

DATE: April 28, 2010

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 10-40

Burnside Bridgehead Framework Plan

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

None — information only.

SUMMARY

The Portland Development Commission (PDC) has spent the past six months creating a Framework Plan to guide the redevelopment efforts of the Burnside Bridgehead site, a four-acre site owned by PDC at the east end of the Burnside Bridge. Working with Beam Development (BEAM) as PDC's strategic advisor, a multi-bureau Technical Advisory Committee, a multi-firm consultant team, and the Burnside Bridgehead Citizen Advisory Committee, draft Framework Plan materials have been developed. This briefing provides an overview of the Burnside Bridgehead Framework Plan. On May 26, 2010, an updated Framework Plan will be presented to the PDC Board of Commissioners (Board) for adoption. At that time, the initiation of Phase I implementation will also be presented.

BACKGROUND

The City of Portland's recently adopted <u>Economic Development Strategy</u>, a <u>Five-Year Plan for Promoting Job Creation and Economic Growth</u> (Strategy) establishes a set of priorities to guide the City's job creation work. One component of the Strategy focuses on maintaining a leadership position in sustainability by driving urban innovation in investments in physical placemaking. The Strategy identifies the Burnside Bridgehead site as a key catalytic site within the Central City and calls for the creation of a significant mixed-use gateway development at this location.

The site is located at the base of the east end of the Burnside Bridge. The site is 176,215 SF in size and is situated on four-plus city blocks in the Central Eastside Urban Renewal Area. The study area is generally bound by NE Martin Luther King Jr. Boulevard to the east, the Burnside Bridge to the south, NE 2nd Avenue to the west, and NE Davis Street and the I-5/I-84 interchange to the north. The site is zoned Central Employment (EXd) and has an allowable height of 200 feet and a maximum Floor Area Ratio (FAR) of 9:1, with an additional 3:1 achievable by meeting bonus requirements.

Framework Plan

The purpose of the Framework Plan is to utilize the current extraordinary downturn in market conditions to prepare the site for future redevelopment. This includes refining and clarifying public goals and objectives for the property and identifying key opportunities and constraints on the site. The Framework Plan is also intended to answer remaining questions about the site including the reuse potential of the Convention Plaza building, changes in capacity of the site given upcoming transportation infrastructure improvements such as the Burnside-Couch couplet and the Eastside Streetcar, and the appropriateness and direction of phasing development within the project area.

The Framework Plan is intended to provide flexibility in outcomes and direction to respond to the fluidity of the market. While a high-level guidebook to redevelopment, components of the Framework Plan include not only Conceptual Urban Design Plans, but also a Sustainability Plan and a Construction Cost Reduction Study and strategy that will suggest approaches for incorporating sustainable and affordable construction philosophies, concepts, and materials into the redevelopment.

Framework Plan Vision and Principles

The vision for the Framework Plan is to create a strategic design approach for the development of the Burnside Bridgehead that will catalyze and identify the Central Eastside as an attainable, productive, and sustainable district.

Principles intended to guide and direct planning, development, and investment decisions on future redevelopment opportunities for the project are:

- Site as Potential: Balance land use development densities, and phasing, with market reality;
- Site as Attainable: Develop new approaches or strategies to maintain affordability in construction and accessibility for a broad spectrum of users;
- Site as Productive: Create an incubator for employment with business-supportive redevelopment;
- Site as Sustainable: Integrate innovative, attainable, and sustainable design; and
- Site as Vibrant: Provide opportunities for a mix of uses commercial, employment, and residential – that build on the uniqueness and character of the community and activate the site.

Framework Plan Approach and Outcomes

The Framework Plan takes the approach that the goal of development on the site is to be catalytic to incenting and promoting further development in the Central Eastside. The plan recognizes that there is no requirement that a catalyst site be the highest density project in the area, just one of the earlier projects that ties well into the remainder of the area and provides complementary uses. In addition, this approach acknowledges that as the Central Eastside and East Burnside Corridor continue to develop, the Burnside Bridgehead site should provide activities that support ongoing development in the broader district and not detract from the viability of these areas by concentrating too much density into the Bridgehead site.

With this approach, the Framework Plan presents a guide to phasing development that directs short-term, immediate development on the site that doesn't preclude greater development in the future.

Phase I: The first phase of the development would focus on the activation of 3rd Avenue to create a nucleus and district brand for the activation of the site. This includes the following elements:

- renovation of the Convention Plaza building;
- improvements to 3rd Avenue;
- creation of a connection to the new streetcar stop on NE Martin Luther King Jr. Boulevard;
- integration of mid-block green spaces and a gateway park; and
- development of the first new buildings (four-plus stories, Type V construction) along 3rd Avenue that provide space for work, live, and other programming.

Based on the success of this initial phase, the remainder of the site can be built out in a variety of ways, with the Framework Plan exploring three potential outcomes as follows:

- Outcome A: Maintain Steady Growth: If development were to occur in a similar fashion to Phase I;
- Outcome B: Attract Target Clusters: With an emphasis on job creation, this outcome provides opportunities for larger format work space and affiliated parking and amenities; and
- Outcome C: Develop into High Density Center: Considers the long-range potential for the site that could realize the FAR and height permitted outright on the site.

The project approach, Phase I development, and the three potential outcomes are illustrated on the attached graphics.

Outreach

The Burnside Bridgehead Citizen Advisory Committee met monthly to actively participate in the creation of the Framework Plan. Two public workshops were held, the first on November 18, 2009, to gather input, and the second on January 27, 2010, to gather feedback on the draft Framework Plan materials. Briefings were also given to the Central Eastside Urban Renewal Advisory Committee, the Central Eastside Industrial Council, the Design Commission, the Portland Business Alliance, and the AIA Downtown Committee.

Next Steps

With the completion of the Framework Plan, the next steps are to:

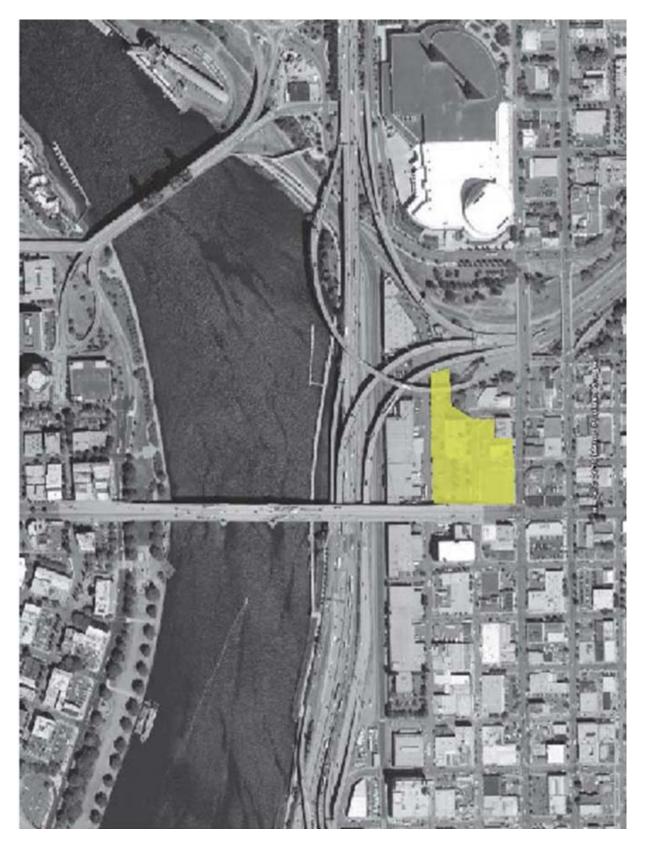
- 1) Adopt the Framework Plan document: The final plan, incorporating any changes as directed by the Board, will be presented to the Board on May 26 for adoption.
- 2) Initiate Phase I: As outlined in the Framework Plan, creating the catalytic impetus requires not only renovating the Convention Plaza building but also the initiation of new development within the site. Per the PDC-BEAM Memorandum of Understanding, BEAM, in exchange for their role as PDC's strategic advisor through the Framework

Plan process, has the opportunity to propose development for a minimum of 20 percent of the 4.04-acre site. In addition, with the Framework Plan outreach, PDC has received numerous inquiries of interest regarding potential development options for portions of the site. As such, next steps include clarifying BEAM's interest in the site and initiating a process (e.g., Requests for Interest, etc.) to accept and evaluate development interests in portions, or all, of the Burnside Bridgehead site.

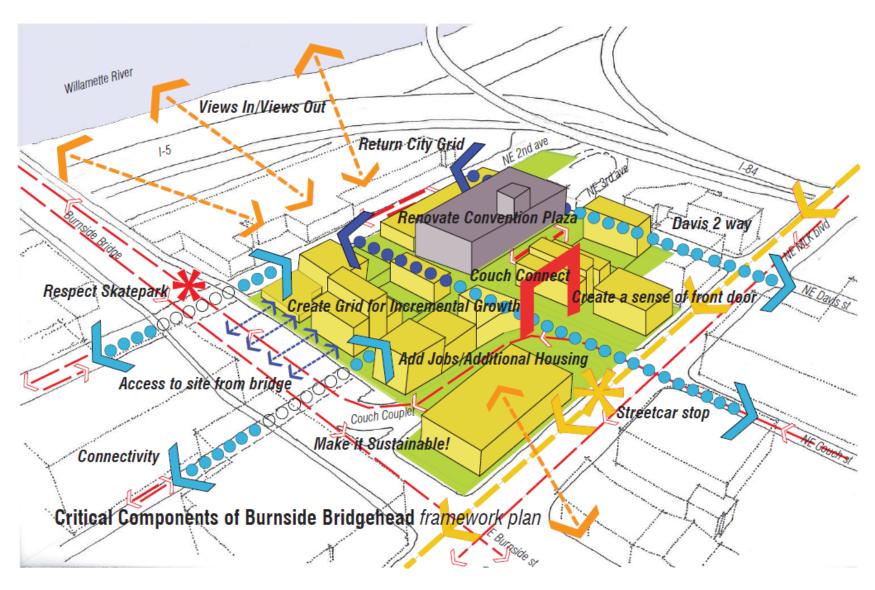
ATTACHMENTS:

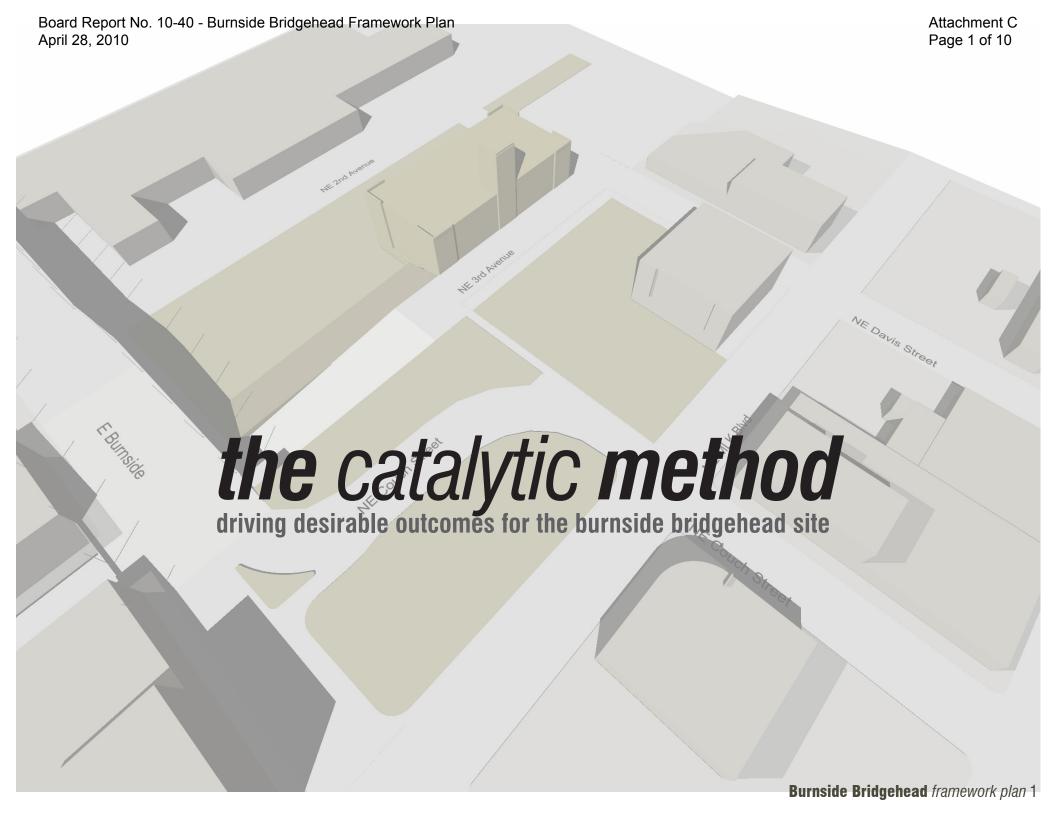
- A. Site Aerial Photo
- B. Critical Components
- C. The Catalytic Method

Site Aerial Photo



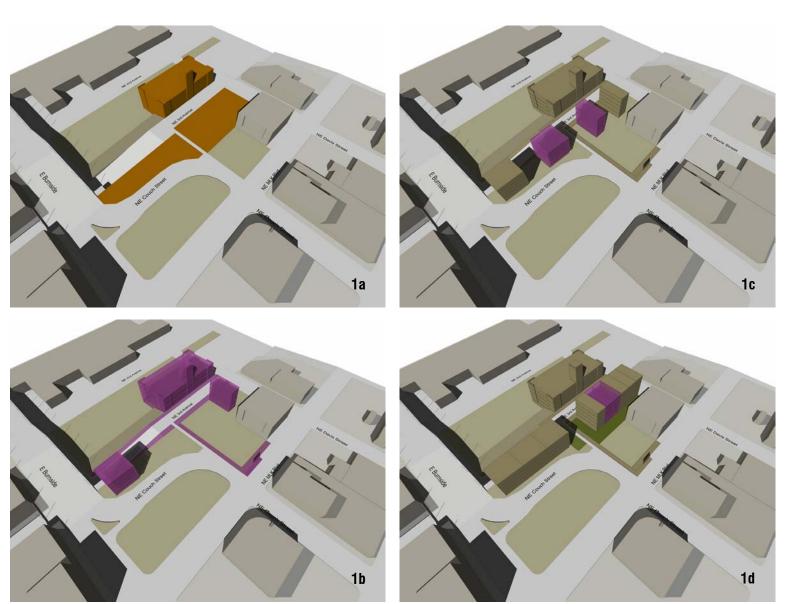
Critical Components

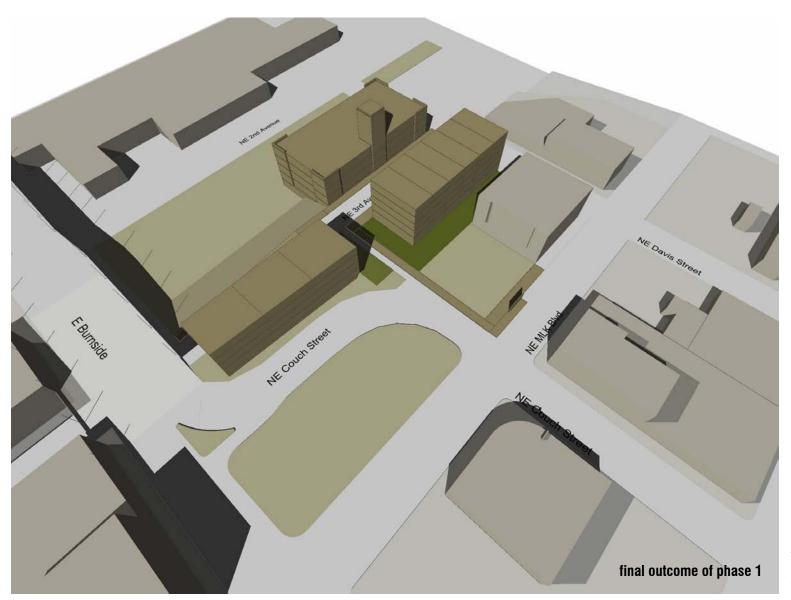




catalytic methodphase1 activate 3rd avenue

The following massing diagrams illustrate potential scenarios for incremental growth over time towards a possible outcome for the Burnside Bridgehead site.





catalytic methodphase1 Full activation of 3rd Avenue as a district

street with a unique character and emblematic work, retail, and work/live programming. Engagement with MLK and the potential for the integration of temporary catalytic uses of open space.

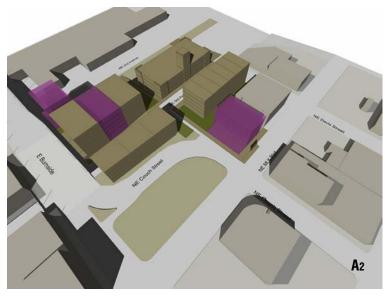
Total Developed SF: 180,800gsf

catalyticoutcome A maintain steady growth

The following massing diagrams illustrate potential scenarios for incremental growth over time towards a possible outcome for the Burnside Bridgehead site.











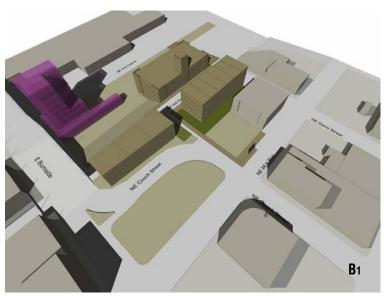
catalyticoutcome A total approx. FAR: 4:1

total built area: total parking:

610,000 sf 698 stalls

catalyticoutcome B attract target clusters

The following massing diagrams illustrate potential scenarios for incremental growth over time towards a possible outcome for the Burnside Bridgehead site.









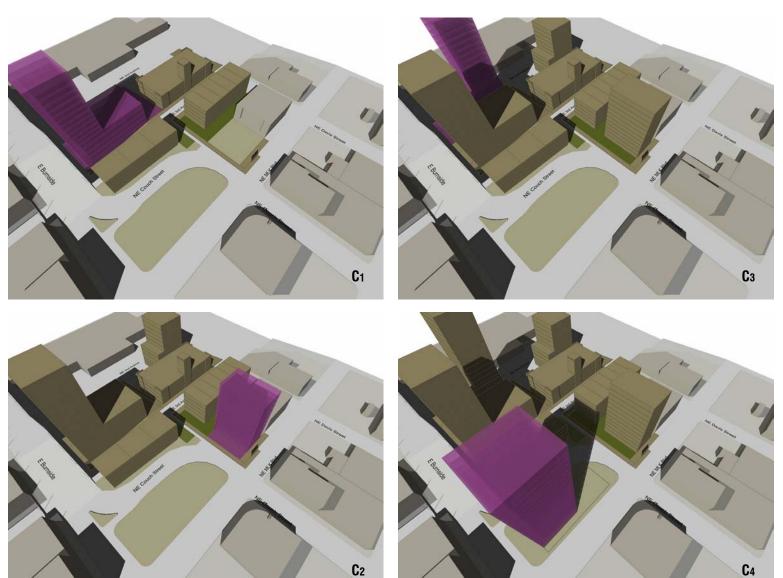


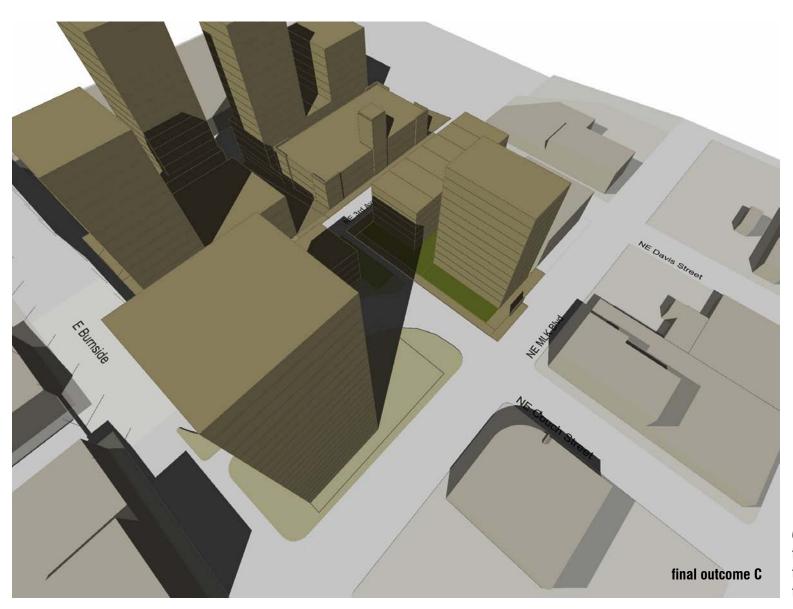
catalyticoutcome B
total approx. FAR: 4.5:1
total built area: 650,0 total parking:

650,000 sf 698 stalls

catalyticoutcome C develop into high density center

The following massing diagrams illustrate potential scenarios for incremental growth over time towards a possible outcome for the Burnside Bridgehead site.





catalyticoutcome C
total approx. FAR: 6:1
total built area: 880,0 total parking:

880,000 sf 698 stalls

catalytic methodphase1 activate 3rd avenue

Total Developed SF: 180,800gsf

catalytic methodoutcome A maintain steady growth

total approx. FAR: 4:1

total built area: 610,000 sf total parking: 698 stalls

catalytic methodoutcome B attract target clusters

total approx. FAR: 4.5:1 total built area: 650,000 sf total parking: 698 stalls

catalytic methodoutcome C develop into high density center

total approx. FAR: 6:1

total built area: 880,000 sf total parking: 698 stalls



