally-diverse neighborhood that is poised for revitalization but struggles with the need for economic vitality while honoring a historic past and looking toward the future. The gentrification of a neighborhood, especially an historic and pluralistic neighborhood such as North Old Town/Chinatown, can carry negative connotations when it implies a displacement of the older, the poorer, and the diversity by the younger, the affluent, and homogeneity. However, gentrification can lead to positive changes when it achieves a balance between capturing the essence of the old neighborhood, without hollow reconstruction of the past, while integrating the benefits of the new - creating an even stronger 'evolved' neighborhood versus a wholesale gentrified district. This paradox exists in many facets of the North Old Town/Chinatown Study Area and a primary goal is to find a balance between these facets, reinforced with broad community support.

The following outlines these primary challenges and opportunities, which may be balanced through continued stakeholder involvement and creative thinking about the development options for the study area:

- Multi-culturally diverse districts bring diverse agendas - How to reach consensus and build a truly pluralistic neighborhood;
- The tradition and presence of social services providers carries a perception of stigma and blight - How to continue the essential need of SRO's, and provider kitchens, as part of downtown's diverse housing stock;
- The location of the study area is on the periphery of the Old Town/Chinatown district - How to capitalize on the location as a 'gateway' versus the 'end' of the district and make residents feel at home within;
- The proximity of the study area to the Pearl District and the fear of gentrification that will erase the history and character of the neighborhood - How to use the synergy of the Pearl to help bring residents to North Old Town/ Chinatown to activate the street level;
- The departure of Asian family businesses to SE 82nd Avenue and NE Sandy Boulevard - How to capitalize on recent public works improvement projects within Old Town/Chinatown to attract different types of grocery stores, new restaurants, and other small and medium-sized businesses.
- The lack of a hotel in the immediate area, forcing those in town for family association gatherings to stay in the downtown core or Rose Quarter – How to increase accommodations and parking, or improve these linkages;
- The fading of an OldTown/Chinatown flavor through new developments - How to create a new type of neighborhood that retains the historic flavor by renovation and reinvigoration of existing structures;
- The lack of workforce housing due to low economic feasibility - How to provide flexibility of typologies for a range of potential occupants to maintain a healthy and diverse urban working population.

The myriad of constituencies and the complexity of the study area warranted a collaborative effort with committed stakeholders. The community outreach and charrette worksessions outlined in the next chapter were structured to expand the existing energy and goodwill of this group, including those who have historically participated and those who have not but have vested interest in this neighborhood.

III Strategy Objectives

Social Services Siting Objectives

A large number of social service agencies are located throughout Old Town/Chinatown, with several prominent facilities in the northern portion of the neighborhood. One priority for the NOTCT Redevelopment Strategy was to look specifically at one of those facilities, the Blanchet House of Hospitality, and report on how this facility's proposed expansion plans will impact the feasibility of future redevelopment of Block 25. Through community outreach and visioning, discussions continued to illustrate the community leaders' support for an appropriate balance of varied housing types and social service facilities. Extensive interviews and worksessions were held and documented regarding three prominent services existing or considered in NOTCT: Blanchet House of Hospitality, Transition Projects Inc., and a future planned facility, the Resource Access Center.

Blanchet House, currently occupies a structure that they own on the northwest 1/16 of Block 25. This organization has been serving meals and providing temporary lodging to Portland's homeless community since 1952. The facility houses approximately 30 men who are directly involved in the meal service program, and serves three meals a day, totaling between 600 – 800 meals every day, in a clean and sober environment. That they accomplish this mission in their current facility is quite remarkable, given the very compact 50'x 50' ground floor footprint. The limited enclosed space of the building itself results in extensive queuing outside on Glisan Street and 4th Avenue.

Blanchet House has been planning an expanded facility, approximately 1/4 block of ground floor area, to adequately serve the population in need. The numbers that their operation will serve is not estimated to increase, but in order to internalize the queuing of their patrons, and update their kitchen and dining facility, a new building is necessary, which the community stakeholders support. One clear possibility was for Blanchet to expand their facility where their present one now sits – on Block 25, or another possibility was for Blanchet to relocate to a nearby block.



Blanchet House's dining room and kitchen, between shifts. Over 600 meals a day are served from this small room, in many seatings, resulting in long queues on the outside of the building.



Aerial photo of the parcels northwest of the NOTCT Study Area, with Block U at the corner of NW Hoyt and Broadway

Transition Projects Inc. (TPI), has been located in OTCT since 1969 and currently leases space from Central City Concern at 475 NW Glisan, on the southwest corner of Block P. TPI is a vital access point for support services and living assistance, as well as housing a 90-bed men's transitional shelter. Their facility has been upgraded over the years, but is no longer providing the space it needs for proper operations. As their lobby and service center are now substantially undersized, queueing often occurs throughout the day along the building's exterior. If TPI is relocated, Central City Concern has expressed an intent to renovate the structure, bringing additional retail frontage and activity to the 5th Avenue transit mall at its intersection with Glisan Avenue.

Over the past several years, the City and a large multi-organizational group participated in a series of planning meetings to identify key service needs and model options for an expanded **Resource Access Center**, offering enhanced support services and housing to the homeless. During the course of the NOTCT Redevelopment Strategy, TPI and the Housing Authority of Portland (HAP) reached an agreement to collaborate on this facility, which is intended to streamline access to homeless assistance, provide a location for engagement, and direct patrons to programs that will move them into permanent housing alternatives. Coupled with this facility will be additional permanent supportive housing in a multi-story structure above the RAC. The facility is planned to be relatively unique, providing men's and women's transitional housing, showers, telephone, messaging, and mail services, restrooms, case management, rent assistance, and more in-depth client outreach with meeting rooms for extended staff.

Blanchet House and RAC Siting

The NOTCT Redevelopment Strategy stakeholder interviews, discussions, and charrette workshops concentrated primarily on Blanchet's facility plans, alternative sites, and their likely impacts on Block 25 and the surrounding neighborhood parcels. A focus on, and timeline for, identifying a location within the NOTCT Study Area for an expanded TPI/Resource Access Center accelerated soon after the redevelopment scenarios were generated, as HAP's and TPI's owner/developer and tenant/lead operator agreement formalized and a site search took on additional priority. Subsequently the NOTCT Strategy paused during this interim.

During a subsequent public process separate from this Strategy, an extensive exploration for potential parcels ensued in the fall of 2007, looking at full- and partial-block locations in a broad area of OTCT, the West End, and the River District for a TPI/RAC facility. As an additional possibility, a co-located TPI/RAC-Blanchet House facility was explored, to determine if site efficiencies could be gained. Two sites emerged as leading candidates for the facility, Block 25 within the Study Area, and Block U, several blocks to the west. After broad input from community stakeholders at the Old Town/Chinatown Neighborhood Association, Visions Committee, and City Council sessions, the TPI/Resource Access Center was located at Block U. Also as a result of this process, Blanchet House was assigned the NE corner of Block 25 and the NOTCT Redevelopment Strategy resumed.

Additional detailed information regarding these social services siting objectives and process is included in the Appendix of this report, following.

Determining Community Development Objectives

Community Outreach Process and Comments

In addition to collaborating on this project with the Stakeholders Advisory Committee, the consultant team interviewed dozens of other community members. This group included those active in a variety of community initiatives (many with decades of involvement), area business and property owners, and representatives from social service agencies and cultural organizations. In addition to individual interviews, our team sought information from a number of organizations on specific aspects of the study.

The main points offered by the community outreach stakeholder interviews are summarized below. The information presented particularly concentrates on comments and information helpful to urban design and redevelopment that informed the community charrette sessions. This report is not intended to provide a scientifically valid or all-encompassing profile of community opinion.

Summary of Findings

1) Key elements of a redevelopment strategy in the NOTCT focus area to help create a "vibrant, mixed-use, 24 hr/day urban neighborhood, rooted in a rich historical past":

- Create a northern gateway into the area that augments the Chinatown identity and supports the artistic, cultural, historical, and educational assets of OTCT as a whole;
- Enliven the street level with ground floor retail and good access to buildings; develop pedestrian friendly routes between important blocks and destinations, including into downtown Portland;
- Develop workforce housing (most common definition is between 80-120% of median family income/mfi) to have a critical mass of people who invest in OTCT by living there, and who will support local businesses.

2) This is a forgotten area (a doughnut hole), and comprises an opportunity ripe for redevelopment with the possibility for people to have a real impact on positively defining the area. It's been overlooked; it's time to fill in the hole.

- The Autumn Moon Festival (strongly attended by tens of thousands) showed that people are willing to come to this area for authentic cultural experiences. People are attracted to the Classical Chinese Garden and the culture/history of OTCT. More businesses that support the mission of the Classical Chinese Garden would enhance the experience;
- New and potential initiatives in the surrounding area (e.g. University of Oregon, DeSoto Arts Bldg., Mercy Corps, small creative work spaces, Pacific NW College of Art, Light Rail, bus/train station developments, festival streets) can bring benefits, vitality, and activity to a redeveloped northern area of OTCT;
- We can do more to encourage and recruit for private investments (local, foreign, etc.)
- Transit options, the U of O, and proximity to downtown core, eastside, and riverfront make the area desirable for workforce housing.



Entrance of Portland's Classical Chinese Garden at 3rd Avenue and Everett Street



Activities of the Autumn Moon Festival, looking east on the Flanders Festival Street



Looking east down Flanders Street toward Block 25 with the Old Town Lofts beyond

3) The primary specific challenges for the Old Town/Chinatown District remain:

- A perceived lack of parking;
- The perception of danger and drugs;
- Cleanliness issues, loitering, queuing detracts from the visitor experience and lessens the desirability for those considering living here or having a business here;
- Besides a visit to the Classical Chinese Garden and eating lunch at a few neighborhood restaurants, there's little of Chinatown left and not much along those lines to do;
- Lack of area residents with disposable income;
- Businesses will look for already-developed spaces and stable areas to locate; OTCT streets have been under construction for years and will continue to be due to future construction.
- Some type of gentrification will happen if the area develops. How do we develop in a vibrant fashion, but not lose the character of the area?

4) What's missing from today's business mix to meet customer needs? What are the top priorities for new ventures?

- High end, well-run Asian restaurant with private banquet room space;
- Boutique-type hotel with meeting spaces;
- Small local business spaces;
- Coffee shops and professional personal services;
- A grocery store or market, particularly one that was Asian-oriented or even a destination-type;

5) With limited future public funding available to assist developments, what types of projects should receive priority?

- Parking – subsidize development; do a cost/benefit analysis of parking;
- Development of small business spaces; development of buildings that have small business-owned spaces; enhancements for current businesses;
- Seismic upgrades to conserve historic buildings;
- Community center and/or cultural center space (varying opinions as to what this means, how the space would be managed and how operating costs would be paid);
- Destination open spaces and/or natural spaces.

6) Current District residents' and business owners' perception of Blanchet House:

There was overall support for Blanchet House to stay in the area and provide their service in a facility that is appropriate and designed to accommodate their work and be a good neighbor. Many felt that if Blanchet House stayed in its current site it would be detrimental for the revitalization of the north focus area because that would remove an opportunity for one of the few full-block developments in OTCT. Generally, interviewees supported the current social services in the area but voiced concern about and potential opposition to substantial expansions and additional facilities.

Community Charrette Process

The term charrette was originally used in design schools to describe the intense, deadline-driven, problem-solving process of refining one's design, prior to completing a course of study. The urban design profession has incorporated this type of exercise in order to better engage the stakeholder community in intense, collaborative, hands-on worksessions, typically held within a limited time period. These community charrettes have often led to a more integrated understanding of the various stakeholders' viewpoints by the constituents themselves, as well as urban design plans incorporating input from a broader spectrum of users than otherwise available. The ideas generated within the worksessions are integrated into the ongoing redevelopment strategy effort, as well as leading to a more comprehensive understanding of ideas amongst all participants. The following pages illustrate this discussion, feedback, and resulting urban design concepts and influences.

Goals of the Charrette

The North Old Town/Chinatown Redevelopment Strategy charrette process was customized around the needs of this particular Study Area. The design and evaluation efforts were centered on the blocks in question, incorporating the program uses recommended by the community outreach, previous visioning, and city planning goals. The charrette entailed three 3-hour sessions, sequenced over three consecutive days in early December 2006, attended by approximately 40 stakeholders and other individuals. Days 1 and 2 were organized as short large-group presentations, followed by much more extensive smaller-group worksessions. Day 3's open house presented the work of all sessions for the public at large.

The purpose of the charrette was for each team to create potential development scenarios for the seven Study Area blocks at three levels of detail or emphasis:

- A) ***Urban Design Concept Plan*** – The first day's small group sessions looked at how the overall Study Area's potential ground floor uses might be configured to reinforce certain aspects of the District's character. Given the potential of various Blanchet House locations, different concepts were created, based on the possible locations. Overall building massing was also considered, given the large building volumes currently allowed, but the ground floor uses were focused upon, as these uses and adjacencies will greatly influence the district's streetscape activity.
- B) ***Conceptual Economics Exercise*** – The second day's small group sessions reviewed how a conceptual-level economic point system for potential public and private investment might help identify stakeholder priorities for the district. Given the entitlements for NW Natural parking on Block 25, and stakeholder expectations for public amenities, this exercise was created to illustrate the balancing of public investment necessary by PDC and other entities.
- C) ***District Center Streetscape Environment Studies*** – As a wrap-up of the second day's sessions, the groups explored how the groups' preferred Urban Design Plans can be strengthened by identifying particular street or streetcorner locations as potential centers for the district and focusing uses and/or investment there.

Charrette Urban Design Concept Plan Development

Each team (small table discussion) developed several urban design concept plans, modeling potential ground floor uses with the various Blanchet House locations. At the end of each exercise, photographs were taken of the concept models, and drawings were created to document additional specifics discussed.



Table 2 charrette worksession



Community Charrette Open House

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

Based on the earlier stakeholder meetings, where six potential locations for a new Blanchet House facility were discussed, three emerged as having more potential than the others – Blocks P, 25, and A&N. The charrette worksessions looked at the opportunities possible with each of these alternatives, and how the district's future uses may be configured to take advantage of the adjacencies of each of these locations.

Regarding additional uses modeled, the earlier vision plans and updated community outreach consistently showed an interest in bringing the following uses to the district:

- More housing, with a mix of affordable, workforce, and market-rate, with an emphasis on workforce;
- An asian cultural center, for residents and tourists alike;
- A community center, for the district residents;
- A hotel (or B&B), to take advantage of the Classical Chinese Garden, in particular to house visitors to the district;
- A destination-type asian grocery store, to serve as a catalyst in retaining both the asian community and other district residents to shop within Old Town/Chinatown;
- Ground floor retail uses, to raise the level of activity on the streets, and help raise security in the area;
- Additional parking, preferably below-ground, to make the area more attractive to visitors and retail patrons;
- Potentially new office uses, as some prior studies and community members mentioned may be viable.

The small groups envisioned development scenarios including whichever of these ground floor uses they deemed most visionary, and/or realistic for future development. These scenarios also considered the following questions:

- Given the significant recent investment in the public infrastructure of the district, how best can private development in the study area blocks take advantage and reinforce the Classical Chinese Garden, Festival Streets on Davis and Flanders, and the recently completed 3rd and 4th Avenue improvements?
- Is retail being locating where it will flourish and help draw people and business to this northern part of the district? As these blocks develop, which one- or two-block segment should be the district center, or is one street being activated at the expense of another?
- What is the best way to create a northern gateway to the district – create the gateway with the buildings and uses, on openspace plaza, or an actual symbolic gateway feature?
- Who will be the primary market for these new businesses and housing and are their needs being met?
- Are we being visionary, thinking about what the district could be 5, 10, 20 years into the future, and yet maintaining the diverse and unique nature of the district?
- Are we being realistic, thinking about what it will take to entice this type of development into the district?

A variety of appropriately-sized and color-coded wood pieces and an enlarged site plan of the Study Area were provided as a baseline for the group urban design exercises. The illustrations and photographs on the following pages correspond to the color coding shown below.

Potential Ground Floor Uses and Sizes for the Study Area

| | | | |
|---------------------------|--|-----------------|---|
| • Blanchet House - | 10,000 to 16,000sf | (Blue) |  |
| • Asian Cultural Center - | 5000sf to 40,000sf | (Bright Yellow) |  |
| • Community Center - | 10,000sf to 40,000sf | (Red) |  |
| • Hotel - | 10,000sf to 40,000sf | (Dark Red) |  |
| • Grocery Store - | 20,000sf to 40,000sf | (Pink) |  |
| • Retail - | 40,000sf to 100,000sf | (Orange) |  |
| • Parking - | 600 to 1000 spaces (typically 300 sf/space) | (Gray) |  |
| • Housing - | 800 to 1600 units (unit sizes could range from 500 to 1500sf) | (Light yellow) |  |
| • Office - | 40,000sf to 100,000sf | (Purple) |  |

For comparison, one Portland city block is approximately 40,000 square feet (sf), Pacific Tower sits on a one-quarter block site (10,000sf), and The Royal Palm or the Green Gables Building sites are 1/8 block (5,000sf.)

On Day 2, participants reconvened as a large group to discuss the previous day's concepts and discuss potential commonalities and insights. After developing their preferred Urban Design Concept, each team was then given the task to evaluate these recommendations through the lens of potential investors or public agencies, with a focus on conceptual economic feasibility. The exercise was designed for comparative and illustrative purposes only, to give the community members a general idea of the policy trade-offs associated with certain program components and uses.

For most of the desired types of uses, there will be a need for some form of public subsidy: a) in order to make housing more affordable to a particular income range; b) in order to entice a private entity to develop in the district (grocery store or hotel) or, c) to provide a portion of construction or operating funding (for a community-based use such as an asian cultural center, or community center). This exercise, while conceptual in nature, was primarily intended to inform the stakeholders of the economic realities regarding public investment and priorities of the redevelopment strategy.

Finally, the small group discussions centered on identifying specific one- or two-block long street segments and/or intersections and focused the discussion on the size (or grain) of development, entrances, setbacks, building volumes, signage, and identity in these locations. The goal of this exercise was to involve the participants in a closer level look at what makes living streets, and how these principles become part of the NOTCT Redevelopment Strategy, as is further illustrated in the following chapter.

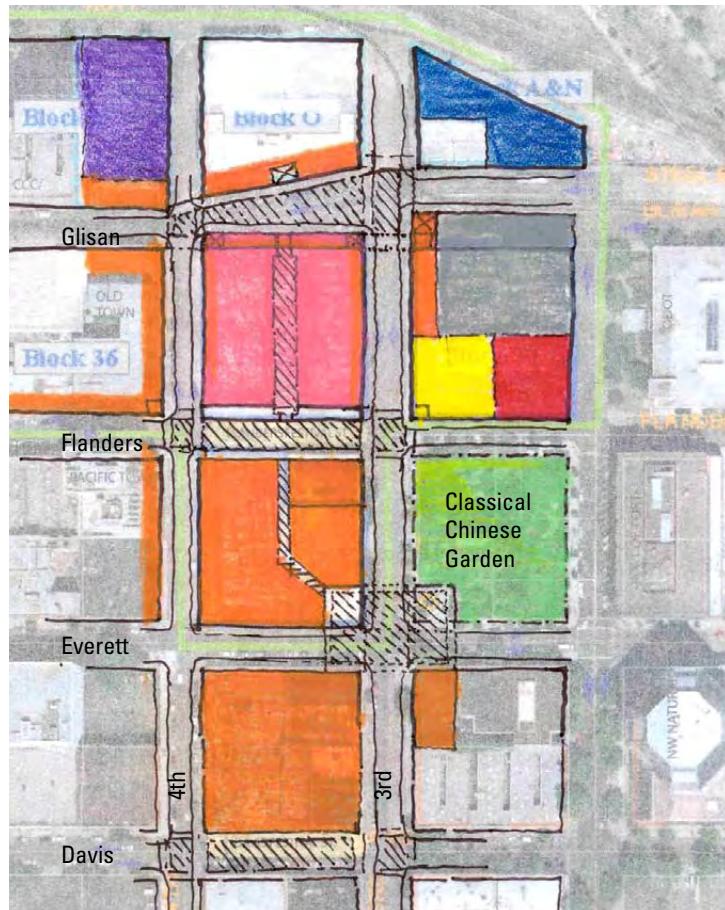


Table 1 Urban Design Concept (locating Blanchet House on Block A&N)



Table 1 ground and above-ground floor use models

Table 1 (First Option) Urban Design Concept and Influences:

Table 1 documented two options, this first showing their preference for Blanchet House to be located on Block A&N. This location leaves the opportunity open for Block 25 to be a contiguous, single-use development with a square footage available for a grocery. With an additional emphasis on the festival streets, potential plaza on Glisan between 3rd and 4th, and the potential for a small corner square opposite the entrance to the Classical Chinese Garden, this concept focused on linkages between these public spaces. Inter-block passages were discussed, as well as continuing pedestrian movement all the way north to Glisan Street and even the retail on the north side of that street.

Other specifics are noted below:

- The ground floor uses on Block 25 are shown shifted to the north to enlarge the potential uses lining the Flanders Festival Street, as well as place a building volume within the Glisan Street right-of-way.
- Block 24 is shown expanding even further northward into the Glisan Street right-of-way with a distinct architectural corner overlooking a new northern gateway plaza.
- Block 25 programmed as an asian grocery would be desired as a northern gateway use for the district.
- Glisan Street between 3rd and 4th is highlighted as a new gateway plaza, with building walls enclosing this space as an outdoor room. The northern portions of the building volumes on Blocks 24 and 25 might create dramatic viewpoints, but could terminate street vistas.
- A parking structure above and below ground in the northeast corner of Block 24 with office tower or residential above to capture river views.
- Block 25 asian market is shown with a central arcade cutting north/south through the block and aligning with the facade on the front of Block 0.
- A small plaza in the southeast corner of Block 26 is shown to mirror the Classical Chinese Garden entry plaza. This intersection should serve as an active retail hub that captures visitors entering and leaving the garden.
- Either an office or residential use tower on Block P may have river views.
- The south edge of Block 24 is shown as 1/4 block cultural center, and 1/4 block community center, oriented south, towards views of the Classical Chinese Garden.
- Blocks 24, 25, 26 show residential podiums with taller slender towers in the core of the blocks, taking advantage of the view to Classical Chinese Garden. A hotel use in the upper stories of any of these towers might also be appropriate.
- The group indicated at least 1 story of parking below ground for Blocks 24, 25, 26 would most likely be necessary to accommodate the new uses on these blocks.

Table 1 (Second Option) Urban Design Concept and Influences:

Even though the table's preference was to locate Blanchet House on A&N, they developed an alternative concept with Blanchet House remaining in their present location on Block 25, with an enlarged footprint. Here the group emphasized uses along the Flanders festival street by pulling the building face north, expanding the public space even more. An emphasis on a northern gateway element at 3rd and Glisan was formed with the building's themselves, creating a large arching element, and a double-sided retail street at this portion along 3rd Avenue.

- In this concept, Block 25 is shown as a parallelogram volume with its north facade skewed into the Glisan right-of-way and south facade angled and set back to enlarge the Flanders Festival Street.
- A cultural center is shown in the existing building at corner of 4th Avenue and Davis Street (outside the Study Area, though).
- A literal gateway formed by building volumes is shown arched across 3rd Avenue as a large-scale northern gate into the district.
- Retail is shown concentrated in all blocks between 3rd and 4th, with the exception of the Blanchet House volume shown on the northwest quadrant of Block 25.
- Residential is shown extending to the ground floor on the south face of Block 24 to face the Classical Chinese Garden.



Table 1 charrette worksession

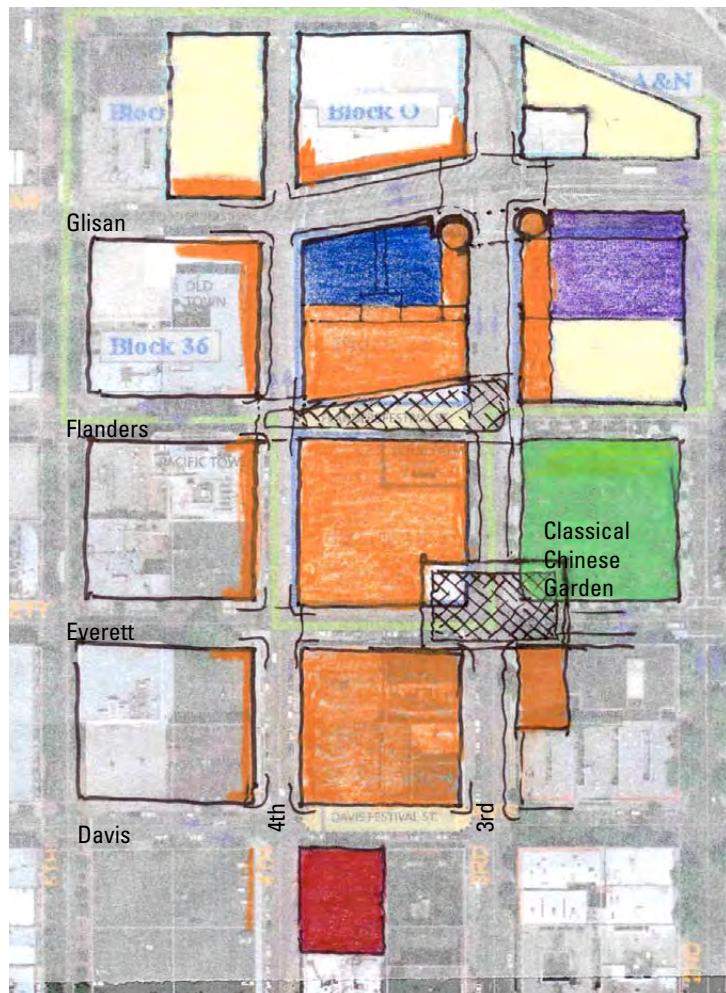


Table 1's (second option) Urban Design Concept (locating Blanchet House on Block 25)





Table 2 Urban Design Concept (locating Blanchet House on Block A&N)

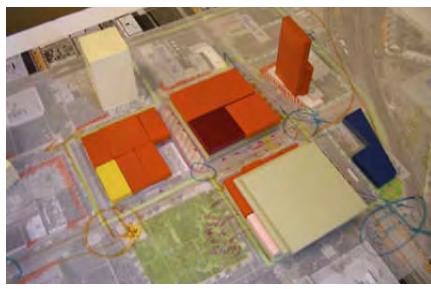


Table 2 ground and second floor use models

Table 2 Urban Design Concept and Influences:

This table preferred Block A&N for Blanchet House, with the possibility for a community garden for the patrons. A grocery was located on Block 24, which might best accommodate the loading of goods with minimal disruption to the small-scale retail spaces shown lining the streetscapes. Block 26 is shown with many smaller retail spaces (similar to the very successful models common on SE 82nd Street, in this case with an internal passage linking the Flanders Festival Street to a corner community use opposite the Classical Chinese Garden entrance.

- There was a definite consensus for Blanchet on Block A&N, as the configuration of the block made it difficult for other uses, and particularly for vehicle traffic or parking.
- The group put the main (early development) emphasis and focus on Block 26, as it is closer to the existing activity to the south and east (Classical Chinese Garden).
- One preferred strategy was to build flexible space, allowing a myriad of uses, a cultural center, retail space, and allowing expansion of whatever uses settled there. Flexible, but not generic -- ie, use the architecture as a cultural reference, in a substantial, not Disneyfied way.
- There was extensive discussion on the specifics of an asian cultural center, and that to broaden the appeal and potential users, this center could tap into the larger multi-cultural characteristic of the district.
- There was a concern that a ground floor cultural center would use up valuable real estate for more active retail use, so some portions of the facility could be located above the ground floor.
- On Block 26, the flexible retail floorplate shows many small spaces (ala the Global Bazaar during the inaugural Autumn Moon Festival) which might favor a wide range of multi-cultural tenants. Locating the cultural center on the corner, obviously a high impact location, which could change, if retail proved more viable. Also showing even a small amount of retail within the Royal Palm Building, as currently that is a missed opportunity to place more active storefront uses on the Flanders Festival Street.
- On Block 24, north of the Classical Chinese Garden, a grocery store is a potential use, possibly built into the right-of-way, in the area just south of the Steel Bridge, which could accomodate the loading dock in this location. On the 3rd Avenue side, smaller retail stores could line the street face, which would have a much higher entrance frequency than a single grocery entrance, because 3rd Avenue between Flanders and Glisan is one of the few street-facing locations to have double-sided, active retail.
- Regarding the form of the housing - it might be possible to build out over the right-of-way to the north on Blocks 25 and 24, taking advantage of some view corridors to the west, as well as broad views to the river. The group favored smaller floorplate towers, - one developer considered a potential way to make these units unique and economical would be quite small units, perhaps 300 – 400 sf/unit, making every inch count. The square foot costs would be higher, but overall living unit costs could be lower.

Table 3 Urban Design Concept and Influences:

This group of stakeholders expressed a strong preference for Blanchet House to relocate across the street (to Block P). This allows Blocks 24 and 25 to potentially be developed into a northern retail anchor with an asian grocery store (similar to Table 1, although this group showed this grocery anchor surrounded by smaller retail shops along the perimeter). This group felt that a destination-type asian grocery tenant would probably prefer the exposure of Block 25 over Block 24, and this location would further highlight the importance of the Glisan Street retail corridor. Other specifics include:

- Parts of Glisan Street right-of-way could be captured as a plaza area for outdoor eating, temporary art exhibit, store festivals, or other type of outdoor destination point (as similarly planned earlier in the *3rd & 4th Avenue Streetscapes Improvement Plan*).
- An asian cultural center would anchor the opposite side of the entrance into the Classical Chinese Garden, with a community center potentially located on the second level, thus freeing up the ground floor for retail spaces.
- On Block 24, a hotel could anchor the north end of the garden with potential views over the garden as well as have vistas toward the river.
- The east side of Block 24 deemed most suited for parking, given the proximity to the Glisan Street off-ramp. The group discussed 3-4 levels of parking above grade and subsequent housing or office use above that, elevated above the traffic noise, to take advantage of the river and city views.
- The group felt that Blanchet House could occupy 3/8ths of Block P and set back from the Glisan Street frontage for another potential retail use in front. The consensus, however, was unclear of the retail potential for this location, given the potential proximity to queueing, unless the queueing occurred in an internal or otherwise contained outdoor court.
- There was discussion that Block A&N's best use (if not desired by Blanchet) could be for parking, which could be provided above-grade for 3-4 levels. Above parking could be raw live/work spaces which could attract artists and other creative services enticed by the edgy location and proximity to the railyard lines. Noise was a possible deterrent but some noted that this could be offset by the unique vistas.
- For Blocks 24 and 25, the group emphasized optimizing below-grade parking levels by utilizing the areas underneath the streets and interconnecting the two garages, if permitted by cost and utility issues.

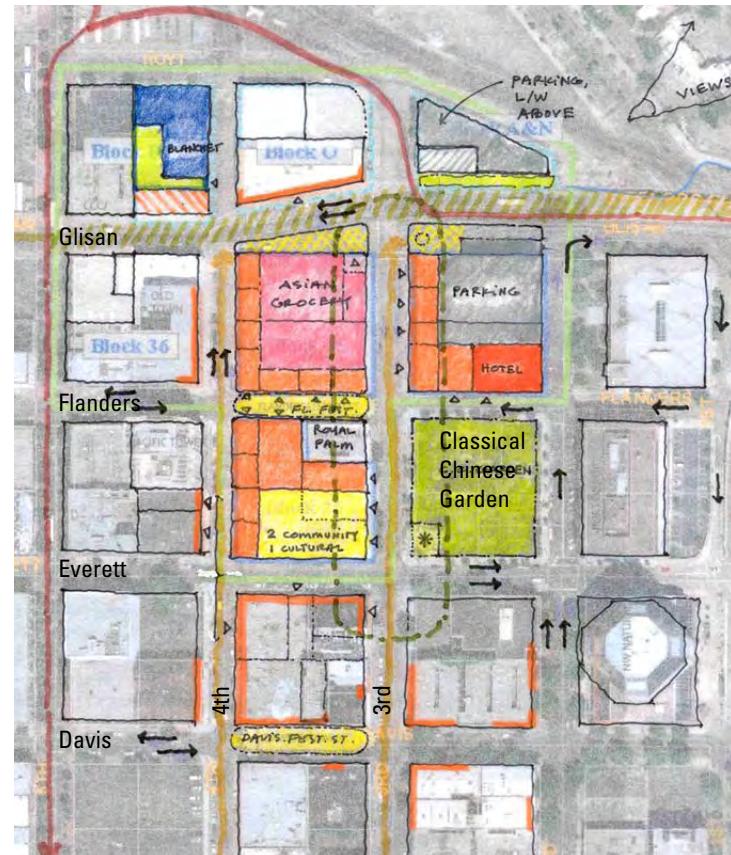


Table 3 Urban Design Concept (locating Blanchet House on Block P)



Table 3 charrette worksession

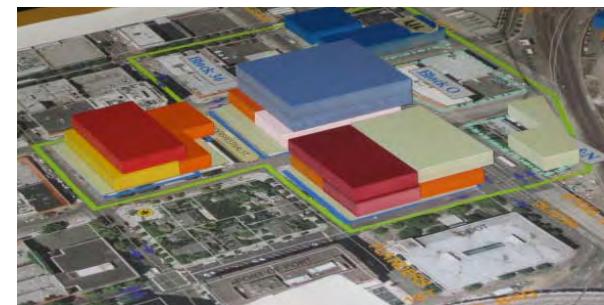


Table 3 ground and second floor use models

IV Concept Scenarios - Blocks 24, 25, 26

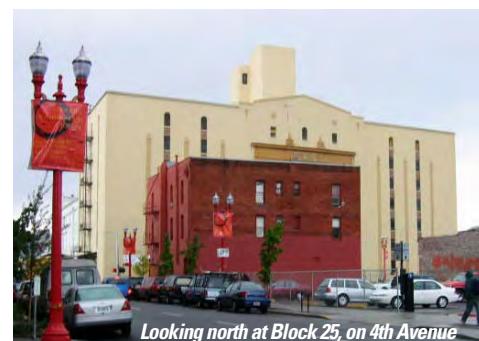
Urban Design Principles for Living Streets

A primary goal of urban developments is to create quality environments that provide maximum benefits for the public, where there is ample light, air and open spaces for everyone. These in-between spaces in the best urban environments tend to create neighborhoods and districts that are stimulating and imbued with human activities and where a distinct sense of place becomes both identifiable and attractive to all visitors and residents. The vibrancy of a neighborhood does not depend on the make up of buildings, streets and open spaces alone but also the ground level activity which determines the level of public social and commercial interaction. The physical characteristics of the urban environment at the street level as well as the building forms above can either enhance or diminish the frequency of human activity. The goal should be creating urban spaces that help enhance activities and yet leave room for urban happenstances that contribute to the vibrancy of living streets.

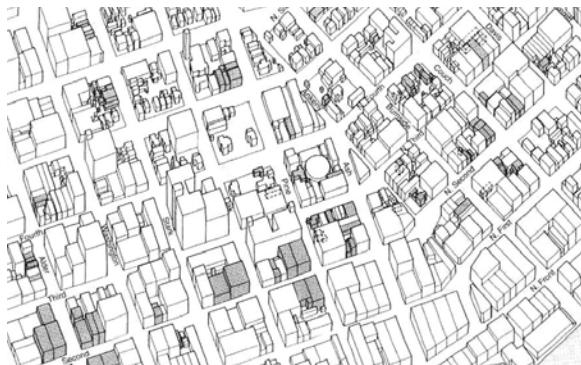
One goal for The North Old Town/Chinatown Redevelopment Strategy is to note these somewhat universal principles and anchor these attributes to the specific local essence of the NOTCT neighborhood, while remaining mindful of the economic realities of urban developments. These principles illustrate characteristics that can be found in many notable cities and peer districts that help describe the performance criteria for vital, active, and interesting living environments. These characteristics, which are categorized under the principle headings below, help guide the environment's in-between spaces, ground level uses and inform the patterns for a flexible framework while allowing for a range of development options.

These principles common in similar peer historic neighborhoods and relevant to the Study Area in particular can be categorized as:

- Small scale (or more properly, grain) of development
- Density (of activities, uses, people, life)
- Diversity (of activities, uses, people)
- Hierarchy of streets and space types
- Preservation and Evolution (both)
- Building Mass and Architecture



NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



Historical Old Town/Chinatown Massing, Portland, OR



Fife Road, Surrey, UK

NOTCT Ownership Parcels

Small-scale (grain) of development:

Historic neighborhoods such as Old Town/Chinatown have typically grown incrementally over a period of time. The parcels of ownership and development tend to be small-scale and this incremental development provides variety and articulation to the urban fabric. The compactness of the parcels provides this grain to the architecture, resulting in a much higher entrance frequency, or simply how many doors are on the street. This, in essence determines the level of human interaction creating an activated, vital and interesting street environment.



New York City, NY



Tokyo, Japan



Chinatown, New York City, NY

Density of Uses:

The more intense level of development derived from a smaller grain pattern will lead to more activated streets if supported by a critical mass of residents and shoppers who live and work in the neighborhood. Culturally rich and vibrant districts tend to hold a great density of people and activities, encouraging the use of streets and sidewalks. This density must be balanced though with the needs of commercial transport, support parking, and simple movement of people.



Vancouver BC



New York City, NY



Chinatown, Vancouver BC



San Francisco, CA

Diversity of Uses:

Accompanying an increased density of uses is typically a rich diversity of uses. A layering of varying uses in a small area encourage pedestrian life and help create social and commerce interaction, for longer hours, that is an amenity for urban living. The NOTCT district already has one of the most diverse populations within the city, and to reinforce this essence with new businesses and residents will continue to enhance the draw to the neighborhood as it evolves.



Arcade



Courtyard



Alleyway



Enclosed Garden

Hierarchy of Connectors:

In most other cultures and in many great cities, a varying pattern of street connectors such as arcades, courtyards, and alleyways provide a mix and hierarchy for human circulation. These important networks create transitional zones between the outside and inside, the public and private, and everything in-between. These in-between and outdoor spaces become public rooms that contribute to a variety of pedestrian experiences, and this district in particular could reinforce this opportunity.



New York City, NY



Portland, OR



Portland, OR



Chinatown, Portland, OR

Preservation and Evolution:

The preservation and evolution by rehabilitation of buildings honors the historic fabric of an urban environment by exhibiting the passage of time and contributing a patina of age to the streetscape. Some buildings remain in constant use over decades and in other cases evolve into something different, still honoring a past but looking toward the future with a new vibrancy. This layering effect speaks about history and constancy but also about transformation and progression, contributing to the richness and vitality of the urban fabric.



Enclosed Balconies



Terraced Housing



Articulated Tower



Courtyard Housing

Architecture and Massing:

Building massing, determined by the allowances for floor-area-ratio (or FAR) and building height requirements produce certain configurations that should be evaluated on the appropriateness for the character of the district. While somewhat determining a building's mass, a variety of housing typologies such as clustered low-rise, perimeter courtyard, row house, articulated towers, or other hybrids contribute to a district's diversity of spaces from within and around the buildings.

Development Scenarios for Blocks 24, 25, 26

The Development Scenarios shown on the following pages illustrate a range of potential options for housing, retail, office, and other ground floor uses. Actual development proposals will vary and will depend on the developers' specific goals, project specific economics, sequencing, market conditions, and a myriad of other variables. The scenarios depicted exhibit potential uses guided by community outreach and feedback, and configured with particular urban design principles that have emerged from charrette workshops, case studies of similar facilities, buildings, and streetscape configurations, as well as subsequent discussions with members of Portland's development community.

It should be noted that the study area's primary blocks have a very large allowable developable area, corresponding to a bonusable floor area ratio (FAR) of 12:1 for Blocks 25 and 26, and 9:1 for Block 24, and a very high height limit (bonusable to 425') for all three blocks. Typically, a site's development potential is partially guided by these allowances. In the case of these three blocks, this very large potential is significantly larger than the surrounding context. To mitigate the bulk and height differences between these blocks and their surroundings, and provide better access to light and air (both within and in-between the buildings as well as to the Classical Chinese Garden), the higher density scenarios show relatively slender housing towers rather than full-block 12-story bulky configurations.

This large allowable FAR could also conceivably result in single-block developments exceeding 500 housing units (depending on unit sizes). This is very large for the Portland market, and therefore the following scenarios all show something less than this number. In the higher density scenarios (approximately 400 units on Block 25) diagrams are included to indicate how phasing might be accomplished in partial block increments, to mitigate absorption rate concerns.



Looking south from Glisan Street and 3rd Avenue at illustrative redevelopment of Block 25 and gateway enhancements within the Glisan right-of-way



Illustrative redevelopment on Block 26, looking northwest from Everett Street and 3rd Avenue, showing ground floor retail with housing above

Six Development Scenarios for Blocks 24, 25, and 26 are shown on the following pages, with specifics and an accompanying narrative. Scenarios 1 and 2 illustrate potential full-block development on Block 25 with Blanchet House relocated to another nearby parcel, while Scenarios 3 and 4 show a potential 3/4 block development, resulting from Blanchet House remaining in their present location, but expanded to 1/4 block.

Subsequent to the development of these scenarios, the Strategy process paused while discussions were held regarding the siting of an expanded Transitions Project Inc. Resource Access Center, perhaps co-located with Blanchet House, either on Block 25, or on another nearby block. Once the Resource Access Center's location was determined (approximately 3 blocks to the west), it was confirmed that Blanchet House would remain on Block 25, and the location was further specified as the northeast corner of the block. This caused the generation of Scenarios 5 and 6, which are slight modifications to Scenarios 3, and 4, rotated and slightly reconfigured to best illustrate compatibility with the newly determined location for Blanchet House.



Illustrative redevelopment on Blocks 24, 25, 26, and A&N

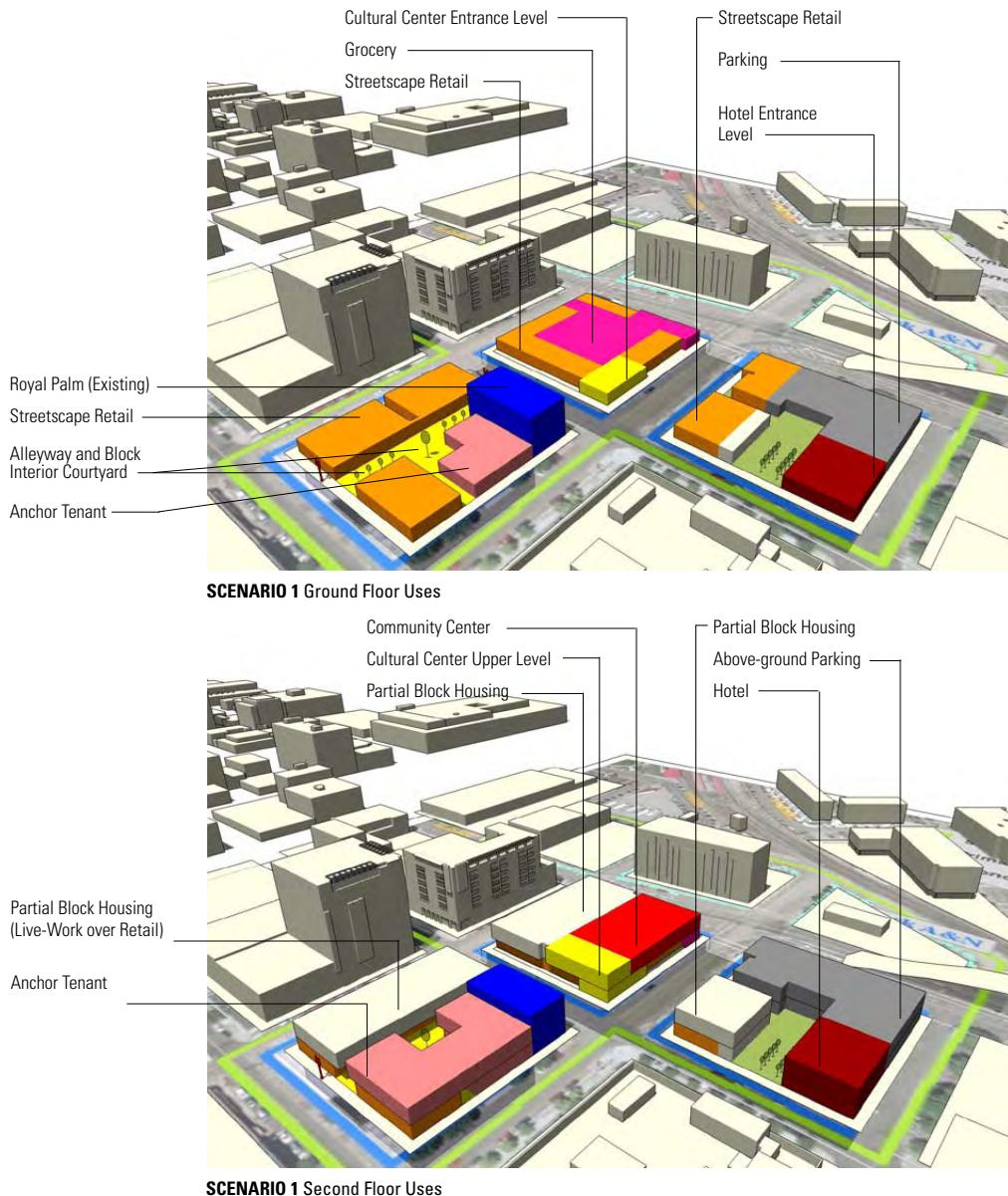
NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

Scenario 1 assumes that the three primary blocks of the study area are built out nearly to their allowable potential, and that this happens relatively concurrent in a single catalytic development. This scenario offers the best alternative for rapid revitalization of the district, but also carries the earliest and costliest expenditures. A single, multi-block development creates the most seamless synergy between adjacent uses, has the potential for creating the most double-sided streetscape retail, and has the potential for a less expensive below-grade parking configuration (constructed at one time and utilizing the area beneath the interconnecting streets.) This scale of development is quite different than the district's existing character and may prove extremely difficult to sell or lease in a reasonable timeframe, given the market's difficulty in absorbing the potentially large number of housing units.

This scenario assumes that Blanchet House relocates to Block A&N or another suitable location, and there is interest from a hybrid-type destination grocery on **Block 25**, ringed with streetscape retail. If a champion emerges, a small-scale cultural center, combined with a second floor community center, would be the tenant of the podium levels, with a mix of for-sale condominiums and townhouses, and rental apartments above.

On **Block 26**, ground floor retail, combined with potential anchor office or educational uses form the lower floors, possibly centered around a mid-block courtyard. The inner block circulation paths tie the retail and streetscape activity of the Flanders Festival Street to the entrance to the Classical Chinese Garden.

Block 24 will most likely not be developed for some time, given that there is little incentive for the NW Natural ratepayers ownership to build (or sell) in the near future. At a later date, however, this site would be advantageous for mid-rise housing or hotel uses to take advantage of southern exposure and views over the Garden. A headquarters-type office tower could rise on the northern portion of the block, with less expensive above-grade parking on the floors adjacent and below the Glisan Steel Bridge ramp.





SCENARIO 1 Full Buildout

Scenario 1 Three Block Totals

| | |
|----------------------------|--|
| Site Area: | Approx. 115,000sf |
| FAR: | 12:1 (Blocks 25 and 26) and 9:1 (Block 24) (including 3:1 bonus for housing) = 1,260,000sf allowed |
| Parking: | 115,000sf (1 or 2 levels below ground) + 50,000sf on levels 1, 2, 3 of Block 24 |
| Hotel | 80,000sf |
| Retail | 50,000sf |
| Cultural Center | 10,000sf |
| Community Center | 15,000sf |
| Grocery Store | 20,000sf |
| Anchor Tenant | 20,000sf |
| Office | 140,000sf |
| Housing (900 units) | 720,000sf |
| Overall Gross | 1,105,000sf |

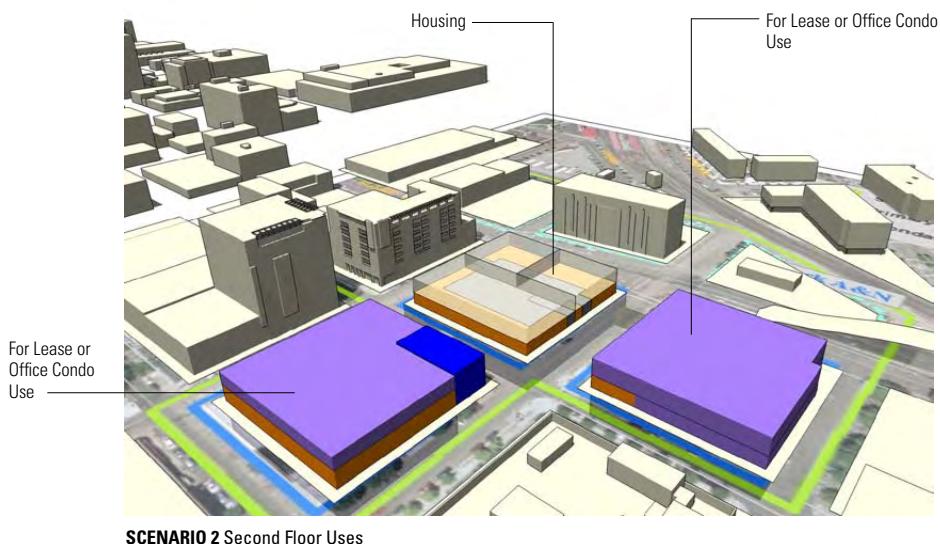
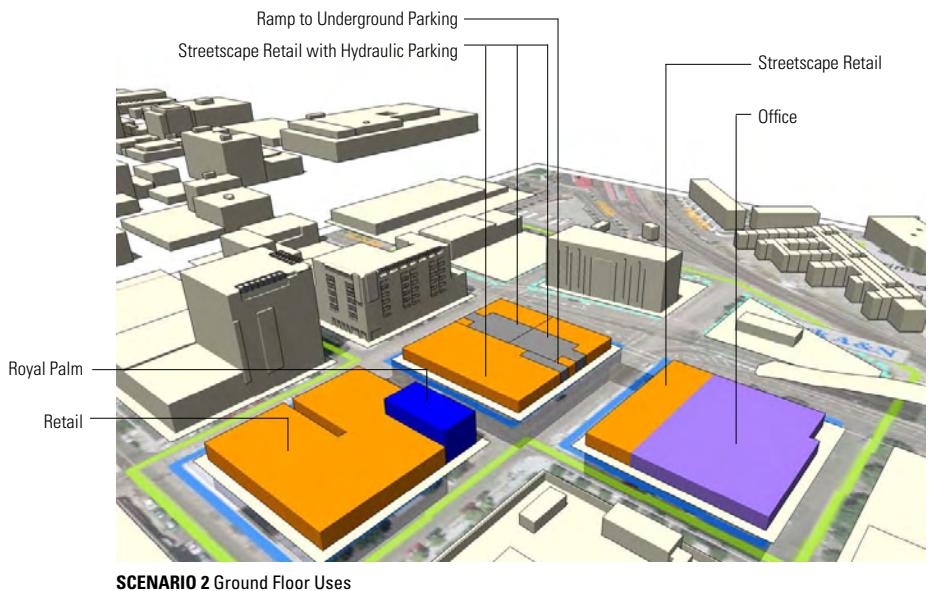
* The number of housing units shown associated with Block 25 are those used in the illustrative proformas listed in this report's appendix.

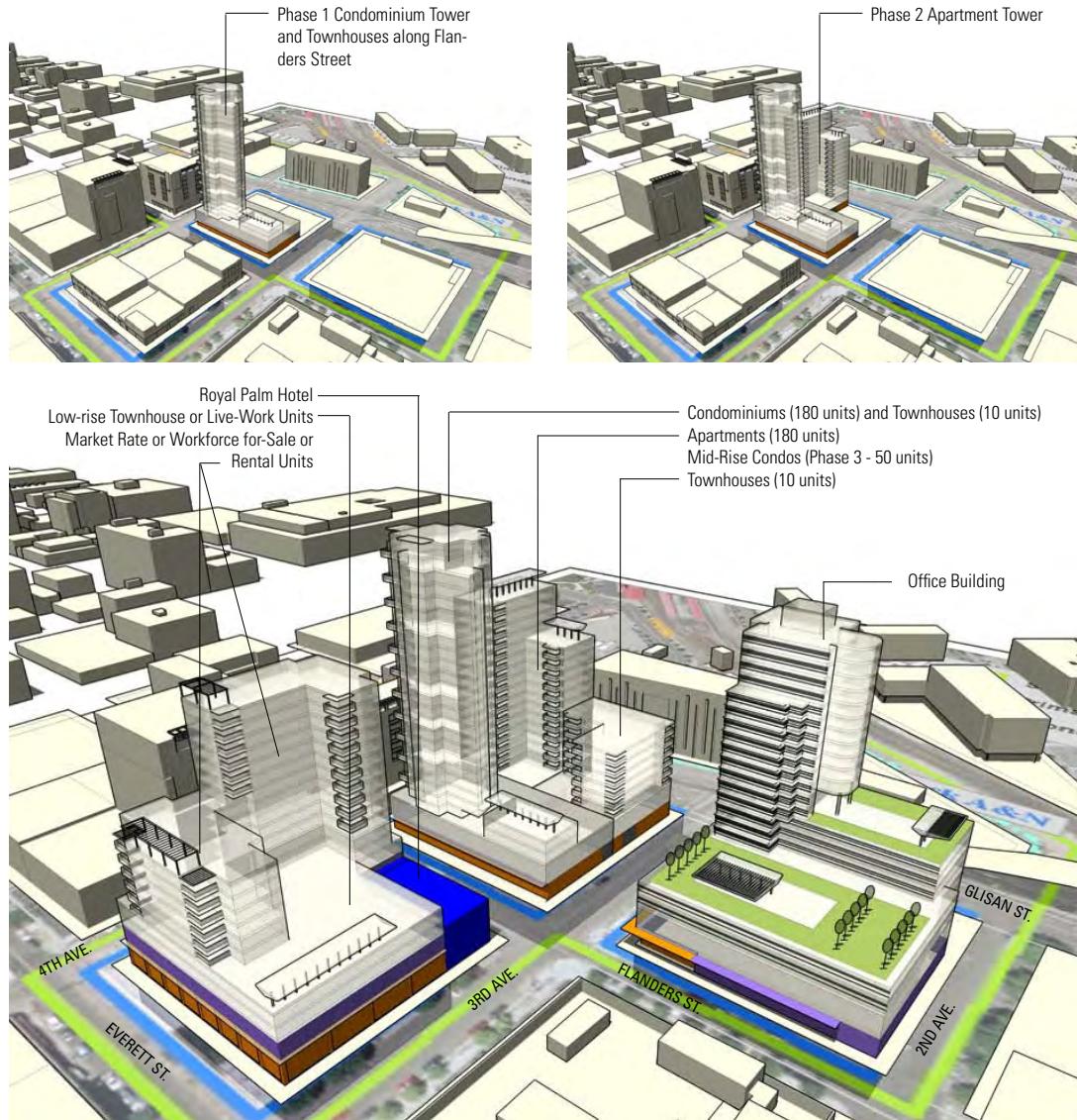
Scenario 2 assumes that the three primary blocks of the study area are built out nearly to their development potential, and that this development happens incrementally, in partial-block steps. This scale of development is in keeping with the district's existing massing and grain of streetscape variety. Because Portland's blocks are relatively small, there are often higher construction costs associated with partial-block developments. The main difficulty in the past has been that smaller $\frac{1}{4}$ -block parcels create very inefficient parking layouts. Recent advances in robotic or hydraulic parking technology, however, might be employed to enable these smaller parcels to be developed efficiently with appropriate parking ratios. While providing a slower, less catalytic revitalization, incremental development would incur less upfront investment and less risk of providing an overabundance of housing that the market may not be able to absorb in a reasonable timeframe.

This scenario assumes that Blanchet House relocates to Block A&N or another suitable location. As a first development increment on **Block 25**, a $\frac{1}{2}$ -block parcel is constructed, along the southern edge of the block (adjacent to the Flanders Festival Street) with a mix of condominiums and townhouses. Two levels of below-grade parking could be built relatively economically under a parcel of this size, with retail on the ground floor to activate Flanders and 3rd and 4th Avenues. The northern $\frac{1}{4}$ -block parcels are shown with mid-rise condominiums and high-rise apartments to fill the block's overall FAR allotment, but provide a variety of housing products.

Block 26 is illustrated developed in similar increments, again with a mix of different housing products, over a podium of retail, office, and housing uses. A small amount of office space (lease or for-sale) is a possible program component, given the block's large allowable FAR, and the potential of shared parking between the office and housing uses.

Block 24 is shown as primarily office use, with ground level retail along 3rd Avenue, one of the few locations in the study area where retail on both sides of the street can be accomplished. Above this podium, a headquarters-type office building might be constructed for NW Natural, although this is only likely to occur as a later phase development.





SCENARIO 2 Full Buildout

Scenario 2 Three Block Totals

| | |
|----------------------------|---|
| Site Area: | Approx. 115,000sf |
| FAR: | 12:1 (Blocks 25 and 26) and 9:1 (Block 24) (including 3:1 bonus for housing) = 1,260,000sf allowed |
| Parking: | 115,000sf (1 level below ground) +25,000sf on levels 1,2, 3 of Block 25 + 50,000sf on levels 1, 2 of Block 24 |
| Retail | 70,000sf |
| Office | 400,000sf |
| Housing (800 units) | 650,000sf |
| Overall Gross | 1,195,000sf above ground |

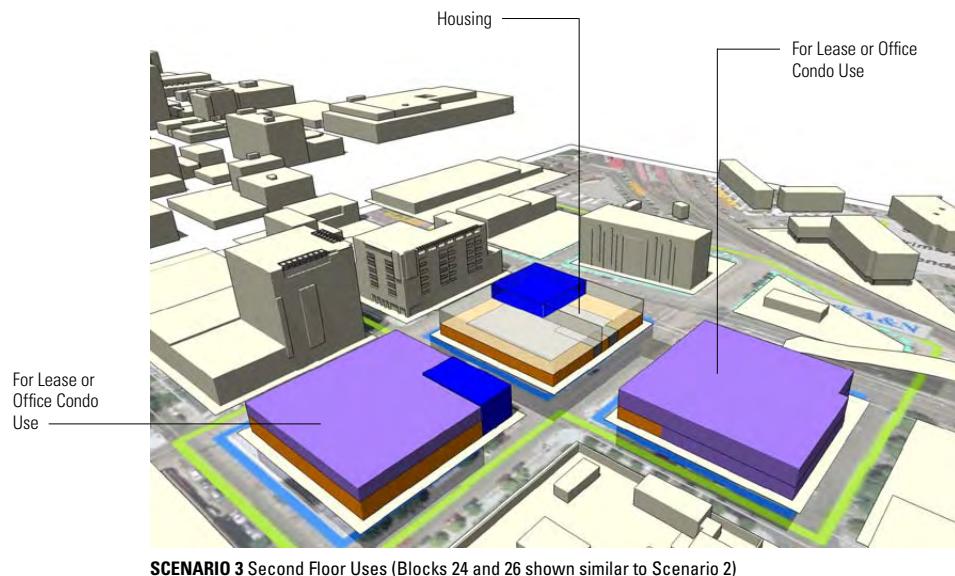
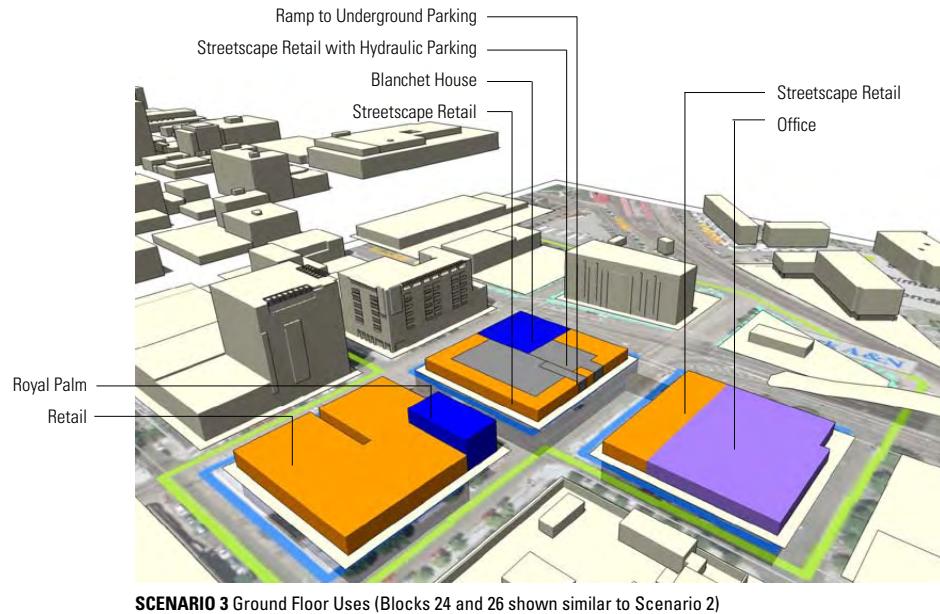
* The number of housing units shown associated with Block 25 are those used in the illustrative proformas listed in this report's appendix.

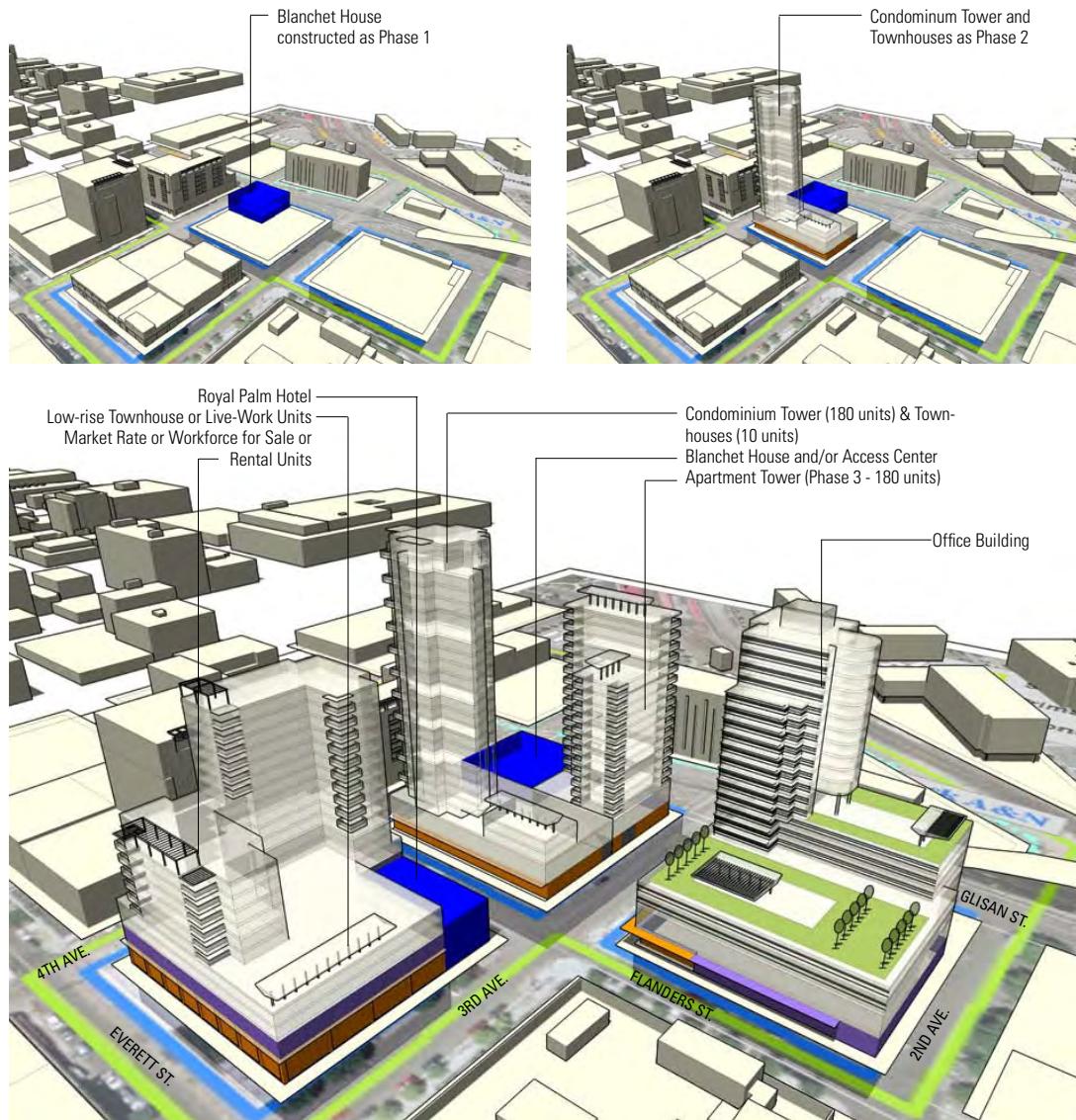
Scenario 3 is the same as Scenario 2 in nearly all respects, except that Blanchet House remains in their present location and expands to a $\frac{1}{4}$ -block parcel. The remaining $\frac{3}{4}$ -block would likely be developed as either a single project or multiple increments, depending on the development proposal. If configured correctly on the ground and podium floors, this scale of development is in keeping with the district's existing massing and grain of streetscape variety. Several potential parking configurations are possible, depending on the size of parcels developed, and parking efficiency and costs would likely be higher than in Scenario 1, but reasonable efficiencies could be achieved conventionally on a $\frac{1}{2}$ -block parcel, or $\frac{1}{4}$ -block parcels with a simple hydraulic configuration. While providing a slower, less catalytic revitalization, this scenario of incremental development would incur less upfront investment and less risk of providing an overabundance of housing that the market may not be able to absorb in a reasonable timeframe.

In this scenario, Blanchet House remains on **Block 25**. This most likely precludes the possibility of a grocery store on the ground floor of the block, in favor of smaller-scale retail and/or community uses. As Blanchet House is prepared to construct their facility soon, it is shown on the phasing diagram on the opposite page as the first increment constructed on the block. After this, the $\frac{1}{2}$ -block parcel along the southern edge of the block (adjacent to the Flanders Festival Street) could occur, with a mix of condominiums and townhouses. Two levels of below-grade parking could be built economically under a parcel of this size, with retail on the ground floor to activate Flanders and 3rd and 4th Avenues. The remaining northeastern $\frac{1}{4}$ -block parcel is shown with a large-scale apartment building to fill the block's overall FAR allotment, providing a variety of housing products.

Similar to Scenario 2, **Block 26** is illustrated developed in increments, again with a mix of different housing products, over a podium of retail, office, and housing uses. A small amount of office space (lease or for-sale) is a possible program component, given the block's large allowable FAR, and the potential of shared parking between the office and housing uses.

Block 24 will most likely not be developed for some time, given that there is little incentive for the NW Natural ratepayers ownership to build (or sell) in the near future. At a later date, however, this site would be advantageous for mid-rise housing or hotel uses to take advantage of southern exposure and views over the garden. A headquarters-type office tower could rise on the northern portion of the block, with less expensive above-grade parking on the floors adjacent and below the Glisan Steel Bridge ramp.





SCENARIO 3 Full Buildout

Scenario 3 Three Block Totals

| | |
|----------------------------|---|
| Site Area: | Approx. 115,000sf |
| FAR: | 12:1 (Blocks 25 and 26) and 9:1 (Block 24) (including 3:1 bonus for housing) = 1,260,000sf allowed |
| Parking: | 115,000sf (1 level below ground) +15,000sf on levels 1,2,3 of Block 25 + 50,000sf on levels 1, 2 of Block 24 |
| Retail | 60,000sf |
| Office | 400,000sf |
| Housing (750 units) | 600,000sf |
| Overall Gross | 1,125,000sf above ground |

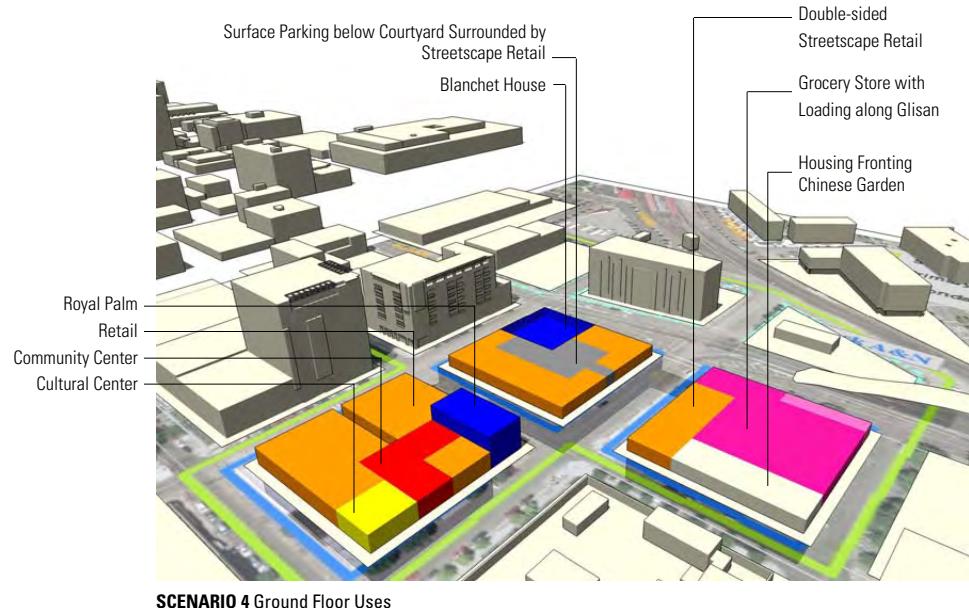
* The number of housing units shown associated with Block 25 are those used in the illustrative proformas listed in this report's appendix.

Scenario 4 is a significantly less dense development on Block 25 than the prior three scenarios. While the City's goals assume that most parcels are developed to meet their potential with respect to FAR and height limits, it may be that a near-term development on Block 25 is much lower and contains fewer units than allowable. This scenario also assumes the Blanchet remains on Block 25, but the remaining $\frac{3}{4}$ -block is shown with a mix of three-, four-, and five-story mid-rise housing blocks, similar to some built recently in the vicinity. If configured correctly on the ground floors, this scale of development is in keeping with the district's existing massing and grain of streetscape variety. This pattern of retail and housing would provide a level of revitalization to the district, although would not likely create the same intensity of street activity as the scenarios with more developed uses. At the same time, this scale of housing would most likely require less upfront investment and less risk of providing an overabundance of housing onto the market.

In this scenario, Blanchet House remains on **Block 25**. As there are fewer housing units provided in this scenario than in the denser versions, less parking is also likely to be necessary. One level of below-grade parking could be built beneath the housing and courtyard areas, with additional on-grade parking on the block interior, surrounded by streetscape retail. The housing could be low- and midrise, less expensively constructed (most likely apartments) than high-rise condominiums.

Similar to Scenario 2, **Block 26** is illustrated with ground floor cultural center and community center uses located opposite the entrance of the Classical Chinese Garden. Above these podium uses, a mix of different housing products could be constructed, configured to keep shade on the garden minimal.

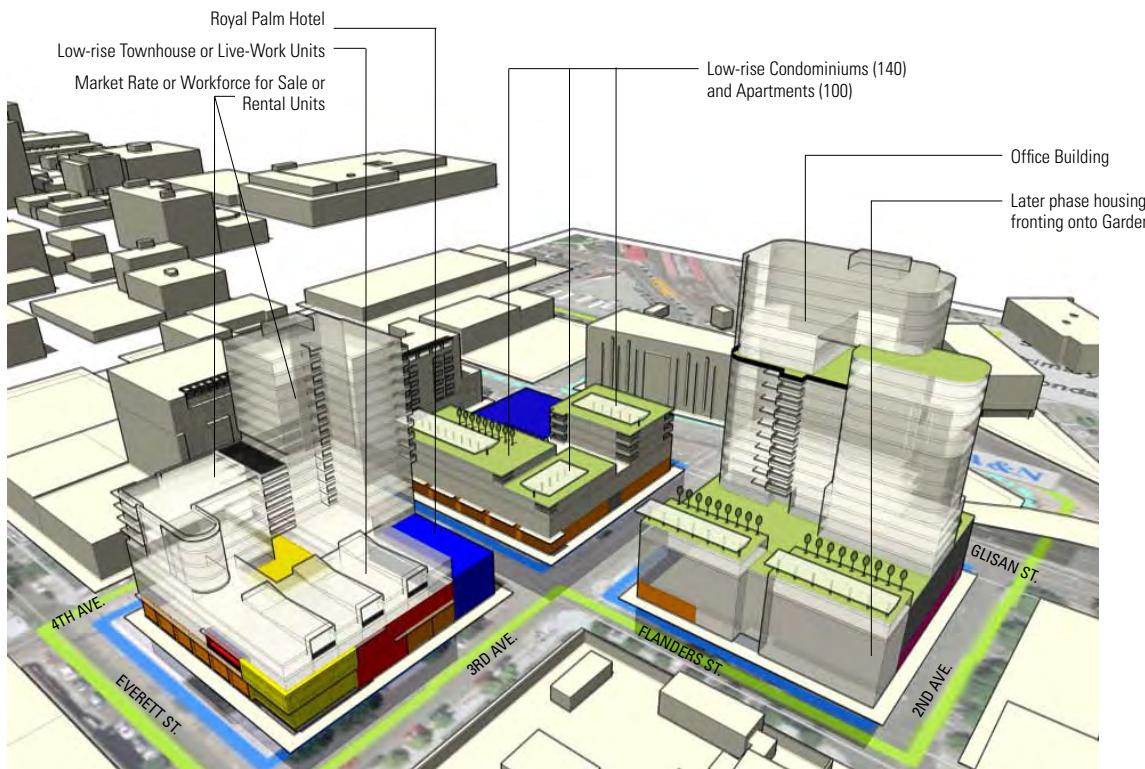
Block 24 is shown with a grocery store on the ground floor, with loading well located on the northern side of the block, beneath the Glisan Street ramp. Streetscape retail is included along 3rd Avenue, in one of the few locations in the study area where retail on both sides of the street can be accomplished. Above-ground parking could be located on the upper podium levels, with housing fronting the Classical Chinese Garden on the southern side of the block. Above these podium uses, a headquarters-type hotel type office building might be developed for NW Natural, although this is only likely to occur as a later phase development.



SCENARIO 4 Ground Floor Uses



SCENARIO 4 Second Floor Uses



SCENARIO 4 Three Block Totals

| | |
|----------------------------|--|
| Site Area: | Approx. 115,000sf |
| FAR: | 12:1 (Blocks 25 and 26) and 9:1 (Block 24) (including 3:1 bonus for housing) = 1,260,000sf allowed |
| Parking: | 115,000sf (1 level below ground) +15,000sf on levels 1,2,3 of Block 25 + 50,000sf on levels 1, 2 of Block 24 |
| Retail | 40,000sf |
| Cultural Center | 5,000sf |
| Community Center | 15,000sf |
| Grocery Store | 25,000sf |
| Office | 300,000sf |
| Housing (650 units) | 500,000sf |
| Overall Gross | 950,000sf above ground |

* The number of housing units shown associated with Block 25 are those used in the illustrative proformas listed in this report's appendix.

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

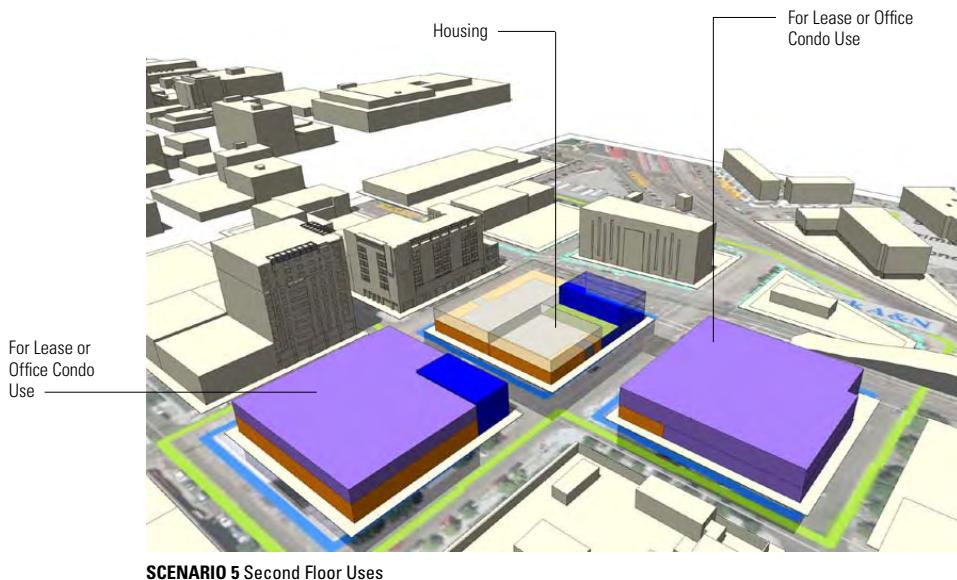
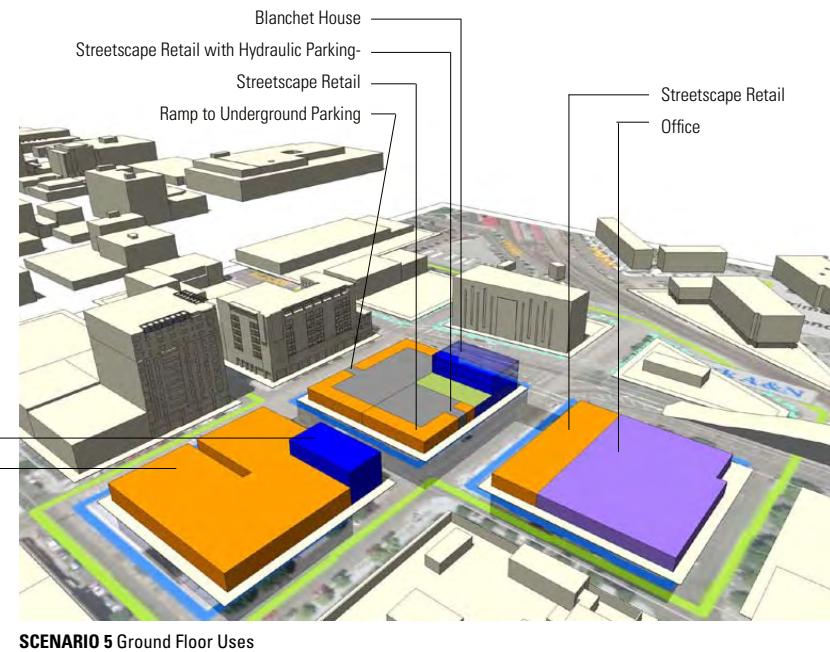
Scenarios 1 through 4 were generated in early 2007, and after the pause in the Strategy process, when Blanchet House was assigned its parcel at the northeast corner of Block 25, the following two scenarios were developed. Scenarios 5 and 6 show Blanchet House's currently planned building massing in this location.

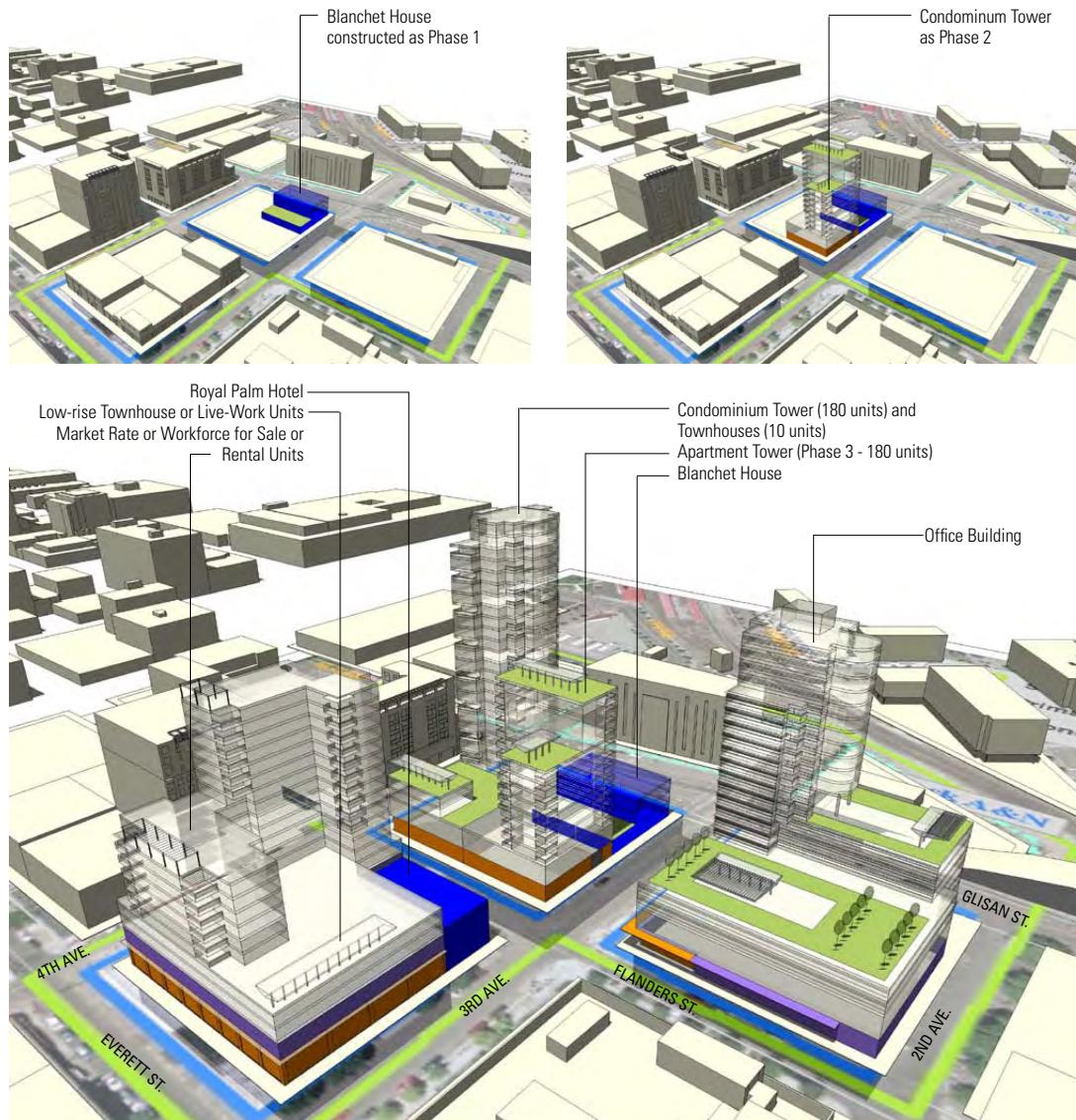
Similar to Scenario 3, **Scenario 5** shows a relatively dense configuration of uses on the remaining 3/4 of Block 25, developed as either a single project or multiple increments, depending on the development proposal. Shown as smaller-footprint housing high- or mid-rise towers over a two or three level podium, this scale of development, if built out incrementally or massed accordingly, could be contextual with the district's existing massing and grain of streetscape variety. Several potential parking configurations are possible, depending on the size of parcels developed, and parking efficiency and costs would likely be higher than with larger, single-phase developments, but reasonable efficiencies could be achieved conventionally on a ½-block parcel, or ¼-block parcels with a simple hydraulic configuration. Similar to the other incremental concepts presented, this scenario would provide a slower, less catalytic revitalization, but would incur less upfront investment and less risk of providing an overabundance of housing that the market may not quickly absorb.

In this scenario, Blanchet remains on **Block 25**. This most likely precludes the possibility of a grocery store on the ground floor of the block, in favor of smaller-scale retail and/or community uses. As Blanchet is prepared to construct their facility soon, it would most likely be the first increment constructed on the block. After this, the block could be constructed as additional incremental phases, or in a single development.

Similar to Scenarios 2 and 3, **Block 26** is illustrated developed in increments, again with a mix of different housing products, over a podium of retail, office, and housing uses. Several floors of office component, given the block's large allowable FAR, and the potential of shared parking between the office and housing uses.

Block 24 will most likely not be developed for some time, given that there is little incentive for the NW Natural ratepayers ownership to build (or sell) in the near future. At a later date, however, this site would be advantageous for office or housing uses to take advantage of southern exposure and views over the Classical Chinese Garden, potentially with less expensive above-grade parking on the floors adjacent and below the Glisan Steel Bridge ramp.



**SCENARIO 5** Full Buildout**Scenario 5 Three Block Totals**

| | |
|----------------------------|--|
| Site Area: | Approx. 115,000sf |
| FAR: | 12:1 (Blocks 25 and 26) and 9:1 (Block 24) (including 3:1 bonus for housing) = 1,260,000sf allowed |
| Parking: | 115,000sf (1 level below ground) +15,000sf on levels 1,2,3 of Block 25 + 50,000sf on levels 1, 2 of Block 24 |
| Retail | 60,000sf |
| Office | 400,000sf |
| Housing (750 units) | 600,000sf |
| Overall Gross | 1,125,000sf above ground |

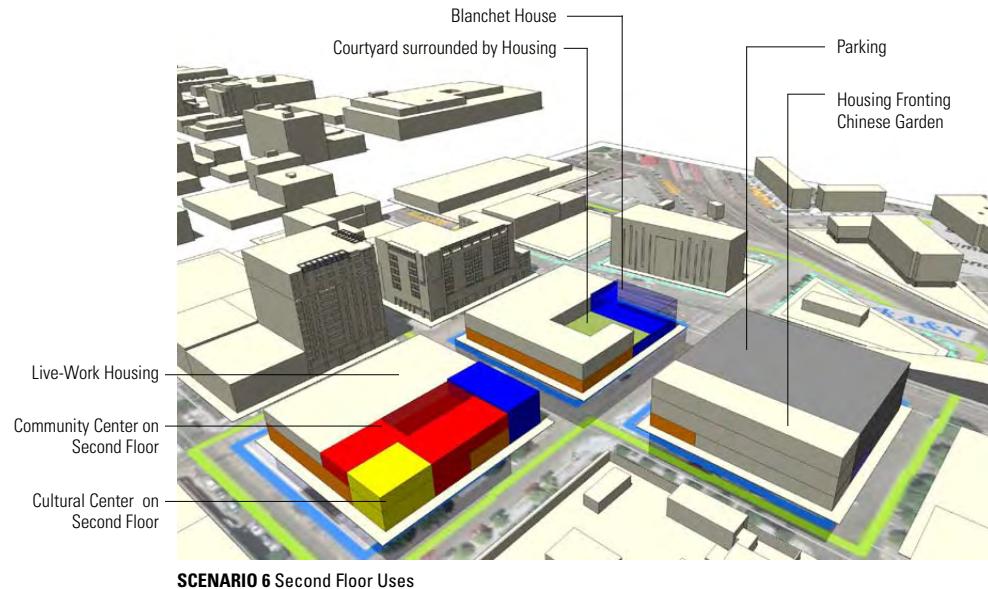
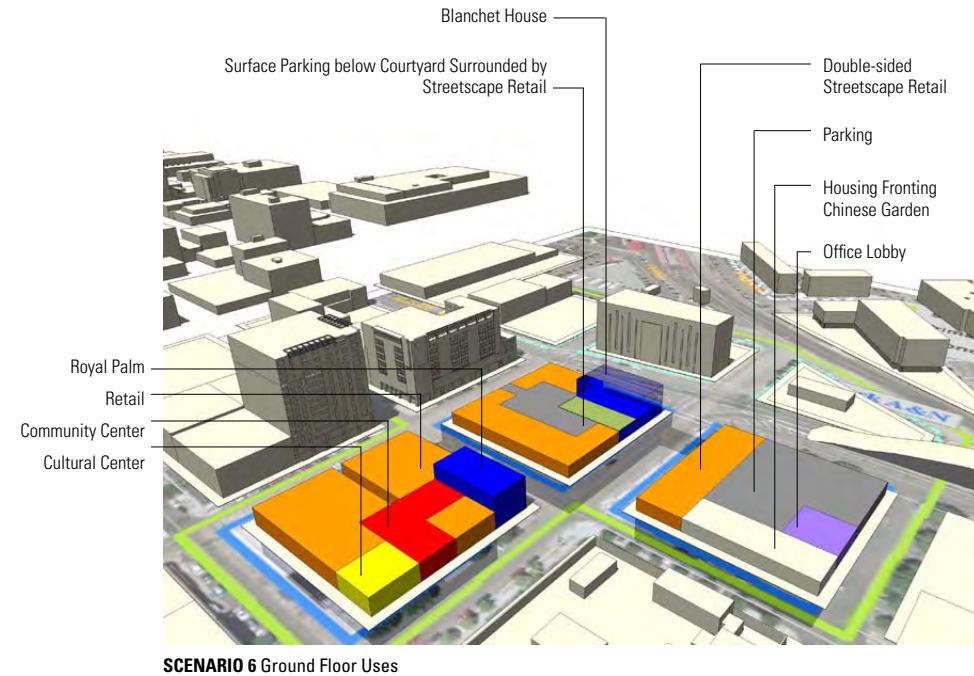
NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

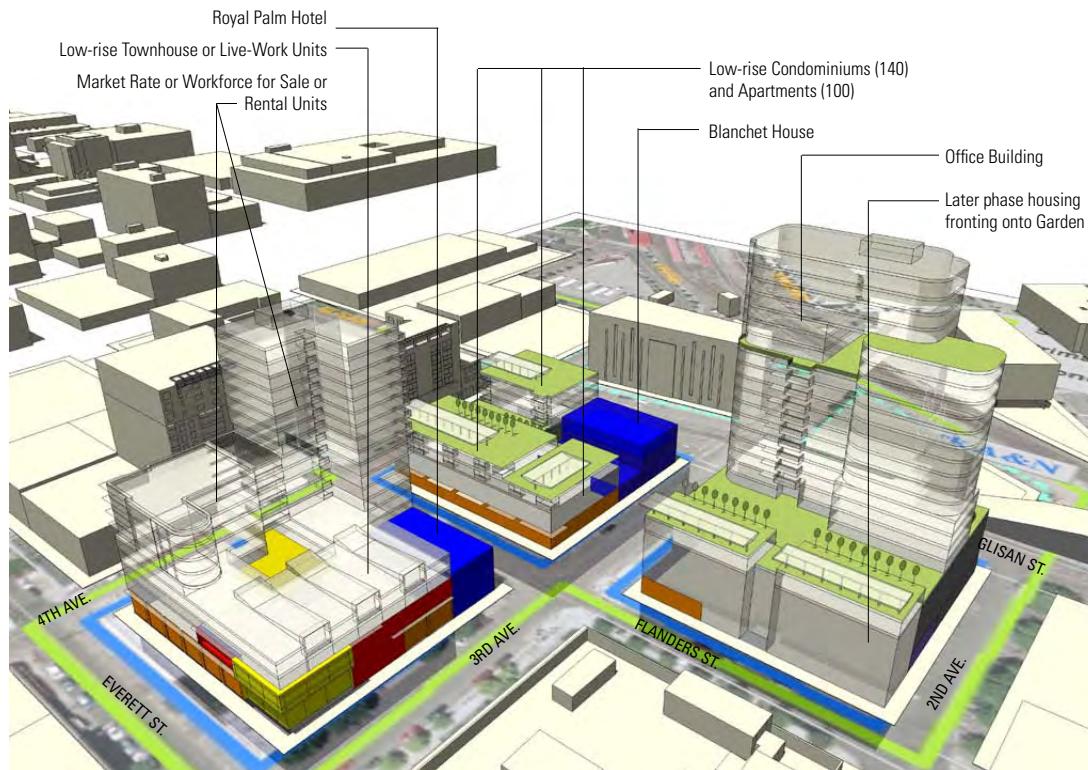
Similar to Scenario 4, **Scenario 6** is a significantly less dense development on Block 25 than the potential F.A.R. or height limit allows. This scenario locates Blanchet House remaining on Block 25, shifted to its new location at the northeast corner of the block. The remaining $\frac{3}{4}$ -block is shown with a mix of three-, four-, and five-story mid-rise housing blocks, similar to some built recently in the vicinity. This scale of development is in keeping with the district's existing massing and if configured correctly, could be continue the contextual small-scale grain of streetscape variety. This pattern of retail and housing would provide an increased level of revitalization and vibrancy to the district, although would not bring the same intensity of street activity as the scenarios with more dense configurations of housing. At the same time, this scale of housing would most likely require less upfront investment and less risk of providing an overabundance of housing onto the market at a single time.

In this scenario, Blanchet House remains on **Block 25**. As there are fewer housing units provided in this scenario than in the denser versions, less parking is also likely to be necessary. One level of below-grade parking could be built beneath the housing and courtyard areas, with additional on-grade parking on the block interior, surrounded by streetscape retail. The housing could be low- and midrise, less expensively constructed than high-rise towers.

Similar to Scenarios 2 and 4, **Block 26** is illustrated with ground floor cultural center and community center uses located opposite the entrance of the Classical Chinese Garden. Above these podium uses, a mix of different housing products could be constructed, configured to keep shade on the garden minimal.

Block 24 is shown with parking on the northeastern portion of the block, adjacent to the Glisan Street ramp, with streetscape retail along 3rd Avenue, in one of the few locations in the study area where retail on both sides of the street can be accomplished. Above-ground parking could be located on the upper podium levels in the north, with housing fronting the Classical Chinese Garden on the southern side of the block. Above these podium uses, a headquarters-type hotel type office building might be developed for NW Natural, although this is only likely to occur as a later phase development.





SCENARIO 6 Full Buildout

SCENARIO 6 Three Block Totals

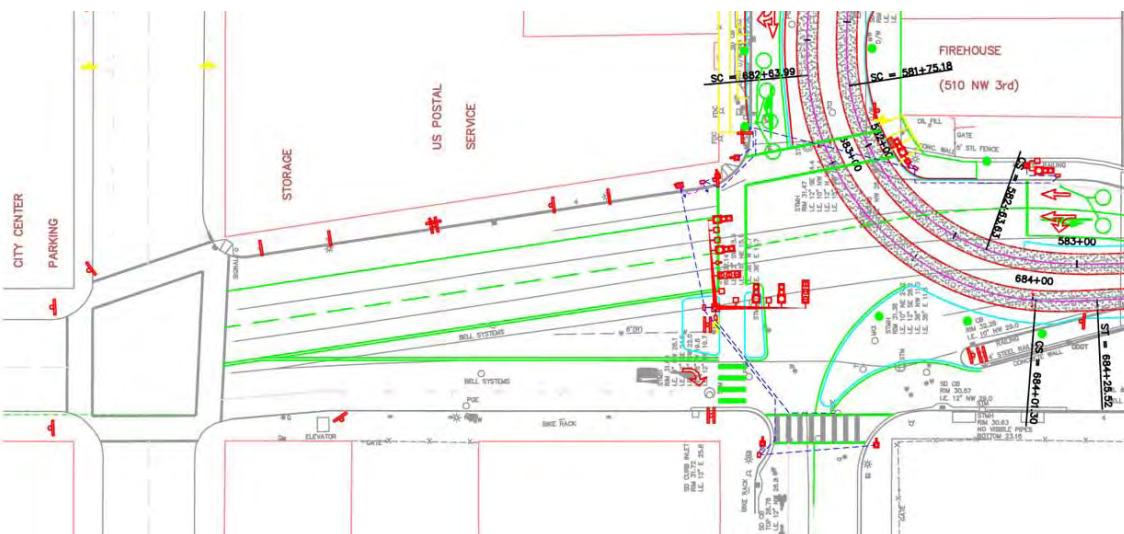
| | |
|----------------------------|---|
| Site Area: | Approx. 115,000sf |
| FAR: | 12:1 (Blocks 25 and 26) and 9:1 (Block 24) (including 3:1 bonus for housing) = 1,260,000sf allowed |
| Parking: | 115,000sf (1 level below ground) +15,000sf on levels 1,2,3 of Block 25 + 50,000sf on levels 1, 2 of Block 24 |
| Retail | 40,000sf |
| Cultural Center | 5,000sf |
| Community Center | 15,000sf |
| Grocery Store | 25,000sf |
| Office | 300,000sf |
| Housing (650 units) | 500,000sf |
| Overall Gross | 950,000sf above ground |

V Glisan Plaza Scenarios

Glisan Street Right-of-Way and Gateway Enhancement

Flanking the north side of Block 25, Glisan Street between 3rd and 4th Avenues is a triangular parcel that is currently configured as a right turn lane onto 3rd Avenue. This right-of-way area was envisioned as a pedestrian-captured plaza in the *3rd & 4th Avenue Streetscape Plan* (see below on opposite page) and was indicated as being deferred improvements to be done during future developments in the area. Creation of a plaza in this location was intended to emphasize a northern gateway into the district, provide a gathering area for the uses of Block 25, as well as minimize the auto traffic zone and crossing distance for pedestrians across Glisan. Since that study was published in 2002, however, several major influences on that design have changed:

- Light Rail tracks are currently under construction, traveling east/west along Glisan on grade with the Steel Bridge approach ramp, east of 3rd Avenue. At 3rd, the tracks turn to the north and travel between Block A&N and Block O, where they turn back to the west on the north side of Block O. (A larger context map of this configuration is shown on page 9.)
- The five stories of office uses in the renovated *East of Pearl Building* currently under construction on the southern half of Block O will substantially help activate the area north of Glisan and may signal that the appropriate timing for this Plaza is sooner rather than later.
- Blanchet House has now been assigned the northeast corner of Block 25, adjacent to the widest portion of the plaza. In order that this plaza not become a managerial difficulty and potential outdoor queuing area Blanchet House patrons, the design of the plaza may now take on different parameters.



Planned Glisan Street improvements and Tri-Met realignment



The existing asphalt expanse on Glisan Street, between 3rd and 4th Avenues, as seen from the east



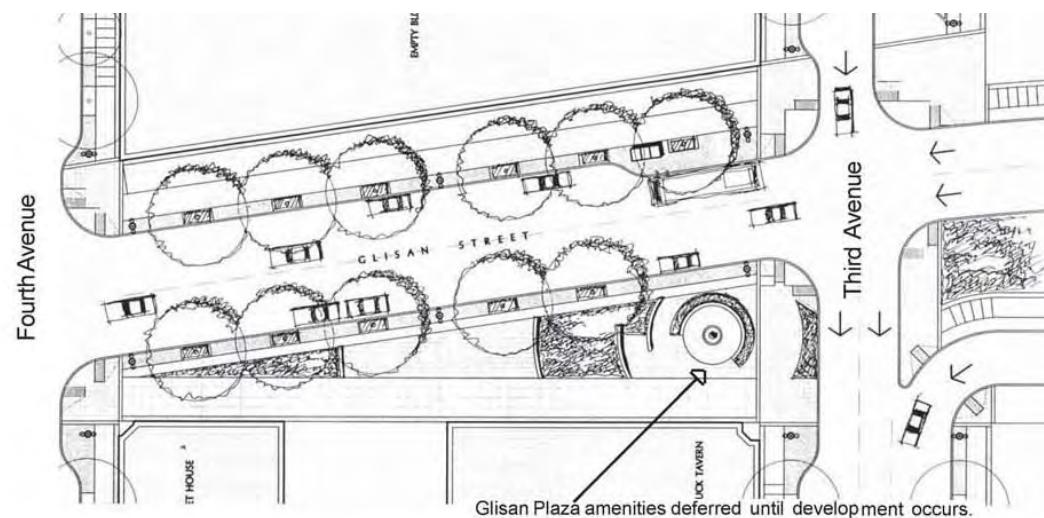
Looking east on Glisan Street towards the Steel Bridge approach ramp, from 4th Avenue

The size of this plaza area (depending on the sidewalk dimensions) is approximately 50' at the wide point, 20' at the narrow point, for the full approximately 200' length of the block. While relatively generous at approximately 7,000sf, the total captured space will depend on the sidewalk dimensions as well as results from the process of vacating the right-of-way.

The following scenarios looked at a range of possible concepts for the parcel. These concepts are not intended as actual designs, and are structured to illustrate a variety of ideas highlighting certain opportunities and responding to the influences of nearby developments. The scenarios explore four ideas: specifically a **Hardscape Plaza**, **Landscape Plaza**, **Building Extending over Right-of-Way**, and **Pavilions Within the Plaza**. These are four substantially different approaches addressing the same issues that would be key to the success on the use of this open space, primarily:

- Creating a gateway feel that honors the history and culture of the neighborhood and is inclusive of its diverse constituents;
- Creating a use that is community friendly;
- Creating a low-maintenance space; and
- Taking care to avoid inadvertently creating new outside queueing areas and management challenges for Blanchet House.

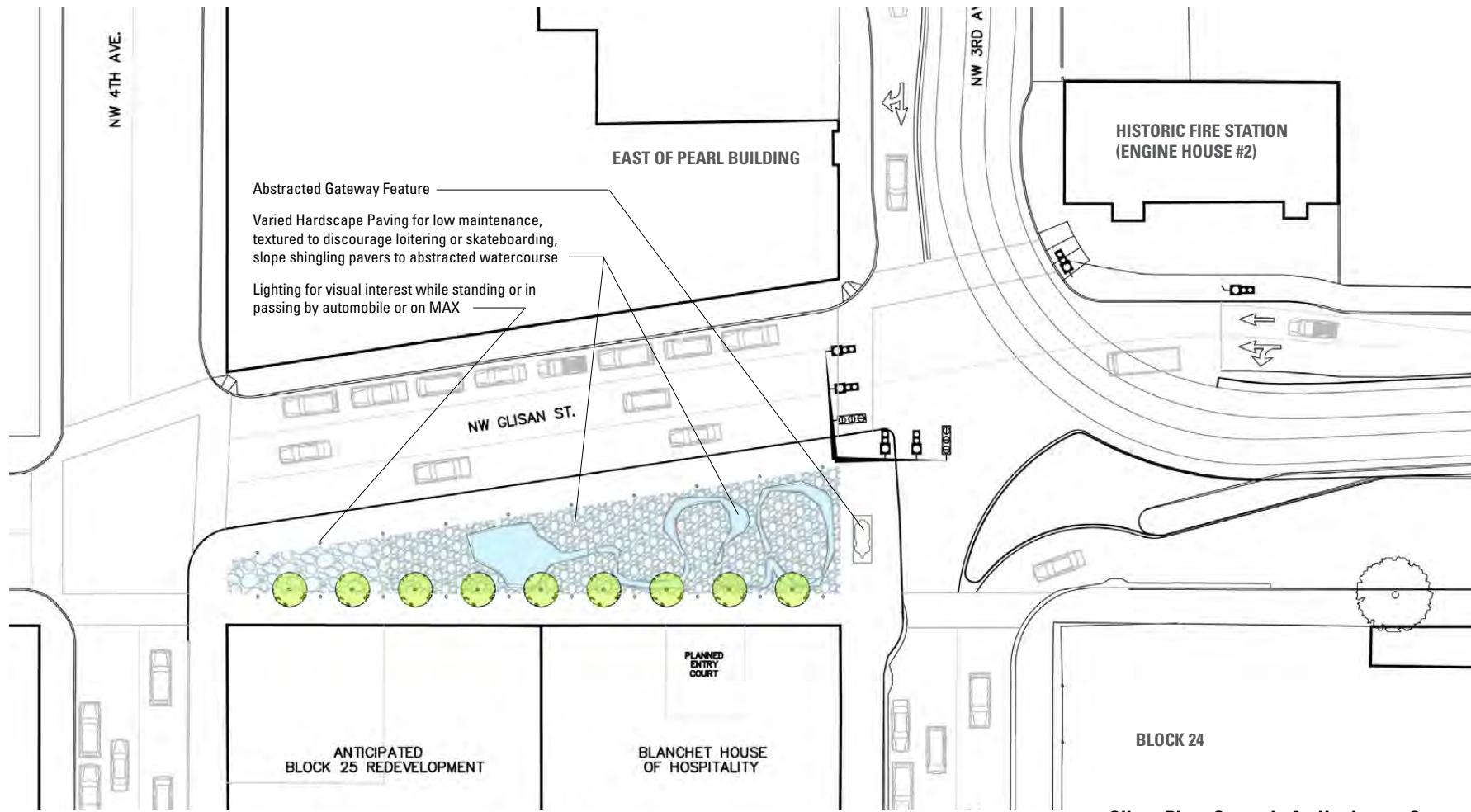
The Concepts illustrate a spectrum of possibilities for this plaza and gateway site and some examples may carry a relatively high cost/sf, but potentially offset by the fact that this area is City-owned land is currently unusable except as a turning lane. What is planned in this space will have a positive effect on the pedestrian experience and the adjacent developments in this location. Coordinating this effort in a short timeframe with Tri-Met and PDOT would be advantageous.



The previous Glisan Plaza design, by SRG Partnership, PC, Nevue Ngan Associates, Suenn Ho Design, from the 2002 3rd and 4th Avenue Streetscape Plan (prior to the resiting of Blanchet House at the NE corner of Block 25)



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The **Hardscape Plaza Concept** seeks to use the elements of water and light in an abstracted and minimal fashion to define the plaza space and fuse ecology with art. The scenario shows an abstracted watercourse and hardscape approach using textured paving and hard-paved gullies to focus on the primacy of water. Rain, (or drizzle) would accumulate across the rippled surface and wends its way through shallow gullies to be absorbed through the collection pool – where it can be captured, or absorbed over time and then released through soakage beneath the plaza.

The management of rainwater is a universal theme for the Pacific Northwest region as well as a shared value for Oregonians. This concept illustrates that the plaza can be imbued with an aesthetic quality while serving as a learning tool about environmental contributions. Light sources as art and gateway would mark the location, experienced at walking speed by pedestrians, or at higher speeds by passers-by in autos or on light rail. The nighttime lighting in the area also helps with security, and the textured paving would make the plaza somewhat uncomfortable for long-term gathering.

Case Study Illustrative Images



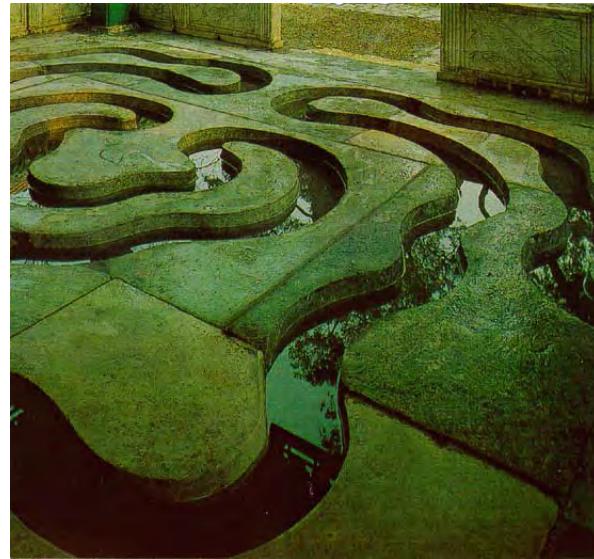
*Hard-paved gully
Welsh Botanic Gardens in Carmathen*



*Stone paving pyramids, Broadcasting
Center, Aarhus, Denmark*



*Fish-Mouth Pavers
Duijiang Square, China*



Floating Cup Stream, Forbidden City, Beijing

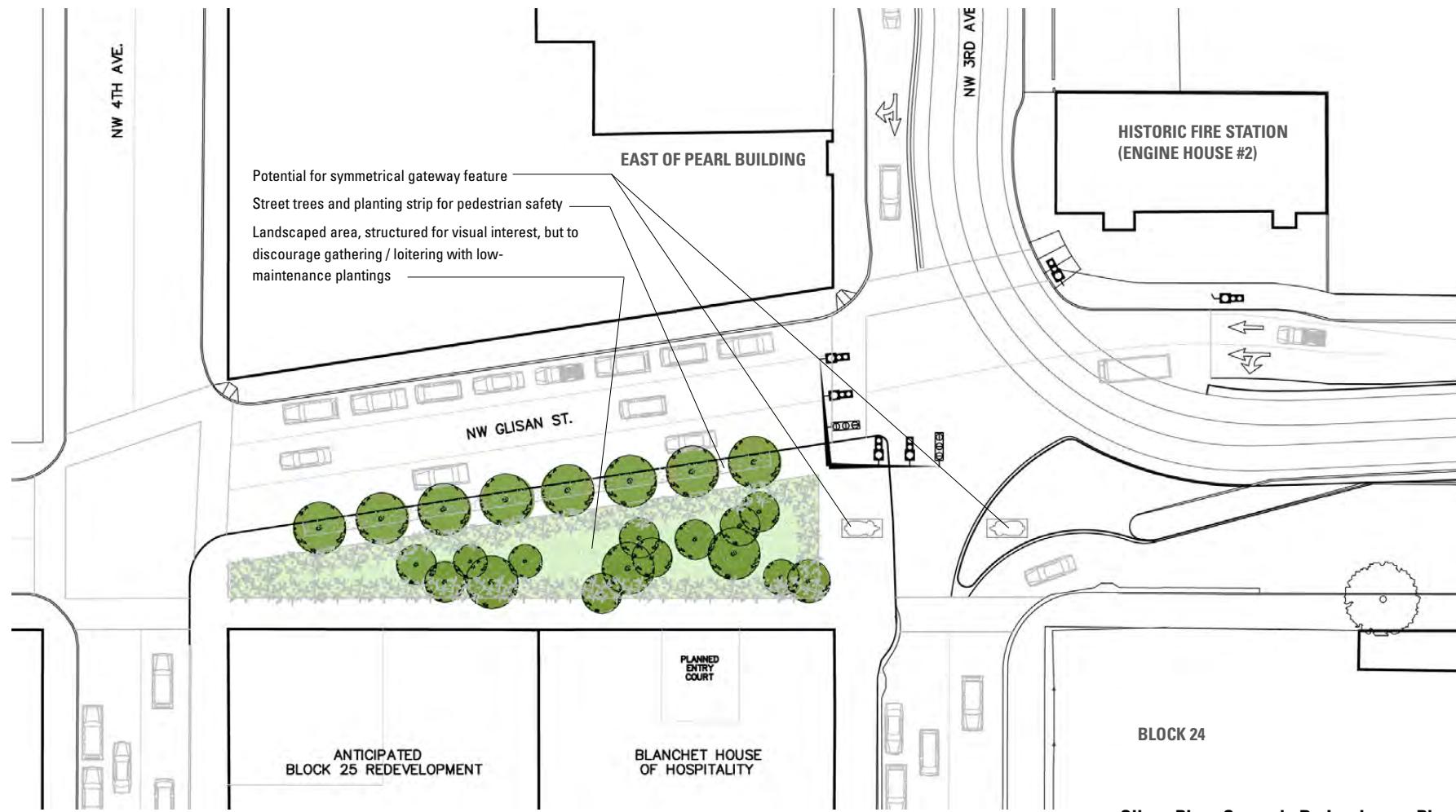


Upper Square, Olomouc, Czech Republic



*Lighting Sculpture
Zurich*

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



The **Landscape Plaza Concept** is a counterpoint to the hardscape concept and proposes a more naturalistic softscape approach. A green low-maintenance landscaped garden is illustrated using natural plantings of vertical broadleaf evergreen trees and low hedges providing a composition for visual interest, but in a non-occupiable configuration. This concept takes the attitude that the natural environment is weaved into the urban space as

a green tableau, an openspace that is not participatory but a verdant backdrop that also acts as a green welcome mat to the district. Along with the landscaped open space and vegetation, a gateway element could be accommodated within the sidewalks and traffic islands at this location.

Case Study Illustrative Images



Urban Outfitters Navy Yard Headquarters, Philadelphia



Babylons Garden, Chaumont, France



Stone Elephants, Ming Tomb, Nanjing

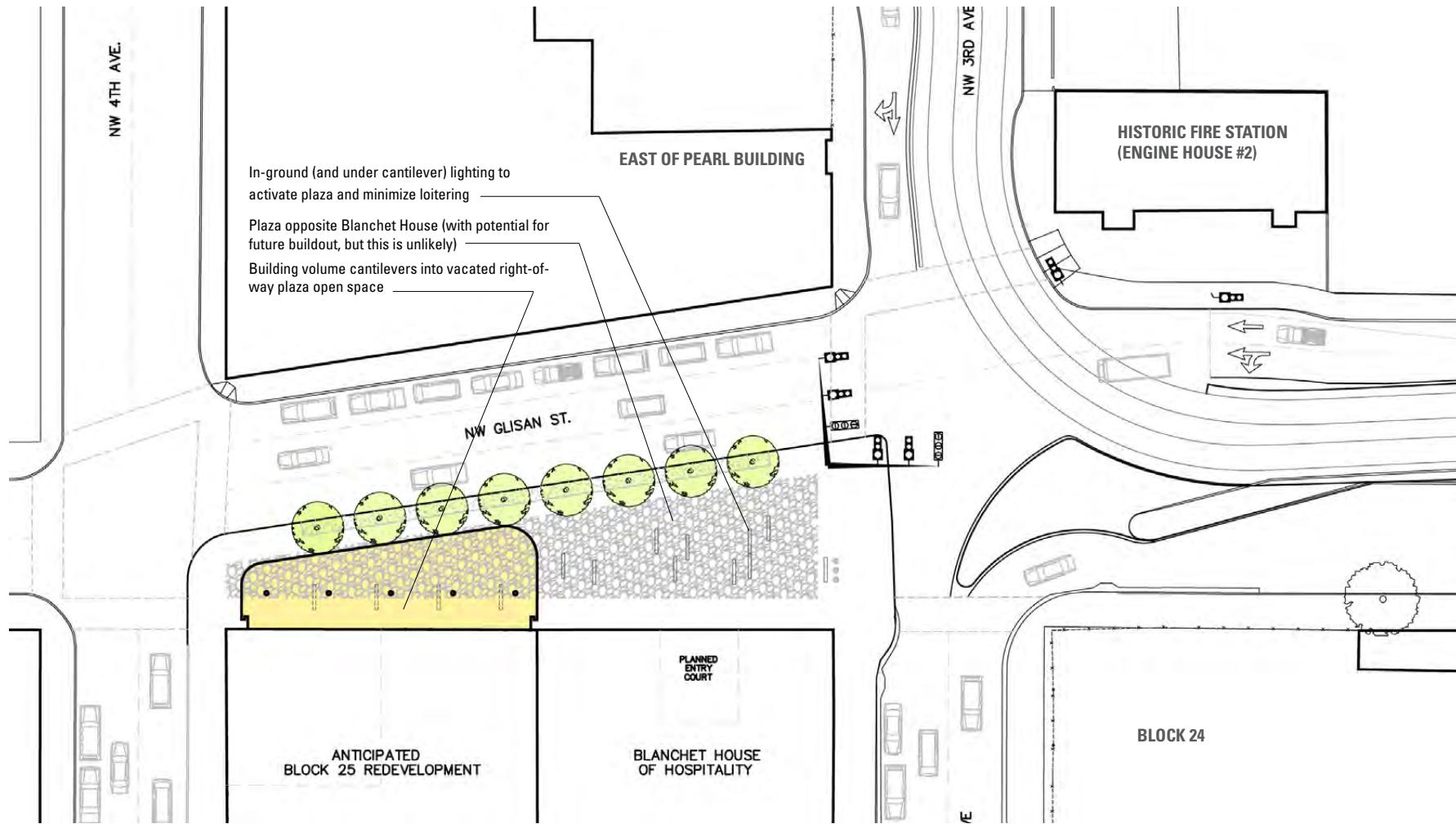


Garden of shade and sunshades, Chaumont, France



Housing Courtyard, Paris

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



Glisan Plaza Scenario C - Building Extending Over Right-of-Way

The **Building Extending Over Right-of-Way Concept** explores the option of extending the building footprint of a Block 25 structure to capture usable square footage (over the right-of-way) along Glisan. The usable square footage for this area is approximately 7,000sf (depending on sidewalk dimensions), but Blanchet House has indicated that the schedule and timing on any right-of-way vacation is likely to further delay their project progress and are not interested in pursuing this buiding extension in front of their parcel. The illustrations at right model Block 25 (without Blanchet House) in two versions: projecting either into the right-of-way, or cantilevered out over the right-of-way. In the first example, the expansion

captures additional built area of approximately 2,500sf on the ground plane but inadvertently creates a quasi-forecourt to Blanchet House, creating potential security and management concerns. The second version illustrates more openness and thru-views by creating an arcade on the ground level and projecting the building out at subsequent levels above. This arcade, however, is north-facing and may pose difficult to make an inviting space. The building, in either version, could be the gateway element in its projecting configuration, coupled with the potential for in-paving lighting to help activate this end of the block in the evenings.

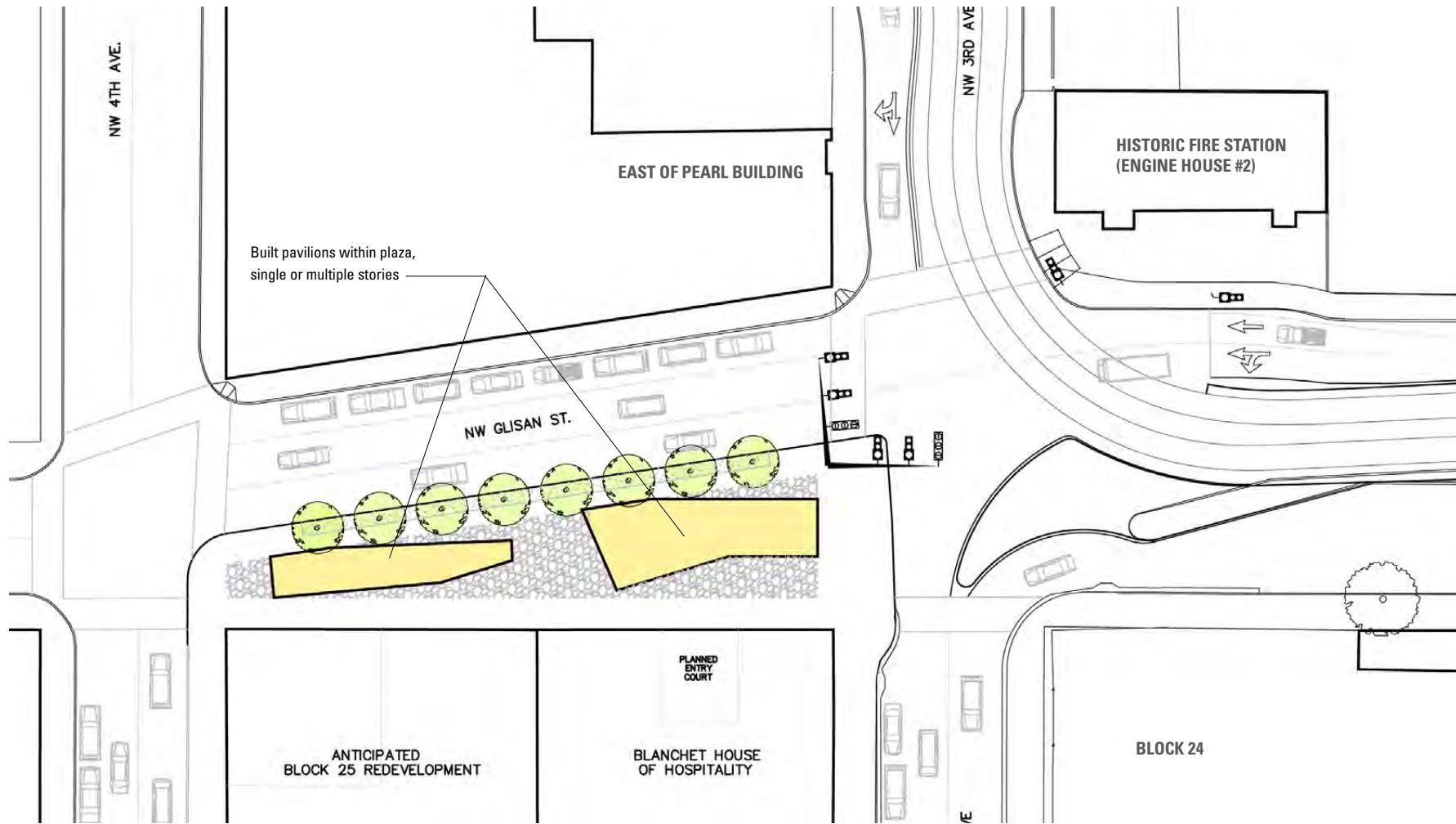


Illustrative Model Vignettes



Case Study Model Vignettes illustrating a (highlighted portion of) building extending into, or over, the right-of-way

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



Glisan Plaza Scenario D - Pavilions Within the Plaza

The **Pavilions Within the Plaza Concept** advances the idea of building modestly-scaled pavilions, set within the plaza's openspace. This scenario proposes buildings as the gateway element, housing community or private uses as a catalyst to activate this end of the block. The pavilions as illustrated serve as example of size and arrangement (approximately 1,000sf-1,600sf) but their ultimate configuration can take on various forms depending on use, needs, funding, and operating champion.

The structures could be envisioned as elegant jewel buildings having a connection to the outdoors and providing flexible neighborhood uses ranging from a cafe/bar, small shops, community rooms, art exhibit spaces, or other actively programmed spaces, as well as supporting more sporadic district festivals events. This concept is most effective in mitigating the queuing issue by essentially activating the open space with uses and promoting pedestrian participation.

Case Study Illustrative Images and Model Vignettes



Looking west from the Steel Bridge approach ramp



Looking east towards the Steel Bridge



*Wire Mesh Cladding
Bridge Control Office, Netherlands*



*Illuminated Cladding
Movable Office Space Prototype*



*Cafe and Art Exhibit Space
Serpentine Gallery, England*

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

Case Study Illustrative Images and Model Vignettes



Overhead view of Pavilions Within the Plaza concept



Cafe and Museum
Tokyo, Japan



Illuminated Art Installation,
Madrid, Spain



Exhibit Hall and Meeting Room
Park Kalkriese, Germany

VI Block A&N Development Scenarios

Block A&N

Block A&N is a triangular block, bounded by 3rd Avenue to the west, the Glisan Street off-ramp to the south and the Union Pacific railroad tracks to the northeast. It is currently owned by PDC. The existing Fire Station is located near the southwest corner of the block and is listed as a Local Historical Landmark (see *Historical Considerations* chapter, following). Block A&N's parcel size is approximately **29,000 square feet**, with an allowable **FAR of 4:1, bonusable to 7:1**. The **height allowed is at 350', bonusable to 425'**. As mentioned in previous chapters, the light rail lines travel along the southern edge of the block, and turn north along the west side of the parcel. The intersection of Glisan and Third is planned to be signalized. The heavy rail lines run along the northeast side of the property with an additional light rail spur line to be constructed, effectively cutting a 20' wide sliver off the northern portion of the property.

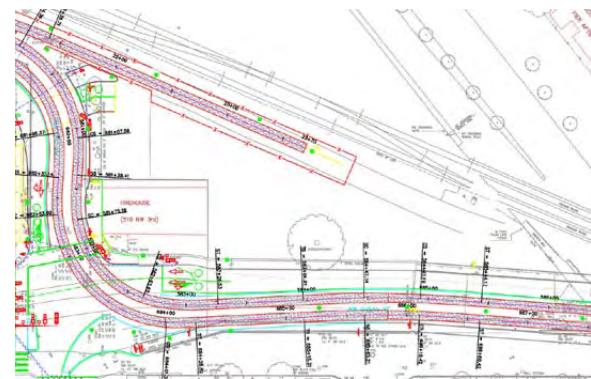
A recent parking study was completed by PDC along with SERA Architects in 2007 on various sites to provide OTCT district parking and Block A&N was one of the candidate sites. The site configuration proved challenging for conventional parking, but the if the Fire Station was removed, the study showed a potential of four levels of parking providing about 380 spaces and up to seven levels, accommodating 680 spaces. The study showed that parking use was feasible given the fringe location of the property, with the caveat that its perimeter location also indicated that it may not serve the district well for parking. A single access point to the parking entering from 3rd Avenue may also prove challenging for district-wide usage.

Block A&N was also cited as challenging for Blanchet House and a potential Transitions Projects Inc./Resource Access Center on the site, given the impact of light rail, the reduced amount of developable land due to the proposed spur line, and the potential costs to renovate the Fire Station building if it were to remain. Earlier estimates anticipate a cost to seismically reinforce the structure at \$1.5 - \$2M. Although burdened with these and potentially other challenges, the site is relatively unencumbered and holds other opportunities for development as part of the evolving northern gateway into NOTCT. The site location serves as an entryway into the OTCT district from the Steel Bridge approach and has visible prominence from the passenger trains along the north side. The site has a favorable solar orientation with a long north-south exposures, providing northern views toward the Willamette River and southern views toward the city. The atypically configured site, albeit challenging, would effectively demand a non-static building of unique mixed uses and components potentially producing a development reflecting the diverse and evolving constituents of Old Town/Chinatown.

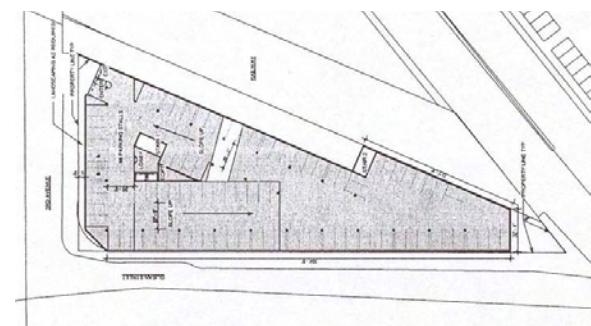
The following scenarios illustrate several approaches to redevelopment that take advantage of the location's unique attributes to provide more active amenities for the district. The concepts are optimistic and progressive but are tempered in economic realities. The scenarios look at a range of options with the historic Fire Station (from full renovation to removal), several configurations and access points for parking, varied entrance sequences into the development, and a mix of district- and site-specific uses. Several non-traditional construction techniques are also illustrated, in an effort to balance the higher square foot costs anticipated with an unusually configured and bounded site. Some uses may prove to be more feasible than others but the commonalities in all of the schemes are efforts to bring light, air, views, sustainability, and activated street frontages. The objective for each scenario was to steer potential development to reflect not only the spirit of the site and the district, but also express the unique essence and values of Portland.



Aerial photo of Block A&N (prior to light rail construction)



Planned light rail tracks on the south, west, and north sides of Block A&N



Parking study by PDC and SERA Architects showing full-block parking use

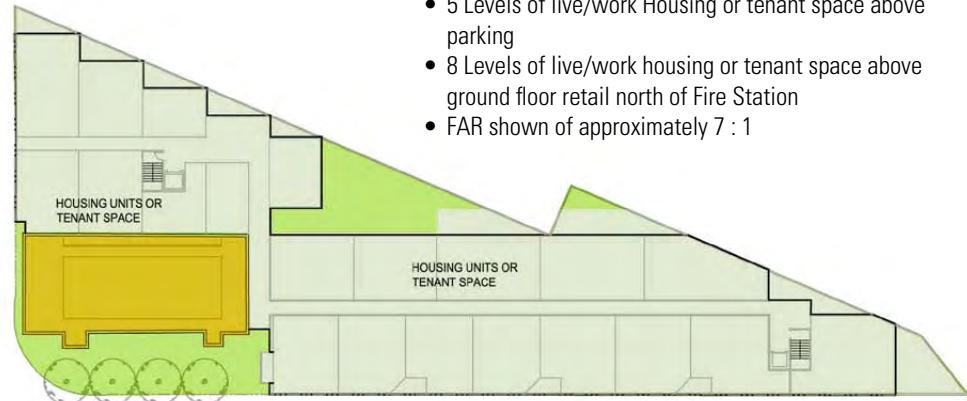
Block A&N Scenario A

This scenario illustrates a fully renovated Fire Station, connected to mixed-use structures on the balance of the parcel. A small, multi-level parking structure is accessed from beneath the Steel Bridge in the eastern corner of the site, as well as in the northwest from 3rd Avenue (where site vehicular access is currently assumed by PDOT). Adjacent and to the north of the Fire Station is shown commercial/retail space on the ground floor, two levels of commercial/office above, with housing above that.

The retrofitted Fire Station building could house offices with a possible green house/penthouse addition at the roof level to serve the existing needs of Portland's Classical Chinese Garden. Above the parking structure is shown mixed-use commercial tenant space, or small housing units. Green trellises can be used as an environmental cladding material for the parking structure, softening the exterior and providing shading on this southern exposure, as well as exhibiting a sustainable gateway of nature at this most infrastructure-intensive parcel of urban fabric.

Scenario A

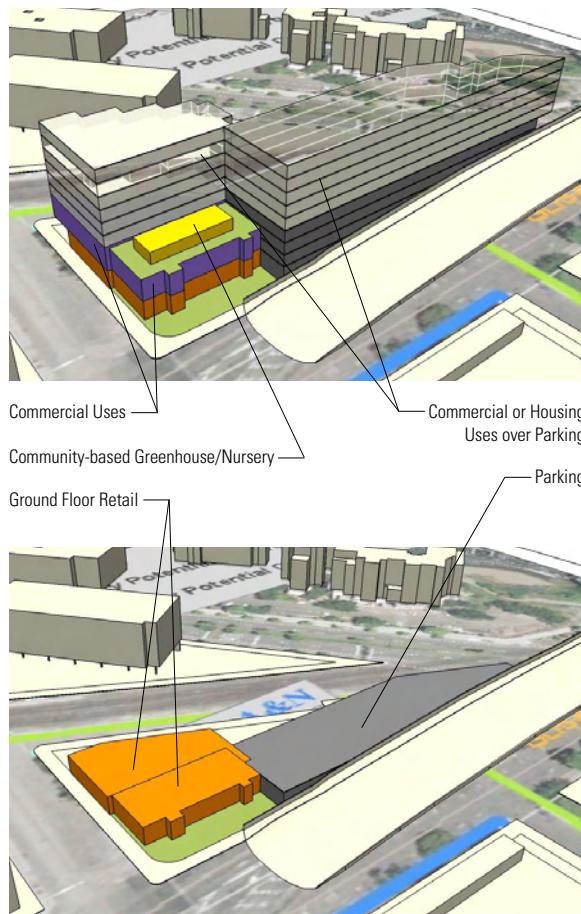
- Renovated Fire Station as commercial tenant space
 - 4 Levels of parking (conventional) - approx. 140 ps
 - 5 Levels of live/work Housing or tenant space above parking
 - 8 Levels of live/work housing or tenant space above ground floor retail north of Fire Station
 - FAR shown of approximately 7 : 1



TYPICAL FLOOR PLAN



Ground and Typical Floor Plans indicating a renovated fire station, parking accessed from both the east and west, and either commercial or housing uses above



*Ground floor and above-ground
model use diagrams*



*Aerial view from the southwest showing renovated Fire Station in the foreground with adjacent mixed-use structure,
and parking garage under housing in the eastern portion of the parcel*

Block A&N Scenario B-1

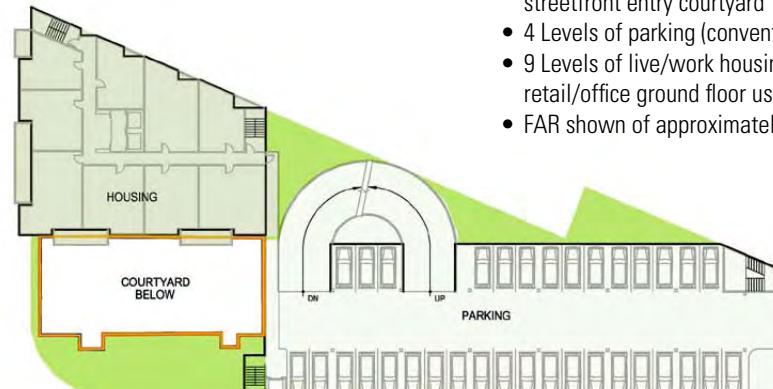
This option keeps the Fire Station building shell only and transforms the interior to an open air entry courtyard. The scheme shows a partial block of conventional parking again along the east end with single access point to parking from Glisan Street under the Steel Bridge approach ramp. Eliminating the driveway from 3rd Avenue in the northwest corner of the parcel allows for more commercial space on the ground level, with housing or live/work tenants occupying all levels above commercial.

This is the most modest scheme in terms of build-out and complexity. By keeping the Fire Station exterior in tact, this is still an expensive renovation effort, but minimizes somewhat portions of the seismic upgrade costs, while keeping significant elements of the historic façade. The existing building enclosure makes a connection to the unique protected exterior garden courts in the district, such as found at the Classical Chinese Garden and the court bounded by the Sinnott House and Simon Building facades. This landscaped open court could be expanded into the southern sideyard adjacent to the approach ramp, perceptually enlarging this existing narrow openspace.

An urban nursery use such as that needed by the Classical Chinese Garden is illustrated on the parking garage rooftop. The large elevator shown could serve double duty in transporting plants to the rooftop greenhouse where the potted trees capture rainwater and mitigate somewhat the heat island effect. This space could serve the present need as Classical Chinese Garden's local overstock area where plantings can be stored for periodic sales events.

Scenario B-1

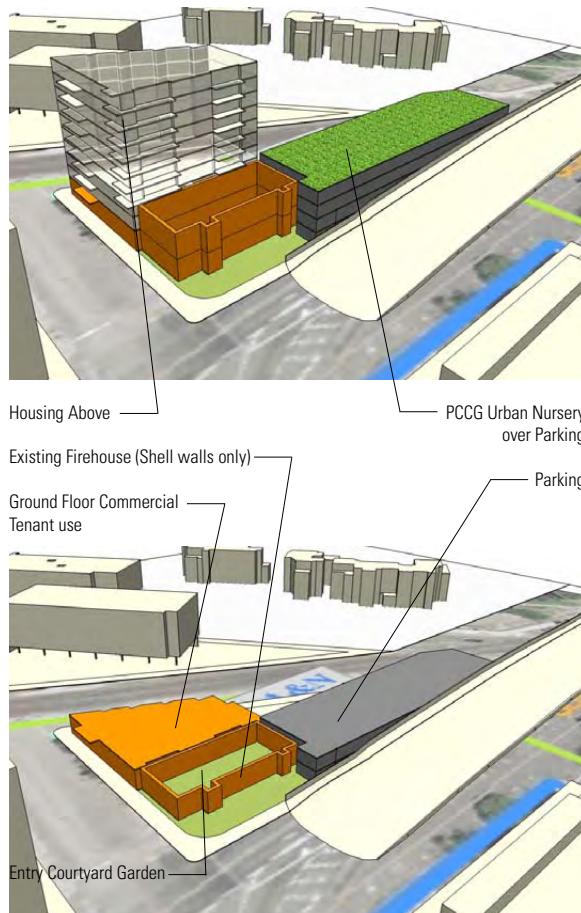
- Renovated Fire Station facade walls into a new streetfront entry courtyard
- 4 Levels of parking (conventional) - approx. 140 ps
- 9 Levels of live/work housing or tenant space above retail/office ground floor uses
- FAR shown of approximately 3.5 : 1



TYPICAL FLOOR PLAN



Ground and typical floor plans indicating renovation of the Fire Station facade shell only as an entry courtyard, parking accessed from the east, an urban nursery above the parking garage to support the Classical Chinese Garden, and a mid-rise configuration of live/work artists' housing.



Ground floor and above-ground model use diagrams



Aerial view from the southwest showing renovated Fire Station in the foreground with adjacent mixed-use structure, and parking garage under housing in the eastern portion of the parcel

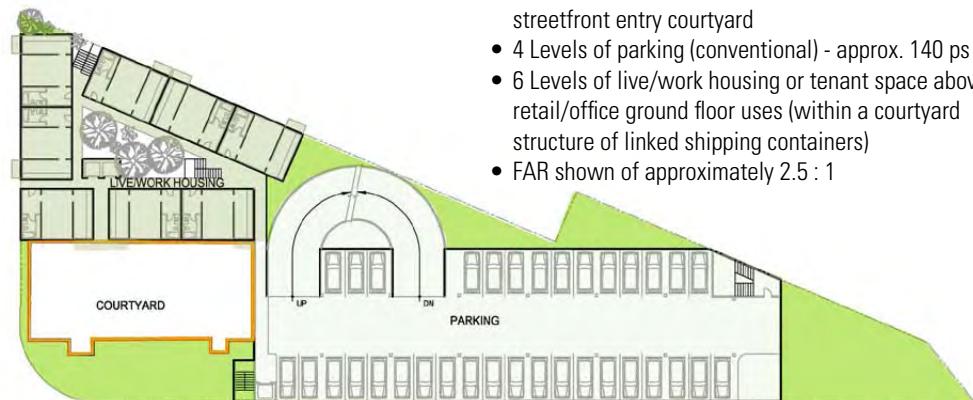
Block A&N Scenario B-2

Option B2 is a variant of the previous concept, where everything remains the same except for the housing mid-rise component. To combat the difficult economics of a relatively small housing component to be constructed on a constrained site, an alternative construction method is illustrated. A mid-rise tower of shipping containers is proposed with a goal to potentially reduce per square foot costs and create a unique environment affordably.

The idea of using steel shipping containers for housing is gaining (theoretical) relevancy since they are recycled, structurally sound, watertight, modular, very inexpensive, and may fit contextually in certain edgy districts (such as adjacent to railyards or working port environments). The configuration illustrated shows another unique opportunity to minimize cost and create a strong connection to nature is the out-of-doors environment around the housing units through a central courtyard and exterior breezeways.

Scenario B-2

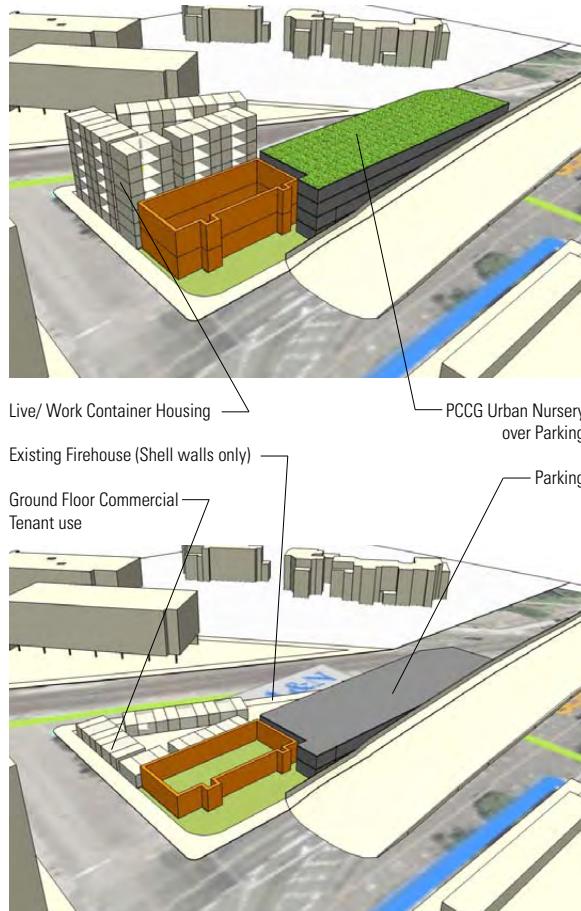
- Renovated Fire Station facade walls into a new streetfront entry courtyard
- 4 Levels of parking (conventional) - approx. 140 ps
- 6 Levels of live/work housing or tenant space above retail/office ground floor uses (within a courtyard structure of linked shipping containers)
- FAR shown of approximately 2.5 : 1



TYPICAL FLOOR PLAN



Ground and typical floor plans indicating renovation of the Fire Station facade shell only as an entry courtyard, parking accessed from the east, an urban nursery above the parking garage to support the Classical Chinese Garden, and a courtyard configuration of live/work artists' housing constructed primarily of shipping containers.



*Ground floor and above-ground
model use diagrams*



Aerial view from the southwest showing renovated Fire Station facade as entry courtyard in the foreground with adjacent mixed-use structure, and parking garage under Classical Chinese Garden nursery in the eastern portion of the parcel

Block A&N Scenario C

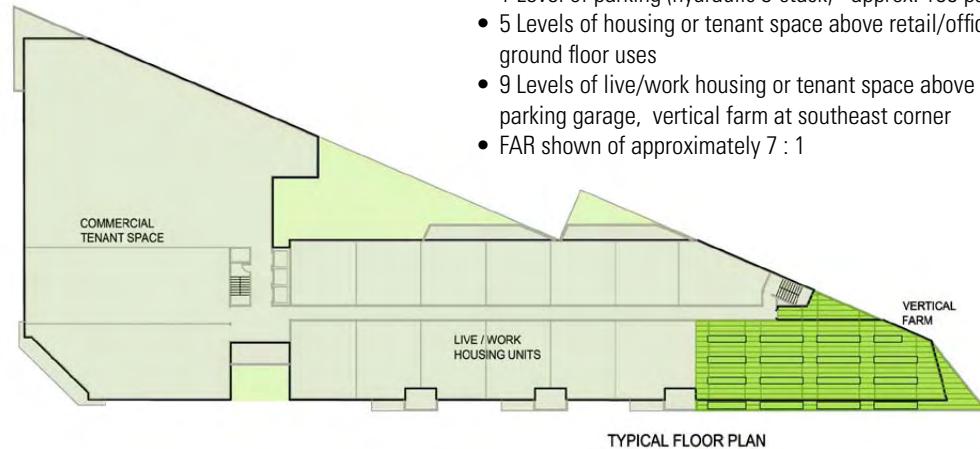
This option removes the Fire House entirely and shows a full-block development unencumbered by that building's location (or renovation costs). A single level hydraulically-stacked parking garage is accommodated underneath a commercial mid-rise at the western end and a live/work tower at the east end, leaving a portion of the ground floor available for commercial or retail storefronts. The garage is shown accessed at both the northwest corner of the parcel, off 3rd Avenue, and in the southeast from Glisan Street, underneath the Steel Bridge approach ramp.

Pedestrian access to the commercial/housing portion is at the most accessible southwest corner of the building. A single shared lobby/building core serving the above-ground uses and the parking garage is centrally located. A simple triple-stack configuration for the parking would accommodate over 150 parking spaces as a cost-effective alternative to the less efficient small-scale above-ground multi-level garages shown in the earlier options.

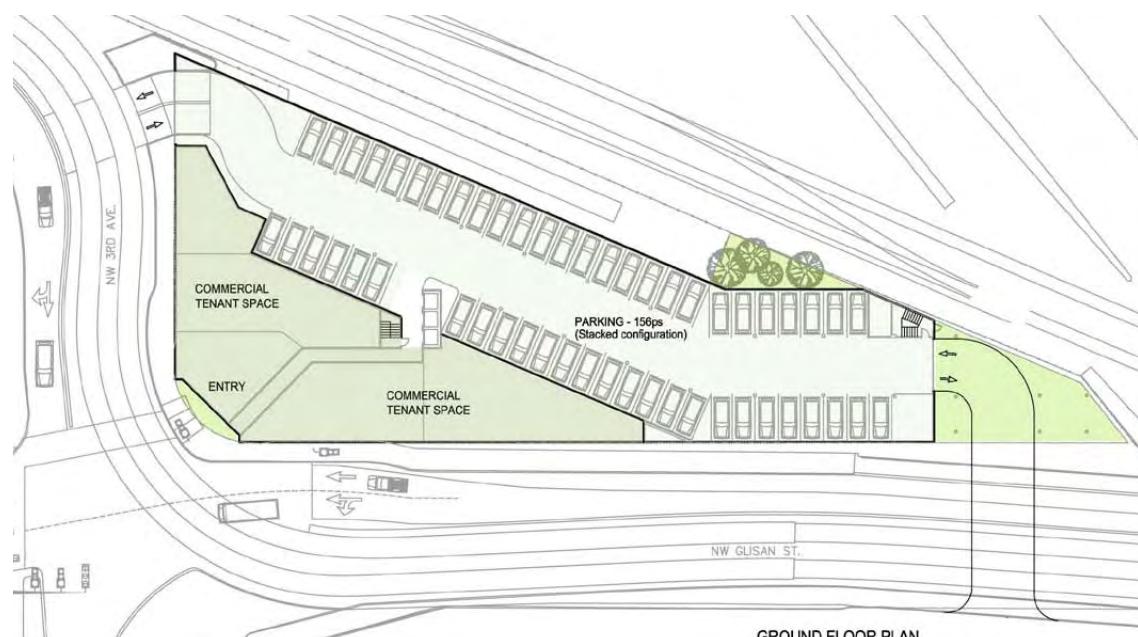
Given the full block redevelopment opportunity, this option shows a shorter corner building dedicated to commercial tenant spaces and a longer slab tower of live-work housing units, to build the site out to near its maximum allowable FAR. Bridging this highly urban site to the Willamette Valley's rich horticulture and as a prominent visual marker viewed from the Steel Bridge approach to downtown, a vertical farm is shown at the building's prow, where a steel armature and system of steel grates allow for the filtering of sunlight through to the various levels of edible gardens.

Scenario C

- Removal of Fire Station
- 1 Level of parking (hydraulic 3-stack) - approx. 156 ps
- 5 Levels of housing or tenant space above retail/office ground floor uses
- 9 Levels of live/work housing or tenant space above parking garage, vertical farm at southeast corner
- FAR shown of approximately 7 : 1



TYPICAL FLOOR PLAN



GROUND FLOOR PLAN

Ground and typical floor plans indicating removal of the fire station, a hydraulically-stacked parking garage accessed from both the east and west, and either commercial or housing uses above



NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



Aerial composite view of the study area, looking to the west, from above the Steel Bridge

VII HISTORICAL CONSIDERATIONS

North Old Town/Chinatown Historic Designations

Much of the North Old Town/Chinatown study area is located within the New Chinatown/Japantown Historic District. Because of the area's history and several of the existing structures' historic designations, a careful understanding of the historic district and considerations for redevelopment in these locations is necessary. The various historic listings and corresponding ramifications vary by block. The following is an overview of the historic district, the various designations, and considerations relevant to the implementation of the vision set forth in the previous chapters.

New Chinatown/Japantown Historic District

The historic district, designated in 1989, is a ten block area bounded by W Burnside Street to the south, NW Fifth Avenue to the west, NW Glisan to the north, and NW 3rd Avenue to the east. The nomination of the district was approved based on the criteria that the district is "associated with events that have made a significant contribution to the broad patterns of our history." The district was proposed for nomination because it serves as a physical expression of the Chinese experience in Portland and in Oregon. The emphasis of the nomination was therefore heavily weighted towards historic significance as opposed to architectural significance, though many of the area's buildings were designed by notable architects from 1880 to 1943 (the district's historic period). The nomination form documents the history of the Chinese in Portland and describes in detail each of the buildings in the district. The end of the historic period of the district coincides with the change in federal law, which allowed Chinese to become United States citizens and own property. As a result, Chinatown's residents and businesses dispersed throughout the Portland metropolitan area.

Preservation and Evolution

Many historic Chinatowns are currently experiencing a resurgence, evolving into districts supporting hybrid forms of culture and commerce. The most successful of these districts maintain a cultural memory of their past as well as a vibrant essence looking toward the future. These types of neighborhoods, including Portland's Old Town/Chinatown, exhibit within their environments the journey and evolution of their immigrants, residents, and businesses that have contributed to their district. As discussed in prior chapters, substantial public outreach was undertaken regarding the future of the study area. A resounding theme was balance of preservation and evolution of both the district's character and built form. This was voiced by stakeholder input and reaffirmed by the urban design principles and economic findings.

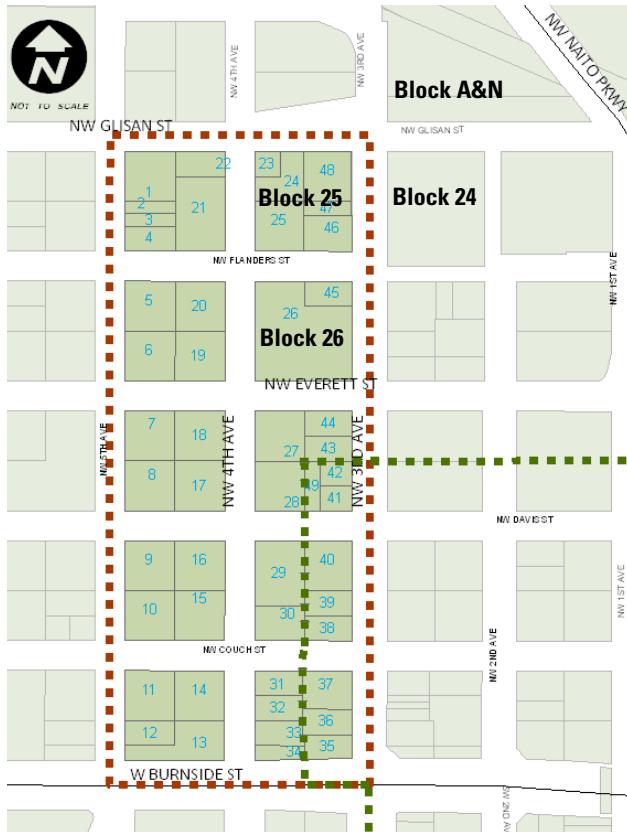
In an effort to balance the historic and cultural context, with the desire to create a vibrant mixed-use district, the North Old Town/Chinatown Strategy provides a range of development scenarios and urban design recommendations. These are explained in greater detail in the preceding chapters, and are intended to help return the district to its roots as a vibrant and diverse environment providing opportunities to newcomers, small businesses, and other workforce populations. Achievement of this vision requires the demolition of the contributing historic structures on Blocks 25 and 26, with the exception of the Royal Palm Hotel. The strategy also provides a range of development scenarios for Block A&N, ranging from full or partial preservation of the historic Engine House #2, to demolition and new construction. There are no historic designation considerations on Block 24.



*Historical Chinatown,
Courtesy Oregon Historical Society*



*Model of Historic Nihonmachi, indicating percentage
of Japanese ownership throughout the district*



Map of New Chinatown / Japantown Historic District. Blocks 25 and 24 are in the northwest corner of the District. The dashed green line indicates the Skidmore / Old Town Historic District to the southeast.

Historic Designations

There are many ways historic resources can be classified or designated. A resource may carry more than one "official" classification or designation, and generally, the 'highest' level of designation determines which rules and benefits apply. It is important to understand the different types of designations, how they are applied, and what the different benefits and responsibilities are.

Historic resources may be listed as contributing to a historic district and/or individually listed on local or national registries:

- Contributing resources date from the historic period of significance established for the district. They contribute to the significance and character of the district through their historical associations and/or architectural values. This designation pertains to the structures on Blocks 25 and 26.
 - Individually listed resources are buildings, sites, trees, statues, signs, or other objects that are significant for their historical, cultural, archaeological, or architectural merit. They have one or more characteristics of citywide, statewide or national significance. Portland has approximately 500 such properties, categorized as either "Local Landmarks" and/or "National Register Properties". The Engine House #2 on Block A&N is designated as a Local Landmark, but not a National Register Property. This property is not within the New Chinatown/Japantown district boundaries.

Demolition or Relocation of Historic Resources

Historic resource demolition regulations provide for a deliberative process prior to the permanent loss of a piece of the city's built heritage. Depending on the type of resource, one of two different processes, Demolition Delay Review or Demolition Review (or no review) is required when the City receives a request to demolish a designated historic resource. Relocation requests are also subject to these reviews.

- Blocks 25 and 26: The buildings on these two blocks are classified as Contributing Structures to the Historic District, and therefore removal of specific structures would include a Demolition Review process. In this discretionary land use review, the City has the authority to deny or place conditions on approval for demolition. The Demolition Review process also gives the public an opportunity to comment on the proposed demolition and allows for pursuit of alternatives to demolition or actions that mitigate for the loss. In this Type IV land use review, the Historic Landmarks Commission advises City Council, which may either approve, approve with conditions, or deny the request. Council will approve a request to demolish the resource if the applicant can show that either:

- Demolition of the resource has been evaluated against and, on balance, has been found supportive of the goals and policies of the Comprehensive Plan and relevant area plans, taking into account factors such as: the merits of proposed new development on the site, the merits of preserving the resource, and the area's desired character; or,
 - Denial of a demolition permit would effectively deprive the owner of all reasonable economic use of the site.

In order to help the City evaluate such a claim, supportive documentation is required, such as studies of the structural soundness of the structure, the economic feasibility of restoration, renovation, or rehabilitation, and a summary of the extent to which the applicant explored the available historic preservation incentives and programs. If City Council approves a request, a demolition permit will not be issued until a permit for a new building is issued for site. This not only prevents replacement of historic resources with surface parking or a vacant lot, but also provides the mechanism for enforcing any conditions placed on the demolition review approval. Early communication with the neighborhood regarding the proposed demolition of historic structures is critical to ensuring strong neighborhood support and the demonstration of public purpose.

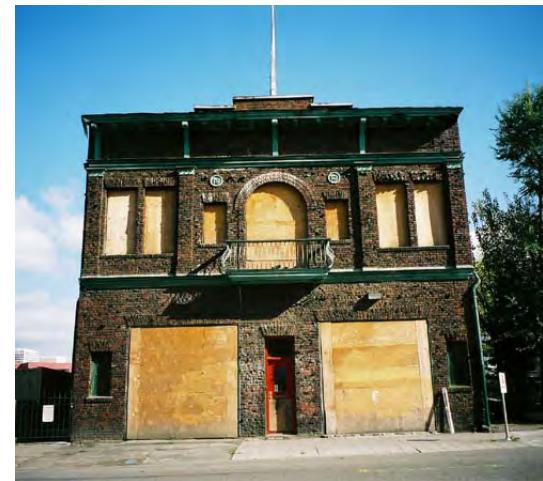
- Block A&N: As Engine House #2 is classified as a Local Landmark, removal of this structure would entail a Demolition Delay Review process. This nondiscretionary administrative process requires a 120-day delay period to allow time for consideration of alternatives to demolition, such as restoration, relocation, or salvage. Photographic documentation of the resource and evidence that the applicant responded to any relocation or salvage offers is required. The City has no authority to deny demolition after the delay.

Historic Design Review

Construction of a new building, or major alterations to an existing structure in a historic district—regardless of its contributing status—require Historic Design Review. Generally, normal repair and maintenance and interior alterations do not usually require Historic Design Review.

Historic Design Review is one of the City's tools to help ensure that the special characteristics, historic integrity, and architectural character of designated resources are preserved over time. There are different types of design review. Major design reviews are processed through a Type III procedure, which requires a public hearing, with a decision by the Historic Landmarks Commission. Minor design reviews are processed through a Type II procedure, with a decision by Bureau of Development Services staff. Determining which projects go through major or minor design review is based on the type of development and the value of the improvements. Additionally, the installation of mechanical equipment, awnings, or signs is processed through a Type I procedure.

Historic design review is a discretionary process that evaluates a number of elements of the proposed construction or alteration, including: architectural style; structure placement, dimensions, height, and bulk; lot coverage; building materials and color; and other factors. The approval criteria are the adopted design guidelines applicable in the area in which the resource is located. Development on Blocks 24, 25, 26, and A&N must comply with the Central City Fundamental Design Guidelines, the River District Design Guidelines, and the design criteria stated in Section 33.846.060.G of the Portland Zoning Code. Additionally, the New China/Japantown Unique Sign District guidelines apply to Blocks 25 and 26.



Engine House #2, Block A&N



Archive photo of CCBA building, just south of the study area

Site Specific Implementation Considerations

Block A&N: The historic considerations for redevelopment of the site will vary depending on the development proposal and the degree to which the Engine House #2 is preserved, modified, or demolished. Demolition of the Engine House #2 would require Demolition Delay Review. Any proposed redevelopment of the site will be subject to Historic Design Review.

Blocks 25 & 26: For redevelopment to occur on Blocks 25 and 26 to the degree shown on the preceding scenarios, the existing structures (with the exception of the Royal Palm Hotel) will need to be removed. Such redevelopment will need to take into consideration the Demolition Review and Historic Design Review processes.

Block 24: There are no historic designation considerations on Block 24. The block is outside of the New Chinatown/Japantown National Register Historic District and does not include any historic structures.



Historical Image of Engine House #2, Block A&N



*Chinatown Street Signage,
Courtesy Oregon Historical Society*

VIII Economic Overview

Development Economics and Market Analysis

During and after development of the conceptual scenarios, interviews were held with a variety of housing and mixed-use developers familiar with the Portland market in early 2007. This chapter summarizes a range of these developer responses to the opportunities and constraints presented by the Old Town/Chinatown Redevelopment Strategy. These include their initial reaction on the district's potential and the best bets for uses, pricing, and timing of development within the project's study area. Conversation specifically focused on Block 25, owned by the City of Portland and bounded by NW Glisan, NW Flanders, 3rd & 4th Avenues. Limited market data on the Old Town/Chinatown neighborhood is also included and is intended to complement recent market updates provided for PDC (e.g. the *Central City Briefing Book*). Developer input and market data is focused on residential projects, with some comments on viability of retail and office. This chapter presents a very brief overview of findings. More detailed information is included in this report's appendix, as additional market research specifics, coupled with financial analysis proforma data on the redevelopment scenario concepts.

SUMMARY RECOMMENDATIONS

Comments specifically related to site issues:

- The importance of maximizing the site's FAR varied between developers, who represented a range of development practices and priorities. Some always seek to maximize FAR whereas others would be more inclined to develop a product that responded to the market as it is today. Most developers acknowledged a trade off between near-term development and site density.
- Catalyst project: In general, developers felt that the more you can bring to the area, the better. Williams and Dame is currently undertaking a five acre catalyst redevelopment in Japantown in San Jose of mid-rise concrete construction. That said, developers universally acknowledged the need to phase unit delivery to market. Project size was described as in part a function of financing and possible public financial support.
- Apartments often lead as a residential project in a transitional area. In the West End, Museum Place and the smaller Mosaic condos preceded the larger ownership projects of the Eliot and the Benson. In contrast, with the Civic (W Burnside), market rate ownership units preceded the construction of the development's subsidized rental component.
- The transitional housing provided by the Royal Palms (Block 26) was identified by one developer as the largest obstacle for the site's redevelopment.
- The relocation of Blanchet House from Block 25 to Block A&N, across Glisan, was universally acknowledged as a good precursor to the area's redevelopment.

- One developer felt a single entity would likely sign up for only one component of a multi-block development, but that a master plan for multiple blocks should be in place. Developers were not asked directly if they would consider undertaking a multi-block development at this site.
- Timing: Several developers suggested waiting to issue an RFP for the site until planned mixed-use redevelopment of Block O (on the north side of Glisan) occurs and until light rail construction on adjacent streets is complete.

Comments related to residential issues:

- Developers and brokers agreed that the best target market for condos at this location is young, entry-level buyers. This demographic will likely have the highest comfort level with the neighborhood's social services and also the low parking ratios that will likely be necessary to keep project costs down.
- Regardless of the absorption period of the existing inventory, if a project can develop something to meet an affordable market niche it will not compete with the majority of the existing (higher priced) downtown condo inventory. For example, the planned 350-unit 1700 Building (south CBD) is hoping to provide lower cost units; the unprecedented size of this project indicates that at least some elements of the development community perceive depth (if not latent demand) for this market.



Old Town Lofts, with Block 25 in the foreground

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

- With construction costs continuing to rise – particularly for high rise product – the primary technique to deliver product within a more affordable market niche is developing smaller units.
- Units must be discounted to sell at an Old Town/Chinatown location and be affordable to the younger demographic that will be attracted to this location. A discount of up to 25% from Pearl District pricing may be required. Unit pricing was recommended to stay below \$250,000 - \$300,000, with per square foot pricing below \$400.
- There was very little support for a market rate apartment at this location, given that new construction requires top apartment rents to pencil (over \$2.00/sf), which may be difficult to earn at this location.
- A residential project size of 120 – 160 units was widely considered reasonable for a first project or single phase.
- Almost all developers interviewed would consider reduced parking ratios at this location. A ratio of 0.70 was suggested as reasonable; this ratio has worked at Everett Station Lofts.

Specific developer response to residential issues:

- This location is prime for funky, eccentric space that targets young people. A residential project here should not replicate the metal and glass high rises being built in other parts of the city. One developer stated that the more different and unique the product, the better. A moderate income, younger demographic was almost universally described as the most likely market for this location.
- Good site for student housing – on the light rail line to PSU, near the new University of Oregon building. A design competition could solicit innovative ideas.

- Assessment of minimum necessary parking ratios varied. Many developers interviewed do not construct projects without one space per unit. However, most also acknowledged that smaller units without parking spaces have been the first to sell where they have been offered. (The caveat would be that these units were a minority component of projects in which the remaining units were higher valued – the results for projects in which all units are small without parking have been less uniform).
- Sharing parking was advised, although some developers considered this not viable for a condo project. This is, however, Gerding Edlen's parking plan for the proposed 1700 Building condo project.
- Most downtown-oriented developers most commonly stated they would not consider wood construction for a condominium project due to future liability risks. The construction cost differential between steel and concrete was estimated to currently be about \$30/square foot.
- The high costs associated with the core components of high-rise construction – regardless of the units' build out – was an often repeated theme and cited as the primary challenge of constructing high density workforce housing. Project variables (e.g. kitchens, baths, flooring) comprise too small a percentage of the total construction budget to enable projects to pencil at lower price points by merely downgrading finishes. Downtown high-rise projects currently in planning phases are anticipating sales pricing above \$500/square foot, attributed primarily to continued escalation in the cost of construction inputs.
- Given this cost structure, building efficiency was cited as key to a financially feasible project, particularly if projects target anyone other than the highest end buyers.



View of Block 26 from the southeast, with Pacific Tower in the background

- Some developers were skeptical that high-rise would pencil at this location at all, and thought mid-rise was the only way to reduce costs enough to sell units given the site's pioneering location. The assessment of sellable pricing varied from under \$400 per square foot (to avoid competing with Pearl District resales) to a total sales price under \$250,000.
- Developers acknowledged that the market has slowed from its heyday. Speculators were widely acknowledged to have left the condo market (estimated to have comprised about 20-30% of sales at the height of the market). The assessment of absorption required for current inventory varied from 12 months to 3-5 years (an outlier opinion). Current absorption was generally considered to be in the range of 3-5 units per month per project.
- Not so for all niches: Gerding Edlen believes there's significant unmet demand for units under \$300,000, as evidenced by their plans for 350 units at 1700 4th Ave.
- One developer described a second unmet niche as units for the aging population, for who access to services, transit, and single-level living are top priorities.
- Less optimistic was the prediction that a portion of condos currently under construction could actually convert to rental projects, and that some recent conversions may revert back, softening the rent increases the rental market has seen in recent months.



Leek Window, Classical Chinese Garden

- Most developers interviewed did not have first-hand experience with light gauge steel and were still unsure of its utility. However, several local developers have utilized this option; details on relevant projects have not yet been obtained.
- Developers widely cited the difficulty in penciling rental projects given high construction inputs. One interviewee stated that the most obvious rental option would be a tax credit project with 20% of units at 50% MFI – this would provide subsidy while limiting the number of very low-income residents the project brings to the district. The remaining units would target households earning 80-120% MFI.
- Developers generally felt that wholly income-restricted units would not provide a catalyst for the neighborhood. However, there was no assessment as to whether such a project would prevent future private investment in the area.

Comments related to commercial issues:

- Developers generally advocated activating the blocks' street level to the greatest extent possible.
- Given the low rents that retail spaces have generated in the district (averaging \$14 - \$16 per square foot annually gross), thinking creatively about ground floor uses may maximize project feasibility.
- The one example of office condominiums explored is still too recent to provide conclusions as to the broader viability and market acceptance of this product type.
- A major anchor tenant such as a grocery was widely acknowledged as a boon to any project, although potentially difficult to secure. The West End Safeway was able to negotiate parking ratios of 2.3:1,000 square feet.

Specific developer response to commercial issues:

- Several developers agreed that grocery would be difficult for this location unless it was a destination grocery such as Uwajimaya. Grocers were described as typically wanting 4 spaces per 1,000 square feet. At the Museum Place Safeway, a parking ratio of around 2.3 spaces per 1,000 square feet was negotiated.
- Office condos are a new product that has attracted developer interest. The experience of Madison Office Condos suggests that the Portland market has not fully embraced this model.
- The developer stated that the four condos are offered at 5,000 square feet because they determined that smaller space users have difficulty financing a real estate acquisition. While interest has been high, sales have been slower than expected.
- One developer stated that his rule of thumb is that a condo tower can support about 8,000 square feet of storefront retail space. This is an abstract figure that in practice would vary with building size and context.

Overall Market Update

This market data was assembled during and immediately after the redevelopment scenarios were presented in early 2007. As the study paused, during the site search process for the Transitions Projects, Inc./Resource Access Center, the overall construction climate continued leveling, with significant dips in the residential market, particularly condominiums. Several projects initially planned as owner-occupied condominiums were repositioned as rental apartments during construction. An exhaustive, updated market analysis has not been performed in this interim, but some brief observational updates can be stated:

- This analysis was prepared at the peak of the market so absorption potential is undoubtedly softer. This is likely to make it even more problematic to develop a large project (with hundreds of units) for at least the next couple of years.
- The one ray of sunshine is that Old Town is beginning to come up in the world relative to the rest of the Central City. The earlier proforma analyses had discounted pricing relative to the Pearl and West End -- there may be some reason for optimism to think that this gap could start to shrink -- but in an environment where condominium pricing elsewhere is now soft or depressed. While not good short term, this offers opportunity longer term once the finance and condominium sales market comes back.
- The rental apartment market is also stronger now than then and is likely to see further increases in rent ahead. Other than possibly affordable (subsidized) units, smaller market rate projects oriented to young creatives probably offer the most opportunity near term, given the current ongoing infill of smaller unit projects currently proceeding, some with a mechanized garage/car stacking parking configurations).



Illustrative redevelopment on Block 24, showing interblock alleyways lined with ground level double-sided retail uses connecting the Flanders Festival Street with the entrance to the Chinese Classical Garden

IX Implementation Recommendations

Recommended Implementation Measures

The success of this strategy will be only be reflected in the future by redeveloped parcels housing a diverse mix of residents, community services, successful businesses, and active and vibrant streetscapes that are connected to the historical culture of this district's past and future. The conceptual redevelopment scenarios on the preceding pages document a spectrum of options illustrating these goals. Along with these illustrations and market considerations, the matrices on the following pages form a list of action items, or roadmap, intended to implement this vision in the following areas:

- *Community Involvement and Partnership Building,*
- *Arts, Culture, History, and District Identity Measures,*
- *Housing Stimulus Measures,*
- *Commercial and Retail Oriented Measures,*
- *District Parking and Access Measures,*
- *and Block Specific Recommendations for development on Blocks 24, 25, 26, and A&N.*

In addition, due to the duration of this study, some of the intended actions prescribed at this strategy's outset have already progressed. The following bulleted list describes these items and indicates progress made to-date.

- **Resolution of site location for Blanchet House of Hospitality and Resource Action Center:** Studies were completed illustrating various co-located scenarios for these two facilities on Block 25, within the Study Area, as well as co-located on Block U, bounded by Glisan and Hoyt, and 6th and Broadway. After much stakeholder and community involvement at the Visions Committee, PDC Commission, and City Council levels, it was determined to locate the Resource Access Center on Block U, with a new facility for Blanchet House located on a ¼-block site at the northeast corner of Block 25.
- **Definition of new River District Urban Renewal District boundaries:** Feedback from the redevelopment scenarios, as well as from stakeholder interviews and on-going projects within and adjacent to the district, aided in determining the 50.37 acre expansion for the urban renewal district. The expanded boundary encompasses selected areas within OldTown/Chinatown, including Blocks 25, 26 and A & N.
- **Major portions of track installation for the Light Rail line through the district on 5th and 6th Avenues has been completed:** This work, with completion earlier in 2006 of the 3rd and 4th Avenue streetscapes and the Festival Streets on Davis and Flanders Streets, has upgraded nearly all of the public rights-of-way in North OldTown/Chinatown. Work remaining is shown below in the Transportation Measures section.



Illustrative redevelopment on Block 25, seen from the Portland Classical Chinese Garden. Looking west towards the Flanders Festival Street, showing a corner cultural center and ground floor retail.

- **Bringing a grocery store to the district:** Early planning and design work on a multiple-block development for blocks 32 and 33 bounded by to the north by NW Davis, NW 5th to the west, NW 4th to the east and W Burnside to the south. This early design plan combines a specialty Asian supermarket on the ground floor, housing above, and below-grade parking.
- **Other redevelopment projects have been completed or are well underway in the area:** Adjacent to Burnside and in the Skidmore Fountain area, the University of Oregon's Portland Center recently opened; Mercy Corps Headquarters Office Building is currently under construction and scheduled for a June 2009 completion; the DeSoto Art Building at Broadway and Everett is now complete and occupied; the Pacific Northwest College of Art has been given the green light to take possession of the 511 Building at Broadway and Glisan; and planning and predevelopment work is underway for the redevelopment of Block 8 (bounded by NW Couch, Davis, 1st, and Naito Parkway).
- **Reestablishment of an Old Town/Chinatown Business Association:** Long dormant, an area association has been reformulated to raise the level of business involvement and development within the district.

To continue this momentum and provide the necessary stimulus for redeveloping the specific blocks within the Strategy Study Area, additional implementation measures are recommended. The following matrix indicates a list of these items:

| Key: L = Lead A = Assist | PDC | City Council | Visions | Neighborhood Association | Business Association | Land Use Committee | Other |
|---|---|--------------|---------|--------------------------|----------------------|--------------------|--|
| | Community Involvement & Partnership Building | | | | | | |
| • The OT/CT Visions Committee and Neighborhood Association are established forums for community information on upcoming projects, discussion, process involvement, etc. Reinforcing these existing venues (or other appropriate venues such as an URAC) and methods of communication is of utmost importance. Efforts should also be made to engage involvement of the Land Use Committee early and often. Further consideration will need to be given to the roles of these entities relative to the annexation of portions of the neighborhood into the River District URA. | A | | L | L | A | L | L – Urban Renewal Advisory Committee (URAC) |
| • Create an Asian Heritage Development Committee to provide a framework for active stakeholder involvement and collaboration in the engagement of small ethnic businesses, Chinese family associations, absent property owners, and other individuals/entities in the district who are not actively participating in neighborhood development forums, but nevertheless have interests at stake. The Committee should actively engage in attracting and coordinating with businesses, property owners, and development efforts conducive to their vision. | A | | | | | | L – Community Stakeholders |
| • Establish a framework for contacting the myriad of out-of-town property owners within Old Town/Chinatown and more actively engage these individuals and associations. Currently these parcels and/or structures may be an impediment to nearby redevelopment and in some locations allow crime to flourish. Explore economic measures to encourage out-of-town property owners to redevelop or sell blighted properties within the district. | L | | | | | | L – Asian Heritage Development Committee |
| • Collaborate on an on-going basis with the Seattle/Vancouver BC Chinatown Exchange initiative regarding revitalization of their Chinatowns | L | | | | | | L - Community Stakeholders |
| • Organize an annual or bi-annual open house to provide a context and overview of the numerous public and private projects and processes that are impacting the neighborhood. | L | | A | A | A | A | A - Various |
| • Explore opportunities for increased engagement of young creative class in community involvement efforts to cast a wider net of participation and input | L | | L | L | L | L | |
| • Collaborate on how best to utilize various international contacts to attract business opportunities and investors. | A | | | | | | L – Community members with ties to the Pacific Rim and PDC |

| Key: L = Lead A = Assist | PDC | City Council | Visions | Neighborhood Association | Business Association | Land Use Committee | Other |
|--|--|--------------|---------|--------------------------|----------------------|--------------------|---|
| | Arts, Culture, History, and District Identity Measures: | | | | | | |
| <ul style="list-style-type: none"> Determine a public process for making recommendations for gateway improvements (physical or more abstract) at the Glisan and 3rd/4th Avenues locations, integrating art and cultural influences. Coordinate with Regional Arts and Culture Council as appropriate. Coordinate with the Portland Department of Transportation (PDOT) to continue the 3rd and 4th Avenue streetscapes through to Hoyt, enhancing the pedestrian and bike crossings of Glisan. Coordinate with Tri-Met's current signal and island configuration while finalizing a process and recommendations for a gateway plaza or other strategy at these intersections. Also coordinate with the on-going design and construction of the East-of-Pearl and Blanchet House projects on either side of Glisan. | L L | | | | | | |
| <ul style="list-style-type: none"> Stakeholder input reinforced the desire for an Asian cultural center within the district, preferably close or adjacent to the Classical Chinese Garden. The case studies indicate a range of sizes for similar facilities, typically smaller than earlier OT/CT studies have indicated. For entities such as this, past examples indicate that the critical element is a champion within the private sector. While portions of the funding for facilities such as these can come from public sources, a private individual with the appropriate knowledge, commitment, and resources is critical to establishing community support in funding both the construction of the facility and preparing a framework for on-going operations expenses. | | | | | | | L – Champion/ Developer to be identified |
| <ul style="list-style-type: none"> Earlier studies and stakeholder input also noted the need within the district for a hotel, related to the many Association meetings and festivals throughout the year. While this is a potential client base, this facility would also need to be attractive to the broader district demographics (including younger and more entertainment centered guests) and the case studies illustrate some potential examples. Additionally, one model co-locates an Asian cultural center as a part of this lodging facility, with the lobby and meeting rooms serving as cultural display and multi-purpose rooms. | | | | | | | L – Champion/ Developer to be identified |
| <ul style="list-style-type: none"> Reinforce the Classical Chinese Garden's role within the community and where possible help facilitate programming efforts for the Garden itself and the surrounding Festival Streets. | | A | A | A | | | L – Chinese Garden Board |
| <ul style="list-style-type: none"> Reinforce the Business Association's role in actively programming the Festival Streets. Fundraising, marketing, and programming activities should increase once more development has occurred adjacent to the Festival Streets | | | | L | | | |
| <ul style="list-style-type: none"> Strengthen the current Neighborhood Association Arts, Cultural and History Committee. This committee could become the non-profit umbrella entity that could assist in programming for the Asian cultural center and/or other community spaces in the district. This could represent a coalition of existing groups like CCBA, Chinese Garden, Nikkei Center, the Jewish Museum, etc. | | | L | | | | |

| Key: L = Lead A = Assist | PDC | City Council | Visions | Neighborhood Association | Business Association | Land Use Committee | Other |
|--|----------|--------------|----------|--------------------------|----------------------|--------------------|---|
| | | | | | | | |
| <ul style="list-style-type: none"> Encourage arts and cultural activities to promote the history and evolving nature of the district. Coordinate with the Regional Arts and Culture Council to develop a district-specific program for additional permanent and temporary art within the neighborhood. As more galleries, design and art schools are moving into the vicinity, a diverse and high-standard for this effort should be established. Develop a marketing strategy and materials to promote and stir excitement about the district attractions and development opportunities. This may include the creation of a district website, videos, and written materials. Potential collaboration opportunities include First Thursday events, TriMet's Transit Mall opening celebration, Chinese Garden events, the Autumn Moon Festival, delegation trips to and from Asia, ULI/other similar conferences and trade shows, etc. Materials should be actively and consistently used in numerous discussions, meetings, and other forums, and should reflect the district mission, vision, and various policy and study documents. | | | | | | | L – Arts, Culture, History Committee |
| Housing Stimulus Measures: | A | A | A | L | A | | A - Various |
| <ul style="list-style-type: none"> Explore financial incentives for the implementation of mixed-use mixed-income projects including workforce housing and/or innovative product types such as live-work, smaller-sized condos and artist loft space (similar to Everett Street Lofts): <ul style="list-style-type: none"> Employer Assisted Housing Housing Trust Fund Land Bank Ground Lease Bond Financing Programs Potential revisions to Multi-Family Tax Abatement (currently under moratorium) Tax abatement for condominiums under 800sf Low Income Housing Tax Credits New Market Tax Credits City Lights Program (limited to development of rental housing on publicly owned land, such as Block 25). Explore existing or new programs that would help incent development of student housing, including student housing bonds, ground lease and land bank tools. Explore collaboration with the various education providers including Portland State University, University of Oregon, Pacific Northwest College of Art, the Art Institute, Oregon College of Oriental Medicine, etc. Seek employers who want to initiate employer assisted housing programs, including those who may also want to occupy office space in a mixed use development. | L | A | | | | | |
| | A | | | | | | L – Education Providers |
| | L | | | | | | A – CEOs for Cities |

| <i>Key:</i> <i>L = Lead</i> <i>A = Assist</i> | <i>PDC</i> | <i>City Council</i> | <i>Visions</i> | <i>Neighborhood Association</i> | <i>Business Association</i> | <i>Land Use Committee</i> | <i>Other</i> |
|---|------------|---------------------|----------------|---------------------------------|-----------------------------|---------------------------|---------------------------------|
| <ul style="list-style-type: none"> Sequence various housing development projects under consideration in the district to build a neighborhood track record, allow for the success of one project to aid in the feasibility of the next, and to minimize risk of flooding the market with competing product types. Reinforce the balanced housing focus during the Central Portland Plan and Central City Plan efforts led by the Bureau of Planning. | L | | | | | | |
| | A | | A | A | A | A | L – Bureau of Planning |
| Commercial and Retail Oriented Measures: | | | | | | | |
| <ul style="list-style-type: none"> Explore small-scale and diverse retail spaces within new developments. Often financial concerns limit tenant candidates to larger, more established companies. Most vibrant ethnic neighborhoods have entrances to different establishments every 25' or less, while Portland's Chinatown often has only one or two entrances per 200' block. Most tenants are much smaller, with individualized space or lease needs. In responding to these needs, landlords on SE 82nd Avenue are attracting many tenants that would otherwise like to be located in OT/CT. Special attention should be paid to encouraging small- or micro-retail along the Festival Streets, or in other concentrated locations (ie: double-loading of retail), to increase the frequency of storefront entrances. If a large floorplate ground floor use locates within the district, a liner of street-facing retail uses should be encouraged. (Several sides of the Seattle Uwajimaya utilize this configuration for their prepared-food vendors, activating both the street and the store interior.) | A | | | | | | L – Future Developers |
| <ul style="list-style-type: none"> Pursue commercial/retail reuse of current TPI space at corner of NW 5th & Glisan upon relocation to the Resource Access Center | | | | | | | L – Central City Concern |

| Key: L = Lead A = Assist | PDC | City Council | Visions | Neighborhood Association | Business Association | Land Use Committee | Other |
|---|-----|--------------|---------|--------------------------|----------------------|--|--------------------|
| | | | | | | | |
| District Parking & Access Measures | | | | | | | |
| <ul style="list-style-type: none"> Parking (or a perceived lack of parking within the district) remains an issue within the Study Area given the entitlements for NW Natural on Block 25, increasing visitor demand, and the anticipated future redevelopment of existing surface parking lots. The recently completed PDC Old Town/Chinatown Parking Study outlines these projected needs and potential opportunities. <ul style="list-style-type: none"> Explore financial incentives to develop innovative parking solutions, such as simple hydraulically stacking options. As many of the developable parcels within the district are $\frac{1}{4}$-block sized, hydraulically stacked parking may be the only economically feasible configuration. The potential phasing of larger development parcels to maximize density and minimize absorption risk may also necessitate the use of hydraulic parking or other creative parking solutions. It is significant to note that late in the course of this Strategy, infill developments are just breaking ground on partial-block parcels in SE Portland utilizing simple hydraulically stacked parking configurations. Explore opportunities for residential/commercial or daytime/nighttime shared parking uses in future developments. Explore the ability to replace existing parking serving the district, such as Block 26, when the site is redeveloped. Development projects replacing existing undedicated parking within the downtown core, including Old Town/Chinatown, can reincorporate a portion of this parking if the project meets certain criteria, including: parking is built underground, all surface spaces are removed from a lot, and no more than 400 spaces have been built already in the entire Core Area. At the time the Parking Study was prepared, 235 spaces are available to be used within new projects. Study the viability of pedestrian/bike connection to the waterfront on Flanders. Currently Flanders dead-ends into the bank and retaining wall at NW 1st Avenue. If earlier concepts of a skatepark or other uses at this location proceed, efforts to enable bicycle access through this parcel should be implemented. | L | A | A | A | A | L – Future Developers L – Future Developers | |
| | A | | | | | | L - PDOT |
| Block 25 Development Measures | | | | | | | |
| <ul style="list-style-type: none"> Complete transfer of the City and Blanchet House owned parcels on the block to PDC in coordination with the development of the new Blanchet House facilities, for the purposes of facilitating future mixed-use development on $\frac{3}{4}$ of the block. Prioritize the substantial public investment necessary to replace the Northwest Natural parking obligation. | L | A | | | | | A – Blanchet House |
| | L | L | A | A | A | A | A |

| <i>Key:</i> <i>L = Lead</i> <i>A = Assist</i> | <i>PDC</i> | <i>City Council</i> | <i>Visions</i> | <i>Neighborhood Association</i> | <i>Business Association</i> | <i>Land Use Committee</i> | <i>Other</i> |
|---|------------|---------------------|----------------|---------------------------------|-----------------------------|---------------------------|---|
| <ul style="list-style-type: none"> Upon completion of the light rail improvements and the new Blanchet House facilities, solicit development proposals (likely through the use of an RFP) consistent with the vision depicted in this development strategy, including: <ul style="list-style-type: none"> The development should be significant to activate the area and justify the large investment of public funds, and therefore high density and active ground floor uses should be prioritized to the extent possible within market realities, including absorption rate considerations. Encourage building mass and configuration of development to have deference to the Classical Chinese Garden to allow light and views. Remove encumbrances to development to extent possible, including exploring relocation of NW Natural Parking to Block 24 and demolition of existing Blanchet House facility once vacated. | | | | | | | |
| | L | | | | | | A – NW Natural, Blanchet House |
| Block 26 Development Measures | | | | | | | |
| <ul style="list-style-type: none"> Engage the operations of Cascadia Behavioral Mental Health in the Royal Palm, at 3rd and Flanders, on the Festival Street. Explore ways to integrate some portion of active storefront on the Northwest corner of the structure onto this high-value public right-of-way. | A | | | | | | L – Block 26 Property Owner & Cascadia |
| Block A&N Development Measures | | | | | | | |
| <ul style="list-style-type: none"> Undertake preliminary due diligence, such as an updated structural assessment, environmental site assessment, and exploration of access options to further evaluate the development potential. Solicit development proposals (likely through the use of an RFP). Development priorities should reflect the vision of the North Old Town/Chinatown Redevelopment Strategy and be further informed by the above mentioned due diligence. Unless deemed infeasible, reuse and preservation of the fire station should be explored. The development of structured parking on the site may also be a priority. | L | | | | | | |
| Block 24 Development Measures | | | | | | | |
| <ul style="list-style-type: none"> In light of the unlikelihood of redevelopment of Block 24 in the near to mid-term, explore the feasibility and potential cost savings of an interim hydraulic demonstration project on a portion of the site to accommodate the Northwest Natural parking obligation. This would allow for future unencumbered redevelopment of Block 25 | L | | | | | | A – Northwest Natural |

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



APPENDIX

Appendix I - Case Studies

Case Studies of Example Projects

Peer districts such as historic Chinatowns in Seattle, San Francisco, Vancouver, and Toronto have been experiencing a recent urban phenomenon that many social geographers call 'ethnoburbia,' where many former and new asian immigrants living in older urban centers relocate and congregate in outlying suburbs. This can be attributed to the trend of recent immigrants, who are more educated and affluent than previous generations, to be less drawn to the traditional localized centers and are enticed instead to detached homes, shopping centers, and life in the suburbs. This emergence of new asian communities outside the core of central cities have become a nexus for asian residential and commercial activities, exemplified by districts such as Richmond in Vancouver BC, Scarborough and Markham in Toronto, San Gabriel Valley in Los Angeles, and the Richmond/Sunset district in San Francisco, as well as SE 82nd Avenue here in Portland. However, some of the historic Chinatowns are experiencing a renaissance and are evolving into districts that support a hybrid culture and commerce, addressing a more diverse and global, often younger population. The most successful of these districts maintain a memory of their past as well as a cultural essence and look toward the future. These types of neighborhoods, particularly Portland's Old Town/Chinatown, have special stories to tell about the journey and evolution of their immigrants, residents, and businesses who have and will continue to contribute to their district.

The essence of Old Town/Chinatown has a rhythm and small grain feel that imbues it with richness and diversity and the district is poised to continue its evolution into an exceptional thriving neighborhood. The planning and placemaking process should look at examples that respect the local distinctiveness and character of Old Town/Chinatown where differing meanings and culture can coexist, and where gentrification impacts are tempered to allow room for adaptation, transformation, and opportunity. What has been illustrated in the urban design principles and redevelopment scenarios of this strategy are frameworks blending the new and the old in unique ways, in order to honor the history and cultural diversity of the district while enhancing it as an interesting and rooted place to live and work.

The past visioning plans and studies, and the current round of community research, have identified several uses that the district is currently lacking and would help to reinforce the area's diversity and potentially satisfy some of its future development needs. Part of the NOTCT Strategy effort was to look at example facility Case Studies for projects similar to these uses and their relevancy to this particular district. These real world constructed and operating examples demonstrate some of the economic potential and challenges, as well as urban design issues such as scale, form, mix of use, and street level activities. If available, input on the champions behind some of these successful projects is also included.

The following Case Studies categories provide a small sampling of relevant recent innovative and mixed-use examples:

- Housing*
- Cultural Centers*
- Community Centers*
- Hotels*
- Grocery Stores*
- Parking*



Chinatown, Los Angeles, CA



Chinatown, Vancouver BC



Old Town/Chinatown, Portland, OR

Housing

One of the key needs for the North Old Town/Chinatown neighborhood is the provision of housing that serves a pluralistic population of varying income levels and diverse lifestyles, from students to immigrants to the working class. This neighborhood is considered by many local developers as a secondary location compared to other districts in the downtown core and therefore has not seen the dramatic increase in housing construction as other nearby downtown districts.

As construction costs continue to rise, this district will continue to face difficulties. Creative strategies will need to be implemented in order to raise the economic feasibility for housing developments proposed for this neighborhood, with an additional focus on maintaining the spirit of place of Old Town/Chinatown. The following pages illustrate a small sampling of local and foreign project examples highlighting innovative strategies that may be useful for the needs and economics of the study area parcels. Some attributes of the projects illustrated include:

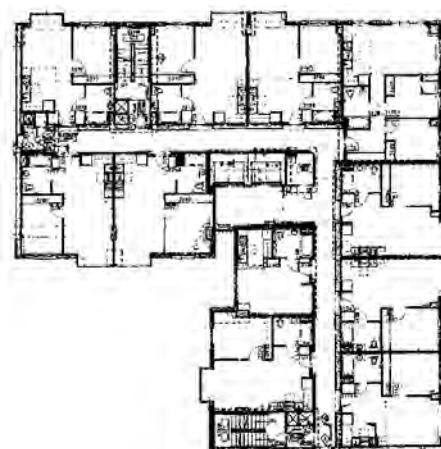
- **Innovative products** - housing that responds to the local Portland demographics, and specifically a more edgy and unique local identity of Old Town/Chinatown,
- **Innovative construction techniques** - projects that utilize nontraditional construction methods and materials for cost savings,
- **Small-scale and flexible floor plans** - a mix of unit types, particularly smaller units may respond to the district's younger demographics.
- **Mix of housing types** - a range of for-sale as well as rental units (even within single developments) may allow for economic and lifestyle diversity, and respond to absorption rate pressure,
- **Workforce housing** - targeted middle-income to retain and entice families and workers to live downtown and support the district's amenities,
- **Innovative financing strategies** - a mix of market-rate and affordable financing strategies will likely need to be explored in order to provide the desired housing mix,
- **Partial-block development** - the district's current make-up of primarily partial block parcels offer opportunities for phasing to match the historic fine-grained development, as well as real economic and parking challenges.
- **Sustainability** - economic feasibility and sustainability measures often conflict, but several of the included examples are successful in combining these attributes.



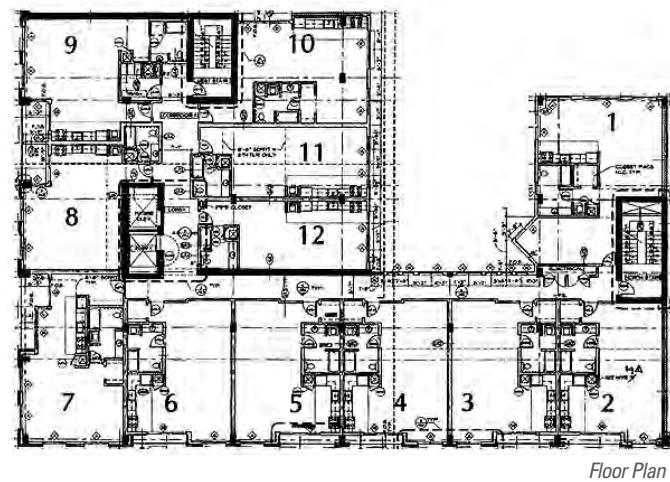
Pacific Tower

Portland, OR, North Old Town/Chinatown

- 1/4 block development on 10,000sf site
- 13 levels of housing over retail and public-use ground floor, 156 apartments
- Minimal parking, (12 on-grade, monthly rental spaces) due to immediate proximity of transit mall
- Economics Data: When opened in 2003, the rentals were originally targeted towards Asian seniors, 10% for households under 30% of MFI and the remainder for house holds 60% or less of MFI. The eventual tenants are now younger, in their 20's or 30's and some students able to fall within the income ceilings. Rents range from \$540-\$850.



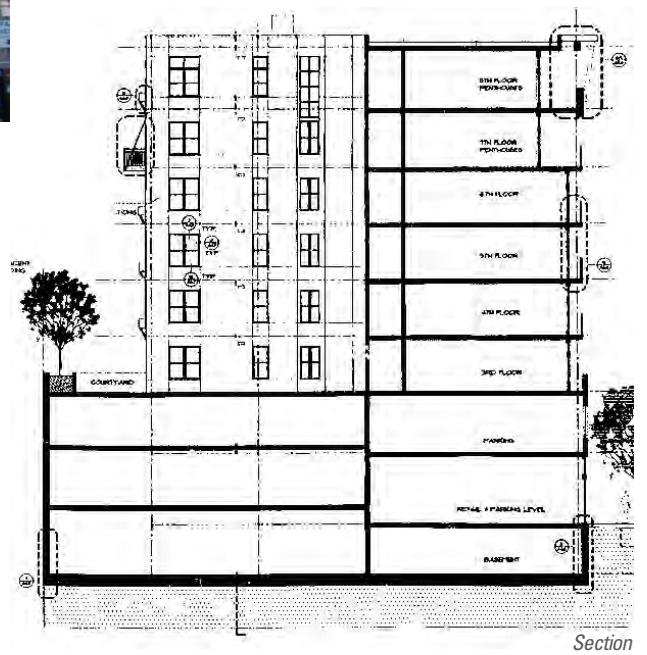
Floor Plan



Old Town Lofts

Portland, OR, North Old Town/Chinatown

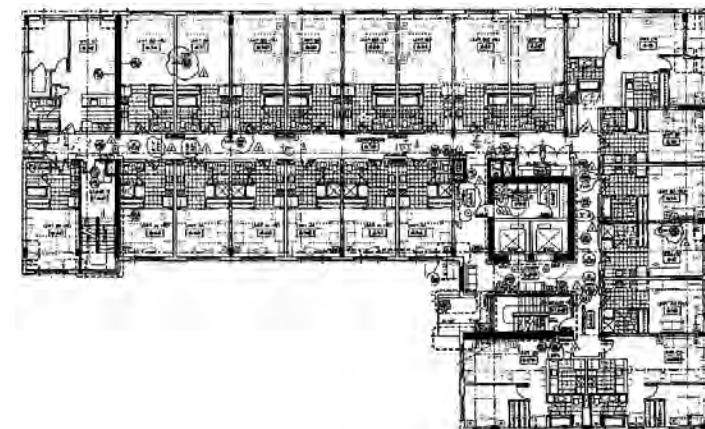
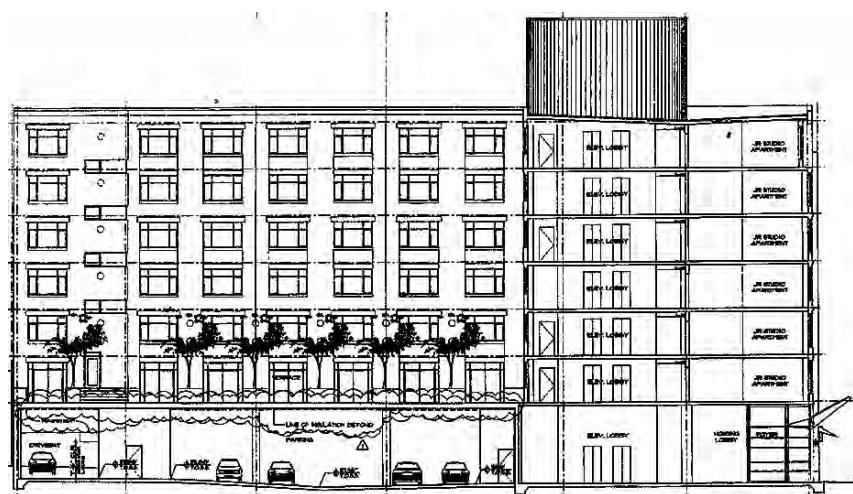
- 1/3-block development on 15,000sf site
- 6 levels of housing, 6,00sf of retail base
- 3 levels of parking (1 below-grade, 1 1/2 above-grade)
- 60 condo units, 600-800sf studios & 1-BR, 1300-1500sf 2-BR
- Economics Data: \$250-\$260/sf, sold slowly but smaller, less expensive sold quicker. 47% of the units were sold with Shared Appreciation Mortgages. The residents are diverse, recently divorced singles, middle-aged or younger and single female professionals. Most were attracted to the affordability as well as the diversity and the smaller-scale streetscapes of the district.



Museum Place Lofts & Townhouses

Portland, OR, West End District

- Full-block mixed-use development on 40,000sf site
- Housing above with ground floor retail (47,00sf grocery store)
- 2 levels of below-grade parking, 220 spaces total (50% for retail, 50% for residents)
- 128 apartments, 15% studios, 55% 1-BR, 15% townhouses from 575sf-1330sf, 10% penthouses
- Economics Data: \$42M construction cost. This project was part of a 3-block redevelopment planned to revitalize the area by providing a range of residential choices as well as other neighborhood amenities. \$1.65/sf average for rent, 28 units are reserved for 50% MFI. Renters includes students, professionals and retired couples.



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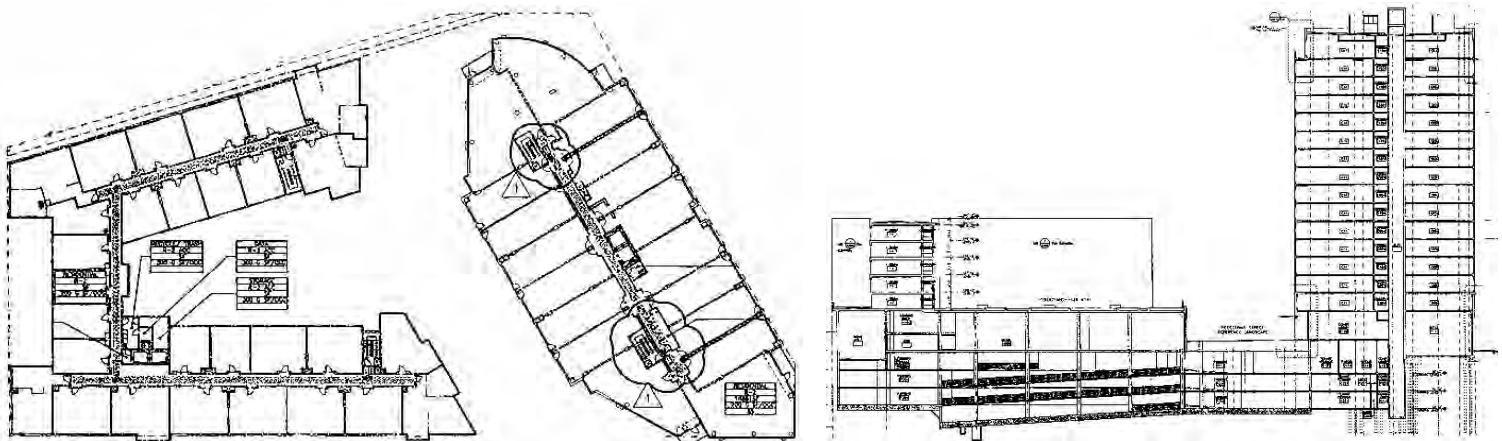
Floor Plan



The Civic

Portland, OR, West Burnside District

- Multi-block development on 60,000sf site, public/ private partnership between Gerding Edlen and the Housing Authority of Portland (HAP)
- 16 levels of housing and 30,000sf of ground level retail
- HAP housing includes a 5-story, 140-unit, low-income, midrise apt. complex
- 261 condos, 700-800sf 1-BR lofts. 1200-1500sf 2-BR, 1500-2100sf Penthouses
- Below-grade garage for 400 cars
- Economics Data: \$73M condo construction cost, unit prices range from \$175,000-\$900,000. Completion in 2007, nearly all of the for-sale units were pre-sold, primarily to a younger market. 80% of the buyers are under 40, 75% are single, and the rest are couples or families. 66% of the single buyers are male.



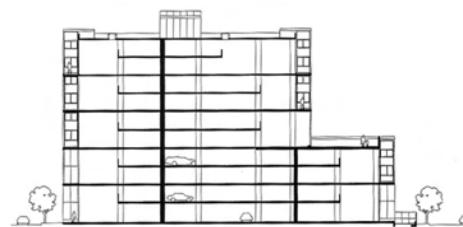
Floor Plan

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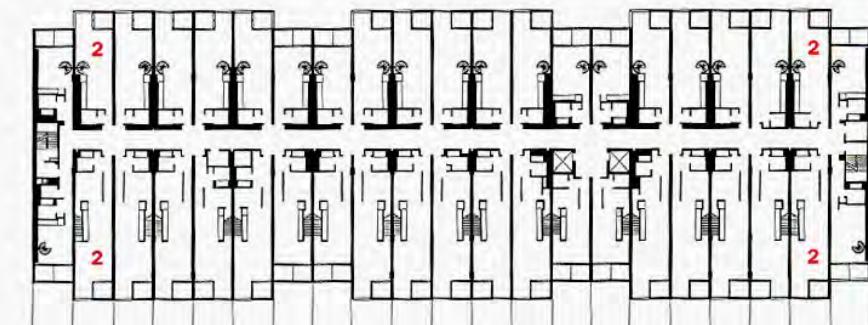
Yerba Buena Lofts

San Francisco, CA

- 55,000sf site, 350,000sf building
- 9 levels of condo housing units
- 200 2-story lofts, 75% 1BR (900-1,000sf), 20% 2-BR (1400sf), 5% live/work units (940sf)
- 200-car internal parking structure, 1 level on-grade and 3 levels above-grade
- Economics Data: \$237/sf (in 2002) construction cost, sale prices ranged from \$350,000-\$450,000. 10% of the units are affordable at 60% market value. Most lofts are two-story with 16'-0" ceiling heights. Construction is primarily exposed concrete, utilizing reusable form-work, common shear wall/column elements. Targeted demographics were young dot-com professionals (few units occupied by families).



Section



Floor Plan

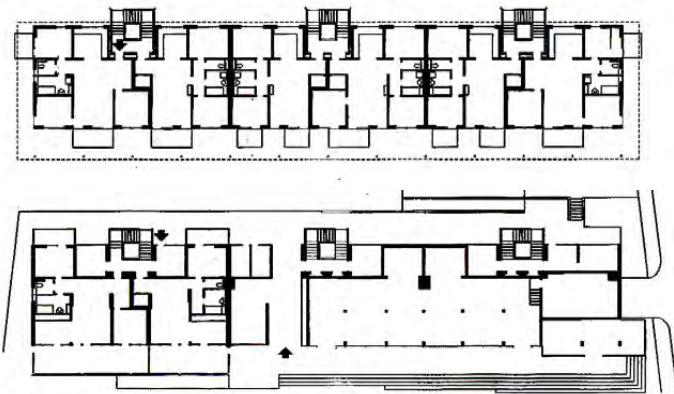


Banner Building

Seattle, WA

- 14,000sf site
- 12 levels of housing, 3 levels of 26,000sf retail
- 14-units live/work, 1,800sf 2-story condos
- Separate low-rise building w/4 subsidized apartments (600sf) and 2 market-rate apts. (1200sf)
- Parking on grade, 20 cars
- Economics Data: \$65/sf construction cost (in 2000) for spacious, unfinished shell in which buyers could complete any level of tenant improvements appropriate to their needs and budgets. Originally intended for sale to emerging artists for under \$200,000 and buyers typically have spent from \$80,000-\$300,000 for tenant improvements. 1-1/2 levels of the retail spaces have now been converted to residential use.





Judenburg West

Judenburg, Austria

- 21,000sf development of subsidized affordable housing
- 3 levels of housing, ground floor retail
- Below-grade parking for 22 cars
- 22 units of lease-to-buy apartments: 1-BR (675sf), 2-BR (950sf)
- Owner/Developer: Ennstal, Whonbau Genossenschaft (Non-profit housing provider)
- Economics Data: \$100/sf project cost, wood-framed structure utilizing prefabricated panels for the floor, walls, and balconies. 80% of the renters are young couples and families, 15% older couples, 5% singles. This project is based on a lease-to-own system, where the tenants pay a down payment of \$30,000, with rent of \$500/month, covering operational costs, taxes and utilities for 25 years at a 2% loan rate. Another option after 10 years is to pay the loan balance plus the operating costs to the housing agency, who continues to maintain the building.

Floor Plan



Colorado Court

Santa Monica, CA

- 14,000sf site, 30,150sf building
- 5 levels of housing
- On-grade parking for 20 cars, on-site bike storage
- Owner/Developer: Community Corporation of Santa Monica
- Economics Data: \$4.3 million construction cost, units rent between \$316-\$365/month. Twenty-two units are rented to people making less than \$13,000 yearly, another 22 to those making less than \$15,000 yearly(35-40% of MFI of \$36,500). Typical demographic include full-time workers earning minimum wage, people on fixed income such as retirees and the disabled. This project is one of the first buildings of its kind in the US that is 100% energy independent, generating nearly all of its own utility energy. Rebates from various state and energy agencies helped defray the equipment costs.

Cultural Centers

The Old Town/Chinatown district currently has two distinct facilities that promote and honor the cultural heritage of the Asian community, specifically the Classical Chinese Garden and the Oregon Nikkei Legacy Center. Both facilities operate successfully as museum entities educating the general public about history and the preservation of the Chinese and Japanese cultures. Community outreach completed as part of this Strategy as well as past reports have indicated a desire for a living cultural center that would broadly reflect the current multi-ethnic nature of the district to help promote arts, culture and history as a dynamic destination for the neighborhood. The examples shown below illustrate several commonalities that would contribute to the success of a cultural center:



Oakland Asian Cultural Center

Oakland, CA

This pan-Asian cultural/community center is part of a mixed development project in Oakland's Chinatown district, founded as a partnership agreement between the Oakland Redevelopment Agency and Pacific Renaissance Associates. The redevelopment's mix includes retail spaces and branch library on the ground floor, three levels of below-grade fee parking, and the 15,500sf cultural center on the second floor. The center includes an auditorium, multi-purpose classroom, event studio and a rental kitchen. The center is managed by a non-profit entity and the facility is owned by the City.



Wing Luke Asian Museum

Seattle, WA

The pan-Asian Pacific museum, founded in 1967, operates as a community resource through a community-based exhibit process and education-based programming and has a distinctly pan-Asian Pacific-American focus. The museum started extremely small, moved into a 5,000sf renovated garage, and has only recently expanded into a 60,000sf newly renovated building in Seattle's International District. The museum is managed by a 501c3 non-profit entity.



Oregon Nikkei Legacy Center

Portland, OR, OT/CT District

The 4,000sf center exhibits and preserves the history and culture of the Japanese-American community in Oregon, particularly the immigration and early life within Nihonmachi (Japantown) in downtown Portland. The renovated Merchant Hotel Building, once containing a Japanese laundry, barbershop and bathhouse, now houses the Center's exhibit space, museum shop and offices. The ONLC is managed by the Oregon Nikkei Endowment, a non-profit entity.

A Community Center was cited as another key desire for the Old Town/Chinatown district due to various needs from many social and community organizations based in the neighborhood. The needs are varied in nature and run the gamut from performance/event spaces, recreation, classrooms, conference and meeting rooms, to administrative office spaces. One of the challenges for a community facility of this type is to maintain a rigorous programming schedule to keep the center active and well maintained, which warrants a strong champion to manage and operate the facility. Recent case studies of community centers regionally and from abroad illustrate some innovative private-public partnerships creating successful amenities for their respective neighborhood. The key successful components that they all share are:



La Cocina Kitchen Incubator & Folsom Street Housing, San Francisco, CA

This project is a 4,400sf commercial kitchen facility for low-income women who are interested in launching or expanding their small food businesses. The kitchen allows them to cook for-sale food products prepared in a legal environment, and provides training, technical and business assistance. The shared facilities are rented on an hourly basis at affordable rates for program participants and are rented at market rates to established commercial businesses. Market-rate rental housing is located at the rear of the site. The kitchen component is managed by La Cocina, a nonprofit that operates under the fiscal sponsorship of the Womens' Foundation of California, a 501c3 organization.



Palo Verde Library & Maryvale Community Center, Phoenix, AZ

This combined branch library and community recreation center was the result of a collaboration between Phoenix's public library system and their Parks & Recreation department to develop this joint use project with funding from the Citizen's Bond program. The 16,000sf library includes a teen center, computer training lab, childrens' story room and 100-seat auditorium. The community recreation center includes a basketball gymnasium, weight rooms, elevated indoor running track, a large multipurpose room and a senior lounge. 240 parking spaces are available on site in a surface parking lot.



Whitechapel Idea Store, London England

This 30,000sf facility in a multi-ethnic district of London houses a branch library and serves as a community outreach center by addressing the City's primary goals of library resources, lifelong learning and community to boost education, training and job opportunities. The books and technology access are free, but the facility takes a retail approach to design, promotion and financing. The center includes a library, classroom, IT center, recreation, exhibit spaces and cafe and it offers a wide range of adult classes, career support, training, daycare and meeting areas.

Community Centers

- **A clear champion** - a non-profit entity (or individual) with passion, knowledge, and resources to energize the community and obtain the relevant political and financial support;
- **Public-Private partnership** - allows for a mix of private investment and public funding; provides political support and engages the community
- **Financial Sustainability** - similar to cultural centers, a plan incorporating operations and maintenance budgeting is critical and may help determine programming activities,
- **Community Connection** - identify the need and users to help frame the vision and make connections to the broader community.

Hotels

Most hotels in Portland's downtown waterfront district are located in the areas south of Burnside Street, where the highest levels of visitor and business activities occur. Pockets of independent boutique hotels are emerging throughout the city center, however, including the adjacent Pearl district. The community outreach and past studies have cited a continuing need for a hotel within Old Town/Chinatown, primarily in response to the out-of-town visitors to the Classical Chinese Garden and assorted Chinese Family Association meetings. Given the evolving demographics and nightlife of the district, some relevant hotel examples illustrate a range of unique facilities, particularly connected to the diverse cultural aspects of their neighborhoods. The hotels listed below are not chain facilities but are largely independent, small- to moderately-sized hotels offering distinct amenities.

Relevant characteristics to enhance financial feasibility include:

- ***Unique, independent brand*** - embraces the local identity of Old Town/Chinatown and Portland,
- ***Culturally-based*** - highlights the history and arts/nightlife culture of the Old Town/Chinatown specific district,
- ***Small to Moderate size*** - appropriately-sized and possibly niche-focused for a small neighborhood, and avoids competing with larger chain hotels,
- ***Facility Diversity*** - range of rooms sizes and types to accommodate local and international modest-budget travelers, families, as well as overseas business visitors.



The Jupiter

Portland, OR

This is a renovated 1960's motel located on East Burnside and includes an adjacent diner/bar/lounge and music venue. The 80 retro-modern style guest rooms are basic but include wireless internet service throughout and are modestly priced to attract patrons to their Eastside district. The main guest rooms surround a 3,000sf courtyard and stage area, allowing for various art fairs, fashion show concerts and other promotional events to take place on the hotel grounds. Three retail spaces face Burnside Street, as well as a 1,000sf multipurpose event room. The hotel is owned by an independent operator/developer and capitalized with private financing.

The Phoenix

San Francisco, CA

This moderately priced landmark is located in the gritty Tenderloin district in San Francisco, marketed as a funky rock-n-roll hotel, and is operated by the Joie de Vivre Hospitality Group. It is a renovated two-story 1950's-style courtyard hotel with 42 rooms, including 4 suites with kitchenettes, free limited parking (20 spaces). An on-site bar, restaurant, and small swimming pool round out the electric amenities. The Phoenix's funky-but-chic atmosphere attracts celebrities, rock groups, as well as a bohemian clientele. Room rates are mid-range.



The Salisbury YMCA

Tsim Sha Tsui, Hong Kong

This 16-story YMCA-run hotel is located among the luxury hotels on Salisbury Road, near the Star Ferry terminal and has an impressive view of nearby Victoria Harbour. Built in 1925, it has 300 rooms, 62 suites, and no on-site parking. The rooms offer many amenities including internet access and refrigerators. The suites include living rooms, which are popular with families and conferences attendees. Rates are moderate, attracting a diverse range of patrons. Hotel facilities include indoor swimming pool, fitness and recreation center, restaurants, dance studio, bookshop, meeting and banquet rooms, children's library and playground, and a 4th floor outdoor terrace. The hotel offers tourist info as well as babysitting services.



Shanghai Inn

Bangkok, Thailand

This five-story boutique hotel is located in the historic Chinatown district in Bangkok, Thailand. Opened in 2006, the hotel has the standard modern amenities while offering a unique cultural experience. The 51 rooms and 4 suites are all designed with a Shanghai theme featuring chinoise art décor and bold, vibrant colors. The ornate antique furnishings along with other curios highlight Chinese art and culture while providing a flavor of a historic China. The hotel services and amenities include a Chinese Massage and Spa, Tea Room Terrace, internet access, a library, a swimming pool. Its moderate rates as well as central location attract both business and tourist travelers.



Pensione Nichols

Seattle, WA

This smaller-scaled independent bed-and-breakfast is located in the retail and entertainment core of downtown Seattle near Pike Place Market. The B&B is housed in a remodeled turn-of-the century building with an understated and European-styled setting. The building is located on a hill with ground floor retail, fitting in with the neighborhood bars and bistros along a historic block. The top two levels contain ten guest rooms with shared baths and two suites with private baths kitchens. Parking is provided off site at a participating garage a block away. The hotel space is leased by the operator and the renovation costs for the B&B were personally financed.



Panama Hotel

Seattle, WA

This 5-story historic hotel is located in the International District of Seattle's downtown. The brick-clad building was originally constructed in 1910 as a workingman's hotel serving Japanese immigrants, and other businesses including a laundry, tailor, pool hall, florist, bookstore, and Japanese bathhouse. The hotel was renovated in 2001 under new ownership and turned into an 80-room European-style hotel attracting regional and international travelers looking for charm and a historical perspective. All the rooms are modestly-sized with personal sinks and shared bath down the hall. Parking is available off-site. A modern teahouse on the premises as well as tours of the historic bathhouse bring steady pedestrian traffic daily.

Groceries

One of the primary support services that was cited as lacking in the Old Town/Chinatown neighborhood is a grocery store, specifically one that would be suited to the culture of the district and be an attractor as a destination point for visitors. This survey of regional asian groceries reveals that many stores of this type typically demand large floor plate areas as well as huge parking needs, and therefore have typically been located in the suburbs. Fubonn Shopping Center in SE Portland, however, is relevant in its focus on smaller emerging business and financial success in Portland. Uwajimaya Village in Seattle couples streetlevel foodservice ventures with multiple floors of housing above to generate streetlevel activity. Other relevant attributes of these two asian supermarkets include:



- **Culturally-based** - highlighting the cultural heritage of Old Town/Chinatown to enhance its role as a district resource as well as a destination attractor,
- **High entrance frequency** - a myriad of small-scale business provides ground floor activity,
- **Micro Retail** - supports local economy and small diverse businesses by lining the perimeter of the main supermarket with small retail spaces,
- **Housing Component** - the more urban location of Uwajimaya allows for highest and best use of the block and encourages people to live where they shop, creating a vibrant urban environment,
- **Parking Component** - provision of parking is cited as critical as a draw for these types of supermarkets, and the expense of below-ground parking in NOTCT will be a primary challenge.

Mitsuwa

Various locations, Arlington Heights, IL shown

Mitsuwa Marketplace was established in 1991, in Arlington Heights, a Chicago suburb, and is considered the largest Japanese grocery store in the Midwest. There are nine stores within the region, California, and New Jersey. The 50,000sf San Jose Mitsuwa contains an anchor grocery, supporting bakery, cosmetics and health care counters, a food court, bookstore, and small travel agency. The marketplace is located on a large site with 400 parking spaces, which, on four or five occasions per year, doubles as a festival ground (pictured).

Uwajimaya Village

Seattle, WA (shown) and Beaverton, OR

Uwajimaya Village is located in Seattle's International District and is a retail and residential project spanning two city blocks. The development includes 70,000sf of retail shops, a Japanese bookstore, food court and a 50,000sf grocery store on the ground floor, with 176 market-rate and affordable apartments above, and 350 cars below grade. Uwajimaya is a family-owned supermarket chain based in Seattle, selling primarily pan-asian and some western produce with an emphasis on Japanese staples. Uwajimaya Inc. partnered with developer Lorig Associates to construct the project, with the developer owning and managing the apartments. The 200,000sf residential component has apartments ranging in size from studio to 2-BR flats and townhouses.



99 Ranch Market

Various locations, Kent, WA shown

This market, sometimes called Tawa Supermarket, is a Los Angeles-based supermarket chain specializing in asian grocery products. Established in 1984 by a Taiwanese expatriate, the chain operates 26 stores, primarily on the West Coast. Most of the market locations have a full take-out deli serving a combination of Cantonese, Taiwanese and Szechuan fare to Chinese, Phillipino, Vietnamese, and Thai patrons. The stores typically have a bakery, in which most of the baked-goods sold in the markets are made. The 40,000sf Kent, WA location anchors a 100,000sf indoor shopping mall containing 20 other individual stores.

Fubonn Shopping Center

Portland, OR, SE 82nd Avenue District

This single level pan-asian shopping center on SE 82nd Avenue has 73,000sf of leasable space and a surface parking lot for 330 cars. The center includes a supermarket anchor tenant with smaller retail spaces (ranging from 300sf - 3000sf, with 1000sf the most common). The center is owned by a private developer aiming for a diverse mix of businesses providing a variety of customer needs such as fashion, bakeries, personal services, restaurants, technology, etc. The center also tailors lease packages, regarding space needs, tenant improvement allowances, lease length and rent concessions, and focuses on the needs of emerging, small entrepreneurs.

Parking

The primary function of Blocks 24, 25, and 26 is currently on-grade surface parking, either open-air or enclosed within buildings. Even with the newly constructed light rail connections to the district, any redevelopment on these blocks will require integrating a reasonable amount of parking into the future structures. Parking in general has proven challenging to vibrant urban design and streetscapes. Portland's small 200'x200' blocks specifically offer relatively efficient parking configurations if built out as full blocks, but this is often at the expense of an active streetfront. There are ways to mitigate these impacts, historically by building parking underground, on the above-ground levels (retaining the ground floor for retail or other uses), or lining ground floor parking with a retail wrap. Underground parking garages offer the most urban design benefits, but are also the most costly by a significant amount.

One unique attribute of Portland's Old Town/Chinatown is the relatively small grain to the parcel sizes and the corresponding smaller building fronts. To retain this pattern and accommodate large numbers of parking spaces within new developments has proven nearly impossible, as 1/4-block and smaller parcels are very inefficient for conventional parking aisles. This has resulted in many 1/4-block surface parking lots in OT/CT remaining as is, rather than redeveloped and increasing the residents and activity within the district.



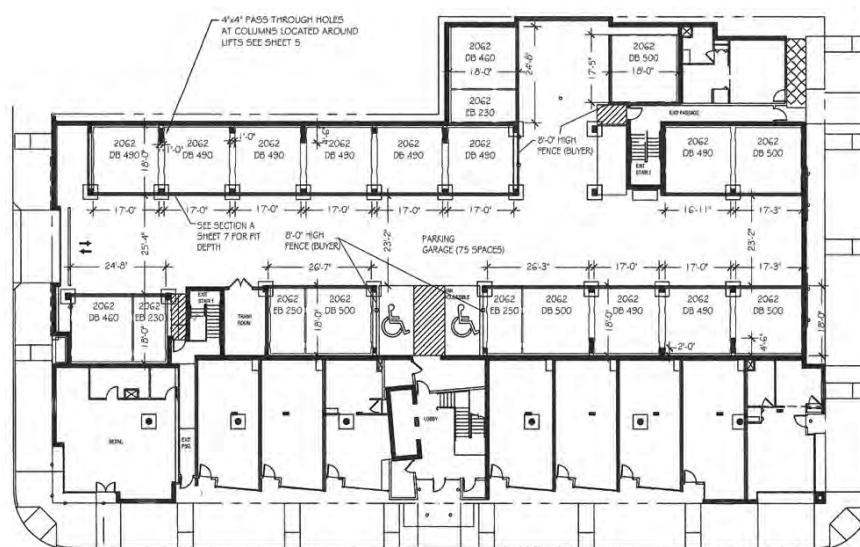
Appendix I - Case Studies: Parking | A-14



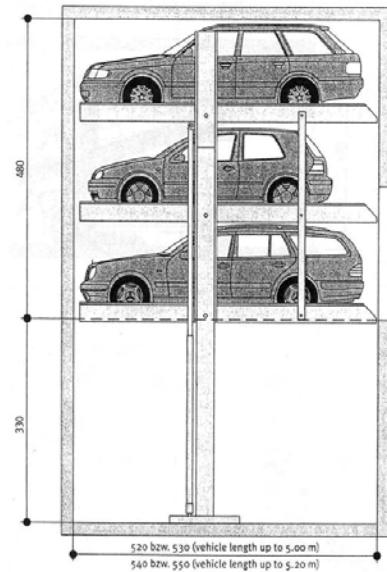
One relatively recent development in parking technology is a simple hydraulically-stacked configuration. Hydraulic or mechanized parking is not a new concept, as illustrated by the historic photo of Portland's downtown, far left, or European examples shown here, but the profitability of Portland's surface lots has proven difficult to match efficiently, especially on the smaller 1/4-block parcels. Portland's recent history with mechanized parking is somewhat checkered, with a large automated garage proposed a decade ago where South Park Block 5 now sits (with a conventional underground garage) at SW Park and Yamhill. This completely automated, extremely dense concept was ahead of its time, and may still be so, given the economics/management/software/and queuing issues - particularly in a primarily office or retail-use environment.

Only in the last decade has an economical alternative emerged and proven successful in California. The drawings and photograph on this and the following pages are from the **9th and Jefferson** and **15th and Jefferson** projects in Oakland, from Klaus Parking Systems and show this simple configuration which utilizes a pit and overhead to allow two or three cars to be parked where only one fit before. These hydraulically-stacked parking configurations are illustrated here to address several of the main challenges to the North Old Town / Chinatown Study Area, namely:

- ***Accommodating parking efficiently, particularly on smaller parcels*** - Where standard 1/4-block parcels previously held 14 - 16 automobiles with retail frontage, these parcels now may hold over 50, and still provide active storefronts onto the street,
 - ***No valet, self-accessed vehicles*** - these configurations form a bridge between conventional parking and more complex and costly completely automated garages. These systems also work best for housing uses, due to varied time-use patterns, as opposed to pure office buildings, where workers typically arrive and depart at more concentrated times,
 - ***Potential to help provide NW Natural parking requirement*** - current entitlement of 130 spaces on Block 25 (or in an alternative location),
 - ***Increasing cost feasibility*** - Currently, surface lots are by far the least expensive hard cost parking alternative, but contribute the least towards the urban vitality. Above-ground structured parking is more expensive than surface, with below-grade the most expensive option by a relatively large margin. These simple hydraulic versions will typically fall in-between the above-and below-ground pricing.

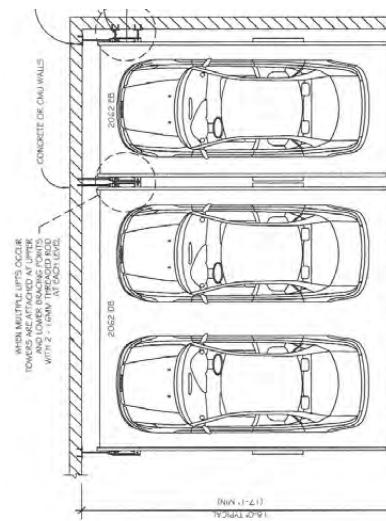


Ground floor plan, showing a hydraulic parking arrangement, stacked 2 and 3 vehicles high, with live/work units fronting onto the street and retail uses at the corners



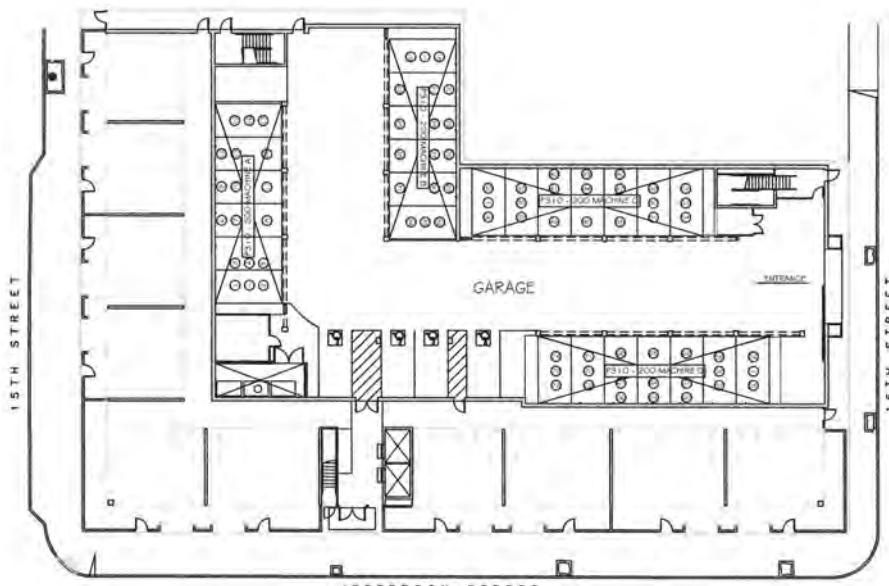
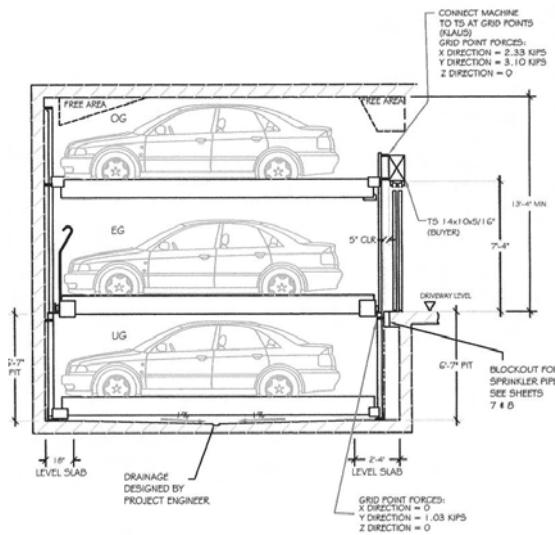
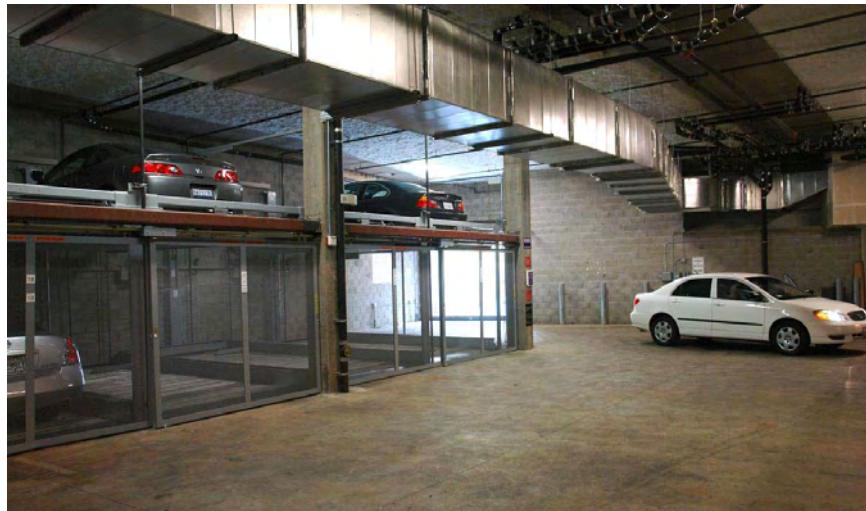
9th and Jefferson
Oakland, CA

The housing project, with 1/2 down (semi-below-grade) parking provides a mix of 2-high and 3-high vehicle configurations. Typically, a vehicle space of 9' x 18' will accommodate one automobile. With a 10' deep pit and 16' overhead, this same space will now hold three vehicles, all able to be accessed by the driver without disturbing the other cars.

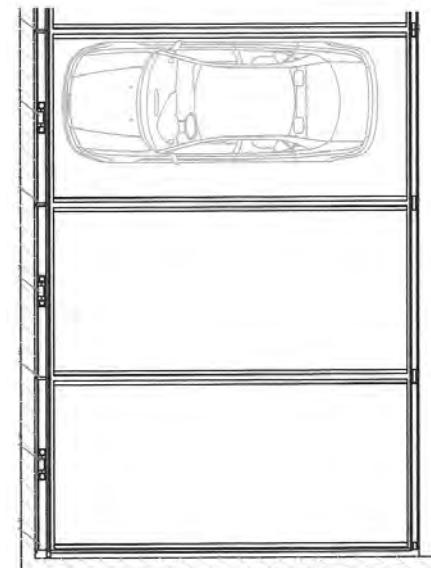


*Enlarged plan and section (above)
showing 3-stack configuration*

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY



Ground floor plan, showing a hydraulic parking arrangement, stacked 3 vehicles high in a more compact sectional layout, with live/work units fronting onto the street and retail uses at the corners. The crosses indicate 6 and 7 car wide bays where vehicles also move horizontally to move an automobile into an accessible location.



Enlarged plan and section (above) showing Klaus' more sectionally compact 3-stack configuration. Automobiles move horizontally as well as vertically, allowing less deep pits and overheads

15th and Jefferson Oakland, CA

This project, with on-grade parking provides 3-high vehicle stacking, in a tighter vertical configuration. A series of vehicles may move side-to-side within a portion of the garage, as well as vertically, in order to move a vehicle into an accessible location. This system is slightly more expensive than the simple stacker, with the cost potentially offset by the smaller space needs. This system also holds security advantages.

*Ross Plambeck at PDC has a long history and understanding of these hydraulic parking configurations and remains an invaluable resource of information on these systems.

Appendix II - Detailed Market Analysis

Development Economics and Market Analysis

During and after development of the conceptual scenarios, interviews were held with a variety of housing and mixed-use developers familiar with the Portland market in early 2007. This chapter summarizes a range of these developer responses to the opportunities and constraints presented by the Old Town/Chinatown Redevelopment Strategy. These include their initial reaction on the district's potential and the best bets for uses, pricing, and timing of development within the project's study area. Conversation specifically focused on Block 25, owned by the City of Portland and bounded by NW Glisan, NW Flanders, 3rd & 4th Avenues. Limited market data on the Old Town/Chinatown neighborhood is also included and is intended to complement recent market updates provided for PDC (e.g. the Central City Briefing Book). Developer input and market data is focused on residential projects, with some comments on viability of retail and office. This chapter is organized in the following segments: *Summary Recommendations*, *Residential Product*, and *Commercial Product*.

SUMMARY RECOMMENDATIONS

Comments specifically related to site issues:

- The importance of maximizing the site's FAR varied between developers, who represented a range of development practices and priorities. Some always seek to maximize FAR whereas others would be more inclined to develop a product that responded to the market as it is today. Most developers acknowledged a trade off between near-term development and site density.
- Catalyst project: In general, developers felt that the more you can bring to the area, the better. Williams and Dame is currently undertaking a five acre catalyst redevelopment in Japantown in San Jose of mid-rise concrete construction. That said, developers universally acknowledged the need to phase unit delivery to market. Project size was described as in part a function of financing and possible public financial support.
- Apartments often lead as a residential project in a transitional area. In the West End, Museum Place and the smaller Mosaic preceded the larger ownership projects of the Eliot and the Benson. In contrast, with the Civic (W Burnside), market rate ownership units preceded the construction of the development's subsidized rental component.
- The transitional housing provided by the Royal Palms (Block 26) was identified by one developer as the largest obstacle for the site's redevelopment.
- The relocation of Blanchet House from Block 25 to Block A&N, across Glisan, was universally acknowledged as a good precursor to the area's redevelopment.

- One developer felt a single entity would likely sign up for only one component of a multi-block development, but that a master plan for multiple blocks should be in place. Developers were not asked directly if they would consider undertaking a multi-block development at this site.
- Timing: Several developers suggested waiting to issue an RFP for the site until planned mixed-use redevelopment of Block O (on the north side of Glisan) occurs and until light rail construction on adjacent streets is complete.

Comments related to residential issues:

- Developers and brokers agreed that the best target market for condos at this location is young, entry-level buyers. This demographic will likely have the highest tolerance for the neighborhood's social services and also the low parking ratios that will likely be necessary to keep project costs down.
- Regardless of the absorption period of the existing inventory, if a project can develop something to meet an affordable market niche it will not compete with the majority of the existing (higher priced) downtown condo inventory. For example, the planned 350-unit 1700 Building (south CBD) is hoping to provide lower cost units; the unprecedented size of this project indicates that at least some elements of the development community perceive depth (if not latent demand) for this market.
- With construction costs continuing to rise – particularly for high rise product – the primary technique to deliver product within a more affordable market niche is developing smaller units.
- Units must be discounted to sell at an Old Town/Chinatown location and to affordable to the younger demographic that will be attracted to this location. A discount of up to 25% from Pearl District pricing may be required. Unit pricing was recommended to stay below \$250,000 - \$300,000, with per square foot pricing below \$400.
- There was very little support for a market rate apartment at this location, given that new construction requires top apartment rents to pencil (over \$2.00/sf), which may be difficult to earn at this location.
- A residential project size of 120 – 160 units was widely considered reasonable for a first project or single phase.
- Almost all developers interviewed would consider reduced parking ratios at this location. A ratio of 0.70 was suggested as reasonable; this ratio has worked at Everett Station Lofts.

Comments related to commercial issues:

- Developers generally advocated activating the blocks' street level to the greatest extent possible.
- Given the low rents that retail spaces have generated in the district (averaging \$14 - \$16 per square foot annually gross), thinking creatively about ground floor uses may maximize project feasibility.
- The one example of office condominiums explored is still too recent to provide conclusions as to the broader viability and market acceptance of this product type.
- A major anchor tenant such as a grocery was widely acknowledged as a boon to any project, although potentially difficult to secure. The West End Safeway was able to negotiate parking ratios of 2.3:1,000 square feet.

RESIDENTIAL PRODUCT

This section first relays developer input and then provides market data and details on four comparable residential products.

Developer Response

- This location is prime for funky, eccentric space that targets young people. A residential project here should not replicate the metal and glass high rises being built in other parts of the city. One developer stated that the more different and unique the product, the better. A moderate income, younger demographic was almost universally described as the most likely market for this location.
- Good site for student housing – on the light rail line to PSU, near the new University of Oregon building. A design competition could solicit innovative ideas.
- Assessment of minimum necessary parking ratios varied. Many developers interviewed do not construct projects without one space per unit. However, most also acknowledged that smaller units without parking spaces have been the first to sell where they have been offered. (The caveat would be that these units were a minority component of projects in which the remaining units were higher valued – the results for projects in which all units are small without parking have been less uniform).
- Sharing parking was advised, although some developers considered this not viable for a condo project. This is, however. Gerding Edlen's parking plan for the proposed 1700 Building condo project.
- Most downtown-oriented developers most commonly stated they would not consider wood construction for a condominium project due to future liability risks. The construction cost differential between steel and concrete was estimated to currently be about \$30/square foot.

- The high costs associated with the core components of high-rise construction – regardless of the units' build out – was an often repeated theme and cited as the primary challenge of constructing high density workforce housing. Project variables (e.g. kitchens, baths, flooring) comprise too small a percentage of the total construction budget to enable projects to pencil at lower price points by merely downgrading finishes. Downtown high-rise projects currently in planning phases are anticipating sales pricing above \$500/square foot, attributed primarily to continued escalation in the cost of construction inputs.
- Given this cost structure, building efficiency was cited as key to a financially feasible project, particularly if projects target anyone other than the highest end buyers.
- Some developers were skeptical that high-rise would pencil at this location at all, and thought mid-rise was the only way to reduce costs enough to sell units given the site's pioneering location. The assessment of sellable pricing varied from under \$400 per square foot (to avoid competing with Pearl District resales) to a total sales price under \$250,000.
- Developers acknowledged that the market has slowed from its heyday. Speculators were widely acknowledged to have left the condo market (estimated to have comprised about 20-30% of sales at the height of the market). The assessment of absorption required for current inventory varied from 12 months to 3-5 years (an outlier opinion). Current absorption was generally considered to be in the range of 3-5 units per month per project.
- Not so for all niches: Gerding Edlen believes there's significant unmet demand for units under \$300,000, as evidenced by their plans for 350 units at 1700 4th Ave.
- One developer described a second unmet niche as units for the aging population, for who access to services, transit, and single-level living are top priorities.
- Less optimistic was the prediction that a portion of condos currently under construction could actually convert to rental projects, and that some recent conversions may revert back, softening the rent increases the rental market has seen in recent months.
- Most developers interviewed did not have first-hand experience with light gauge steel and were still unsure of its utility. However, several local developers have utilized this option; details on relevant projects have not yet been obtained.
- Developers widely cited the difficulty in penciling rental projects given high construction inputs. One interviewee stated that the most obvious rental option would be a tax credit project with 20% of units at 50% MFI – this would provide subsidy while limiting the number of very low-income residents the project brings to the district. The remaining units would target households earning 80-120% MFI.
- Developers generally felt that wholly income-restricted units would not provide a catalyst for the neighborhood. However, there was no assessment as to whether such a project would prevent future private investment in the area.

Market Details

The condo market is widely reported to have cooled, most notably due to slower unit sales and the reported decline in speculative condo purchases (units bought for resale within a short period of time). National press has routinely cited dropping sales prices, particularly for higher end units in large markets that realized the greatest price run-ups such as San Diego, Boston, San Francisco. The future of Portland's market is difficult to predict, however, there are several indications that Portland will weather the slowdown better than many markets. The following items describing all home sales within the Portland Metro area are positive indicators:

- Housing sales prices continue to rise. Metro-wide, median January 2007 prices were 12% above median January 2006 prices (average prices were 8% higher).
- Home sales volume has dropped but not dramatically. When pending and closed sales are combined, January 2007 volume is 5% lower than January 2006.

Figure 1. January Sales Trends: All Housing Units, Metro Area (2006, 2007)

| January | Pending Sales | Closed Sales | Avg. Price | Median Price | Avg. Market Time | New Listings |
|---------|---------------|--------------|------------|--------------|------------------|--------------|
| 2007 | 2,544 | 1,594 | 322,900 | 275,000 | 65 | 4,411 |
| 2006 | 2,601 | 1,760 | 297,700 | 245,000 | 44 | 3,692 |
| Change | -2% | -9% | 8% | 12% | 48% | 19% |

Source: RMLS Market Action January 2007, E.D. Hovee & Company, LLC.

- An estimate of downtown and close-in condo sales concludes that sales volume decreased some in 2006, but sales volume was still 30% higher than in 2005 (see Figure 2). This in part reflects unit offerings: of 12 prominent, recent downtown condo projects, almost 1,300 units were released in 2005 compared with 900 units in 2006.

Figure 2. Estimate of Downtown and Close-In Condo Sales (2000-2006)

| Year | Number of Sales | Annual Change |
|------|-----------------|---------------|
| 2006 | 2,541 | -12% |
| 2005 | 2,894 | 48% |
| 2004 | 1,958 | 126% |
| 2003 | 867 | 45% |
| 2002 | 600 | 26% |
| 2001 | 477 | 30% |
| 2000 | 367 | |

Note: This chart relies upon geocoded tax assessor's data as packaged by Metro. Some data clean up has occurred, but remaining inaccuracies are likely. The market area corresponding to this chart includes the CBD, close-in NW and SW, Lloyd District and John's Landing. Source: RLIS February 2007 update; E.D. Hovee & Company, LLC.

- So far, downtown condo pricing appears remarkably stable. Average pricing is a tricky gauge as it is highly influenced by the types of units selling at a given time (particularly penthouse vs. other). For 24 downtown projects with sales in both 2005 and 2006, tax assessor data reports average sales prices rose for 16 projects and fell for 8 projects.
- For all condos in downtown and adjacent westside neighborhoods, a weighted average 2006 sales price is estimated at \$385,000 (vs. \$423,000 in 2005). The drop in over-all average is partially influenced by lower cost conversion projects coming on line, such as The Harrison and The Lexis.
- While brokers describe slowing condo sales over the past six months – a return to a normal pace of 3-5 per month, versus the 15-20 units per month in 2004 and 2005 – sales for eight projects surveyed averaged 8 units per month, equal to average monthly absorption for all (14 downtown) projects since releasing units. Healthy absorption was lead by the relatively affordable units associated with The Harrison condo conversion and the newly released Wyatt.
- Tempering absorption was the lukewarm market response to the release of the Encore, Hoyt Street Property's latest project at the northern edge of the Pearl. This project sold about five units in its first month, a marked change from the height of Portland's condo frenzy. Some attribute slower sales to the project's edge location.
- As with the office market, interest in apartment development has increased with falling vacancies. Industry data indicates a vacancy rate ranging between 3.3% and 4.9% (depending on the source) at the end of 2006, the region's lowest rate in five years. Reported rents also increased 3-5% in 2006, also the strongest showing in five years. Through third quarter 2006, the Portland market absorbed 1,270 new units, already twice the annual absorption in 2005.
- Condo conversions have helped tighten the apartment market. By third quarter 2006 1,000 apartments were removed from the inventory, up from 600 units converted in 2005.
- The development community routinely describes apartments as very difficult to pencil for today's rent rates, although these are climbing. Within the Central City, market rental rates have now broken the \$2.00 per square foot monthly rental barrier – a likely minimum to support cost of new construction without subsidy.

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

Figure 3. Downtown Condo Projects Status (chart dated February-March 2007)

| Project | Developer | Total Units | Units Left | Rough Price/SF | Size Range | (SF) | Monthly Sales | | | Location |
|----------------------|---|--------------------|-------------------|-----------------------|-------------------|-------------|----------------------|--------------------|-------------------------------|-----------------------------|
| | | | | | | | Six Months | Since Start | Anticipated Completion | |
| The Atwater | Williams & Dame/Gerding Edlen | 212 | 150 | \$500+ | 760 | 3,500 | 6 | 6 | | South Waterfront |
| The Benson Tower | Weston | 144 | 37 | \$460 | 560 | 3,100 | | 6 | Spring 2007 | West End |
| The Casey | Gerding Edlen | 61 | 24 | \$500+ | 1,000 | 2,000 | | 2 | 2007 | Pearl |
| The Civic | Gerding Edlen | 261 | 16 | \$375 | 670 | 2,100 | 5 | 14 | Fall 2007 | W Burnside |
| Eliot Tower | John Carroll | 229 | 5 | \$500 | 520 | 3,000 | | | Complete | West End |
| The Encore | HSP | 177 | 172 | \$470 | 680 | 2,500 | 5 | 5 | Summer 2008 | Pearl |
| The Harrison | Williams & Dame & partners | 156 | 52 | \$300+ | 750 | 950 | 19 | 9 | 2007 | South Downtown |
| Phase II | | | | | | | | | | |
| John Ross | Williams & Dame/ Gerding Edlen | 286 | 78 | \$460 | 630 | 5,000 | 10 | 10 | Summer 2007 | South Waterfront |
| Ladd Tower | Opus & John Carroll | 190 | 56 | \$484 | 513 | 1,570 | 11 | 12 | Winter 2008 | West End |
| The Metropolitan | HSP | 136 | 21 | \$500+ | 835 | 1,800 | | 8 | Fall 2007 | Pearl |
| Pacifica | | 79 | 19 | \$550+ | 540 | 2,700 | | 5 | | North Waterfront |
| The Strand | Williams & Dame | 218 | 25 | \$460 | 800 | 2,000 | 4 | 8 | June 2007 | Riverplace |
| Waterfront Pearl | Pemcorp/Grancorp | 192 | 100 | \$500 | 921 | 2,100 | 4 | 5 | Spring 2008 | North Waterfront |
| The Wyatt | Robert Ball | 244 | 205 | \$500+ | 530 | 2,800 | | 10 | 2007-2008 | Pearl |
| | | 2,585 | 960 | | | | 8 | 8 | | |
| Planned | | | | | | | | | | |
| 1700 Block Oak Tower | Gerding Edlen OPUS NW - Trammel Crow Residential | 354 220 | | \$500+ | | | | | 2009 Late 2008 | South Downtown 3rd & Oak |
| Riverscape Townhomes | | 79 | | | | | | | | North Waterfront |

Source: E.D. Hovee & Company, LLC, broker interviews, Oregonian, Realty Trust Group.

Figure 4. Recent Central City Apartment Construction (chart dated February-March 2007)

| Property | Units | Year Built | Developer | Rent range / SF |
|------------------------------|--------------|-------------------|------------------------|---------------------------------------|
| <u>Planned</u> | | | | |
| The Alexan (S Waterfront) | 316 | | Trammel Crow | Up to \$1.90 |
| 421 SW 12th (West End) | 220 | 2009 | Goodmans/Gerding Edlen | \$2.00+ |
| <u>Market Rate</u> | | | | |
| Crane Lofts (Pearl) | 30 | 2007 | Guardian | \$1.90 - \$2.00 |
| The Louisa (Pearl) | 240 | 2005 | Gerding Edlen | \$1.70 - \$2.50 |
| 10th @ Hoyt (Pearl) | 178 | 2004 | Trammel Crow | \$1.90 - \$2.15 |
| Kearney Plaza (Pearl) | 131 | 2000 | Hoyt Street Properties | |
| The Merrick (Lloyd District) | | 2004 | Trammel Crow | |
| Museum Place (West End) | 142 | 2003 | Sockeye | \$1.75/average, some restricted units |
| <u>Income Restricted</u> | | | | |
| Yards at Union Station A | 153 | 1998 | GSL Properties | |
| Yards at Union Station B | 377 | 1999 | GSL Properties | |
| Pearl Court | 199 | 1997 | | |
| Fifth Avenue Place | 70 | 1999 | | |
| Lovejoy Station | 181 | 2004 | REACH CDC | |
| Pacific Tower | 156 | 2003 | Brian McCarl | |
| The Danmore | 180 | 2004 | Central City Concern | |
| The Sitka | 210 | 2006 | Praxis Partners | |

Source: E.D. Hovee & Company, LLC.

Comparable Residential Projects

The following four projects – Old Town Lofts, Pacific Tower, Everett Station Lofts, and the Civic – are relevant to planned development within Old Town/Chinatown. Physical characteristics are noted in the previous Case Studies chapter, -- more detailed market and economic project information is listed here. All but the Civic are located within this neighborhood.

Old Town Lofts

This 60 unit project was completed in 2001 as both the first market-rate and ownership residential project in Old Town/Chinatown. Twenty-eight units were sold with substantial Shared Appreciation Mortgages up to \$60,000 (in which PDC pays a portion of the initial mortgage but recoups a portion of the unit's appreciation upon resale). Secured, structured parking was initially offered as optional for an additional \$15,000 per space; two spaces are available to larger units.

- Initial project absorption was slow, averaging 2.5 units per month. Smaller units sold more quickly; the project's largest and most expensive units were the most difficult to market.
- Penthouse purchasers were described as 'socially liberal.' One leasing agent stated that the area's social services were less of a concern to prospective penthouse buyers than was the potential development of adjacent empty lots, including Block 25 to the project's east and the development of Pacific Tower to its south.
- As with many downtown projects, residents are diverse and include senior citizens, recently divorced singles and younger buyers, most of who were single. Buyers moved in from throughout the region (Beaverton, Hawthorne) as well as from other states.
- Resales at this project appear to be at prices well below those in the Pearl, with average per square foot pricing for 2006 sales at \$361 (compared with an estimated \$456 for Pearl District projects). This gives some indication of the per square foot discount necessary for housing marketability at this location – roughly 25%.

Figure 5. Old Town Resales

| Year | Avg Price | Price/ SF | No. Sales |
|------|-----------|-----------|-----------|
| 2006 | \$333,000 | \$361 | 22 |
| 2005 | \$291,000 | \$303 | 17 |
| 2004 | \$181,000 | \$255 | 7 |
| 2003 | \$278,000 | \$263 | 11 |
| 2003 | \$227,000 | \$255 | 20 |
| 2001 | \$208,000 | \$224 | 12 |

Source: RLIS, February 2007 update; E.D. Hovee & Company, LLC.

Pacific Tower

This affordable rental project opened in May 2003 with 156 rental units, 10% reserved for households earning under 30% of Median Family Income (MFI), the remainder for households earning 60% or less. It was originally restricted to renters age 55+; this was abandoned due to very slow absorption. Absorption increased dramatically when this requirement was dropped. The project now reflects a very young demographic including students and new job market entrants. Parking consists of a handful of surface spaces.

- Developer Brian McCarl feels that the project's original objective – to bring Asians back to Chinatown – was challenged due to the more established Asian communities (and accompanying amenities) along SE 82nd and in the Beaverton-Hillsdale area. Marketing techniques employed were extensive, including sandwich boards, Asian language newspaper ads, phone messages in multiple languages, flyers in Asian language cultural facilities, and more. One year after opening the project had attracted 13 Asians, which doubled Chinatown's Asian population. McCarl describes Chinatown's current Chinese affiliation as anchored by area restaurants and approximately 20% of land ownership.
- The project's current demographics are remarkably different from its original target market, consisting primarily of new job market entrants in their 20s and 30s as well as some students. The income ceiling of \$28,500 for a one-person household and \$32,600 for a two-person household is a good fit for this age cohort, and there are few comparables for a building product – type A high-rise with an urban skin – at the same price. This population is also continuing to move to Portland – as the young creatives for which Portland is widely recognized.

Everett Station Lofts

Old Town rental project completed in 1989, consisting of 47 live-work units reserved for artists with a parking ratio of 0.68. Sixteen storefront spaces are reserved for artists who agree to open their space during business hours and nine First Thursdays annually. The project typically has a waiting list. Tenants are selected by an artist selection committee.

- Management priority is to strengthen the artist community within the building, including meeting once a week and using the lobby & second floor courtyard for exhibits.
- About 80% of units are income restricted. Rents range from \$600 - \$1,200 (income restricted and market rate) for units 600 SF – 1,500 SF (roughly \$0.80 - \$1.00/sf).
- Almost all potential tenants have questions about the neighborhood. Management states that once they speak to other tenants they feel at ease. Most tenants are downtown people, have lived downtown in the past or wanted to.

The Civic

The Civic is currently under construction at W Burnside and 20th; completion is anticipated by summer 2007. The project is included as a comp due to its edge location and target market of young moderate income buyers. Since sales began in September 2005, absorption has averaged a remarkable 14 units per month; these have reportedly slowed to 4 units per month as the project approaches sell out.

- The project originally offered average per square foot pricing around \$340. The developer's aim was to offer units for less than \$300,000. For remaining units with parking, average pricing is now closer to \$440. Some lower level units without parking were originally offered for under \$200,000.
- The majority of the units are one bedroom for around 700 square feet.
- Buyers have been largely single, more than half male, with an average age of 33-34.
- The project's marketers recommended 'embracing the grit' of this edge location and not mimicking the sales techniques of Pearl projects. The result was an art gallery/sales office without any model finishes and with innovative computer-based building displays.

COMMERCIAL USES

This section first relays developer input and then provides market data on Old Town/Chinatown and on recent office development trends within the CBD versus the larger metro area.

Developer Response

- Several developers agreed that grocery would be difficult for this location unless it was a destination grocery such as Uwaimaya. Grocers were described as typically wanting 4 spaces per 1,000 square feet. At the Museum Place Safeway, a parking ratio of around 2.3 spaces per 1,000 square feet was negotiated.
- Office condos are a new product that has attracted developer interest. The experience of Madison Office Condos suggests that the Portland market has not fully embraced this model.
- The developer stated that the four condos are offered at 5,000 square feet because they determined that smaller space users have difficulty financing a real estate acquisition. While interest has been high, sales have been slower than expected.
- One developer stated that his rule of thumb is that a condo tower can support about 8,000 square feet of storefront retail space. This is an abstract figure that in practice would vary with building size and context.

Retail Market Details

Brokerage inventories include less than 20 spaces within the Old Town/Chinatown neighborhood. Top of the market rents at the end of 2006 were described as:

- Smaller spaces, new construction: \$16 - \$18/sf, gross
- Larger space: \$15.50/sf, gross

Total retail building area for the subdistrict is less than 175,000 square feet and has not increased over the past three years. Absorption figures therefore correlate directly with vacancy, which was over 11% at year end 2006, compared with a Central City overall vacancy rate of between 4.5% and 6% (inventories vary).

Vacancy in this district has varied erratically over the past several years – highly influenced by leasing within individual buildings – and is now at its lowest rate since 2005. Portland's CBD and adjacent neighborhoods has absorbed an average of 15,000 square feet of retail space per quarter over the past three years (62,000 square feet per year).

Retail space listed as having been built since 1980 include: Everett Station Lofts and Old Town Lofts. Old Town Lofts 4,000+ square feet has remained vacant since constructed in 2001; reportedly too high asking rents and an unwillingness to sell the space have contributed to its vacancy.

Brokers state that retail leasing tends to be more difficult than office in this area due to a lack of critical mass of bodies (both residents and jobs) and recent street construction. However, there may be growing interest in this Old Town/Chinatown in the future given the very low vacancies in the CBD and the Pearl, where retail rents have climbed dramatically recently to \$35/square foot.

Office Market Details

Office product within Old Town/Chinatown is equally limited with 26 multi-tenant buildings. Office construction since 1930 consists of the district's two Class A buildings: the Port of Portland Building (1999, an owner-occupied building), and One Pacific Square (1983, renovated 2001 with about six floors of rentable space). Rents for these buildings are described as up to \$23/square foot gross. Well renovated historic buildings in the district achieve rents between \$19 and \$20/square foot gross. Brokers state that office interest in this area is often driven by reduced rent rates, CBD proximity and the unique amenities offered by the area's largely historic building stock, particularly the high ceilings.

District vacancy is estimated at 7.3% at the end of 2006, below the CBD average (10.6%). Vacancies in both geographies have fallen since 2002. For office as well, absorption mirrors vacancy as the total space inventory remained unchanged over the past five years.

In the CBD and close-in adjacent neighborhoods, the office inventory has increased less than 30,000 square feet since 2003. Three multi-tenant, speculative projects were developed between 1991 and 2003, listed below.

1. Fox Tower, Portland's premier 438,000 square feet tower completed in 2000 before office vacancies soared with the 2001 - 2003 recession. This building reportedly achieves among the highest rents in the region.
2. 1201 Lloyd Blvd, 226,000 square feet completed in 2002 within the Lloyd District. This is Portland's most recently developed Class A office tower. Poor timing brought this building to market in the height of the local and national recession; the building was not fully absorbed until mid 2005.
3. The Brewery Blocks, 352,000 square feet within multiple blocks. Although these were completed in 2002 and 2003, the Brewery Blocks fared much better than 1201 Lloyd Blvd, leasing 85% of space within two quarters. This is generally attributed to the prestige of its Pearl District and its immediate vibrant mixed use neighborhood.

Average CBD absorption since 1994 is estimated at about 340,000 square feet (compared with 965,000 regionally). At this rate, the 1.3 million square feet represented in the above chart could theoretically be absorbed in less than four years. The CBD's capture of regional office absorption has varied in recent years, reflecting both new development and re-absorption of space vacated during the recent recession (which the CBD fared better than most suburban markets). The amount of new office product the CBD realizes will be influenced by its ability to compete with suburban markets, particularly Kruse Way.

There is some interest in the viability of Class B office at this site, given area rents that are lower than those south of Burnside and west of Broadway. Recent office development described as Class B tends to be low-rise construction and thus located outside of the CBD. Recent downtown projects listed as Class B include commercial space within the Gregory and Riverstone condominium projects and the Madison Office Condos, likely listed as Class B due to a lack of building concierge. Class B can merely denote a less dense building, which in turn drives building materials. Maximizing density at this site via an office tower would by necessity involve Class A construction inputs.

In 2007 the CBD office market is beginning to activate, however, with potential projects previously shelved now seeking tenants. About 1.3 million square feet of downtown Class A office space is now under discussion within six projects. It is unlikely that these projects will all proceed to construction concurrently; the ability to secure significant pre-lease commitments will undoubtedly influence which projects emerge first, delaying or otherwise affecting the development prospects for the remaining projects. These projects are listed at right.

OVERALL MARKET UPDATE

This market data documented above was assembled during and immediately after the redevelopment scenarios were presented in early 2007. As the study paused, during the site search process for the Resource Access Center, the overall construction climate continued leveling, with significant dips in the residential market, particularly condominiums. Several projects initially planned as owner-occupied condominiums were repositioned as rental apartments during construction. An exhaustive, updated market analysis has not been performed in this interim, but some brief observational updates can be stated:

- This analysis was prepared at the peak of the market so absorption potential is undoubtedly softer. This is likely to make it even more problematic to develop a large project (with hundreds of units) for at least the next couple of years.
- The one ray of sunshine is that Old Town is beginning to come up in the world relative to the rest of the Central City. The earlier proforma analyses had discounted pricing relative to the Pearl and West End -- there may be some reason for optimism to think that this gap could start to shrink -- but in an environment where condominium pricing elsewhere is now soft or depressed. While not good short term, this offers opportunity longer term once the finance and condominium sales market comes back.
- The rental apartment market is also stronger now than then and is likely to see further increases in rent ahead. Other than possibly affordable (subsidized) units, smaller market rate projects oriented to young creatives probably offer the most opportunity near term, given the current ongoing infill of smaller unit projects currently proceeding, some with a mechanized garage/car stacking parking configurations).

Figure 6. Planned Central City Office Development (chart dated February 2007)

| Name/Location | Developer | SF (Office component) | Description | Rents |
|--|---|-----------------------|--|----------------|
| SW 1st & Main | Equity Office Properties Trust; Gerding Edlen (developer) | 350,000 | 15 story office tower at the base of the Hawthorn Bridge. Design approval received; building permits in process. Requires commitments for 100,000 sf before commencing construction. Plans for LEED certificate. | |
| The Lovejoy SW Lovejoy & NW 14th Ave | Unico Properties Inc. | Roughly 80,000 | 7 stories of Class A at Lovejoy & 14th above planned Safeway. Reportedly not awaiting lease commitments. Green features. Parking @ 2/1,000. | \$25/sf NNN |
| Park Avenue West SW Park Ave & SW Yamhill St. | TMT Development (Tom Moyer) | 280,000 | 35 story tower, total of 525,000 sf. Reportedly no financing required. | |
| SW 12th & Washington | Goodman family; Gerding Edlen (developer) | 40,000 | 21 story tower with office + 220 apartments. ZGF will use office space for headquarters. | |
| One Waterfront Place 1201 NW Naito Pkwy | Bill Naito Corp & Winkler Development Corp | 235,000 | 12 stories near Broadway Bridge; City design approved. Parking @ 3/1,000. Plans for LEED certificate. Hope to break ground summer 2007 with 100,000 sf in lease commitments; may move forward with 60-70,000 sf committed. | \$22.50/sf NNN |
| 100 SW Columbia | Louis Dreyfus Group | 311,000 | Parking @ 1/1,000. Plans for LEED certified. No updates for 2007 available. | \$30/sf |
| Lane-Miles Standish Office Bldg NW 19th & Quimby | | 16,400 | Six stories, Class B. | |

Source: CoStar, E.D. Hovee & Company, LLC.

Appendix III - Scenario Economic Analysis

Development Economics and Market Analysis

This memo reports major findings for the feasibility of development options for Block 25 in Portland's Old Town/Chinatown neighborhood. Feasibility was analyzed using sketch level pro formas with generalized construction cost inputs that correspond to a sketch level of building design. Costs, rents, expenses and sales pricing are based upon current comparable projects. The market context that generated pro forma inputs is described in the March 20, 2007 Market Context memo. Pro forma details for each of the four scenarios considered are attached.

Scenario 1: Big

- Total gap of \$20.5 million.
- A \$6.1 million gap is associated with NW Natural parking: one level of below ground parking totaling approximately 130 spaces. Cost is based on \$115 per square foot, roughly \$39,000 per space, + 30% soft costs/contingency (standard across all building components, all scenarios). No general block expenses (infrastructure, site acquisition, etc) have been allocated to this use. No revenue is associated with NW Natural parking – gap is 100% of cost.
- The non-housing components (grocery, other retail, community & cultural center) are associated with a \$3.2 million gap. This scenario includes the greatest commercial square footage: 34,000 sf of retail (62%) and 20,700 sf of office space (38%). For these project components to pencil average rents of around \$26.90 across all commercial space are required. This would require:
 - Rent increases of around 20% for office (from \$23/sf gross to \$27.60/sf gross).
 - More significant rent increases of around 65% on retail (from \$16/sf NNN to \$26.40/sf NNN).
 - Feasibility could also be achieved via an alternative rent combination that results in an equivalent average commercial rent.
- Total condo gap associated with 250 ownership units is \$5.0 million. This includes \$1.8 million Shared Appreciation Mortgages (SAMs) for the 46 units priced to be affordable to individuals earning 80% of Median Family Income (\$40,000 apiece) and \$3.0 million holding costs.
- Holding cost on a construction loan equal to 80% of cost is estimated at \$3.0 million for a 2.8 year sell-out period (80 units pre-sold, then 5 per month).
- An aggressive building efficiency of 90% is used for all non-ground floor commercial space and all residential uses other than townhomes.
- Parking ratio is 1:1 for ownership units only, but is provided on a valet basis (residents would access their cars via an attendants). This means that parking efficiency is well above that required to allocate each car a standard stall (160 sf per car vs. 308), and thus construction cost per car parked is much lower. Because a valet system is a different product than an assigned stall and not an optional add on, parking was modeled as an increase in cost per square feet (25% for market rate units, no increase for income-restricted units). This is in contrast to modeling parking as additional and optional \$32,000 purchase, as is done in the remaining scenarios which do not utilize a valet system.

Residential unit mix and pricing assumptions are summarized below:

Figure 1. Scenario 1 Unit Mix & Pricing

| Units | Square Feet | Price/ SF | Total Price | Sam Value | With SAM Price/ SF | Total Price |
|---|-------------|-----------|-------------|-----------|--------------------|-------------|
| Condos - Market Rate | | | | | | |
| 40 | 550 | \$400 | \$220,000 | | | |
| 100 | 600 | \$395 | \$237,000 | | | |
| 44 | 700 | \$390 | \$273,000 | | | |
| 184 | 613 | \$395 | \$242,068 | | | |
| Townhomes – Market Rate | | | | | | |
| 20 | 1,200 | \$390 | \$468,000 | | | |
| Condos - 80% MFI | | | | | | |
| 46 | 450 | \$246 | \$110,600 | \$40,000 | \$335 | \$150,600 |
| <ul style="list-style-type: none"> • A \$6.2 million gap is associated with the 60% MFI, 4% Low Income Housing Tax Credit (LIHTC) apartments. This gap is assumed based on recent comparable projects in which PDC has been involved, as are all funding components for that project – for this project, the amount of public subsidy required was an input rather than an output. • Apartments are assumed to lease up within one year (an average of 15 units per month). | | | | | | |

Block 25 Preliminary Pro Forma: Scenario 1, Big
NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

| | All Elements | For Sale | Non-housing | Tax Credit Apts | NW Parking | Comments |
|---|---------------------------|------------------------------------|--|--------------------------------------|---------------------------------------|---|
| A. Development Program | | | | | | |
| Retail (GSF) | 34,000 | | 34,000 | | | 20,000 sf grocery, 14,000 other |
| Cultural Center (GSF) | 8,000 | | 8,000 | | | |
| Community Center (GSF) | 15,000 | | 15,000 | | | |
| Office/Institutional (GSF) | -- | | -- | | | |
| Residential - Rental (GSF) | 90,000 | | | 90,000 | | |
| Residential - Ownership (GSF) | 172,300 | 172,300 | | | | |
| Subtotal (GSF) | 319,300 | 172,300 | 57,000 | 90,000 | | |
| Structured Parking (GSF) | 82,000 | 40,000 | -- | -- | 40,000 | |
| Total Building Area (GSF) | 401,300 | 212,300 | 57,000 | 90,000 | 40,000 | |
| Condos | 230 | 230 | | | | 20% @ 80% MFI, 80% market |
| Apartments | 180 | | | 180 | | 100% @ 60% MFI |
| Townhomes | 20 | 20 | | | | market rate |
| Parking Ratio | | 1.00 | - | - | | NA |
| Total Site Area (SF) | 40,000 | | | | | |
| Floor Area Ratio (FAR) | 8.0 | | | | | |
| On-Site Parking (spaces) | 380 | 250 | | | 130 | Excludes below grade parking |
| | | | Attended - valet | | | Regular |
| Percent of Total SF | 100% | 59% | 16% | 25% | | 0% For site cost allocation (by SF) |
| Financial Pro Forma | | | | | | |
| B. Development Budget | | | | | | |
| Property Acquisition | \$3,200,000 | \$1,880,000 | \$505,000 | \$797,000 | -- | Estimated at \$80 per SF |
| Site Demolition | \$85,000 | \$50,000 | \$13,000 | \$21,000 | -- | |
| Site Preparation | \$300,000 | \$176,000 | \$47,000 | \$75,000 | -- | |
| Infrastructure | \$500,000 | \$294,000 | \$79,000 | \$125,000 | -- | Estimate for sidewalks, etc. |
| New Building Construction | \$54,314,000 | \$31,014,000 | \$8,450,000 | \$14,850,000 | -- | Priced separately, not allocated |
| Parking | \$9,430,000 | \$4,715,000 | -- | -- | \$4,715,000 | Allocated evenly (by SF) |
| Indirect (Soft) Cost + Contingency | \$20,342,000 | \$11,439,000 | \$2,728,000 | \$4,760,000 | \$1,415,000 | Estimated at 30% |
| Total Development Cost | \$88,171,000 | \$49,568,000 | \$11,822,000 | \$20,628,000 | \$6,130,000 | For GSF building area |
| Cost per GSF | \$220 | \$233 | \$207 | \$229 | \$153 | Including parking |
| Cost w/Condo Profit Margin | \$95,606,000 | \$57,003,000 | -- | -- | -- | 15% of TDC |
| Cost per GSF | \$238 | \$269 | | | | |
| Avg hard construction cost/SF | \$159 /sf, avg. all uses | \$180 per sf | Retail \$120 shell; office \$190 (w/Tis) | \$165 per sf | Per space avg for all types: \$24,800 | |
| C. Sources of Funding: Rents | | | | | | |
| Annual Gross Rents | \$1,020,000 | | \$1,020,000 | | | All commercial uses |
| less Vacancy | \$71,000 | | \$71,000 | | | Estimated at 7% |
| Gross Operating Income | \$949,000 | | \$949,000 | | | |
| less Expenses | (\$175,000) | | (\$175,000) | | | 10% retail rents, \$6/sf office annual, \$4,000/apt unit annual |
| Net Operating Income | \$774,000 | | \$774,000 | | | |
| Capitalization Rate | | | 9.00% | | | Long-term average |
| Capitalized Rental Income | \$8,600,000 | | \$8,600,000 | | | |
| Rent Rates | | | Retail:\$16/sf; office:\$23/sf annual | \$1.25/sf; 60% | MFI for 550 SF | |
| D. Sources of Funding: Sales | | | | | | |
| Unit Sales | \$58,660,000 | \$58,660,000 | | | | Avg SF pricing of \$372 |
| SAMS - 46 at \$40,000 | \$1,840,000 | \$1,840,000 | | | | Local subsidy |
| Parking - 250 @ \$ | -- | -- | | | | Included in unit pricing |
| Total Sales Revenue | \$60,500,000 | \$60,500,000 | | | | |
| less Sales Expense (6%) | (\$3,630,000) | | (\$3,630,000) | | | |
| Net Sales Revenue | \$56,870,000 | \$56,870,000 | | | | |
| Minus Holding Costs | \$53,669,000 | \$53,669,000 | \$3,201,000 | \$5,041,000 | | 80 presold, then 5/month |
| E. Sources of Funding: 4% Low Income Housing Tax Credit (LIHTC) Components | | | | | | |
| Bonds | \$11,345,000 | | \$11,345,000 | | | Set at 55% of TC project |
| Typical TIF Contribution | \$6,188,000 | | \$6,188,000 | | | Set at 30% of total cost - Local subsidy |
| LIHTC | \$3,094,000 | | \$3,094,000 | | | Set at 15% of total cost |
| Total | \$20,627,000 | | \$20,627,000 | | | |
| F. Gap | | | | | | |
| Non-Local Sources of Funding | \$78,069,000 | \$51,829,000 | \$11,801,000 | \$14,439,000 | \$0 | |
| | Sum of project components | Estimated final revenue minus SAMS | Capitalized rental income | Cost minus assumed 30% local subsidy | City supports entire cost | |
| Cost % Supported by Above | 82% | 91% | 73% | 70% | 0% | |
| Funding Gap () Per Unit | \$ (20,714,000) | \$ (5,174,000) | \$ (3,222,000) | \$ (6,188,000) | \$ (6,130,000) | |
| | | \$ (21,000) | | \$ (34,000) | | |

This pro forma is for illustrative purposes only.
 Actual project conditions will vary from estimates.
 Prepared by E.D. Hovee & Company, LLC, March 27, 2007

Scenario II: Big, Phased

- Gap decreases to \$15 million.
- Condo gap falls to \$2.2 million, the cost of the SAM + \$250,000 in holding costs. This reduction is associated with a shortened holding period for the 194 ownership units released within a single phase. Sell out period is reduced to 1.9 years.
- Residential unit mix and pricing is summarized below.

Figure 2. Scenario 2 Unit Mix & Pricing

| Number of Units | Square Feet | Price/SF | Total Price | Price/SF with SAM | | Total Price with SAM |
|--------------------|----------------|----------|----------------|-------------------------|-----------------------------|-----------------------------|
| | | | | Sam Value | with SAM | |
| 80% MFI | | | | | | |
| 46 | 450 | \$246 | \$110,600 | \$40,000 | \$335 | \$150,600 |
| | | | | | | |
| Number of Units | Square Feet | Price/SF | Total Price | Parking Price | Price/SF with Parking | Total Price with Parking |
| | | | | Parking Price | with Parking | |
| Market Rate | | | | | | |
| 40 | 550 | \$385 | \$211,750 | \$32,000 | \$443 | \$243,750 |
| 100 | 600 | \$380 | \$228,000 | \$32,000 | \$433 | \$260,000 |
| 44 | 700 | \$370 | \$259,000 | \$32,000 | \$416 | \$291,000 |
| 184 | 613 | \$379 | \$231,880 | | | |
| Townhomes | | | | | | |
| 20 | 1,200 | \$380 | \$456,000 | \$32,000 | \$407 | \$488,000 |

- The parking ratio falls to 0.68 for ownership units but 89 spaces are now allocated to the apartments (for an apartment parking ratio of 0.49). Parking is a mix of hydraulic and traditional stalls and costs an average of \$44,400 per space (about 40% more than sales price).
- Total scenario gap was also significantly decreased by a reduction in retail and office components. With 26,000 square feet of retail space and no office space, the gap associated with commercial elements falls to from \$3.2 million to \$0.4 million. Per square foot building costs are lower in this scenario due to lack of office space (more expensive to build) and lower site costs allocation.
- The gap associated with NW Natural Gas parking falls by \$0.3 million as in this scenario costs are allocated according to spaces utilized. The hybrid of parking types utilized in this scenario lowers the average construction cost per space.
- The gap associated with the tax credit apartments increases due to the allocation of 89 spaces to this use. Assuming these spaces are leased to tenants for \$120 per month, the capitalized value is still only around 22% of construction costs. For this project element, gap is an input (30%) rather than an output - the gap therefore does not increase by the full cost parking construction but only by \$0.5 million.
- By phase, the gap across all uses is as follows:
 - Phase I, NW Natural parking, 194 market rate condos: \$6.5 million
 - Phase II, 180 apartments, 10 townhouses: \$6.7 million
 - Phase III, 10 townhouses, 40 condos @ 80% MFI: \$1.8 million

Block 25 Preliminary Pro Forma: Scenario 2, Big + Phased

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

| | All Elements | For Sale | Non-housing | Tax Credit Apts | NW Parking | Comments |
|--|----------------------------|---------------|---|-----------------------------------|--|--|
| A. Development Program | | | | | | |
| Retail (GSF) | 16,000 | | 16,000 | | | |
| Cultural Center (GSF) | -- | | -- | | | |
| Community Center (GSF) | -- | | -- | | | |
| Office/Institutional (GSF) | -- | | -- | | | |
| Residential - Rental (GSF) | 90,000 | | | 90,000 | | |
| Residential - Ownership (GSF) | 172,300 | 172,300 | | | | |
| Subtotal (GSF) | 278,300 | 172,300 | 16,000 | 90,000 | | |
| Structured Parking (GSF) | 82,000 | 40,000 | -- | -- | 40,000 | |
| Total Building Area (GSF) | 360,300 | 212,300 | 16,000 | 90,000 | 40,000 | |
| Condos | 230 | 230 | | | | 20% @ 80% MFI, 80% market |
| Apartments | 180 | | | | 180 | 100% @ 60% MFI |
| Townhomes | 20 | 20 | | | | market rate |
| Parking Ratio | | 0.68 | - | 0.49 | | NA |
| Total Site Area (SF) | 40,000 | | | | | |
| Floor Area Ratio (FAR) | 7.0 | | | | | |
| On-Site Parking (spaces) | 389 | 170 | | 89 | 130 | Excludes below grade parking |
| Percent of Total SF | 100% | 66% | 5% | Hydraulic 28% | Hydraulic 0% | For site cost allocation (by SF) |
| Financial Pro Forma | | | | | | |
| B. Development Budget | | | | | | |
| Property Acquisition | \$3,200,000 | \$2,121,000 | \$160,000 | \$899,000 | -- | Estimated at \$80 per SF |
| Site Demolition | \$85,000 | \$56,000 | \$4,000 | \$24,000 | -- | |
| Site Preparation | \$300,000 | \$199,000 | \$15,000 | \$84,000 | -- | |
| Infrastructure | \$500,000 | \$331,000 | \$25,000 | \$140,000 | -- | Estimate for sidewalks, etc. |
| New Building Construction | \$47,784,000 | \$31,014,000 | \$1,920,000 | \$14,850,000 | -- | Priced separately, not allocated |
| Parking | \$13,277,000 | \$5,802,000 | -- | \$3,038,000 | \$4,437,000 | Allocated according to spaces |
| Indirect (Soft) Cost + | \$19,536,000 | \$11,857,000 | \$637,000 | \$5,711,000 | \$1,331,000 | Estimated at 30% |
| Contingency | | | | | | |
| Total Development Cost | \$84,682,000 | \$51,380,000 | \$2,761,000 | \$24,746,000 | \$5,768,000 | For GSF building area |
| Cost per GSF | \$235 | \$242 | \$173 | \$275 | \$144 | Including parking |
| Cost w/Condo Profit Margin | \$92,389,000 | \$59,087,000 | -- | -- | -- | 15% of TDC |
| Cost per GSF | \$256 | \$278 | | | | |
| Avg hard construction cost/SF | \$169/sf, avg. all uses | \$180 per sf | Retail \$120 shell; office \$190 (w/Tis) | \$165 per sf | Per space avg for all types: \$34,100 | |
| C. Sources of Funding: Rents | | | | | | |
| Annual Gross Rents | \$384,000 | | \$256,000 | \$128,000 | | TC Apts reflects parking only (\$120/space) |
| less Vacancy | \$(27,000) | | \$(18,000) | \$(9,000) | | Estimated at 7% |
| Gross Operating Income | \$357,000 | | \$238,000 | \$119,000 | | |
| less Expenses | \$(55,000) | | \$(24,000) | \$(31,000) | | 10%/retail rents, \$6/sf office annual, \$4,000/apt unit annual |
| Net Operating Income | \$302,000 | | \$214,000 | \$88,000 | | |
| Capitalization Rate | | 9.00% | DSC: 7.2, DSCR: 1.5 | | | Long-term average |
| Capitalized Rental Income | \$3,060,000 | | \$2,378,000 | \$682,000 | | |
| Rent Rates | | | Retail: \$16/sf; office: \$21/sf annual | Apt parking only (\$120/space) | | Apt rents: \$1.25/sf; 60% MFI for 550 SF |
| D. Sources of Funding: Sales | | | | | | |
| Unit Sales | \$55,514,000 | \$55,514,000 | | | | Avg SF pricing of \$347 |
| SAMS - 46 at \$40,000 | \$1,840,000 | \$1,840,000 | | | | Local subsidy |
| Parking - 170 @ \$32,000 | \$5,440,000 | \$5,440,000 | | | | |
| Total Sales Revenue | \$62,794,000 | \$62,794,000 | | | | |
| less Sales Expense (6%) | \$(3,768,000) | \$(3,768,000) | | | | |
| Net Sales Revenue | \$59,026,000 | \$59,026,000 | | | | |
| Minus Holding Costs | \$58,773,000 | \$58,773,000 | | | | 80 presold, then 5/month |
| E. Sources of Funding: 4% Low Income Housing Tax Credit (LIHTC) Component | | | | | | |
| Bonds | \$13,610,000 | | \$13,610,000 | | | Set at 55% of TC project |
| Typical TIF Contribution | \$7,424,000 | | \$7,424,000 | | | Set at 30% of total cost - Local subsidy |
| LIHTC | \$3,712,000 | | \$3,712,000 | | | Set at 15% of total cost |
| Total | \$24,746,000 | | \$24,746,000 | | | |
| F. Gap | | | | | | |
| Non-Local Sources of Funding | \$77,315,000 | \$56,933,000 | \$2,378,000 | \$18,004,000 | \$0 | |
| Cost % Supported by Above | 84% | 96% | 86% | 73% | 0% | |
| Funding Gap () | \$ (15,047,000) | \$(2,154,000) | \$(383,000) | \$ (6,742,000) | \$ (5,768,000) | |
| Per Unit | | | \$ (9,000) | | \$ (37,000) | |

Block 25 Preliminary Pro Forma: Scenario 2, Big + Phased

| | All Elements | For Sale | Non-housing | Tax Credit Apts | NW Parking | Comments |
|--|----------------|----------------|--------------|-----------------|----------------|--|
| Phase I - NW Natural parking, market rate condos | \$ (6,465,000) | \$ (314,000) | \$ (383,000) | | \$ (5,768,000) | For condos: \$1.5m in holding, \$1.5m in parking gap |
| Phase II - 10 THs, 180 apts | \$ (6,742,000) | | | \$ (6,742,000) | | 30% of development cost |
| Phase III - 10 THs, 40 80% condos | \$ (1,840,000) | \$ (1,840,000) | | | | Shared Appreciation Mortages |

This pro forma is for illustrative purposes only.

Actual project conditions will vary from estimates.

Prepared by E.D. Hovee & Company, LLC, March 27, 2007

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

Scenario III: 3/4-Block, Phased

- Gap increases to \$18.2 million.
- Total ownership units decrease to 194. Sales pricing was reduced by 15% to account for adjacent social service, for both units and parking stalls. This reduction is an estimate and would likely be most influenced by design treatment of both Blanchet and condo uses (e.g., entrances should be on separate blocks, queuing should be internal to Blanchet, etc.). Pricing reduction accounts for \$3.6 million in additional gap.
- Holding costs are slightly above Scenario II, as the decreased revenue stream from unit sales means the construction loan is held longer.
- The gap generated by SAMS decreases due to the smaller number of housing units (and thus affordable housing units). This scenario involves 37 rather than 46 income restricted ownership units.
- Parking ratio decreases to 0.72 in this scenario (140 spaces allocated to ownership units only). No parking was allocated to the apartments. Because parking was omitted, the apartment gap decreases by \$0.4 million.

Block 25 Preliminary Pro Forma: Scenario 3, 3/4 Block

| | All Elements | For Sale | Non-housing | Tax Credit Apts | NW Parking | Comments |
|--|--------------------------|----------------|--|-----------------|---------------------------------------|---|
| A. Development Program | | | | | | |
| Retail (GSF) | 14,000 | | 14,000 | | | |
| Cultural Center (GSF) | -- | | -- | | | |
| Community Center (GSF) | -- | | -- | | | |
| Office/Institutional (GSF) | -- | | -- | | | |
| Residential - Rental (GSF) | 90,000 | | | 90,000 | | |
| Residential - Ownership (GSF) | 130,700 | 130,700 | | | | |
| Subtotal (GSF) | 234,700 | 130,700 | 14,000 | 90,000 | | |
| Structured Parking (GSF) | 72,000 | 40,000 | -- | -- | 40,000 | |
| Total Building Area (GSF) | 306,700 | 170,700 | 14,000 | 90,000 | 40,000 | |
| Condos | 184 | 184 | | | | 20% @ 80% MFI, 80% market |
| Apartments | 180 | | | 180 | | 100% @ 60% MFI |
| Townhomes | 10 | 10 | - | | | market rate |
| Parking Ratio | | 0.72 | - | 0.04 | | NA |
| Total Site Area (SF) | 30,000 | | | | | |
| Floor Area Ratio (FAR) | 7.8 | | | | | |
| On-Site Parking (spaces) | 278 | 140 | | 8 | 130 | Excludes below grade parking |
| | | | Regular | Hydraulic | Hydraulic | |
| Percent of Total SF | 100% | 64% | 5% | 34% | | 0% For site cost allocation (by SF) |
| B. Financial Pro Forma | | | | | | |
| B. Development Budget | | | | | | |
| Property Acquisition | \$2,400,000 | \$1,536,000 | \$126,000 | \$810,000 | -- | Estimated at \$80 per SF |
| Site Demolition | \$85,000 | \$54,000 | \$4,000 | \$29,000 | -- | |
| Site Preparation | \$250,000 | \$160,000 | \$13,000 | \$84,000 | -- | |
| Infrastructure | \$500,000 | \$320,000 | \$26,000 | \$169,000 | -- | Estimate for sidewalks, etc. |
| New Building Construction | \$40,056,000 | \$23,526,000 | \$1,680,000 | \$14,850,000 | -- | Priced separately, not allocated |
| Parking | \$9,514,000 | \$4,791,000 | -- | \$274,000 | \$4,449,000 | Allocated according to spaces |
| Indirect (Soft) Cost + | \$15,871,000 | \$9,116,000 | \$555,000 | \$4,865,000 | \$1,335,000 | Estimated at 30% |
| Contingency | | | | | | |
| Total Development Cost | \$68,676,000 | \$39,503,000 | \$2,404,000 | \$21,081,000 | \$5,784,000 | For GSF building area |
| Cost per GSF | \$224 | \$231 | \$172 | \$234 | \$145 | Including parking |
| Cost w/Condo Profit Margin | \$74,601,000 | \$45,428,000 | -- | -- | -- | 15% of TDC |
| Cost per GSF | \$243 | \$266 | | | | |
| Avg hard construction cost/SF | \$162 /sf, avg. all uses | \$180 per sf | Retail \$120 shell; office \$190 (w/Tis) | \$165 per sf | Per space avg for all types: \$34,200 | |
| C. Sources of Funding: Rents | | | | | | |
| Annual Gross Rents | \$224,000 | | \$224,000 | | | All commercial uses |
| less Vacancy | (\$16,000) | | (\$16,000) | | | Estimated at 7% |
| Gross Operating Income | \$208,000 | | \$208,000 | | | |
| less Expenses | (\$21,000) | | (\$21,000) | | | 10%/retail rents, \$0/sf office annual, \$4,000/apt unit annual |
| Net Operating Income | \$187,000 | | \$187,000 | | | |
| Capitalization Rate | | | 9.50% | | | Long-term average |
| Capitalized Rental Income | \$1,968,000 | | \$1,968,000 | | | |
| Rent Rates | | | Retail:\$16/sf; office:\$21/sf annual | \$1.25/sf; 60% | | |
| | | | | | | MFI for 550 SF |
| D. Sources of Funding: Sales | | | | | | |
| Unit Sales | \$39,217,000 | \$39,217,000 | | | | Avg SF pricing of \$300 |
| SAMS - 37 at \$40,000 | \$1,472,000 | \$1,472,000 | | | | Local subsidy |
| Parking - 140 @ \$27,200 | \$3,808,000 | \$3,808,000 | | | | |
| Total Sales Revenue | \$44,497,000 | \$44,497,000 | | | | |
| less Sales Expense (6%) | (\$2,670,000) | (\$2,670,000) | | | | |
| Net Sales Revenue | \$41,827,000 | \$41,827,000 | | | | |
| Minus Holding Costs | \$41,269,000 | \$41,269,000 | \$558,000 | | | 80 presold, then 5/month |
| E. Sources of Funding: 4% Low Income Housing Tax Credit (LIHTC) Component | | | | | | |
| Bonds | \$11,595,000 | | | \$11,595,000 | | Set at 55% of TC project |
| Typical TIF Contribution | \$6,324,000 | | | \$6,324,000 | | Set at 30% of total cost - Local subsidy |
| LIHTC | \$3,162,000 | | | \$3,162,000 | | Set at 15% of total cost |
| Total | \$21,081,000 | | | \$21,081,000 | | |
| F. Gap | | | | | | |
| Non-Local Sources of Funding | \$56,522,000 | \$39,797,000 | \$1,968,000 | \$14,757,000 | \$0 | |
| Cost % Supported by Above | 76% | 88% | 82% | 70% | 0% | |
| Funding Gap () | \$ (18,175,000) | \$ (5,631,000) | \$ (436,000) | \$ (6,324,000) | \$ (5,784,000) | |
| Per Unit | | \$ (29,000) | | \$ (35,000) | | |

This pro forma is for illustrative purposes only.

Actual project conditions will vary from estimates.

Prepared by E.D. Hovee & Company, LLC, March 27, 2007

Block 25 Preliminary Pro Forma: Scenario 4, 3/4 Block, Smaller
NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

| | All Elements | For Sale | Non-housing | Tax Credit Apts | NW Parking | Comments |
|--|-----------------------------|------------------------|---|--------------------------|--|--|
| A. Development Program | | | | | | |
| Retail (GSF) | 14,000 | | 14,000 | | | |
| Cultural Center (GSF) | -- | | -- | | | |
| Community Center (GSF) | -- | | -- | | | |
| Office/Institutional (GSF) | -- | | -- | | | |
| Residential - Rental (GSF) | 50,000 | | | 50,000 | | |
| Residential - Ownership (GSF) | 102,300 | 102,300 | 14,000 | 50,000 | | |
| Subtotal (GSF) | 166,300 | 102,300 | 14,000 | 50,000 | | |
| Structured Parking (GSF) | 72,000 | 40,000 | -- | -- | 40,000 | |
| Total Building Area (GSF) | 238,300 | 142,300 | 14,000 | 50,000 | 40,000 | |
| Condos | 140 | 140 | | | | 20% @ 80% MFI, 80% market |
| Apartments | 100 | | | 100 | | 100% @ 60% MFI |
| Townhomes | 10 | 10 | | | | market rate |
| Parking Ratio | | 0.93 | | 0.08 | | NA |
| Total Site Area (SF) | 30,000 | | | | | |
| Floor Area Ratio (FAR) | 5.5 | | | | | |
| On-Site Parking (spaces) | 278 | 140 | -- | 8 | 130 | Excludes below grade parking |
| Percent of Total SF | 100% | Regular 72% | 7% | Hydraulic 25% | Hydraulic 0% | For site cost allocation (by SF) |
| Financial Pro Forma | | | | | | |
| B. Development Budget | | | | | | |
| Property Acquisition | \$2,400,000 | \$1,722,000 | \$169,000 | \$605,000 | -- | Estimated at \$80 per SF |
| Site Demolition | \$85,000 | \$61,000 | \$6,000 | \$21,000 | -- | |
| Site Preparation | \$250,000 | \$179,000 | \$18,000 | \$63,000 | -- | |
| Infrastructure | \$500,000 | \$359,000 | \$35,000 | \$126,000 | -- | Estimate for sidewalks, etc. |
| New Building Construction | \$23,775,000 | \$15,345,000 | \$1,680,000 | \$6,750,000 | -- | Priced separately, not allocated |
| Parking | \$9,514,000 | \$4,791,000 | -- | \$274,000 | \$4,449,000 | Allocated according to spaces |
| Indirect (Soft) Cost + Contingency | \$10,996,000 | \$6,737,000 | \$572,000 | \$2,352,000 | \$1,335,000 | Estimated at 30% |
| Total Development Cost | \$47,520,000 | \$29,194,000 | \$2,480,000 | \$10,191,000 | \$5,784,000 | For GSF building area |
| Cost per GSF | \$199 | \$205 | \$177 | \$204 | \$145 | Including parking |
| Cost w/Condo Profit Margin | \$51,899,000 | \$33,573,000 | -- | -- | -- | 15% of TDC |
| Cost per GSF | \$218 | \$236 | | | | |
| Avg hard construction cost/SF | \$140 /sf, avg. all uses | \$150 per sf | Retail \$120 shell; office \$190 (w/TIs) | \$135 per sf | Per space avg for all types: \$34,200 | |
| C. Sources of Funding: Rents | | | | | | |
| Annual Gross Rents | \$224,000 | | \$224,000 | | | All commercial uses |
| less Vacancy | (\$16,000) | | (\$16,000) | | | Estimated at 7% |
| Gross Operating Income | \$208,000 | | \$208,000 | | | |
| less Expenses | \$21,000 | | (\$21,000) | | | 10%/retail rents, \$6/sf office annual, \$4,000/apt unit annual |
| Net Operating Income | \$187,000 | | \$187,000 | | | |
| Capitalization Rate | | | 9.50% | | | Long-term average |
| Capitalized Rental Income | \$1,968,000 | | \$1,968,000 | | | |
| Rent Rates | | | Retail:\$16/sf; office:\$21/sf annual | \$1.25/sf: 60% | | |
| | | | | MFI for 550 SF | | |
| D. Sources of Funding: Sales | | | | | | |
| Unit Sales | \$28,083,000 | \$28,083,000 | | | | |
| SAMS - 28 at \$40,000 | \$1,120,000 | \$1,120,000 | | | | |
| Parking - 140 @ \$32,000 | \$4,480,000 | \$4,480,000 | | | | |
| Total Sales Revenue | \$33,683,000 | \$33,683,000 | | | | |
| less Sales Expense (6%) | (\$2,021,000) | (\$2,021,000) | | | | |
| Net Sales Revenue | \$31,662,000 | \$31,662,000 | | | | |
| Minus Holding Costs | \$31,662,000 | \$31,662,000 | | | | |
| | | | | 80 presold, then 5/month | | |
| E. Sources of Funding: 4% Low Income Housing Tax Credit (LIHTC) Component | | | | | | |
| Bonds | \$5,605,000 | | \$5,605,000 | | | Set at 55% of TC project |
| Typical TIF Contribution | \$3,057,000 | | \$3,057,000 | | | Set at 30% of total cost - local subsidy |
| LIHTC | \$1,529,000 | | \$1,529,000 | | | Set at 15% of total cost |
| Total | \$10,191,000 | | \$10,191,000 | | | |
| F. Gap | | | | | | |
| Non-Local Sources of Funding | \$39,644,000 | \$30,542,000 | \$1,968,000 | \$7,134,000 | \$0 | |
| Cost % Supported by Above | 76% | 91% | 79% | 70% | 0% | |
| Funding Gap () Per Unit | \$ (12,384,000) | \$ (3,031,000) | \$ (512,000) | \$ (3,057,000) | \$ (5,784,000) | |
| | | | | | | |

Scenario IV:

- Gap falls to \$12.4 million, the lowest of all scenarios.
- The gap decrease is associated with lower construction costs for both condos and apartments, given the lower density design associated with this scenario, and with a reduced size apartment building (100 vs. 180 units).
- Moving to a lower density construction type (wood vs. steel frame is modeled at a cost savings of \$30/sf on hard construction costs for both residential product types).
- With decreased units, the total cost of the apartment building fall from \$21 to \$10 million. The gap falls accordingly from \$6.3 to \$3.1 million.

This pro forma is for illustrative purposes only.

Actual project conditions will vary from estimates.

Prepared by E.D. Hovee & Company, LLC, March 27, 2007

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

Appendix - Social Services Site Discussion Overview

NOTCT Social Services Siting Discussions and Process -

Blanchet House and Transition Projects Inc. / Resource Access Center Overview

The first pages of Chapter III in this Strategy report briefly describe the existing facilities for Blanchet House and Transition Projects Inc., (TPI) and the planned new facility for an expanded TPI/Resource Access Center (RAC), and outline the process of determining where these future structures would be sited. The appendix section below provides additional abbreviated information on the facilities and siting process. Further detail is also available within:

- PDC's *Update on the North Old Town.Chinatown Redevelopment Strategy; Transition Project Inc./Resource Access Center siting, and Blanchet House of Hospitality siting* briefing reports number 08-12 and 08-20, dated January 23 and February 13, 2008 respectively, which both serve as comprehensive overviews of the site search process, and
- Minutes from the Old Town Chinatown Visions Committee meetings in January and February, 2008.

(Portions of this chapter's text have been appropriated from the documents noted above.)

Blanchet House of Hospitality – Expansion Proposal Site Issues

Blanchet House, currently located at 340 NW Glisan Street, has been serving meals and providing temporary lodging to Portland's homeless community since 1952, in a structure that they own. The facility houses up to 28 men who are directly involved in the meal service program, offering work / volunteer experience for these temporary residents. Blanchet House's main mission is that it is the only facility in Portland serving three meals a day, totaling between 600 – 800 meals every day, in a clean and sober environment. That they accomplish this mission in their current facility is impressive, given the space challenges. The ground floor of their existing building houses a kitchen and dining room and a very small administrative area. Food storage is accommodated in every available location, along with below ground in a limited-height basement, with relatively cramped living quarters on the upper floor -- all on a very compact 50' x50' footprint at the northwest corner of Block 25. The limited enclosed space of the building itself results in extensive queuing outside on Glisan Street and 4th Avenue.

They are in need of an expanded facility to adequately serve the population in need. The numbers that their operation will serve is not estimated to increase, but in order to internalize the queuing of their patrons, and update their kitchen and dining facility, a new building is necessary. One clear possibility is for Blanchet to expand their facility where their present one now sits – on Block 25, or another possibility is for Blanchet to relocate to a nearby block. Other privately owned sites have been considered and conversations between Blanchet House and PDC Staff and Board have moved in various directions over the years, but the general, long-term understanding shared by both entities was that Blanchet House would obtain land through PDC, which, when added to their current land area would result in a distinct ¼ block area of approximately 100'X100'.



The Blanchet House of Hospitality structure, looking south from Glisan Street and Fourth Avenue

It was also understood that pursuant to the necessary processes, tax increment financing of up to \$2,000,000 would be budgeted for this purpose. PDC first included this item in the FY 05/06 Downtown Waterfront budget. It is anticipated that \$2 million will be made available to Blanchet in an agreement that will require evidence of adequate funding for a facility that meets appropriate design approval standards. The business terms of the land transaction are in the process of being finalized, as one goal of the Redevelopment Strategy was to clarify the appropriate location for the future Blanchet House, and that has now been defined, as listed earlier within this report.

Study Area Overview and Potential Blanchet Expansion Scenarios

The potential parcels considered for Blanchet House's planned facility as part of the NOTCT Redevelopment Strategy are shown on the map at right. A summary of characteristics is listed below, indicating whether the site is physically capable of accommodating a reasonable footprint, property ownership issues, and other miscellaneous site issues. These were developed to inform the Stakeholders and Community Charrette and further urban design ramifications are noted.

Block P

- *Size:* Could accommodate Blanchet's preferred building footprint with potential of extra space for additional user
- *Acquisition:* Seller is not motivated – ability to acquire site is questionable
- *Development Opportunities and Constraints:* No lease or demolition constraints
- *Reason not selected:* Unable to reach agreement on acquisition terms.

Block O

- *Size:* Could accommodate Blanchet's preferred building footprint with potential of extra space for additional user.
- *Acquisition:* JBH Properties currently intends to acquire for future new development.
- *Development Opportunities and Constraints:* Need to clarify any lease implications. Building is not historic, but demolition is likely to be required to accommodate future development.
- *Reason not selected:* Unable to acquire site.

Block A&N

- *Size:* TriMet plans a spur line on the north side of the parcel with a 20' setback. Blanchet was exploring whether site can accommodate their facility's expansion needs.
- *Acquisition:* Site owned by PDC – need to clarify any agreements with Tri-Met.
- *Development Opportunities and Constraints:* Light Rail spur line may have impact, as will cost of renovating the Historic Fire Station building. Eastern edge of site is close to existing rail crossing, with access to Waterfront Park and Willamette River.
- *Reason not selected:* After consideration, Blanchet considered access to the site (particularly by pedestrians) to be a safety concern for their patrons.

Block 36

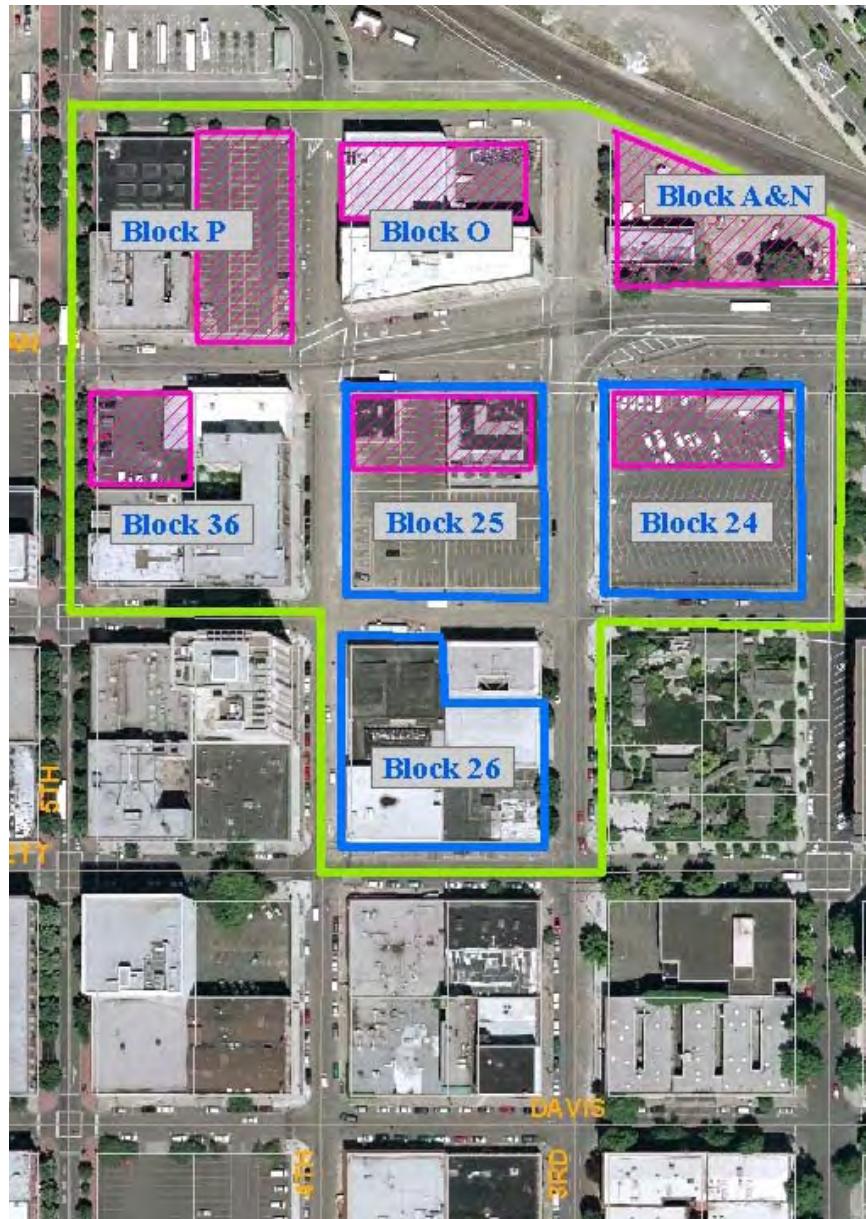
- *Size:* Need to verify if site can accommodate Blanchet's program.
- *Acquisition:* Owner is not currently motivated, due to the future potential of pedestrian-oriented retail development along the new light rail transit mall.
- *Development Opportunities and Constraints:* May require demolition of existing structure. Need to verify parking implications.
- *Reason not selected:* Unable to acquire site.

Block 24

- *Size:* Could accommodate Blanchet's preferred building footprint.
- *Acquisition:* Owned by NW Natural rate-payers and there is little incentive to selling in the near future.
- *Development Opportunities and Constraints:* Requires replacement of NW Natural parking, as well as some (high clearance) storage for maintenance vehicles.
- *Reason not selected:* Unable to acquire site.

Block 25

- *Size:* Could accommodate Blanchet's preferred building footprint.
- *Acquisition:* Owned by Blanchet, City of Portland, and PDC.
- *Development Opportunities and Constraints:* The City of Portland is obligated pursuant to a lease with NW Natural to provide for the permanent daytime use of 130 parking spaces by NW Natural on Block 25. Type-4 Land Use Review for demolition of two contributing historic structures.
- *Reason selected:* As a component of a public process in late 2007 and early 2008 separate from this Strategy, for either a stand-alone TPI/Resource Access Center or co-located facility with Blanchet House, the RAC was located at Block U, and Blanchet House was assigned the NE corner of Block 25. The Blanchet House's expansion plans have been on hold for several years awaiting site resolution, and this parcel adjacent to their existing structure allows their support services to operate uninterrupted during construction of their new facility.



North Old Town / Chinatown aerial photo indicating potential locations for Blanchet house (in magenta).

Transition Projects Inc. (TPI) and the Resource Access Center (RAC)

History and Site Issues

The City of Portland and Multnomah County's *10-Year Plan to End Homelessness* stated the need to 'coordinate access across entry points to provide housing placement and direct access into key services/programs, including housing and rent assistance.' At the outset of the NOTCT Redevelopment Strategy, the City was engaged in the early stages of a process to locate an Access Center to provide services as a first point of entry to move people from homelessness to housing. A large multi-organizational group participated in a series of planning meetings to identify key service needs and model options.

TPI's current facility

TPI has been located in Old Town Chinatown since 1969 and currently leases space from Central City Concern at the 475 NW Glisan location. The relocated facility will serve primarily the same population as the current facility, homeless and very low-income adults. The current facility includes men's transitional shelter, some living assistance, support services and administrative offices. Current services include showers, voice mail, local and long distance phone services, restrooms, food boxes, mailing address and pick-up, case management and rent assistance. Although the shelter space will maintain the same number of shelter beds (90) for people transitioning from the streets to housing, it will allow for a more dignified way of living. Operational and client services will be leveraged from current staffing as well as co-



located staff from other agencies who work to engage homeless people into housing or provide other essential services. For instance, the small service center has queuing that extends to the streets during operating hours because of insufficient space. This need is driving TPI to improve and enhance their existing services and interior space location and configuration to increase dignity, engagement and effectiveness for the population it serves.

TPI/RAC siting process

As the City assessed options, they determined that TPI's current community service center is a smaller scale version of the proposed RAC. TPI's facilities have been upgraded over the years; however, little more can be done to improve the current conditions which fall severely short of current needs. The City concluded that a desired RAC would best be combined with a relocated TPI.

The timeframe for identifying a location for the RAC within the NOTCT study area was accelerated due to a number of issues, including Mayor Potter's request that Commissioner Sten manage the siting of the RAC and the outcomes of the Mayor's Street Access for Everyone Committee (SAFE Committee). Commissioner Sten formally requested that PDC, the Housing Authority of Portland (HAP), and the Bureau of Housing and Community Development (BHCD) coordinate on the siting of the RAC in a memorandum dated September 19, 2007. This memorandum requested HAP to be the owner/developer of the RAC and a quantity and income-mix of housing still to be defined. Commissioner Sten identified TPI as the lead operator of the RAC. Commissioner Sten requested that PDC assist in the identification of site options, analysis of the sites, and identify funding for the RAC and associated housing. The public investment necessary for the RAC and associated housing has not been determined, though it is anticipated to be provided by the River District Urban Renewal Area.

Preliminary findings of the NOTCT Strategy included the recommendation to pursue acquisition of the half-block surface parking lot bounded by NW Glisan and NW Hoyt between NW 4th and NW 5th (Block P) as a potential location for the Blanchet House and/or the RAC. This recommendation was due in part to the desire to secure a full-block redevelopment opportunity on Block 25 for the purposes of pursuing an iconic gateway development in the hopes of incenting further revitalization of the district.

It should also be noted that redevelopment of Block 25 requires the replacement of 130 parking spaces, per a lease agreement between NW Natural and the City of Portland. The City is obligated to provide use of the parking at no cost to NW Natural during normal business hours in exchange for use of the land upon which the Classical Chinese Garden was constructed. Securing a full block development opportunity on Block 25 was also desired in order to fulfill the NW Natural parking obligation in the most efficient and therefore cost-effective manner.

Unfortunately, efforts to acquire Block P were not successful. Furthermore, the use of the historic fire station site owned by PDC at the corner of NW Glisan & NW 3rd (Block A&N), was considered and rejected by both the Blanchet House and TPI due to concerns about site access for clients of the facilities in light of the transit mall MAX alignment is to be located in front of the site and the frequency of the MAX trains.

PDC and/or TPI also explored the potential use of a number of additional sites, all of which were later deemed infeasible, unavailable, or preferable for other uses. See the chart at right for a complete list of sites considered. Due to the urgency with which the City of Portland and the Blanchet House wish to proceed with their respective projects, the City and PDC identified Block 25 as the site for these co-located uses.

However, at the request of neighborhood stakeholders, PDC reassessed the potential use of the PDC-owned block bounded by NW Hoyt and NW Irving between NW 6th and Broadway (Block U). After broad input from community stakeholders at the Old Town/Chinatown Neighborhood Association, Visions Committee, and City Council sessions, it was decided that the TPI/RAC would be located at Block U, independent of Blanchet House, which was assigned the NE corner of Block 25.

Current status of Blanchet House and TPI/RAC

The TPI/RAC facility is currently in early architectural design, on Block U. The range of services are likely to include health services, housing placement and retention support, rent and client assistance and linkages with employment, government benefits and other support programs. In addition, the expanded space will include meeting rooms, classrooms, lockers, additional shower and restroom access, medical services, kitchen space, indoor bicycle storage, on site offices/confidential space for visiting programs (employment, legal assistance, etc.). The new location will also allow for a more in-depth client outreach, providing meeting space for extended staff. The new facility is estimated to provide 17,000 to 20,000 square feet of total space, including approximately 1500 square feet of outdoor space. The relocated facility will be configured to address the on-going problem of sidewalk queuing. Above the RAC, a multi-level structure will provide additional permanent supportive housing.

Blanchet House and PDC are finalizing their land ownership negotiations and Blanchet House has recently begun early architectural programming and conceptual design.

| Sites Considered | Comments |
|--|--|
| Oregon Casket Building 403 NW 5 th Ave | Previously tied-up with Option by another party; Site likely not adequate for both uses; no satisfactory outcome from any preliminary discussions; discussions terminated by all parties |
| De Paul site 1300 SW Washington | Not available |
| Burger King site 707 W Burnside | Not available |
| Suey Sing Building 205 NW 4th | Owner evaluating redevelopment potential through PDC DOS Program; Site likely not adequate for either use |
| SW 3 rd & Oak | Does not locate Blanchet House meal service in proximity to other compatible social services adding hardship on population served; site is not adequate for siting Access Center alone because it is ¼ block . |
| SW 3 rd & Taylor | Does not locate Blanchet House meal service in proximity to other compatible social services adding hardship on population served; Adequacy of site for Access Center uncertain |
| Block 8 | Included in Beam/Naito Master Plan for future redevelopment; Existing covenants restricting development of affordable housing. |
| Lot 5 (NW 9 th & Overton) | Anticipated for multi-use family housing RFP |
| Blocks U & R | Development potential to be considered in future NW Broadway Corridor Study in conjunction with Union Station, 511 Building, and Post Office site |
| Block A&N | Concerns expressed by Blanchet and TPI regarding site access, safety and capacity |
| Block P | Negotiations for acquisition not successful; City could not guarantee requested development rights; Adequacy of site for both uses uncertain. |
| Block O | "East of Pearl" not well suited given accessibility issues, floor plate, costs for benefits received. |