

DATE: July 21, 2016
TO: Board of Commissioners
FROM: Faye Brown, Interim Executive Director
SUBJECT: Report Number 16-39
Update on the Gateway Action Plan

BOARD ACTION REQUESTED

No action is requested; information only.

SUMMARY

At the July 21, 2016, Portland Development Commission (PDC) Board of Commissioners (Board) meeting, PDC staff will brief the PDC Board on the status of the Gateway Action Plan (Action Plan). The Action Plan is a five-year implementation strategy that articulates PDC, City of Portland (City) bureau partners, and other stakeholder activities in the Gateway Regional Center Urban Renewal Area (URA). The Action Plan, currently in draft form (see Attachment A), was developed collaboratively with partner bureaus and informed by stakeholder input to focus efforts and resources in the Gateway Regional Center URA that will set the stage for future private investment.

There is an estimated \$35,000,000 in PDC's Gateway Regional Center URA resources for the remaining life of the Gateway Regional Center URA Plan, which sunsets in 2022. The draft Action Plan currently allocates \$20,000,000 to Halsey/Weidler Business District, \$8,000,000 to Gateway Transit Center, \$2,000,000 to Central Gateway, and \$5,000,000 in "opportunity funds" that are geographically neutral and will have flexibility to respond to opportunities as they arise. In addition to the \$35,000,000 in Gateway Regional Center URA resources, there are \$13,000,000 in Gateway Regional Center URA resources that will be allocated to the Portland Housing Bureau (PHB) to deliver on affordable housing objectives.

In a subsequent agenda item at the July 21, 2016, meeting, PDC staff will request the PDC Board take formal action on a significant infrastructure investment that will deliver on one of the Action Plan's priorities.

BACKGROUND AND CONTEXT

The Action Plan is the third of its kind developed by PDC to guide the work of multiple public, private, and community partners in URAs throughout the city. The Old Town Chinatown Action Plan (2013) and the Lents Action Plan (2014) have been successful in guiding and organizing implementation work within these respective URAs and have proven to be a successful tool for communicating with the public and establishing five-year budget priorities.

The Action Plan takes a geographic approach to the Gateway Regional Center URA and focuses resources in three strategic areas: Halsey/Weidler Business District, Gateway Transit Center, and Central

Gateway. Each strategic area includes actions that are tailored to the unique qualities of that place and its development readiness; the Action Plan then targets resources accordingly. These combined efforts provide a clear framework for the City to collaborate with the community and private sector partners to implement the shared vision of transforming the Gateway Regional Center URA into a more urban, mixed-use environment that capitalizes on Gateway's extraordinary transportation access as well as its potential to take advantage of the growing population and employment base in the Portland region.

The Action Plan focuses coordinating public resources that implement community goals and address challenges to redevelopment including enhancing opportunities for small businesses within the Halsey/Weidler Business District, addressing regulatory issues that have impacted urban scale redevelopment potential, attracting larger scale industrial jobs, and increasing safety for pedestrians and cyclists throughout the district.

The Action Plan is consistent with previous plans and studies, particularly the Halsey/Weidler Commercial Corridor Investment Strategy (2014) which focuses on implementing infrastructure improvements, exploring development opportunities, building the capacity of the business district, and investing in public amenities to achieve visible results and catalyze future private investment. The actions for Halsey/Weidler in the Action Plan are consistent with and build off of the Halsey/Weidler Commercial Corridor Investment Strategy.

A stakeholder advisory group of both City and community members was engaged throughout the development of the Action Plan. The group consisted of representatives from:

- Mayor's Office
- Bureau of Planning and Sustainability
- PHB
- Portland Bureau of Transportation
- Halsey/Weidler Group

PDC staff engaged community stakeholders throughout the process of drafting the Action Plan, including representatives from:

- Portland Police Bureau – East Portland Precinct
- Halsey/Weidler Group
- Gateway Area Business Association
- Parkrose Neighborhood Association
- Hazelwood Neighborhood Association
- East Portland Action Plan

In addition to targeted outreach, PDC staff and bureau partners held a public open house at the Immigrant Refugee Community Organization on May 10, 2016. More than 70 attended the event and provided comments on the draft Action Plan. PDC staff also facilitated an online town hall survey for two weeks, allowing individuals to comment. Input received from the public meeting and the online comments were incorporated into the draft plan, including the development of the opportunity fund and reflecting the desire for a mixed-income mixed-use project at NE 106th Avenue and Halsey Street.

ATTACHMENTS

- A. Gateway Action Plan – July 2016 Draft

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

REPORT NO. 16-39

ATTACHMENT A

UPDATE ON THE GATEWAY ACTION PLAN

Attachment A includes this cover page and contains 12 pages:

- Gateway Action Plan – July 2016 Draft

An aerial photograph of a city landscape. In the foreground, there is a large commercial complex with several large, flat-roofed buildings and extensive parking lots. A multi-lane highway with an interchange curves through the middle ground. The background shows a dense residential area with many houses and trees, leading up to a city skyline in the distance under a clear blue sky.

GATEWAY Action Plan

JULY 2016
DRAFT

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INTRODUCTION:

The City of Portland, the Portland Development Commission (PDC), and their many partners in the Gateway community share a dynamic vision for the Gateway Regional Center: an urban, mixed-use environment in East Portland with employment and commercial activity that contribute to the region's economy and livability. This vision capitalizes on the area's unique advantages. Gateway boasts an unparalleled location at the confluence of major transportation corridors, which provide superb access to other activity centers including downtown Portland and Portland International Airport.

In the 15 years since the formation of the Gateway Urban Renewal Plan in 2001, this shared vision for Gateway has resulted in several important achievements. The MAX Red Line opened in 2001, providing transit to the airport via Gateway. The MAX Green Line opened in 2009 and connects Gateway with southeast Portland and Clackamas County. The 102nd Avenue Streetscape project significantly enhanced the pedestrian environment between NE Burnside and NE Halsey. Important new development includes Russellville Commons, the Oregon Clinic, and Glisan Commons. The business community and other stakeholders have engaged in planning to provide a clear and compelling vision for revitalization of the Halsey/Weidler corridor.

The Gateway Action Plan builds upon this important work and provides a framework for Gateway to take advantage of the growing population and employment base in the Portland region. As central and inner city neighborhoods continue to redevelop, demand will increase for housing and employment properties that can offer high-quality transportation access and desirable urban amenities.

With the Urban Renewal Area set to expire in June 2022, the remaining resources will be best used by tailoring near-term investments to Gateway's assets to better position the area for future private investment.

However, it will take more than urban renewal and other public dollars to fulfill the promise of this uniquely situated area. The Gateway Action Plan (Action Plan) focuses PDC's limited resources and calls for partner City bureaus to rise to the challenges that have prevented Gateway from realizing the level of success that other areas in the Portland region have achieved in the past few years. The Action Plan also focuses on building partnerships, supporting local community organizations, and working with private sector partners to deliver on community goals and aspirations.



Russellville Commons



The Oregon Clinic



Historic photos of the Gateway Fred Meyer and the Iconic Gateway Arch

The Action Plan takes a geographic approach and intentionally focuses on the **Halsey/Weidler Business District**, the historic heart of Gateway and the only place there with an existing urban physical form. The Halsey/Weidler Business District has the potential to provide a safer and more accessible pedestrian environment to support existing businesses and attract new investment to the area. Simply put, the Halsey/Weidler Business District possesses the best “bones” of any commercial area in Gateway; strengthening it will lift the entire Gateway Regional Center.

In addition to a key focus of the Action Plan on the Halsey/Weidler Business District, PDC, the City of Portland and other public partners are committed to setting the stage for future private investment in the rest of Gateway. Thus the Action Plan includes two other strategic areas—the **Gateway Transit Center** and **Central Gateway** (See *Figure 1.*) These areas are at various stages of development readiness, and actions are designed to identify near-term activities that best suit their unique qualities.

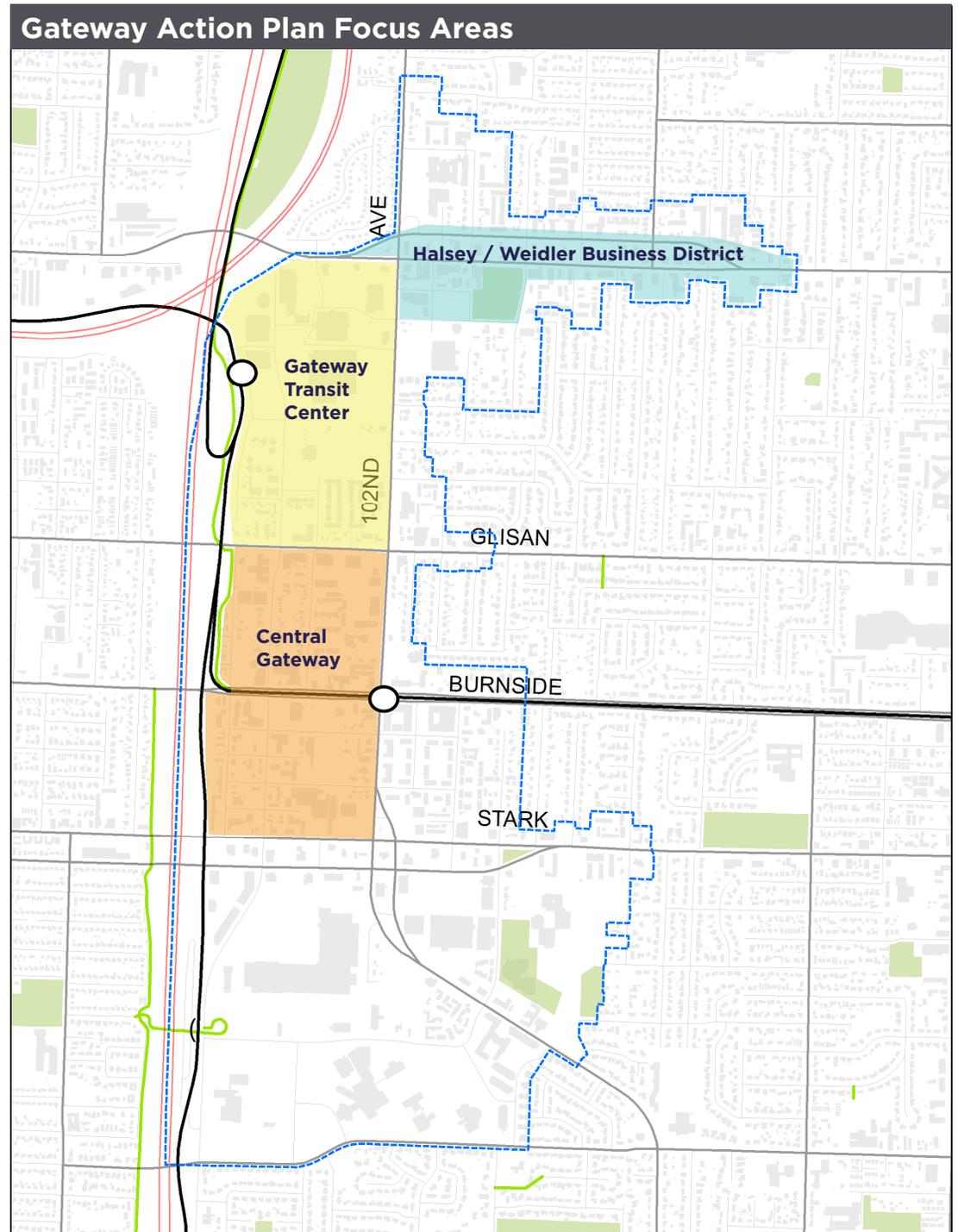


Figure 1:
Gateway Action
Plan Focus Areas

COMMUNITY ENGAGEMENT

In crafting this Plan, PDC engaged with the local community to gather input and feedback. PDC hosted an open house in May 2016 and conducted an online town hall to gather feedback from community members and stakeholders over a two-week period. More than 120 people attended the open house or participated in the town hall, providing input and prioritizing the actions within the plan. Several key themes emerged from these efforts and have influenced the Action Plan.

Flexible Geographic Approach

A geographic approach to the Action Plan gained broad support, and most feedback was also very supportive of focusing resources in Halsey/Weidler. However, there was strong desire that resources should include some geographic flexibility to be responsive to opportunities elsewhere if they arise. **In response to this, a \$5 million opportunity fund has been established that is geography-neutral and will have flexibility for opportunities throughout Gateway.**

Mixed Income Housing

Residents and stakeholders strongly desire more high-quality mixed-income housing in Gateway. While stakeholders generally support affordable housing in Gateway, they also want to target affordable housing across the district rather than concentrating them in one area. **The Action Plan was revised to reflect this feedback, and includes actions for identifying opportunity sites in both Halsey/Weidler and the Gateway Transit Center.**

Stakeholders also indicated clear and strong desire for the design and programming of the publicly owned property on NE 106th and Halsey adjacent to the future Gateway Park to include high-quality design with active ground floor uses, and housing for a range of incomes.

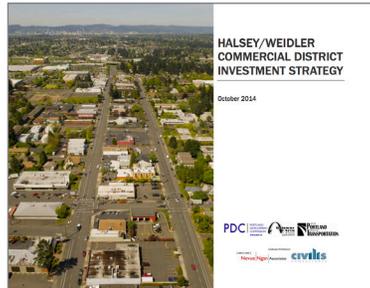
Priorities

The top priorities for Halsey/Weidler included redevelopment and business support. Stakeholders want a vibrant and active Halsey/Weidler business district that is well connected to the Gateway Transit Center. Redevelopment of the Transit Center and safe and obvious pedestrian and bike connections between the Transit Center and the Halsey/Weidler district were identified as important. In Central Gateway stakeholders want to see the Enterprise Zone (E-Zone) used to bring more investment and job opportunities to the area.



HALSEY/WEIDLER BUSINESS DISTRICT

Located between NE 102nd and 114th Avenues, the Halsey/Weidler Business District is the historic heart of Gateway. It holds great potential for re-establishing its role in the community as a vibrant commercial main street district that provides opportunities for existing businesses to thrive and to attract new investment. In October 2014, PDC adopted the Halsey/Weidler Investment Strategy with the objectives of implementing infrastructure improvements, exploring development opportunities and investing in public amenities to foster a cohesive, active, and lively commercial district. Since that time, PDC has actively pursued and implemented elements of the strategy. The Action Plan builds upon that work and provides additional resources and actions to further support the activities in the district.



Halsey/Weidler Investment Strategy

Rather than allocating limited resources across the URA, the Action Plan proposes to dedicate the majority of remaining PDC URA resources to activities and priorities in the Halsey/Weidler Business District for the following reasons:

- This corridor has the greatest potential for small business development
- There are significant publicly-owned assets in this corridor, including property and rights-of-way
- This corridor is at the heart of community-developed plans and priorities and has many local stakeholders and community organizations committed to its success.

Objective: Promote a healthy, vital, and safe business district that serves the local neighborhood and reinforces its role as the heart of Gateway.

Lead:

Portland Development Commission
& Portland Bureau of Transportation

Planned PDC Budget Commitment: \$20 million (option for up to \$5 million in additional opportunity funds)

Planned PBOT Budget Commitment: \$700,000

Planned PP&R Budget Commitment: \$7 million

Planned PHB Budget Commitment: Up to \$13 million for subsidized housing for the entire URA

Partners: Portland Parks and Recreation, property owners, businesses, Gateway Area Business Association (GABA), Halsey/Weidler Group, community groups



HALSEY/WEIDLER BUSINESS DISTRICT

Action 1. Promote and support business development along Halsey and Weidler streets to establish district identity and cohesion.

Action 1.1 Continue and expand the Commercial District Improvement Pilot Project within the Halsey/Weidler Business District. The Pilot Project focuses on how a building contributes to a business's retail success and brings design and visual merchandising expertise to help business owners to understand what makes a great storefront. (PDC, Halsey/Weidler Group, GABA)

Action 1.2 Provide targeted technical assistance to businesses in the Halsey/Weidler Business District directed at individual needs. (PDC, technical service providers)

Action 1.3 Implement a branding and district identity campaign for the Halsey/Weidler Business District (Halsey/Weidler Group, GABA)

Action 1.4 Work with businesses to explore a Business Improvement District for Gateway that focuses on enhancing safety through the hiring of contract security throughout Gateway.

Action 2. Promote redevelopment of publicly owned properties and facilitate redevelopment of privately owned properties.

Action 2.1 Facilitate redevelopment of publicly-owned parcel at NE 106th and Halsey with a mixed use, mixed income development project. (PDC, PHB)

Action 2.2 Build and operate Gateway Park at 106th and Halsey. (PP&R, PDC)

Action 2.3 Work with property owners to explore opportunities for redevelopment. (PDC)

Action 3. Enhance safety and business viability throughout Gateway

Action 3.1 Prioritize the Portland Police Bureau "Business Liaison" program as resources allow.



HALSEY/WEIDLER BUSINESS DISTRICT

Action 4. Identify opportunities for additional housing.

Action 4.1 Identify opportunity sites for future mixed use, mixed-income housing development. (PHB, PDC)

Action 4.2 Develop a total of two additional sites in Gateway for mixed-use, mixed-income housing through an inclusive process that actively engages community members in setting goals and expectations for the projects. (PHB,PDC)

Action 5. Improve pedestrian and bicycle infrastructure within the Halsey/Weidler Business District

Action 5.1 Implement the Halsey/Weidler Business District Streetscape Vision Plan. (PBOT, PDC)

Action 5.2 Implement east and west entry triangle improvements. (PBOT, BES, PDC)

Action 6. Enhance pedestrian mobility between Gateway Transit Center and the Halsey/Weidler Business District.

Action 6.1 Engage with private property owners to develop a plan for connecting the Gateway Transit Center through the shopping center to the Halsey/Weidler Business District. (PDC, PBOT, property owners)

Action 6.2 Upgrade pedestrian connections across 102nd to enhance pedestrian and bike mobility and safety across 102nd. (PBOT, PDC)



GATEWAY TRANSIT CENTER

The Gateway Transit Center (GTC) is served by three light rail lines and several bus lines and is located at the interchange of Interstates 205 and 84. Consequently, the GTC is one of the most highly accessible areas in the region, adjacent to public and private properties that have potential for significant catalytic development.

The GTC also has some of the greatest challenges in the district. Zoning requirements exceed what current market conditions can support, and a lack of public streets constrains pedestrian and auto mobility. The Gateway Master Street Plan calls for new connections that would improve connectivity and circulation within the Gateway Regional Center. However, many of the new streets in the Master Street Plan are on private property. Implementing the Master Street Plan will require collaboration between public and private partners to develop plans and funding strategies that support the larger vision for the area without creating an impediment to redevelopment.

The actions in the Action Plan focus on setting the stage for future catalytic development by addressing issues related to connectivity, identifying near-term redevelopment opportunities through strategic planning efforts, and building partnerships to fund important infrastructure projects to attract future investment.

Objective: Attract new jobs to the area and create a front door to east Portland from the Gateway Transit Center.

Lead: Portland Development Commission
Bureau of Planning & Sustainability
Portland Bureau of Transportation

Planned PDC Budget Commitment: \$8 million for potential Local Improvement District support and/or loans for commercial property redevelopment (option for up to \$5million in additional opportunity funds)

Planned PBOT Budget Commitment: System Development Charge (SDC) match + Tillamook-Halsey Oregon Pacific (\$5.4 million for total project) and 100s bikeway (\$1.37 million)

Planned PHB Budget Commitment: Up to \$13 million for subsidized housing for the entire URA

Partners: TriMet, Metro, Portland Housing Bureau, David Douglas School District, Metro, Friends of Gateway Green, community groups, property owners, developers



GATEWAY TRANSIT CENTER

Action 1. Assess zoning classifications, identify regulatory barriers to redevelopment, and implement regulatory solutions to unlock development potential.

Action 1.1 Change the large site master plan provisions for the Gateway Plan District which may include lowering the FAR minimums in different locations in Gateway.

Action 1.2 Conduct an analysis of required Design Review in the Gateway Plan District and assess opportunities for the development of updated design standards.

Action 2. Prioritize and implement transportation projects in Gateway that enhance bicycle, pedestrian, and automobile connectivity

Action 2.1 Identify potential system development charges and other funding sources to implement key connections of the Gateway Master Street Plan as part of an overall strategy to facilitate redevelopment of privately owned properties. (PBOT)

Action 2.2 If funded implement the T – HOP (Tillamook, Halsey, Oregon, Pacific Street) bike connection project. (PBOT, property owners, Gateway Green)

Action 2.3 Engage with PDC, TriMet, and other community partners to enhance pedestrian and bike connections to the station area with a focus on connections to the I-205 trail, Gateway Green, and the Halsey/Weidler business district. (PBOT, property owners, Gateway Green)

Action 2.4 Implement the 100s bikeway project to create a safe north-south bikeway throughout Gateway. (PBOT)

Action 3. Facilitate future redevelopment.

Action 3.1 Engage with Oregon Clinic on existing and future parking requirements and find a workable solution that could lead to redevelopment of PDC/TriMet-owned properties at the station. (PDC, Oregon Clinic)

Action 3.2 Engage with private property owners and institutional

property owners (e.g., David Douglas School District) to explore opportunities for redevelopment.

Action 4. Identify opportunities for additional housing.

Action 4.1 Identify opportunity sites for future mixed use, mixed income housing development. (PHB, PDC)

Action 4.2 Develop a total of two additional sites in Gateway for mixed-use, mixed-income housing through an inclusive process that actively engages community members in setting goals and expectations for the projects. (PHB,PDC)



CENTRAL GATEWAY

Central Gateway is located between NE Glisan Street and SE Stark Street, east of I-205 and west of 102nd. It is characterized by a range of different industrial uses, from metal scrap yards to clean tech industries. Infrastructure in the area is also varied; there is limited connectivity and a general lack of sidewalks. The area is envisioned to become a prime location for employment in the region, but the Gateway Master Street Plan and the zoning classifications are cited as barriers to redevelopment.

Actions in this plan are focused on removing barriers to redevelopment, taking a business development approach to engage existing and potential property/business owners, and utilizing employment-related tools to attract new investment.



Objective: Set the stage for future employment growth in Central Gateway

Lead: Portland Development Commission
Bureau of Planning & Sustainability

Planned PDC Budget Commitment: \$2 million for potential Local Improvement District support, E Zone resources (option for up to \$5million in additional opportunity funds)

Planned PBOT Budget Commitment: System
Development Charge Match

Action 1. Prioritize transportation projects in the Gateway Master Street Plan.

Action 1.1 Identify potential SDC investment or other funding sources to implement key connections as part of an overall strategy to facilitate redevelopment and attract tenants. (PBOT)

Action 1.2 Engage with PDC and private property owners to set up a Local Improvement District to support investment in transportation infrastructure. (PBOT, PDC, property owners)

Action 2. Support businesses interested in expanding or locating in Central Gateway with the Enterprise Zone program. (PDC)

PROPOSED TIMELINE

- Anticipated Implementation:** Either active, or in the planning phase with a high likelihood of near term implementation
- Opportunity Based:** Actions are priority for implementation as opportunities arise
- Program Based:** Implemented using existing programs based on resources available

		PHASE 1			PHASE 2		
		FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Halsey/Weidler	Action 1.1 Commercial District Improvement Pilot Project	Anticipated Implementation					
	Action 1.2 Targeted technical assistance	Anticipated Implementation					
	Action 1.3 Implement a branding and district identity campaign for the Halsey/Weidler Business District		Anticipated Implementation	Anticipated Implementation			
	Action 1.4 GABA to implement a Business Improvement District				Opportunity Based	Opportunity Based	Opportunity Based
	Action 2.1 Implement the redevelopment of 106th and Halsey		Anticipated Implementation	Anticipated Implementation			
	Action 2.2 Build Gateway Park		Anticipated Implementation	Anticipated Implementation			
	Action 2.3 Work with property owners to explore opportunities for redevelopment	Opportunity Based					
	Action 3.1 Portland Police Bureau Business Liaison Program		Opportunity Based				
	Action 4.1 Identify opportunity sites for future mixed use, mixed income housing		Opportunity Based	Opportunity Based			
	Action 4.2 Develop mixed use, mixed income housing through an inclusive process			Opportunity Based	Opportunity Based	Opportunity Based	Opportunity Based
	Action 5.1 Implement the Halsey/Weidler Business District Streetscape Vision Plan	Anticipated Implementation	Anticipated Implementation	Anticipated Implementation			
	Action 5.2 Implement East and West entry triangle improvements		Anticipated Implementation				
	Action 6.1 Connect Gateway Transit Center to the Halsey/Weidler Business District			Opportunity Based	Opportunity Based		
Action 6.2 Upgrade pedestrian connections across 102nd			Opportunity Based	Opportunity Based			
Gateway Transit Center	Action 1.1 Change the large site master plan provisions for the Gateway Plan District including lowering the Floor Area Ratio minimums		Anticipated Implementation	Anticipated Implementation			
	Action 1.2 Conduct an analysis of required Design Review		Anticipated Implementation	Anticipated Implementation			
	Action 2.1 Identify potential funding sources to implement key connections of Gateway Master Street Plan				Program Based	Program Based	Program Based
	Action 2.2 Implement the T-HOP (Tillamook, Halsey, Oregon, Pacific Street) bike connection project					Anticipated Implementation	Anticipated Implementation
	Action 2.3 Enhance pedestrian and bike connections to the MAX Station				Opportunity Based	Opportunity Based	Opportunity Based
	Action 2.4 Implement the 100's bikeway project				Anticipated Implementation	Anticipated Implementation	
	Action 3.1 Address parking requirements and pursue redevelopment of PDC/TriMet owned properties	Opportunity Based					
	Action 3.2 Engage with private property owners to explore redevelopment opportunities	Opportunity Based					
	Action 4.1 Identify opportunity sites for future mixed use, mixed income housing		Opportunity Based	Opportunity Based			
Action 4.2 Develop mixed use, mixed income housing through an inclusive process			Opportunity Based	Opportunity Based	Opportunity Based	Opportunity Based	
Central Gateway	Action 1.1 Identify potential SDC investment or other funding sources to implement key connections.				Program Based	Program Based	Program Based
	Action 1.2 Engage with PDC, and private property owners to set up a Local Improvement District				Program Based	Program Based	Program Based
	Action 2. Support businesses interested in expanding or locating in Central Gateway with the E-Zone program	Program Based					