

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: March 25, 2009
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 09-39
Martin Luther King, Jr. Blvd. Action Plan Implementation Update

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

None — information only.

SUMMARY

On June 11, 2008, the Portland Development Commission (PDC) Board of Commissioners (Board) approved Resolution No. 6595 and the *Martin Luther King Jr. Boulevard Updated Action Plan* (Updated Action Plan). The Updated Action Plan included minor revisions to the original document, which focuses limited public resources on implementing long standing goals and furthering revitalization on NE Martin Luther King Jr. Boulevard (MLK Blvd.) through 2013, the last year to issue debt in the Oregon Convention Center (OCC) Urban Renewal Area (URA).

The Updated Action Plan is an opportunity for PDC to work on behalf of neighborhood residents, businesses and property owners to provide a means of communication for furthering revitalization along NE Martin Luther King Jr. Boulevard. This information item is an update on work and progress made on action items since June 2008.

BACKGROUND

Staff prioritized five action items within the Updated Action Plan to focus on for fiscal year 2008-09. While work will continue on all action items in the MLK Action Plan, staff believes more intensive focus on a few priorities will lead to more progress. The five priority action items and progress on each one is detailed below.

- 1. Actively promote PDC programs and resources – specifically Storefront, Development Opportunity Services (DOS) and the Commercial Redevelopment Loan Fund (CRLF) - that are available to property owners and small businesses along MLK Blvd.** In September, staff sent a marketing letter to all property owners and businesses in the OCC URA, north of Broadway, promoting the Storefront, DOS and CRLF programs. This mailing has prompted a number of inquiries and applications for these resources. Currently, ten Storefront and five DOS projects are underway along MLK Blvd. In October, staff developed and sent out a press release on a Notice of Funds Available (NOFA) specific to the CRLF. The Portland Business Journal and the Daily Journal of Commerce both published an article about the funds and program. Four interested applicants came to an open house held in late October to discuss the resources and staff received two applications, which are currently under review.

- 2. Reenergize the MLK Business Ambassador Network and organize a Commercial Broker Tour where brokers and ambassadors meet to discuss opportunities and challenges along MLK Blvd.** On December 10, 2008, 18 commercial brokers and two MLK Business Ambassadors participated in a lunch discussion and tour that started at Old Town Pizza at Vanport Square. The opening remarks were made by Commissioner Andrews. The goal of the event was to educate commercial brokers about PDC resources and opportunities along MLK Blvd. It was also to introduce them to successful business owners that are part of the MLK Business Ambassador Network. The event was successful based on high attendance and positive feedback from participants from an evaluation survey sent after the event. Staff plans to further strengthen communication opportunities with commercial brokers, as well as add one or two additional ambassadors to the network over the next few months.
- 3. Explore new models for commercial development and ways to better assist Minority, Women and Emerging Small Businesses in the MLK Corridor.** Staff is researching the potential benefits of creating a Portland Main Street Program, similar to the National Historic Trust Main Street Program in cities such as Boston, Baltimore and Washington D.C. In September, staff from the National Historic Trust came to Portland to further detail the benefits of this approach. This program could have significant impact on the City of Portland in the future, as it could provide technical assistance to significantly strengthen many commercial corridors. Staff is developing a work plan to define PDC's new "community economic development" approach and its applicability in N/NE Portland. One discussion that has already occurred with the MLK Advisory Committee is the feasibility of PDC establishing a "Resource Center" on the boulevard that would house a community conference room and provide a small business ombudsman. An ombudsman could help stakeholders navigate the vast landscape of technical assistance providers, capital sources and answer general questions about how PDC and other bureaus can help residents and businesses on the boulevard survive the current economic downturn. The idea was well received and the members concluded that if the right partners were included this could be a great way for businesses to get access to resources and information.
- 4. Initiate the next phase of the MLK Blvd. Gateway and Heritage Markers Project.** With origins dating back to 1990 in the "Albina Community Plan," this project has been on the radar of stakeholders for almost two decades. In September, a consultant team finalized the Concept Plan for the Gateway and Heritage Markers Project after a year of working with staff and the community. The next phase of this project will be to further define and specify the elements to be built – both at the Gateway site, as well as the series of heritage markers along MLK Blvd. Staff plans on hiring consultants this spring to develop construction documents for both elements, and will work on a long-term maintenance plan, as well as a method for nearby businesses/foundations to be involved in ongoing sponsorship of the project.
- 5. Implement findings of high-density residential zoning study (RH Study) to assist property owners with development along MLK Blvd.** Many of the still vacant properties along MLK Blvd. are zoned RH, which requires a high-level of residential development and allows only minimal ground-floor commercial. Staff believes that the lack of development on many sites along MLK Blvd. is due to the stringent requirements of this zoning and the weak market for the construction of new housing in this area. The RH Study, completed by an architect consultant, looked at ways and methods for encouraging development in the RH zone. Staff intends to reach out to individual property owners with RH zoned land, to share results of the study, and try to assist them in finding ways to make development feasible.

In addition to progress on the action items detailed above, there are a few other projects and items that have been significant in the last six months. In early October 2008, PDC sold the land at MLK Blvd. and Beech St. to Beech Street Partners, LLC (BSP), after many months of planning and negotiation. BSP is developing the site with a 30,000 square foot headquarter facility for Planned Parenthood of the Columbia/Willamette and 5,000 square feet of retail. Planned Parenthood will employ over 150 people, bringing many new customers to nearby restaurants and businesses.

In November, staff gave Representative Chip Shields a tour of a portion of Martin Luther King, Jr. Blvd., highlighting projects underway in both the Interstate Corridor and the OCC URAs. Representative Shields was impressed with PDC's assistance to individual property owners in the area that he represents.

Also in November, PDC hosted a workshop on project construction, which was the last in a series of Development Forums offered to property owners in the Interstate Corridor and OCC URAs. The series of five workshops was attended by over eighty people and brought in development practitioners to discuss all aspects of the real estate development process.

In July 2008, PDC and various other public/private agencies were approached by the National Association of Minority Contractors (NAMCO) to help in the rehabilitation of one the oldest African-American owned community facilities in Portland. The Billy Web's Elks Lodge has been a fixture in the Northeast community for more than 80 years and continues to serve the area, even in its current dilapidated state. Many local area contractors and professionals have donated their time and service to take on the project. PDC was asked to provide a grant for the project which would cover \$50,000 in invoices for work and services performed on the building. In January of this year a grant for \$50,000 to the project was approved.

PDC worked with a consultant to develop an "interactive map" to allow public stakeholders to keep up-to-date with progress on PDC assisted projects in the OCC URA (see <http://pdc.us/mlk>). This map can be accessed through the PDC website and is an easy way for the public to get status updates of catalyst projects.

Staff is also very involved in the North/Northeast Economic Development Initiative currently underway to look at future options for urban renewal in the area. This work aligns closely with an action item in the MLK Action Plan that calls for establishing criteria for expanding the OCC URA boundary to include key sites along MLK Blvd. and Alberta St. This study will help further determine priority projects and next steps to encourage further development along MLK Blvd.

While much progress has been made along NE Martin Luther King, Jr. Blvd. over the last nine months, the area has not been immune to the national economic downturn. Challenges to development remain in the area – for both public and private projects. Lease-up of office space at the Heritage Building has been slower than expected and the Fremont Residential project has been stalled due to issues with the project's general contractor. Vanport Phase III is on hold as 24-Hour Fitness has delayed its expansion plans due to the economy. On the other hand, new businesses continue to come on line and request financial assistance from PDC. The MLK Action Plan will serve as a guiding document to move forward with inclusive development that benefits the immediate community.