

# PDC QUARTERLY

PORTLAND DEVELOPMENT COMMISSION

Volume XI Issue 1 Winter 2008



Participating in the ribbon cutting for the new Macy's at Meier & Frank Square store were (left to right) R.B. Harrison, Macy's President & COO; Matt Higgins, Macy's Group Sales Manager; Judith Zimmernan, Macy's Merchandise Team Manager; Gerald Frank, Meier & Frank family representative; former mayor Vera Katz; Jeff Gennette, Macy's Chairman & CEO; Paul Brown, Macy's Vice President and Store Manager; Angela Herwig, Macy's Sales Associate; Mayor Tom Potter; Jeff Manick, Macy's Director of Sales; and Bruce Randall, Macy's Regional Vice President.

## Macy's Opens at Meier & Frank Square

Portland shoppers could once again meet "under the clock" as thousands gathered on Friday, October 26, for the much anticipated re-opening of Macy's at Meier & Frank Square. Closed since December 2006, the venerated department store underwent more than a year of reconstruction to emerge as a shiny, new Macy's store.

Macy's occupies the basement through fifth floors of the historic building, offering everything from mattresses and luggage to cosmetics, accessories and apparel for men, women, juniors and children. Sage Hospitality is renovating floors six through 15 (plus roof) into a luxury hotel with 334 rooms, meeting rooms, ballroom, restaurant and a rooftop lounge. Called The Nines, the four-star hotel is slated to open late summer 2008.

Renovation of the entire building is pegged at \$147 million with the Macy's portion costing \$30 million. The project was financed with \$14 million

in PDC loans, developer funds from Sage, and the use of New Markets Tax Credits. On the National Register of Historic Places, the entire building is being seismically retrofitted. Repairs will also be made to the terra cotta "skin" of the building.



Shoppers queued up at every entrance to be the first to shop at the renovated downtown Portland store.

The 2002 Downtown Portland Retail Strategy identified retention and renovation of the historic building as the number one priority to enhance the retail core. A healthy retail presence at this key downtown location – first established in 1857 – is important to attract and retain other retailers. Shoppers at Macy's and patrons of The Nines hotel are expected to increase foot traffic downtown and attract additional visitor and tourism dollars. Thanks to a unique public/private partnership, the future continues to look bright for one of the most renowned historic buildings in Portland.





# Future of Urban Renewal

Investing in Portland's Future

**PDC**

PORTLAND DEVELOPMENT COMMISSION

## Exploring the Future of Urban Renewal

In 2008 we will celebrate an important milestone: the 50th anniversary of the Portland Development Commission's partnership with the community. From Tom McCall Waterfront Park to the Eastbank Esplanade, from the city's "Living Room" (Pioneer Courthouse Square) to Interstate Light Rail, from the River District to work in Lents—PDC has been a key partner in the city's half century of progress. The result has been revitalized neighborhoods throughout our community and many of Portland's signature landmarks.

More than a celebration, we are using our anniversary to work with our community partners to set the course for the next 50 years. To that end, we have launched the Future of Urban Renewal Initiative: an extensive public process involving a variety of stakeholders (community residents, private investors/ developers and public partners). We will use this initiative to update urban renewal area plans over the next 24 months.

To shed more light on this important urban renewal priority-building process, we asked PDC Commissioner Charles Wilhoite for his comments.



**Q:** Why does the Portland Development Commission want the public's involvement in this effort?

**Wilhoite:** As the community's investment manager, the Portland Development Commission invests taxpayers' money to make improvements in our neighborhoods and in the central city. We use public-private partnerships to create jobs, assist businesses large and small, build homes and make public improvements to parks and roads. We want to make sure that we are making the right investment decisions. It's their money and their community so they need to be involved in updating these plans.

**Q:** Why are you launching this effort now?

**Wilhoite:** The 50-year anniversary is a great time to start this type of initiative. Called the Future of Urban Renewal (FOUR) Initiative, our review is timely since several urban renewal areas (URAs) are nearing critical junctures. Work has already begun with the Westside Study—a look at three downtown URAs: Downtown Waterfront, South Park Blocks and River District—and the Lents Town Center URA Plan Amendment Study.

**Q:** Can you quantify what urban renewal has accomplished in Portland during its first 50 years?

**Wilhoite:** That's an interesting question. The Portland Development Commission has accomplished a great deal, but we don't have a great way to tell the story of our work in the community. Consequently, many Portlanders—especially newcomers—don't always realize the significant role PDC has played in shaping the city.

Part of this effort will be taking stock in what we have accomplished as a way of reporting back to the community on our efforts. As we set the future course for urban renewal areas, we will start with a look at what has been accomplished and what we still need to do.

While we are proud of our many accomplishments, we need to take a critical look at areas upon which we can improve. In the early days of our agency, urban renewal often meant condemnation and relocations of entire neighborhoods. This was an approach used throughout the country and was not unique to Portland, but it is certainly not an approach we would use today.

While we no longer do wholesale redevelopments of neighborhoods, our revitalization efforts can still have unintended consequences. Today we need to do our redevelopment work in a way that does not price lower income residents and businesses out of their community.

Portland's transportation system is recognized as one of the most efficient in the U.S. Adding Lents to the network will connect it to downtown and the airport. As in other areas of Portland, extensions of light rail and streetcar service have resulted in new investment, transit-oriented development and appreciating property values.



**Q:** Why did the city start with the Westside and Lents areas?

**Wilhoite:** The Westside Study looks at three downtown URAs: Downtown Waterfront, South Park Blocks and River District. Each of these areas is approaching a critical juncture. Downtown Waterfront and South Park Blocks are due to expire this year and River District has performed so successfully that the community needs to decide what to do next. Each district needs an updated plan.

Since downtown is the city's primary economic engine, many people believe that urban renewal efforts must be maintained to keep our downtown healthy and competitive. We are conducting the Westside Study with an eye to what's possible for the future.

Our work will support a larger planning effort that will produce the Central Portland Plan as part of Portland's Comprehensive Plan update due to be completed in 2009. The Westside Study will help set the stage for that larger planning effort. The Westside Study will tell how these districts, or possible new district, might fit into the longer term vision for downtown.

With Lents, we have the opportunity to reinforce the great work that has emerged in this neighborhood-based urban renewal area. We would like to sustain the momentum that the community has created in the area. That's why we are asking neighborhood stakeholders to lead the updating process that will set the next list of goals for their community.



**Q:** Is there a chance URA boundaries or expiration dates could be changed, or could new URAs be formed? What about changes to overall urban renewal strategies?

**Wilhoite:** That's for the various advisory groups to decide, but it's probably fair to say there will be some adjustments made to or within some districts. A lot can happen in 10-15 years, and plans need updating to reflect those changes – whether it's new traffic patterns or emerging new uses for underdeveloped properties.

Each citizen group will review a variety of options. The Lents committee will consider boundary expansions to support improvements to land around Foster Road, Powell Boulevard and 122nd Avenue. An expansion is also being considered in the River District. And as mentioned, new URAs have been suggested for the downtown area. On the flip side, there is some business community support for an earlier close-out of the Downtown Waterfront and South Park Blocks URAs.

Several other creative suggestions have also been put on the table. Portland City Commissioner Erik Sten has suggested creating an "island" district addition to the River District URA to help fund a much-needed school/community center for the David Douglas School District in east Portland. Similarly, Multnomah County Commissioner Jeff Cogen would like to see PDC redevelopment efforts more directly benefit other taxing jurisdictions.

**Q:** Who serves on the advisory groups evaluating each URA?

**Wilhoite:** The advisory groups for each URA reflects the unique circumstances of the district. Given the importance of downtown, we have a fairly formal advisory group for the Westside Study. It includes two PDC Commissioners (myself and Chairman Mark Rosenbaum), two City Council members (Commissioners Sten and Saltzman), County Commissioner Cogen, Portland Planning Commission Chair Don Hanson and Portland Budget Committee member Jon Kruse. The Lents committee is more community-based with a mix of business owners, residents and other local stakeholders.

Besides committee members, any city resident may participate in the process by tracking it on our website ([www.pdc.us/four](http://www.pdc.us/four)), attending public meetings (also to be posted on the website), and/or submitting comments to any URA group member, myself or PDC staff.

I can't emphasize enough that we will be diligent about providing ample opportunities for residents and stakeholders to participate in the process. Community stakeholders are the ones who can best identify the challenges and opportunities in their communities.

The FOUR process is an opportunity to engage citizens as we chart PDC's future work in the community. Their participation will help us set new community investment plans that create jobs, assist businesses large and small, expand housing options and produce neighborhood improvements that benefit both local residents and citizens throughout the city. I hope that all of you will accept this invitation to join us in this exciting endeavor.

FOR MORE INFORMATION ON THE FUTURE OF URBAN RENEWAL INITIATIVE PLEASE GO TO [www.pdc.us/four](http://www.pdc.us/four)

#### ■ PDC Staffs Booth at Urban Land Institute

PDC's Development and Public Affairs departments staffed a booth at the International Urban Land Institute (ULI) fall meeting in Las Vegas Oct. 23-26. With a theme of "Creating and Sustaining Thriving Communities Worldwide," this annual gathering attracted approximately 8,000 attendees from the real estate development sector. ULI is a national nonprofit research and education organization at the forefront of the land use and real estate industry. The event provides a unique, multidisciplinary forum for public and private development professionals to showcase latest trends, ideas and experiences. PDC shared information on current projects and opportunities in Portland with the aim of attracting new future investors and developers. PDC Director of



Senior Development Manager Lew Bowers chats with a ULI delegate.

Development, Cheryl Twete, is active in the local ULI chapter and was a speaker on a panel discussion at the national conference.



Properties adjacent Portland's main post office are being considered for inclusion in the River District Urban Renewal Area.



Staff members proudly pose with the new Flexbike.

■ **PDC Wins Bicycle** PDC won first place in the "public agency" category of the Carefree Commuter Challenge held in August, receiving an "Award of Excellence" from Portland City Commissioner Sam Adams. Our staff posted a 31.5 percent participation rate, beating out the state Department of Environmental Quality, our closest competitor. Staff's use of transportation options such as transit, biking, walking and carpooling for the competition demonstrated PDC's vision of being a catalyst for positive change and commitment to mitigate the effects of global warming; transportation contributes over one-third of the nation's carbon dioxide. PDC staff also applied for and won a grant for a free bicycle – an Electra Amsterdam – now available for staff to check out which they use for rides to meetings or errands.



## Urban Renewal Updates

PDC oversees 11 urban renewal areas (URAs) in the City of Portland. Recent activities include:

### Central Eastside

- **City Club Takes Walking Tour of CES URA** Development staff organized a City Club walking tour of the Central Eastside Urban Renewal Area (CES URA) on the evening of Aug. 8. After a short presentation, the group started at the Burnside Bridgehead project site and weaved its way through the business district, ending at the historic Olympic Mills building. A representative of the City Club group reported that this was the most successful tour this year, with 25 City Club members in attendance and more on a waiting list.



City Club members pause on their tour of the Central Eastside.

### Downtown Waterfront

- **Skidmore Fountain Building** This past summer, two significant steps were taken in the process to bring Mercy Corps to Old Town. In July, title to the Skidmore Fountain Building was transferred to PDC, allowing the agency to retain the right to use the building to further the goals of the Ankeny Burnside Framework Plan. Building tenants have been relocated and are receiving relocation benefits per PDC policy. The building is expected to be empty by year-end so a comprehensive rehabilitation and a seismic upgrade can begin in early 2008.
- **Autumn Moon Festival** PDC staffed a booth at the second Autumn Moon Festival on Sept. 15-16 in Old Town/Chinatown on the two festival streets. PDC also helped sponsor the event, provided in-kind support (graphics services), and served on the event planning committee. The festival is an important venue to bring people into Old Town/Chinatown to sample the restaurants, visit museums (Jewish Museum, Oregon Nikkei Legacy Center, etc.), shop, and also take in nearby galleries and the Portland Classical Chinese Garden.



A colorful parade thru downtown and Old Town kicked off the 2007 Autumn Moon Festival.



The Union Station site is another being considered for inclusion in the River District Urban Renewal Area.



## Lents Paint-A-Thon

PDC staffers participated in the Lents Paint- and Repair-a-Thon in August. Our team transformed a house from an old green paint job to a lovely taupe with white trim. Owners of the home are a husband who is a veteran and his full-time caregiver wife. They were delighted with the PDC team who managed to paint the house, garage and patio area in one day. In all, 18 homes were painted or repaired/cleaned by volunteers, with six of the homes in the Lents URA.

PDC Painters: Sarah Gourde, Sarah's son Irie (12), John Cardenas, Margarita Molina, Tom Strodbeck, Mary Welch, Kim McCarty and Sara Culp.



## Lents

### Lents Little League Finds New Home

In November the PDC Board approved an Intergovernmental Agreement with Portland Parks and Recreation (PP&R) for construction of new ballfields at Lents Park. The current Little League site (about three acres at SE 92nd and Harold) was purchased by PDC in 1999 and targeted for redevelopment to revitalize the Lents Town Center district. From 2004 to 2006, PDC, PP&R, the Bureau of Environmental Services and Lents Little League (LLL) worked together to find a suitable new location within the Lents URA for the LLL. A comprehensive site search determined that the Lents Park site is centrally located, can absorb increased use and does not involve costly acquisition of land for a new site. The project was out for construction bids in December 2007 with a goal of having new ballfields completed by spring 2008.



Bruce Warner and the PDC Board signed a baseball that was presented to Jeremy Huyck, LLL Business Manager.

### Group Explores Lents URA Expansion

Following four public meetings, the Lents Plan Amendment Study Committee presented a recommendation about the future of the Lents Town Center URA to the Lents Urban Renewal Advisory Committee (URAC). Formed at the request of PDC's board and the Lents URAC, the subcommittee reviewed a potential expansion of the URA boundary, an increase in maximum indebtedness, and an extension of the date to retire the district.

After extensive study and public input, the Advisory Committee recommended the following: 1) the maximum indebtedness expiration date be extended five years to 2020; 2) the maximum indebtedness be increased by \$170 million to a total of \$245 million; 3) acreage in the district be expanded to include a net additional 140 acres. The expanded acreage allows businesses along a stretch of SE Foster Road to be eligible for PDC business loan programs and Storefront Improvement grants.

A variety of tools helped get word out about the project to citizens. PDC staff visited local events and association meetings. There is a link to the project on PDC's web site. There were referrals to an on-line survey. Informational documents were available including frequently asked questions, and a postcard mailing provided meeting and event dates.

A final report on the Lents URA expansion is scheduled to be made to the PDC Board at their March 26 meeting. Following this, notice to all households in the City of Portland is required by law to allow public comment time. PDC's board is then scheduled to vote on the URA Plan amendment in May and the Planning Commission would vote in June. Both PDC and Planning then forward a recommendation to City Council. A first and second reading of the amendment would go before City Council in June in the form of an ordinance and the amendment could be effective as of late July. For more information on the Lents URA expansion go to [www.pdc.us/four](http://www.pdc.us/four).

### Boys and Girls Club Receives Check

In November 2007, PDC staff from joined Tri-Met in presenting a check for \$4,500 to Angela Frizzo, Director of the Watties Boys and Girls Club. The funds were donated by Tri-Met and PDC in an agreement to allow construction



access for the Green Line light rail project across PDC-owned property adjacent to the Boys and Girls Club.

In addition to presenting the check, Claudia Steinberg from Tri-Met, invited all in attendance to, "look forward to Tri-Met's Free Children's Ride Day on the new Green Line when it opens for service in late 2009."



# Sustainability Update

## PDC Helps Bradley Angle House Improve Sustainable Practices

The Sustainable Business Assistance Program, Economic Development's partnership with Zero Waste Alliance (ZWA), provided assistance to longtime women's shelter Bradley Angle House, which is located in one of the city's URAs. ZWA evaluated the shelter building for energy efficiency and solar opportunities, researched tax credits and available financial incentives, and made several recommendations, including installation of a solar water heater. Both shelter and occupants will benefit from reduced environmental impact, financial savings related to reduced heating costs, and improved indoor air quality. Founded in 1975, Bradley Angle House is the oldest domestic violence shelter on the West Coast for women and children. The PDC-ZWA partnership provides matching funds to help Portland businesses identify cost and resource savings in protecting human and environmental health while creating and protecting jobs.

## Regional Inventory of Sustainable Industries Announced

PDC has joined forces with the city's Office of Sustainable Development, Oregon Economic and Community Development Department and key regional organizations such as the Northwest Environmental Business Council to support a regional inventory of sustainable industries. An initial study will provide a forecast of job opportunities and revenue impacts resulting from sustainability initiatives. The Athena Institute of Kirkland, Washington, a regional consultancy firm focused on smart and green innovation, is directing the project.

The survey and resulting industry report will explore what types of companies exist, their stage of growth, export activity, workforce issues, financing approaches, research and development activity, participation in regional funding, and incentive programs. Information about the economic value these companies represent to the region and the ingredients necessary for their growth will be detailed in a progress report listing available resources and initiatives under way in the region. The data will be used to inform leaders on the status of efforts to create new job opportunities and to explore ways to promote the growth of this sector.

## Portland Ambassadors Take Best Practices Trip to Chicago

A delegation of more than 40 business leaders, elected officials and public sector representatives met in Chicago in September for a Best Practices mission sponsored by the Portland Ambassadors. The trip began with an opening reception at the historic Whitehall Hotel just off Michigan Avenue, and ended with a tour of Chicago's major league soccer facility, Toyota Park. Throughout the two-day program, delegates heard from city planners, private business councils, the Chicago chamber of commerce and Mayor Richard Daley's environmental commissioner — all of whom trumpeted Chicago's "green" agenda

and initiatives. Delegates came away inspired by the extent of Chicago's share vision and the corresponding lesson learned: that with Mayor Daley's goal to make Chicago the greenest city in America, Portland can't rest on its own green reputation.

The Portland Ambassadors organization has partnered with PDC for more than 20 years to promote business retention, expansion and recruitment. It has conducted numerous Best Practices missions and sponsors six local events each year to share business climate and economic development information.

Coinciding with the Best Practices trip was a CEO's for Cities gathering, also in Chicago, and attended by PDC staff as well as representatives from PSU and the private sector. Attendees included PDC Chair Mark Rosenbaum, PDC Economic Development Director Erin Flynn, and Sr. Development Manager Lew Bowers. They joined peers from around the western hemisphere for the meeting titled, "The Global City." The meeting was aimed at exploring the role that cities and their urban leaders can play in confronting the challenges and capitalizing on the opportunities of globalization.

**PDX Lounge a Hit** The PDX Lounge Oregon business network descended on Chicago in November for a series of business, educational and best-practice engagements for professionals working in and around sustainable industries.



Greenbuild conference delegates flocked to the PDX Lounge to learn more about Portland as a business location and sample pdx-area food and beverages.

Taking up temporary residence within the 20,000-square-foot Chicago Illuminating Company, PDX Lounge was a destination for multiple audiences. Greenbuild conference attendees, business leaders, industry practitioners, news media and political influencers gathered and discussed innovations in sustainable economic development.

PDC staffers pulled double duty at Greenbuild — working at the PDX Lounge trade show booth during

the day to direct conference attendees to the actual lounge venue, then racing back to the lounge for the evening to continue working the crowd. "We got a terrific response from entrepreneurs looking for opportunities in the green building industry," said Pam Neal, PDC's Sustainable Industries Coordinator. "This event hit all of our goals: business expansion, business recruitment and marketing Portland as a business location. We got to work with existing Portland businesses, talk to prospects about relocation, and sell the Portland green building story to a national and international audience."

**PDC: Sustainable Development**



**Public Agency Target Business Procurement Summit** In an effort to work collaboratively with other agencies interested in increasing the use and business success of Minority, Women, and Emerging Small Businesses (M/W/ESB), PDC's Lolita Burnette and Jerry Walker with the Housing Authority of Portland took the lead in planning and hosting a Public Agency Target Business Procurement Summit last July at the Portland International Airport. The event was well attended by public agencies in the Portland metropolitan area and by the State of Oregon. Colette Holt, attorney with the American Contract Compliance Association, was the guest speaker. The team agreed to continue meeting to explore collaborative efforts, including the potential for a new disparity study.

**Community Relations Explores Diversity in Outreach** PDC staff member Juanita Swartwood, along with summer intern Grant Miller, put together an initial issue paper on outreach to publics who do not currently have a voice in PDC outreach efforts. The issue brief will be augmented with demographic and other research culminating in a public participation plan that directs future efforts and identifies how to ensure PDC is able to serve diverse needs. Outreach to faith-based, small business, African American and language/cultural communities will be further refined and continued.

**Business and Workforce Equity Initiative Status** This Initiative is moving full speed ahead, following an initial review by the PDC Board in October. The Contract Advisory Committee met last summer to finalize its recommendation to the PDC Board to use state certification when counting utilization of women and minority-owned businesses. Local contractor James Posey agreed to lead a team on a special M/W/ESB development program for general contractors. A request was made to focus on incentives for developers and their general contractors.

The proposed policy changes were also reviewed at the inaugural meeting of the Developers Roundtable in August. Working in collaboration with PDC's Housing and Development Departments, Community Relations and Business Equity (CRBE) staff facilitated the event to gather developers' input on upcoming policy changes. The Roundtable was a great success. Developers attending indicated they wanted to provide additional input and share best practices through case reviews. For example, the South Waterfront for overall M/W/ESB goals and workforce development; Housing Authority of Portland for M/W/ESB utilization and workforce diversity on New Columbia and Humboldt Gardens, as well as national models.

The Development community also expressed appreciation to PDC for convening the Roundtable forum. They want to continue to meet quarterly to build relationships among small and culturally diverse developers and larger firms, to explore best practices in economic development and urban planning, and to discuss policy changes with PDC.

**Diversity Training Under Way** In November and December, PDC staff participated in training on "Understanding and Managing the Dynamics of Diversity." The training, facilitated by consultants Steve Hanamura and Dr. Gar DeBardelaben, was organized by PDC's new Employee Diversity Council, which made its debut at an all-staff meeting in September. Lolita Burnette is serving as interim chair of the council, which has sponsored a contest inviting staff to submit designs and ideas for a logo for PDC's diversity initiative.

**Purchasing and Contracting Updates** Staff has been working to implement the following improvements to ensure all interested small businesses have access to PDC's contract opportunities:

- Lowering PDC's web site notification threshold for competitively solicited contracts to \$25,000. This threshold includes contract opportunities for construction, personal/professional services, trade services and materials. Effective Oct. 1, these solicitations have been posted on the "RFP/RFQ/Bid Announcements" page on PDC's main web site and email notifications have been sent to interested parties registered to receive notification.
- Expanding PDC's newspaper advertising on formal solicitations of \$100,000 or more to include multiple local community and minority publications.

Staff has also been developing procedures to implement recent BOLI Prevailing Wage legislation and recommended changes to the PDC Construction Wage Policy. Contracting training was conducted agency-wide in October, November and December.

A new module for PDC's financial system was implemented in January 2008. This will allow PDC purchasing requirements now transmitted by paper to be routed electronically while eliminating duplicate entry of information.

**Groups/Events Visited** Community Relations and Business Equity staff participate in many community events in any given month. Below is a sample of some of the outreach events they attend:

- Oregon Association of Minority Entrepreneurs Contractors Meeting
- OAME Coffee and Issues Forum
- African American Alliance – Unity Breakfast
- National Association of Minority Contractors Monthly Membership Meeting
- Vanport Project Advisory Meeting
- Union Training Coordinators Council
- Hispanic Chamber's Hispanic Heritage Celebration
- Latino Leadership Reception
- Minority Enterprise Development Luncheon and Tradeshow
- Philippine Chamber Meeting
- Latino Scholarship Gala
- Contracting Advisory Committee
- African American Chamber
- Native American Youth Association



Meet PDC's Diversity Council (l to r): John Cardenas, Pam Duncan, Juanita Swartwood, Dorian Jung, Lolita Burnette, Larry Wright, Wendy Wilcox, Coleen Welsh and Lynnette Jackson. Not shown are Lene Hopson and John Jackley.