APPENDICES

APPENDIX A

HISTORIC ANALYSIS OF ANKENY/BURNSIDE DISTRICT

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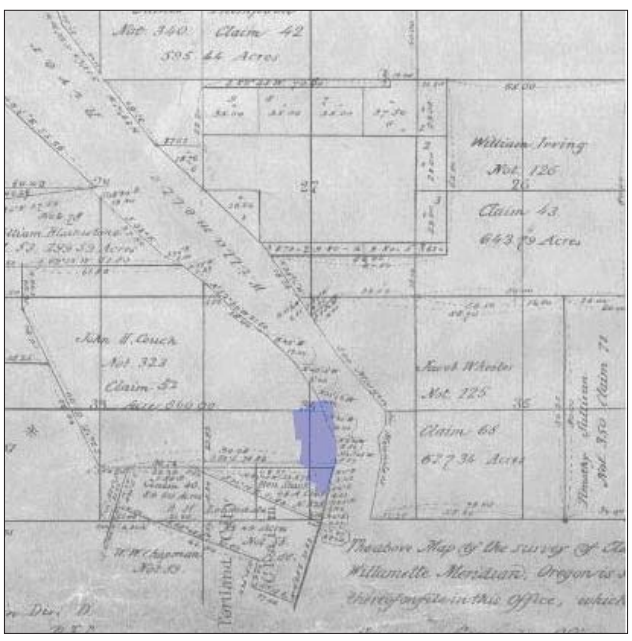
THE STUDY AREA BOUNDARY FOR THE ANKENY/BURNSIDE DEVELOPMENT FRAMEWORK is NW Davis Street on the north, NW and SW 4th Avenue on the west, jogging down to SW 1st at Morrison at the southern end of the area, SW Morrison on the south, and the east side of Naito Parkway on the east. This area is dominated by the Skidmore-Old Town National Historic Landmark District, as well as several other historic buildings outside the Historic District boundaries.

1852 General Land Office Map



1860 General Land Office Map

1871 City Map

Skidmore/Old Town Historic District

The Skidmore/Old Town Historic District was listed in the National Register of Historic Places (NR) in 1975 and was listed as a National Historic Landmark (NHL) in 1977. The approximate boundaries of the District are Davis Street and Oak Street on the north and south respectively, and S.W. Third Avenue and the east side of Naito Parkway (formerly Front Street) on the west and east respectively. The District falls entirely within the current project boundaries for the Ankeny-Burnside Development Framework Project.

National Register-listed properties, of which the Skidmore/Old Town Historic District is one, can be found significant at the local, state, or national level. This District is also listed as a National Historic Landmark, which are properties with significance at the national level. As described by the National Park Service National Historic Landmark Program,

"National Historic Landmarks are exceptional places. They form a common bond between all Americans. While there are many historic places across the nation, only a small number have meaning to all Americans--these we call our National Historic Landmarks."

The significance of the Skidmore/Old Town Historic District is described in the National Historic Landmark nomination as follows:

"This large commercial district marks the site where the city [of Portland] started and flourished. Dating from the mid-to late-19th century, these buildings were built in a variety of High Victorian architectural styles; a large number feature cast-iron fronts, making up one of the most impressive historic commercial districts on the West Coast."

And in the National Register nomination:

"Skidmore/Old Town Historic District was once the center of commerce and entertainment in Portland and contains the city's largest remaining collection of mid to late 19th century business buildings. The district is an area of approximately 20 blocks…. The district is known throughout the United States for its Italianate architecture. The wooden cornices, masonry bearing walls, and the use of architectural cast iron in the street-level facades once typified the streets of Portland and are well represented in the present Skidmore/Old Town Historic District."

Due to the age of both nominations, the historic context of the District is not as detailed or well-developed as in later nominations of this scope, nor is there a list and brief description of all contributing properties. In short, the significance of the Skidmore/Old Town Historic District lies in its value as an exceptional collection of cast-iron commercial buildings - the second-largest collection in the United States, surpassed only by the Soho

District in New York City. In addition, this District was at the heart of early development in Portland, marking "…the site of the first claim filed…for the city of Portland by William Overton and Asa Lovejoy in 1843." While a number of significant historic buildings have been lost, the buildings that remain continue to effectively reflect the city's historic commercial and industrial development from the 1850s through the 1940s.

To put this significance in context, "…the National Register maintains files on over 76,000 historic districts, sites, buildings, structures, and objects. Approximately 90 percent of National Register properties represent state and local history." In Oregon there are currently over 100 NR districts, many of which are listed under local significance.

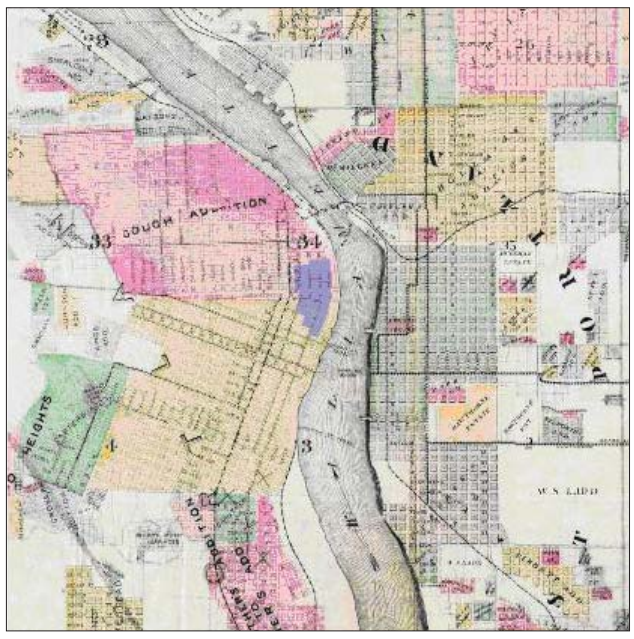
In contrast, there are only 158 National Historic Landmark Districts in the country. Fourteen of these NHL properties are in Oregon, three of which are districts (Bonneville Dam Historic District, Jacksonville Historic District and Skidmore/Old Town Historic District). Properties significant at the national level are rare, and the Skidmore/Old Town District shares this distinction with the Charleston (SC), Deadwood (SD), Nantucket (MA), Savannah (GH), and the Vieux Carre (LA) Historic Districts, among others.

In order to adequately describe the significance and physical characteristics of the Skidmore/Old Town Historic District, an update of the nomination(s) should include a narrative historical context of the District, and possibly a more detailed physical description for all of the contributing resources (buildings, sites, structures and objects) within the District boundaries.

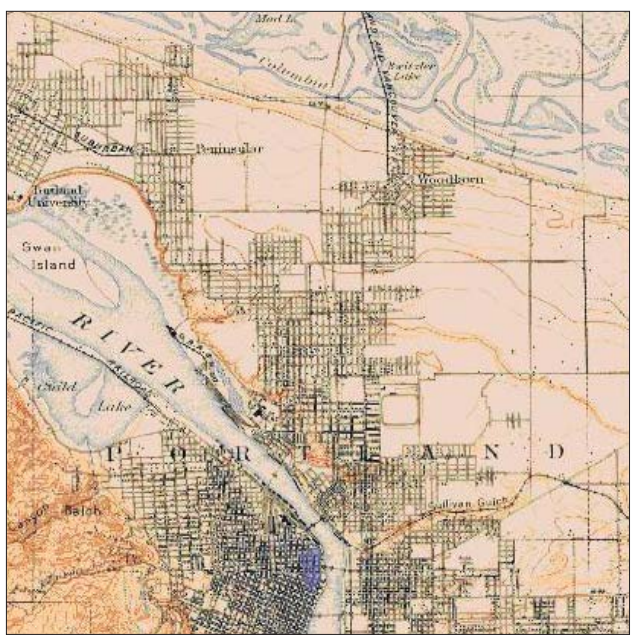
Character-Defining Elements

Due to the early dates of these nominations, little is written regarding the character-defining elements or specific points of significance in the District. The only buildings individually called out in the National Register nomination are those labeled as having "Primary" significance; other buildings or features are not described. The elements that might today be called out as significant or character-defining include, but are not limited to:

- The preponderance of commercial architectural styles dating from the mid- to late-19th century and early 20th century, and the characteristics of those styles, including
  - Building heights of one to four stories;
  - Masonry construction (brick and parged brick) with its inherent color and texture;
  - Cast-iron and wood storefront elements and wood windows on the upper levels;
  - Strong facades not only at the street level but also on upper stories;
  - Strong, rhythmic fenestration patterns with balanced ratio of



1889 Real Estate Map



1896 USGS Map

View of Portland downtown in 1857. (All photos and photo information courtesy of Oregon Historic Photograph Collection, Salem Public Library)

Wood-frame building at 3rd and Morrison, construction date unknown. Photo date 1961. Early commercial buildings downtown were wood frame, later replaced with more "fire proof" brick.

Skidmore Fountain area. Photo courtesy of ODOT.

First Street from Skidmore Fountain, 1895. Looking south.

wall-to-window surface on upper levels; and
  - Clear visual delineation between floors.
- The urban setting including such defining characteristics as
  - The relationships of the streets and sidewalks to the buildings (i.e. street and sidewalk width and building setback);
  - Building height of one to four stories;
  - Density of development, i.e. historically few (if any) vacant lots;
  - Colliding grid street pattern;
  - Cobblestone street paving;
  - Mixed uses including commercial, industrial and lodging;
  - Mixed transportation including train/streetcar, automobile and pedestrian; and
  - Absence of street trees;
- Use of features such as sculpture and/or street adornments and furniture
- Maintenance of open space surrounding the Skidmore Fountain.

A more specific list and clearer definitions of those features determined to be "character defining" in the District would be useful for use in the design guidelines, and should be developed in consultation with the Portland Landmarks Commission and other interested parties.

Planning Guidelines and Recommendations

In order to effectively preserve the character of the District as a whole, consideration should be given to preserving these features, among others, when change or new construction is proposed within the boundaries of the District.

Of the above-mentioned character-defining elements, perhaps the most flexible in terms of rehabilitation of existing buildings is the characteristic of use. For example, historically this area was primarily industrial and commercial, with apparently little permanent residential accommodation. The addition or allowance of residential units in the upper floors of these buildings could begin to provide a more steady human presence and activity in the District, thus contributing to its revitalization. Other uses that are compatible with the buildings, even if they were not common historically, should be considered as long as the physical integrity of the buildings and the District can be maintained.

Regarding infill construction, those elements that should not be compromised include (but are not limited to) building height, relationships of street and sidewalk to buildings, use of masonry materials, visual delineation between floors, and ratio of solid wall to glass on visible elevations. As stated in the Secretary of the Interior's Standards, "…new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment."

The City of Portland in 1968 "… adopted a City Ordinance, Chapter

33.120, Historical Districts, Buildings and Sites, which established the formal procedures and regulations for historical structures and areas. The ordinance provides the necessary regulatory controls and administration procedures to accomplish preservation of historical districts." Design guidelines outline acceptable methods for construction and alteration of buildings, and are typically used by property owners, developers, architects and local governments/landmarks commissions when considering changes to historic buildings or sites. One of the goals of the Ankeny Burnside Development Framework is to provide the City of Portland with a review of the existing guidelines, and suggestions for improvement or clarification.

A preliminary review of the existing Skidmore/Old Town Design Guidelines was completed in mid-November 2005. The following are general suggestions for consideration in revising and updating the guidelines. An electronic copy with specific revision suggestions is attached.

- Terminology
  - Clarification on the use of the words "shall" vs. "should" – these have different ramifications for and interpretations by the public. Be consistent throughout the document;
  - Consider including a "terminology" section for those users unaccustomed to architectural or preservation terms;
- Consider including Secretary of the Interior's Standards for the Treatment of Historic Properties (SSI) in the guidelines. For reference, this would include all four treatments, for preserving, rehabilitating, restoring and reconstructing historic properties;
- Attempt to bring Skidmore/Old Town guidelines more in line with SSI Standards for Rehabilitation by updating wording and order under "General Considerations";
- Consider adding SSI Rehabilitation Standard number 7 referencing cleaning and treatment of historic buildings, and 8 referencing archaeological resources;
- The addition of architectural illustrations (photos, drawings, or both) showing appropriate and inappropriate alterations, additions, infill construction, etc. could make the document more user-friendly;
- Guidelines should recognize not only that alterations may affect the subject building, but also the District as a whole. These District-wide impacts – visual or otherwise – should also be taken into account throughout the document;
- Reorganization of the document, including spell- and grammar-checking, would clarify the intent of the document and could make it more user-friendly. Perhaps review of other examples of downtown historic district design guidelines would provide ideas or examples that could be utilized;
- Consider including a "Routine Maintenance" section that would list actions not requiring review by the Portland Landmarks Commission.

Front Street, 1941.


Front Street in 1941. Note density, strong rhythm of fenestration (vertical) and clear delineation between floors (horizontal), and heavy cornices.


Front Street, 1941.

Old business building located near Harbor Drive, Portland, 1962.

Downtown street scene from Front and Alder Streets in Portland, Oregon, ca 1941.

Looking north from Morrison on Front Street in Portland, Oregon, ca 1941.

Map Bibliography

1852 GLO Map:

Author	Butler Ives, Surveyor, James B. Preston, Surveyor General.
Title	Map of Township No. 1 North of Range No. 1 East of the Willamette Meridian Territory of Oregon.
Publisher	Surveyor General's Office, Oregon City, [Oregon], February 1852.

1860 GLO Map:

Author	W. W. Chapman, Surveyor General.
Title	Map of the Survey of Claims in Township No. 1 North Range No. 1 East of the Willamette Meridian.
Publisher	Surveyor General's Office, Oregon City, [Oregon], September 20th 1860.

1871 City Map:

Author	Brown, W. F
Title	Map of the cities of Portland and East Portland / published by Russell, Ferry and Woodward ; drawn by W.F. Brown
Publisher	Portland, Or. : Russell, Ferry and Woodward, 1871 (San Francisco : A.L. Bancroft & Co. Lith.)

1889 Real Estate Map:

Author	Real Estate Title and Trust Co. (Portland, Or.).
Title	Whitney's map of Portland and environs / compiled from the county records and from data in their abstract office by the Real Estate Title and Trust Co., Portland, Oregon.
Publisher	[Washington, D.C.?] : W.H. Whitney, c1889 (Philadelphia] : Everts & Howell).

1896 USGS:

Author	U.S. Geological Survey.
Title	Topographic Sheet, Oregon-Washington, Portland Quadrangle.
Publisher	United States Geological Survey, Washington, D. C., 1896.

Other Sources

National Park Service, National Register of Historic Places Program http://www.cr.nps.gov/nr/

National Park Service, National Historic Landmarks Program http://www.cr.nps.gov/nhl/

National Park Service, Secretary of the Interior's Standards http://www.cr.nps.gov/hps/tps/standguide/

Oregon State Historic Preservation Office files, including National Register nomination form for the Skidmore-Old Town Historic District.

Oregon Department of Transportation, Geo-Environmental Section

http://www.oregon.gov/ODOT/HWY/GEOENVIRONMENTAL/historic_built_environment.shtml

Salem, City of, Library, Historic Photograph Collection

http://photos.salemhistory.org/index.php

These maps and photographs were found primarily on the City of Salem Library website. Captions or identifying information for the photos were also taken from this website. All location or identifying information may not be accurate, but every effort was made to utilize photos of the project area.

APPENDIX B

TRANSPORTATION & CIRCULATION ISSUES

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NELSON\ NYGAARD HAS SUMMARIZED THE PLANNING WORK conducted to better understand the transportation issues that will occur with the development plans for the Ankeny/ Burnside area.

Section 1 outlines existing transportation and circulation conditions in the Ankeny/ Burnside Development Framework study area as of late 2005. Roadway and transit conditions included in Chapter 2 (Existing Conditions Analysis) of the report are excluded from this appendix.

Section 2 summarizes the results of the parking utilization survey and analysis conducted to help better understand the actual use dynamics associated with parking in the Ankeny/ Burnside area. The source files for this chapter are the Ankeny/Burnside Parking Analysis developed by Nelson\Nygaard and Rick Williams Consulting (RWC). Parking analysis included in Chapter 2 (Existing Conditions Analysis) of the report are excluded from this appendix.

Section 3 details recreational and competitive events that use Naito Parkway on weekend days and evaluate potential for conflicts with Saturday Market's proposed layout in Waterfront Park, which will straddle the Parkway. Research on this topic was conducted to assess the feasibility of location of the Portland Saturday Market on both sides of Naito Parkway.

Section 1: Transportation and Parking Existing Conditions

This section outlines existing transportation and circulation conditions in the Ankeny/Burnside Development Framework study area. Nelson\Nygaard documented existing transportation conditions in the study area through direct observations, a review of relevant plans and data collected from the Portland Development Commission (PDC) and the City of Portland. Analysis was conducted primarily in the Fall of 2005.

Transportation system components and circulation issues discussed in this section include:

- Street network and existing traffic volumes;
- Parking in the study area;
- Current transit service and ridership;
- Bicycle facilities and use; and
- Pedestrian circulation.

Introduction

The following overarching issues and opportunities are unique to the study area and provided important background for alternatives developed during the Ankeny/Burnside Development Framework process.

Colliding and Interrupted Grids

Downtown Portland's two distinct street grids intersect near the study area. The resulting street network makes impacts traffic and pedestrian activity in that:

- The grids meet at the most minor street, Ankeny, rather than the major street, Burnside.
- Interrupted by the US Bancorp building to the west, Ankeny, Ash and Pine have very low traffic volumes.
- While most of the other avenues align fairly well across the Ankeny "seam," 2nd Avenue and especially 1st Avenue miss each other completely. The City apparently acquired additional right of way on the southwest corner of their intersections at Ankeny in order to connect them, but this created leftover space on the east side. Early city leaders filled one large gap with Skidmore Fountain.

Naito Parkway

Naito is the only street in all of downtown Portland that carries a suburban expressway design character, with extra wide travel lanes, high design speed and limited pedestrian crossings. In fact, it is the only street in downtown without pedestrian crossings at all intersections and one of the few streets without on-street parking. As a result, Naito (as of Spring 2006) forms an unnecessary barrier between the downtown and one of its most important resources, Waterfront Park.

Naito carries just enough traffic to be a useful "main street" but not so much traffic to be a pedestrian barrier, provided vehicular travel speeds are reduced and pedestrian crossings added. In fact, Naito could be the primary street for the study area, the starting point for explorations throughout the downtown.

In the vicinity of the study area, the landscaping and sidewalks along Naito have an unusually poor level of maintenance, with much of the landscaping dead and some of the sidewalk damaged. There is no north-south sidewalk on the east side of the Parkway nor east-west paths into the park at all crossings - leaving some pedestrians "stranded" at the edge of the park once they have crossed Naito. Roadway improvements currently being implemented are expected to improve these conditions.

Burnside Bridge Elevation

While at-grade on the west side of the study area, Burnside becomes a highway overpass at 1st Avenue and Naito. Pedestrian connections are possible at 1st Avenue, including Bus/MAX connections at the Skidmore Fountain station, but require traversing stairwells. Pedestrian paths under Burnside on both 1st Avenue (location of MAX station) and Naito present challenges in terms of their appeal to pedestrians, especially to visitors and particularly when not teaming with Saturday Market activities. Better use of space under the bridge was viewed as a key challenge by the study team.

Street Networks & Traffic Volumes

Street Classifications

The Portland Transportation System Plan (TSP) classifies a number of study area streets with traffic and/or design classifications. The traffic classifications describe how a street should function in terms of the level of traffic it can support and the nature of the trips expected on the roadway. The street design classifications identify the preferred modal emphasis associated with the street and associated design treatments. Design classifications are a new set of classifications of the City, created to achieve consistency with Metro's Regional Street Design Classifications and the Regional Transportation Plan.

Tables B1 and Map B1 detail the study area streets classified in the TSP. Map 2.7 in the Existing Conditions Analysis (Chapter 2) also illustrates the resulting street network within the study area. Brief descriptions of each classification follow.

The study area includes three streets that are designated as Community or Regional Main Streets. These street types are designed to accommodate motor vehicle traffic, with special features to facilitate public transportation, bicycles, and pedestrians. Development consists of a mix of uses oriented to the street and typically includes on-street parking.

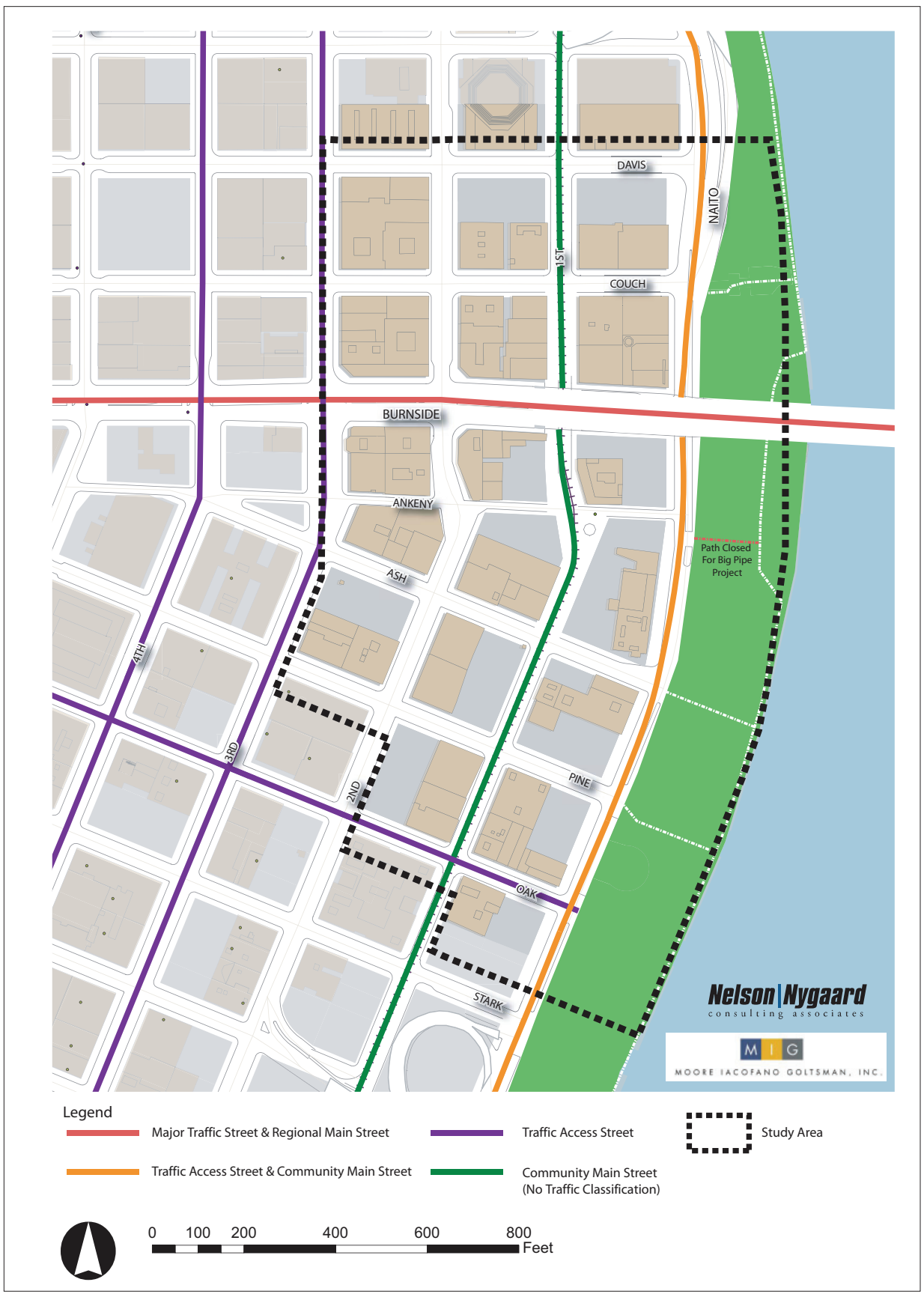
Regional Main Streets and Community Main Streets and intended to incorporate the following design features: low vehicle speeds; the use of medians and curb extensions to enhance pedestrian crossings where wide streets make crossing difficult; combined driveways; on-street parking where possible; wide sidewalks with pedestrian amenities such as benches, awnings, and special lighting; landscape strips, street trees, or other design features that create a pedestrian buffer between curb and sidewalk; improved pedestrian crossings at all intersections and mid-block crossings where intersection spacing exceeds 400 feet; striped bikeways or wide outside lane; and vehicle lane widths that consider the above improvements.

A number of these features are lacking on Burnside and Naito as they pass through the study area. The Preferred Alternative presented in this plan supports the improvement of both streets to incorporate more main street design features.

TABLE B1: Study Area Street Classification

Street	Traffic Classification	Street Design Classification
Burnside	Major City Traffic	Regional Main Street
Naito Parkway	Traffic Access Street	Community Main Street
First Ave		Community Main Street
Third Ave	Traffic Access Street	
Fourth Ave	Traffic Access Street	

MAP B1: Study Area Street Classification



Street Network

In general, local streets in the District can be characterized as low-volume (especially the east-west connections), one-direction and with limited access to/from Naito and Burnside. Northbound Naito currently has a limited number of left turns into the study area and Burnside generally prohibits lefts from either direction of travel through the study area. The light rail alignment along 1st Avenue effectively eliminates vehicular traffic except along a few limited blocks. Map B2 illustrates the street network.

MAP B2: Street Network

Traffic Volumes

Traffic volumes on study area streets correspond with their traffic classifications. Regional and local traffic on Burnside results in roughly 20,000 vehicles per day traveling in each direction through the study area. The local access streets carry well over 5,000 vehicles per day to/from the area. Table B2 summarizes some recent traffic volumes measures at various times by PDOT.

Pending Roadway Improvements

Pending and future street redevelopment projects will change both accessibility into the study area and allow for design improvement on some key perimeter streets. The most important improvement project is the Naito Parkway Reconstruction Project.

Naito Parkway Reconstruction Project

The Naito repaving and reconstruction project is underway the time of publication and is projected to be complete by Spring 2007. The project will add three new left turn opportunities from northbound Naito onto Pine, Couch and Davis. Pine, which is currently eastbound, will support two-way traffic only between 1st Avenue and Naito. New traffic signals will be added at Couch and Davis to control vehicular and pedestrian traffic at these reconstructed intersections.

Parking

The study area has a number of properties serving as surface parking lots and most block faces provide on-street parking. A SmartPark garage at the northwest corner of the study area provides additional parking capacity and is located immediately adjacent to the MAX light rail line. Map

2.7 in the Existing Conditions Analysis (Chapter 2) illustrates the meter durations for the on-street spaces and the capacity of surface and structured parking facilities. Section 2 of this appendix provides much more detailed information about parking utilization in the study area.

There appears to be more surface parking in this part of Portland than anywhere else in the downtown, particularly now that the River District has had so much infill development. Most of these lots are small and inefficient. When parking approaches capacity, particularly on weekends, finding a spot will be challenging given the inefficient scattering of supply, resulting in much unnecessary search traffic. Pending development plans will begin to erode this supply of surface parking and improve the market for future structured parking facilities.

The Naito reconstruction project will provide additional parking on the Westside of the street throughout the study area except between Ankeny and Ash to avoid conflicting with potential changes from the Fire Station relocation efforts. The Burnside/Couch plans call for additional on-street parking on Burnside.

Public Transportation

Transit Classifications

The Portland TSP includes transit classifications to maintain a system of streets that support public transportation. Within the study area, 1st Avenue is classified as a Regional Transitway & Major Transit Priority Street and Burnside is considered a Major Transit Priority Street. The following sections briefly describe these classifications.

TABLE B2: Measured Traffic Volumes (2004-05)

Location	Direction of Travel			
	East	West	North	South
3rd @ Everett				4,300
3rd @ Burnside				9,200
3rd @ Ash				8,400
2nd @ Burnside			7,500	
2nd @ Davis			3,800	
Naito Pkwy @ Couch			8,627	8,676
Naito Pkwy @ Oak			8,375	10,072
Burnside @ 4th	17,200	18,700		
Burnside @ 2nd	19,400	16,500		
Burnside Bridge	22,400	20,100		
Oak @ 5th		5,200		

Major Transit Priority Streets

Major Transit Priority Streets are intended to facilitate high-quality transit service that connects the Central City and other regional and town centers and main streets. Transit-oriented land uses should be encouraged to locate along Major Transit Priority Streets, especially in centers. Major Transit Priority Streets should provide safe and convenient access for pedestrians and bicyclists to, across, and along Major Transit Priority Streets.

Regional Transitways

Regional Transitways are intended to provide for interregional and interdistrict transit trips with frequent, high-speed, high-capacity, express, or limited service, and to connect the Central City with all regional centers. Developments with a regional attraction are encouraged to locate adjacent to Regional Transitways to reduce traffic impacts on adjoining areas and streets. High-density development should be within a half-mile of transit stations on Regional Transitways, with the highest densities closest to the stations. Transit stations along Regional Transitways should be designed to accommodate a high level of multimodal access within a half-mile radius of the station. Streets with a dual Regional Transitway and Major Transit Priority Street classifications should retain the operational characteristics of a Major Transit Priority Street and respond to adjacent land uses.

Transit Service

This section supplements the discussion of Multimodal Transportation in Chapter 2 (Existing Conditions Analysis).

TriMet operates a significant level of light rail and bus service on the two identified transit designated streets. The three MAX light rail lines board over 6,000 passenger per weekday at the three stations in or adjoining the study area. The combined Gresham and Airport MAX lines result seven-minute headways through the study area. The Yellow line to the Expo Center is overlaid on top of the Red and Blue lines through the study area, but is not timed to provide a consistent reduction in headways. Three bus lines operate on Burnside, stopping on the bridge just above the Skidmore Fountain station. Tables B3 and B4 detail bus and MAX service in the study area as well boarding information at key stops/stations. Map 2.7 in the Existing Conditions Analysis (Chapter 2) show the locations of all stops and stations in the study area.

TABLE B3: Study Area Transit Service

Service	Origin - Destination	Weekday Span	Frequency of Service		
			Weekday	Saturday	Sunday
Max Light Rail Service - Stops at Oak, Burnside (Skidmore Fountain) and Davis (Old Town/Chinatown)					
Blue Line Max	Central City to Gresham	4:00 am - 2:00 am	15	15	15
Red Line Max	Central City to Expo Center	5:00 am - 1:00 am	15	15	15
Yellow Line Max	Central City to Airport	5:00 am - 1:00 am	15	15	15
Burnside Bus Service - Eastbound Stops at 4th, 2nd and 1st (Burnside Bridge); Westbound Stop at 4th					
Route 12 Bus	Central City to Gresham via Sandy	5:15 am - 2:00 am	15	15	15
Route 19 Bus	Central City to Gateway District	5:30 am - 2:00 am	15	30	30
Route 20 Bus	Beaverton to Gresham via Burnside	4:30 am - 2:00 am	15	15	30

Note: Red and Blue schedules are offset for 7.5 min midday weekday headways through the study area. Yellow trains fill in but are not equally spaced between Red and Blue trains.

TABLE B4: Study Area Bus/Rail Ridership

Stop	Weekday				Saturday				Sunday			
	Ons	Offs	Ons	Offs	Ons	Offs	Ons	Offs	Ons	Offs	Ons	Offs
	Northbound		Southbound		Northbound		Southbound		Northbound		Southbound	
Oak/SW 1st Ave MAX Station	1,225	758	801	1,307	675	522	609	750	436	295	339	431
Skidmore Fountain MAX Station	918	950	1,017	887	1,971	2,393	2,514	2,208	1,226	1,528	1,660	1,345
Old Town/Chinatown MAX Station	1,442	894	930	1,547	940	616	544	1,128	730	464	468	769
	Eastbound		Westbound		Eastbound		Westbound		Eastbound		Westbound	
W. Burnside & 4th	475	164			287	128			218	83		
W. Burnside & 2nd	197	104			135	79			102	57		
Burnside & Burnside Bridge	174	48	81	440	160	44	72	354	117	32	41	259

The station at Skidmore Fountain sees a significant increase in use on weekends when Saturday Market is in operation. In addition, buses crossing the Steele Bridge travel eastbound on Everett. Only 160 passengers board and 120 alight at 2nd Avenue and Davis for Routes 1, 4, 8, 10, 16, 33, 40 and 77 combined. And passengers must use the 4th Avenue and Glisan stop for westbound travel on these lines, which is even further from the study area.

Bicycle Travel

Bicycle Classification Descriptions

The Portland TSP classifies streets and paths to maintain a system of bikeways to serve all bicycle users and all types of bicycle trips. Burnside from 3rd Avenue eastward, along with 2nd Avenue and 3rd Avenue through the study area are classified as City Bikeways. The esplanade through Waterfront Park is highlighted as an off-street bike path. And by definition, all other streets in the study area are classified as local service bikeways. In addition, the PDOT Bike Map, for the riding public, identifies 2nd and 3rd Avenues as well as Pine and Couch as bicycle-friendly "Shared Roadways" with lower traffic and/or lower speeds. Safe east-west through routes are recommended on Flanders and Stark to the north and south of the study area.

City Bikeways

City Bikeways are intended to serve the Central City, regional and town centers, station communities, and other employment, commercial, institutional, and recreational destinations. Auto-oriented land uses should be discouraged from locating on City Bikeways that are not also classified as Major City Traffic Streets. Traffic volume, speed of motor vehicles, and street width need to be considered when determining the appropriate design treatment for City Bikeways. Possible design treatments for City Bikeways include bicycle lanes, wider travel lanes, wide shoulders on partially improved roadways, bicycle boulevards, and signage for local street connections. On-street motor vehicle parking may be removed on City Bikeways to provide bicycle lanes, except where parking is determined to be essential to serve adjacent land uses, and feasible options are not available to provide the parking on-site.

Off-Street Paths

Off-Street Paths are intended to serve as transportation corridors and recreational routes for bicycling, walking, and other non-motorized modes. Off-Street Paths serve as convenient shortcuts to link urban destinations and origins along continuous greenbelts such as rivers, park and forest areas, and other scenic corridors, and as elements of a regional, citywide, or community recreational trail plan.

Local Service Bikeways

Local Service Bikeways are intended to serve local circulation needs for bicyclists and provide access to adjacent properties. All streets not classified as City Bikeways or Off-Street Paths, with the exception of Regional Trafficways not also classified as Major City Traffic Streets, are classified as Local Service Bikeways. The following design treatments for Local Service Bikeways should be considered: shared roadways, traffic calming, bicycle lanes, and extra-wide curb lanes. On-street parking on Local Service Bikeways should not be removed to provide bicycle lanes.

Pending Bicycle Improvements

Naito Parkway Reconstruction Project

The Naito repaving and reconstruction project should be underway by the spring of 2006 and completed the following spring. With respect to bikeways, this project will add north- and south-bound bike lanes along Naito throughout the study area.

Burnside/Couch Transportation And Urban Design Plan

The Burnside/Couch Transportation and Urban Design Plan calls for the addition of a bike lane on Burnside (eastbound) through the study area. The westbound bound bike lane will travel from the Bridge and then head north on 2nd Avenue (along with the travel lanes heading into the westbound Couch.) West from 2nd Avenue, bicycles will share the travel lanes with vehicles.

Pedestrian Circulation

Pedestrian Classifications

The Portland TSP provides a set of pedestrian classifications to maintain a system of pedestrianways to serve all types of pedestrian trips, particularly those with a transportation function. The entire Central City is highlighted as a pedestrian district with Ankeny and 2nd Avenue classified as City Walkways. 1st Avenue Ave is defined as a Central City Transit/ Pedestrian Street. The Waterfront Park esplanade is classified as an off-street pedestrian path.

Pedestrian Districts

Pedestrian Districts are intended to give priority to pedestrian access in areas where high levels of pedestrian activity exist or are planned, including the Central City. Zoning should allow a transit-supportive density of residential and commercial uses that support lively and intensive pedestrian activity. Streets within a Pedestrian District should make walking the mode of choice for all trips. All streets within a Pedestrian District are equal in importance in serving pedestrian trips and should have sidewalks on both sides. The Pedestrian Design Guide directs street designs within Pedestrian Districts. Improvements may include widened sidewalks, curb extensions, street lighting, street trees, and signing. Where two arterials cross, design treatments such as curb extensions, median pedestrian refuges, marked crosswalks, and traffic signals should be considered to minimize the crossing distance, direct pedestrians across the safest route, and provide safe gaps in the traffic stream.

Pedestrian-Transit Streets

Pedestrian-Transit Streets are intended to create a strong and visible relationship between pedestrians and transit within the Central City. Pedestrian-Transit Streets respond to significant public investments in public transportation, including light rail, the transit mall, and streetcar, and enhance the pedestrian environment adjacent to high-density land uses. Improvements should include wide sidewalks to accommodate high levels of pedestrian traffic, urban design features that promote pedestrian activity, and visual signals to motor vehicles to recognize the priority of pedestrian and transit vehicles.

City Walkways

City Walkways are intended to provide safe, convenient, and attractive pedestrian access to activities along major streets and to recreation and institutions; provide connections between neighborhoods; and provide access to transit. City Walkways should serve areas with dense zoning, commercial areas, and major destinations. The Pedestrian Design Guide directs design of City Walkways.

Off-Street Paths

Off-Street Paths are intended to serve recreational and other walking trips. Off-Street Paths provide short cuts to link urban destinations and origins along continuous greenbelts such as rivers, park and forest areas, and other scenic corridors.

Local Service Walkways

Local Service Walkways are intended to serve local circulation needs for pedestrians and provide safe and convenient access to local destinations. Local Service Walkways are usually located in residential, commercial, or industrial areas on Local Service Traffic Streets. All streets not classified as City Walkways or Off-Street Paths, with the exception of Regional Trafficways not also classified as Major City Traffic Streets, are classified as Local Service Walkways.

Pedestrian Connectivity

Traffic volumes, street design and visual barriers present some barriers to pedestrian connectivity within and to/from the study area. Examples include:

- Ankeny and Ash crossings of 2nd Avenue and 3rd Avenue where pedestrians have to cross three to four lanes of travel at non-signal controlled intersections;
- Long traffic signal cycles at controlled crossings across Naito south of Burnside;
- Lack of signal to cross Naito at Couch;
- Signalized crossing of Naito at Oak, but no east/west or north/south walks on east side; and
- Limited visibility into Waterfront park and only to seawall, not river where available.

As detailed in the following section, some of these barriers are addressed in pending projects or plans.

Pending Pedestrian Improvements

Naito Parkway Reconstruction Project

The Naito repaving and reconstruction project is underway at the time of report publication and scheduled to be completed in Spring 2007. With respect to pedestrian connectivity, this project will provide signalized crosswalks at Davis and Couch into Waterfront Park. The crossing at Ankeny will be treated as the Northern Gateway into the park and will be constructed with a highly visible and scored-concrete walkway across the Parkway. The Waterfront Park Master Plan called for a sidewalk along the east side of Naito Parkway but funding is not available and will not be provided in conjunction with the Parkway reconstruction project.

Central City Pedestrian Wayfinding Signage Program

PDC and PDOT are pursuing a Central City-wide project to develop and install fixed, pedestrian-oriented informational and directional signage in the Central City. Approximately 105 sign location have been selected along specified pedestrian paths. The following paths are identified in the study area:

- The Waterfront Park esplanade;
- Pine from 4th Avenue to 2nd Avenue;
- 2nd Avenue from Pine to Ankeny;
- Ankeny from 2nd Avenue to the esplanade;
- 1st Avenue from Ankeny to Couch; and
- Couch from 3rd to the esplanade.

Plans call for nine signposts along these paths. Skidmore Fountain and Portland Saturday Market have been identifies as two of roughly 40 identified tiered destinations along with the Waterfront Park and many Central City locations.

Section 2: Parking Analysis

This section contains the information from the Ankeny/Burnside Parking Analysis conducted by Nelson\Nygaard and Rick Williams Consulting (RWC). The purpose of this parking utilization study is to derive a detailed understanding of actual use dynamics associated with parking in the study area. The results will inform decision making regarding redevelopment and parking in relationship to the broader policies and guiding principals presented in the Ankeny/Burnside Development Framework Plan. This section outlines:

1. Results of a parking survey conducted over two typical winter days. This included a single Thursday and Saturday in January 2006.
2. Analysis of parking utilization including quantification of total study area parking inventory and hourly occupancy counts (8:00 a.m. – 6:00 p.m.) for on and off-street inventory.
3. A brief summarization of parking surpluses and constraints in the parking supply – identifying 'hot spots' and areas that are particularly underutilized.

Study Area

The study area is comprised of the area bounded by NW Davis Street (on the north), Washington Street (on the south), 4th Avenue (on the west) and Naito Parkway (on the east).

General Characteristics of the Inventory - Study Area

Supply

A total of 1,861 parking stalls were identified within the study area boundaries. On-street stalls totaled 263 and 1,598 off-street stalls were counted. An additional 715 stalls in surface lots were inventoried within close proximity to the study area and will be included in the overall occupancy results.

TABLE B5: 2006 Parking Inventory of Old Town

Old Town Study Area Parking Stall Breakout		
On-Street Meters by Type	Number of Stalls	% of Total On-Street Stalls
15 minutes	2	0.8%
90 minutes	193	73.4%
2 hours	9	3.4%
3 hours	59	22.4%
Total On-Street Parking Stalls	263[1]	100%
Off-Street Parking Stalls (in study area)	1,598[2]	
Subtotal	1,861	
Off-Street Parking Stalls (adjacent to study area)	715	
Total Off-Street Parking Stalls (all)	2,313	
Total Surveyed Supply	2,576	

1 Thursday's on-street inventory included 263 stalls; Saturday's inventory included 268 on-street stalls. Due to construction (Thursday) 5 stalls along block face 7D were not publicly available. Crews were not working during the Saturday survey, therefore an additional 5 stalls were included in the inventory.

2 During Saturday's inventory two garages were not publicly available. The garage on Block 2 (160 stalls) was closed to the public; the lower, subterranean portion of the parking structure on Block 19 (78 stalls) was also closed to the public. This removed an total of 238 off-street stalls from Saturday's overall supply

Parking under public control, 26% of available supply is primarily provided in the form of on-street metered parking (263 stalls) and an off-street Smart Park structure with 412 stalls; the remaining supply, 74% of all available stalls, is privately controlled almost exclusively in surface lots.

As Table B5 indicates, the study area maintains a high percentage of 1.5 hour parking stalls, nearly three-quarters of the on-street supply (73%) is made up of these types of stalls. Approximately 22% of the on-street supply is comprised of 3 hour meters and the remaining stalls are both 2 hour and 15 minute stalls (4%). Stated differently, 77% of the on-street supply is dedicated to short-term use (stays between 15 minutes and 2 hours) and subsequent 23% is focused on mid-term parking (3 hours), located in close proximity to residential-based buildings.

Peak Hour and General Occupancies

Peak hour occupancy for the study area is the period during the business day where the District experiences the highest utilization of parking stalls. In other words, it is the point in the day at which the greatest numbers of vehicles are parked in the study area. In the analysis that follows, weekday and weekend occupancies for all stalls, on-street and off-street locations, are summarized.

Tables B6 - B9 provide a summary of on- and off-street parking occupancy for the survey area on a representative weekday (Thursday) and a Saturday. Peak hours of occupancy are highlighted.

TABLE B6: On-Street Parking Summary - Weekday

On-Street Parking		8:00 – 9:00 a.m.	9:00 – 10:00 a.m.	10:00 – 11:00 a.m.	11:00 – 12:00 p.m.	12:00 – 1:00 p.m.	1:00 – 2:00 p.m. PEAK	2:00 – 3:00 p.m.	3:00 – 4:00 p.m.	4:00 – 5:00 p.m.	5:00 – 6:00 p.m.
263 total stalls	Stalls Occupied by Hour	150	191	201	215	197	**221**	196	176	132	86
	% Stalls Occupied	57.0%	72.6%	76.4%	81.7%	74.9%	**84.0%**	74.5%	66.9%	50.2%	32.7%
	Empty Stalls Available	113	72	62	48	66	**42**	67	87	131	177
Surplus/Deficit @ 85% Rule		74	33	23	9	27	**3**	28	48	92	138

TABLE B7: Public Off-Street Parking Summary - Weekday

Off-Street Parking		8:00 – 9:00 a.m.	9:00 – 10:00 a.m.	10:00 – 11:00 a.m.	11:00 – 12:00 p.m.	12:00 – 1:00 p.m.	1:00 – 2:00 p.m. PEAK	2:00 – 3:00 p.m.	3:00 – 4:00 p.m.	4:00 – 5:00 p.m.	5:00 – 6:00 p.m.
2,315 total stalls	Stalls Occupied by Hour	1,273	1,605	1,849	1,895	1,864	**1,917**	1,837	1,669	1,444	1,020
	% Stalls Occupied	55.0%	69.3%	79.9%	81.9%	80.5%	**82.8%**	79.4%	72.1%	62.4%	44.1%
	Empty Stalls Available	1,042	710	466	420	451	**398**	478	646	871	1,295
Surplus/Deficit @ 85% Rule		695	363	119	73	104	**51**	131	299	524	948

TABLE B8: On-Street Parking Summary - Saturday

On-Street Parking		8:00 – 9:00 a.m.	9:00 – 10:00 a.m.	10:00 – 11:00 a.m.	11:00 – 12:00 p.m.	12:00 – 1:00 p.m.	1:00 – 2:00 p.m.	2:00 – 3:00 p.m.	3:00 – 4:00 p.m.	4:00 – 5:00 p.m.	5:00 – 6:00 p.m. PEAK
268 total stalls	Stalls Occupied by Hour	65	74	96	106	101	107	102	93	109	**117**
	% Stalls Occupied	24.3%	27.6%	35.8%	39.6%	377%	39.9%	38.1%	34.7%	40.7%	**43.7%**
	Empty Stalls Available	203	194	172	162	167	161	166	175	159	**151**
Surplus/Deficit @ 85% Rule		163	154	132	122	127	121	126	135	119	**111**

TABLE B9: Public Off-Street Parking Summary - Saturday

Off-Street Parking		8:00 – 9:00 a.m.	9:00 – 10:00 a.m.	10:00 – 11:00 a.m.	11:00 – 12:00 p.m.	12:00 – 1:00 p.m.	1:00 – 2:00 p.m. PEAK	2:00 – 3:00 p.m.	3:00 – 4:00 p.m.	4:00 – 5:00 p.m.	5:00 – 6:00 p.m.
2,077 total stalls	Stalls Occupied by Hour	120	159	209	252	287	**301**	286	249	234	255
	% Stalls Occupied	5.8%	7.7%	10.1%	12.1%	13.8%	**14.5%**	13.8%	12.0%	11.3%	12.3%
	Empty Stalls Available	1,957	1,918	1,868	1,825	1,790	**1,776**	1,791	1,828	1,843	1,822
Surplus/Deficit @ 85% Rule		1,645	1,606	1,556	1,513	1,478	**1,464**	1,464	1,516	1,531	1,510

Parking Observations

The survey process, observing parking behavior and access patterns, revealed the following themes and findings:

- *The highest level occupancies for off-street stalls were concentrated on the south and west ends of the study zone, along Stark Street and 3rd Avenue.* The study area is comprised of relatively low-rise, lower-density uses when compared to Portland's downtown core. There are a few Class A office towers in the study zone, but the building stock primarily includes older Class B and C office buildings with little or no off-street parking options for tenants. As previously mentioned, the surface lots typically serve the employee base for the surrounding area during the workday. Therefore, employees (some customers/visitors) rely heavily on these lots. The surface lots at the southern and western boundaries of the study area are closest to a higher concentration of uses in the downtown (i.e., office core, higher density retail and services, etc.) and are, therefore, more heavily utilized than other areas within the study area.

- *The lowest level occupancies for both on and off-street stalls was in the northwest section of the study area – from Burnside to Davis and from NW 2nd to Naito Parkway.* It stands to reason this area would have lower occupancies than other areas due to the number of vacant buildings. This area also has relative few retail establishments to attract transient customers. In addition, there are also a few community service establishments in the area that attract pedestrian and transit-based patrons, rather than those requiring vehicle access.

- *On-street occupancies are consistently higher, on average, near residential buildings.* Block faces, particularly longer-term 3 hour stalls, within close proximity to the residential building at SW 2nd and Pine experienced combined occupancies in excess of 90% on weekdays and 70% on weekends (during the survey period).

Other Considerations

As demonstrated in the study area parking inventory the District maintains a significant number of surface parking lots (23 in all). Something important to note is that as development occurs in this area, these surface lots will disappear. Currently these lots represent 1,516 stalls that operate at approximately 83% occupancy in the peak hour. In other words, these lots represent important access capacity for the area. Though these lots are not visually appealing, they are an important component for the District. As these lots are developed, net parking capacity in the District will be reduced, unless the stalls are replaced in a manner consistent with the Downtown Parking Code.

Per the Central City Transportation Management Plan (CCTMP), if a new building is slated to replace a surface lot, any stalls removed from the lot cannot "by right" be incorporated into the new building's parking garage. All parking associated with a new building is directly related to the maximum parking development ratios identified in the CCTMP for that building type (i.e., office, residential, retail, etc.).

Parking stalls removed from a downtown surface lot by new development are allocated to a "Preservation Parking Pool" that is used by the City as a way to account for parking spaces that had traditionally served older and historic buildings. Most older and historic buildings in the downtown do not have parking within their buildings. These stalls are then available to developers to incorporate into new parking garages only if those developers enter into "Preservation Parking Subscription Agreements" with owners of older and historic buildings without parking. The number of preservation stalls that can be incorporated into a new structure is limited by the number of preservation buildings that sign agreements with the developer. The ratio of allowable stalls for each preservation building based on its use (CCTMP, Sect. 33.510.263 B4a(1)-(2)). Use of preservation stalls in any development also comes with operational restrictions that require that the garage owner limit monthly pass sales for the preservation stalls to only the preservation buildings that sign the subscription agreements (CCTMP, Sect. 33.510.263 B4g).

In short, new development that displaces existing surface lot stalls does not have an entitlement to the stalls displaced. However, if a new development desired to incorporate additional parking in a development in excess of the maximum parking ratios allowed for new commercial, retail or residential square footage, preservation parking is an option available. The developer would need to negotiate preservation subscription agreements and agree to operational limitations required of the preservation stalls.

Summary

Overall the data analysis of Old Town Portland inventory indicates the system is operating at a high level of efficiency, particularly in terms of accommodating traffic volumes during the work week. In an economically challenged district of downtown where there are 2,578 stalls available to employees, customers and visitors, where the systems operates within 54 stalls (3 on-street, 51 off-street) of optimal occupancy, using a goal of 85% peak occupancy, is remarkable. There will be an additional hurdle as the District redevelops over time when surface lots are built-out and vacant buildings are leased up, the parking system will become more impacted. There are some strong positives for this area though: (1) the existing transit infrastructure, as the market drives up the cost of parking, employees already have an established transport system to access their place of business; (2) the presence of a large short-term parking facility (i.e., Smart Park) is a valuable asset to the District. This may not be as apparent now, but as the area redevelops and surface lots become scarcer having additional short-term parking (other than on-street opportunities) will provide needed customer parking for the District businesses. It is important to note, that the data derived here represents surpluses and deficits without taking into consideration anticipated and future new development. To that end, the occupancies demonstrated in this survey indicate that the system is currently adequate and manageable.

Section 3: Naito Parkway Event Operations

This section provides summary information from a memo titled: "Naito Events conflicting with Portland Saturday Market Morning Hours," which outlined Nelson\Nygaard's findings about event activities on Naito Parkway and potential conflicts with the Portland Saturday Market (PSM). During this process Nelson\Nygaard staff held several conversations with the Portland Office of Transportation (PDOT), Portland Development Commission (PDC), and PSM.

Portland Saturday Market operates on Saturday from 10:00 am to 5:00 pm and Sunday from 11:30 am to 4:30 pm. Saturday Market opens the first weekend in March and remains open through December 24th. About 275 vendors participate in Saturday Market each weekend, and arrive to set up between the hours of 6:00 and 10:00 am on Saturday, and between 7:00 and 11:30 am on Sunday. After the market closes, Vendors take down the market between 5:00 and 8:00 pm on Saturday, and 4:30 to 8:00 pm on Sunday. Currently Vendors use Naito Parkway from NW Couch to the north edge of Station 1 for loading (almost 3 blocks) as well as SW Ankeny from SW 1st to Naito. For breaking down the market, vendors use the western most lane of Naito Parkway. The Saturday Market has expressed concerns about loading access at the new site, and has requested the eastern-most lane of Naito. A request has been made to PDOT to consider rerouting events that conflict with Saturday Market to the western side of Naito to address the concerns of PSM. The proposed options for Saturday Market has vendors in both Waterfront Park and either West Burnside underneath the Burnside Bridge or Ankeny Park, which would require loading zones on both sides of Naito Parkway, according to PSM. (This is now the preferred option selected by the PSM Board and PDC). Portland Saturday Market has on-site storage on the west side of SW 1st underneath the Burnside Bridge, in the basement of their offices at 108 W. Burnside, and in the SFB at 28 SW 1st.

The majority of events that run along Naito are on Sunday and only a few directly conflict with Saturday Market hours of operation. According to Saturday Market the events are routed in the eastern-most lanes of Naito Parkway, which prevents interference with Saturday Market as well as traffic in downtown Portland. The weekend running and cycling events that occur along Naito, pose on average a two-hour conflict in the morning (7:00 to 9:00 am) with Saturday Market vendor set-up activities. The Doggie Dash on Saturday May 13th, is the only race on a Saturday that presents a conflict (1 hour) with market hours of operation). The majority of races and conflicts are on Sundays. The Portland Marathon could present a major conflict, but is now likely to be rerouted due to TriMet work on the Steel Bridge starting in 2007, before the new market layout would be in place. The single remaining event that would have a major conflict with market hours of operation is the Bridge Pedal. It appears unlikely that this event could be rerouted due to the large volumes of cyclists and the potential for

conflicts with transit on other routes.

There are a number of other events that end prior to the start of the market, but would create conflicts with vendors needing to access Waterfront Park for set up. In the past, PDOT staff and the Portland Police Department have worked with the Saturday Market vendors to assist them with working around these events to load/unload merchandise and set up for the market. They would continue to do the same with the new arrangement. In some cases vendor vehicles could be escorted across Naito by a police officer or crossing guard; during events, which create more constant traffic, early vendor arrival may be required or vehicle routing through Waterfront Park could be explored. Saturday Market has expressed concern about the "seamlessness" of the process for customers accessing the new location during events, and support from PDOT and PPD would be important in addressing these concerns.

Detailed below are the dates of events that run along Naito, the time span of the events, as well as estimates on how many participants for each event:

Saturday- May 13th, Doggie Dash, 9-11:00 am; estimated 1,000 participants; One hour conflict with market hours, market goers could likely cross with crossing guard assistance.

Sunday- March 12th,, Shamrock Run; 7-11:00 am; estimated 10,000 participants; No conflict with market hours. Vendor may be required to arrive early to set up in Waterfront Park.

Sunday- March 26th, Bridge to Bridge; 9-11:00 am; estimated 2,000 participants; No conflict with market hours. Vendor vehicles could be escorted across Naito.

Sunday- June 18th, Pride Parade; 10:00 am-2:00 p.m; no estimate on participants; conflict as it finishes right on Naito. Finish is on Naito, and the Gay Pride Festival is in the Park so the event is not moveable. The parade does not block the Ankeny crossing of Naito during the full four-hour period. Actual crossing conflicts are closer to 1 hour. Market customers will be able to mingle and cross parade. Several parties have indicated that the Pride Festival may create additional business for vendors (particularly food vendors) located in Waterfront Park.

Sunday- August 13th, Bridge Pedal; 7:00 am- 2:00 pm; 18,000 participants; Three hour conflict. Start/Finish is on Naito so cannot really move. This event does cause a significant conflict and cannot be easily relocated due to volumes of bicycles and lack of alternative routings that do not interfere with transit. Since this is not a race event, crossing guards could be used to allow market goers to cross at Ankeny; however, wait times could be long.

Sunday- September 13th, Race for the Cure, 9:00-11:00 am; 30,000-40,000 participants; Limited to no conflict with market hours. Vendor may be required to arrive early to set up in Waterfront Park.

Sunday- October 1st, Portland Marathon, 7:00 am-2:00 pm; 10,000 participants; Three Hour Conflict (current course only). The course is set for 2006 but the marathon course is likely to move in 2007 due to TriMet's light rail construction on the Steel Bridge.

Sunday- November 19th, Civil War Run (New Race-2006 first year); 9-11:00 am, 2,000 participants; No conflict with market hours. Vendor vehicles could be escorted across Naito.

Sunday- December 10th, Red Nose Run, 9-11:00 am; 2,000 participants; No conflict with market hours. Vendor vehicles could be escorted across Naito.

Summary of Impacts

Natio Parkway is a critical pathway for a number of recreational and competitive events. Surprisingly, there is little actual conflict between these events and the market hours of operation, where they could impede visitors ability to circulate between the western and eastern portions of the market. These events may, in fact, increase the vitality of the waterfront and bring additional customers to the market. Several discussions were held with PDOT traffic and signal engineers. It was determined that the proposed Naito crossing just south of Ankeny could be managed safely and that there are available a number of pedestrian safety measure that could be put in place, including: reducing traffic to a single lane in each direction, manning the intersection with crossing guards (or police), inserting a flexible pedestrian warning sign on the center line to slow traffic. Most of all, the volume of pedestrian traffic and level of activity around the intersection will act to reduce the speeds of approaching motorists.

APPENDIX C

DEVELOPMENT ECONOMICS

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THIS MEMORANDUM PROVIDES AN OVERVIEW of economic and market conditions affecting the revitalization and real estate development potential of the Ankeny/Burnside project area located in the Portland "Old Town" neighborhood. It has been prepared for the Portland Development Commission (PDC) by Economic & Planning Systems (EPS), as a sub-consultant to Moore, Iacofano, Goltsman (MIG), as part of the Ankeny/Burnside Development Framework project. The information contained herein has also been summarized in several community stakeholder PowerPoint presentations conducted as part of this project.

Economic and Land Use Context

Regional Economic Context

The location of the Ankeny/Burnside project area in the heart of the broader Portland Metro region will play a key role in determining the feasibility of revitalization efforts. Over the long term the Portland Metro region will be an asset to the project given its status as a national and international business/tourist destination and overall healthy long-term economic outlook. In the more immediate term, the Metro area has recently begun to emerge from the national economic recession, which had a relatively prolonged impact on the regional economy.

Although the Portland Metro economy may always be particularly susceptible to national business cycles, partly because of its link to international trade and high-technology sectors, its long-term performance will be driven by its competitive attributes and market fundamentals. These economic and competitive attributes include (1) a strategic location at the confluence of the Columbia and Willamette Rivers and as a Northwest gateway to the Pacific Rim, (2) strong quality of life that attracts high-quality workers and "creative class" entrepreneurs, and (3) a strong institutional framework, which includes premiere research, medical, and educational facilities as well as a strong and respected local and state government.

The key industry clusters and growth generators in the regional economy include information technology, healthcare-related services and research, apparel and sporting goods, tourism, and forestry products. The Portland Metro has also long served as a major port and redistribution center, with goods coming through the area to service inland resource-intensive industries (e.g., mining and forestry) as well as national and international trade. Although this link to national and international trade can be a source of business cycle instability, as noted above, it also provides a competitive advantage in high-growth sectors. For example, these attributes have made the Portland Metro home to a number of high profile employers including Intel and Nike.

Population and employment growth is projected to remain strong within the Portland Metro over the next 25 years. As shown in Table 1, the Portland Metro as a whole is expected to gain about 345,400 new residents and 311,100 new jobs over the next 10 years, a 22 percent and 26 percent increase in population and employment respectively. As the business and financial hub of the region, the City of Portland can be expected to continue to capture a significant share of this growth (it currently accounts for about 28 percent of the Metro's population and 24 percent of its employment). Meanwhile, the City

Category	Year							% Change		Average Annual Growth Rate	
	2000	2005	2010	2015	2020	2025	2030	2005 - 2015	2015 - 2030	2005 - 2015	2015 - 2030
Population											
Portland Metro[1]	1,874,450	2,049,200	2,233,900	2,394,600	2,571,100	2,768,200	2,955,300	22%	19%	1.65%	1.41%
City of Portland[2]	529,121	574,243	621,722	663,445	708,989	759,470	807,552	20%	18%	1.52%	1.32%
City as % of Metro	28%	28%	28%	28%	28%	27%	27%				
Employment											
Portland Metro[1]	1,208,900	1,320,600	1,483,800	1,631,700	1,795,400	1,979,200	2,158,100	26%	24%	2.02%	1.88%
City of Portland[2]	295,601	320,604	355,866	388,123	423,511	462,840	501,208	24%	23%	1.83%	1.72%
City as % of Metro	24%	24%	24%	24%	24%	23%	23%				

(1) Includes counties of Multnomah, Clackamas, Washington, Yamhill, and Clark.
(2) Using 2000 census as the base year all subsequent projections for Portland City are assumed to grow at the same rate as Portland Metro Region.

Source: Economic Report to the Metro Council 2000-2030 Regional Forecast, Census 2000, Economic and Planning Systems Inc.

TABLE 1: Portland Population and Employment Projections

Land Use Category	Existing Conditions: Land Sq. Ft.	Land %	Buildings Sq. Ft.	Buildings %	# of Properties	New Development / Reuse Capacity[1]: Land Sq. Ft.	Land %	Buildings Sq. Ft.	Buildings %
Vacant Land[2]									
Parking Lots	104,124	13%			10	104,124	40%	583,000	54%
Other	25,475	3%			6	25,475	10%	143,000	13%
Sub-total	129,599				16	129,599		726,000	
Historic Structures[3]	401,436	51%	1,284,199	60%	44	100,000	39%	177,000	17%
Non-Historic Structures[4]	249,737	32%	850,360	40%	44	30,000	12%	168,000	16%
Grand Total	780,772	100%	2,134,559	100%	88	259,599	100%	1,071,000	100%

(1) Amount of new or remodeled space based on existing regulatory requirements, including the 75 foot height restriction. Does not account for market or financial feasibility issues or parking requirements.
(2) Estimate of new development assumes full build-out of all properties at 75 feet height, 10 feet per floor, and an average lot coverage of 80%.
(3) Estimate of redevelopment capacity assumes that approximately 25% of the historic building space above the ground floor is currently under-utilized and could be redeveloped.
(4) Estimate of reuse potential assumes that approximately 12% of the existing non-historic buildings could be demolished and/or redeveloped at 75 feet height and an average lot coverage of 80%.

Source: Portlandmaps.com; Economic and Planning Systems Inc.

Table 2: Summary of Existing Land Use and Development Capacity

currently provides a land use planning environment that encourages growth in existing urbanized areas and at in-fill locations. Thus, in the long term, continued growth at the regional level combined with pro-active planning at the local level provides market capture opportunities to the Ankeny/Burnside project area.

Project Area Background

The Ankeny/Burnside project area is strategically located along the Willamette River and adjacent to the Central Business District (CBD) and the upscale Pearl District. The area currently serves as the City's entertainment district with numerous evening, weekend and tourist venues, including the popular Saturday Market. Despite the advantageous location and historic character of the Ankeny/Burnside project area, it suffers from relatively high-vacancy rates and below-average lease rates, a significant number of underutilized or deteriorating properties (including numerous surface parking lots), and issues related to vagrancy.

An overview of the existing land uses and development potential within the Ankeny/Burnside project area is provided in Table 2. As shown, currently historic structures represent about 51 percent of the project area land uses (excluding streets and other public right of way) and 60 percent of the building square footage. There is also about 130,000 square feet of vacant land, or 16 percent of the non-public right-of-way land, most of which is currently being used for surface parking. Meanwhile, non-historic structures represent about 32 percent of the land area and 40 percent of the building square footage.

As part of this analysis, EPS estimated the additional development and redevelopment capacity within the Ankeny/Burnside area based on existing regulatory requirements (e.g., a 75-foot height restriction) and conservative assumptions regarding site utilization. As shown in Table 2, most of the development or redevelopment potential, or about 70 percent of building space, exists on the vacant parcels. Specifically, these parcels could accommodate about 726,000 square feet of new building space if developed to their maximum allowable capacity. It is important to note that this calculation is based on physical capacity only and does not take into

account market demand or financial feasibility. For example, the existing surface parking lots provide a secure, low-cost and low-risk income stream to existing owners, which represents a significant financial hurdle to alternative investments.

The existing building structures in the Ankeny/Burnside area may also provide opportunities for development and redevelopment. Specific examples include the University of Oregon's White Stag Block and Smith Block, both currently under construction. According to brokers active in the market, a large number of the historic buildings are either vacant or under-utilized above the ground floor. Vacancy rate estimates range from 15 to 20 percent above the ground floor plus a significant amount of additional space in sub-optimal uses (e.g., personal storage). Assuming 25 percent of second floor space in historic buildings could be redeveloped and leased or sold, an additional 177,000 square feet of competitive space would be added to the Ankeny/Burnside market, as shown in Table 2.

Finally, the demolition or enhancement of non-historic buildings for more intensive development could add an additional 168,000 square feet of building space, assuming about 12 percent of these properties would benefit (e.g., the existing structures are in poor condition or of sub-optimal size and configuration).

Again, market and financial factors represent the most significant impediment to the redevelopment of historic structures or the intensification of non-historic properties. In both cases, existing uses that provide a safe and low-cost income stream and/or risk-averse owners with minimal financial basis in their property (e.g., no debt) have served as an economic disincentive to capital investment. In addition, the high cost associated with redevelopment (e.g., building demolition and or historic renovation) can be especially daunting in a transitioning area and uncertain market environment. Other obstacles include existing long-term lease agreements, complex ownership arrangements (e.g., multiple partners or family members with differing objectives), and stakeholder opposition to certain types of redevelopment (e.g., displacement of existing social service facilities).

Market Assessment

This section addresses the market conditions relevant to new development and/or the revitalization existing space for residential, office and retail tenants in the Ankeny/Burnside project area.

Residential Market Conditions

The Ankeny/Burnside area currently has a limited supply of housing and the small amount that does exist primarily serves the subsidized and/or affordable housing market. Although precise estimates are difficult to obtain, land use data suggests that there are about 400 to 450 housing units, about 30 to 50 percent of which are single-resident occupancy (SROs) units. Market rate rents in the area vary from $600 to $800 for a 1-bedroom and $750 to $1,350 for a 2-bedroom apartment, considerably lower than prices in neighboring markets such as the Pearl District. The amount of for-sale product is negligible. As noted in the previous section, additional residential supply could be generated through new development on surface parking lots and/or the conversion of office and/or other under-utilized space above the ground floor of many existing buildings.

Long-term growth in the Ankeny/Burnside residential market will be driven by favorable demographic trends in the region, a growing preference for downtown living combined with limited supply alternatives elsewhere in the Portland Metro, and spill-over from the higher priced Pearl District. In general, high-density residential development attracts young professionals and singles, young families looking to purchase their first home, empty nesters and new starts (e.g., divorcees), seniors, and low-income households. Although these market segments are based on a variety of factors, age, household size and income are good indicators of their presence in the City.

Portland has seen a 21 percent increase in young adults (25- to 34-year olds) moving inside a three-mile radius of the CBD between 1990 and 2000. The majority of these young adults are also well-educated with about 55 percent of 25- to 34 year

olds with college degrees living within three miles of the CBD.

The positive reception to high-rise developments in the Pearl and South Waterfront Districts suggests that demand for condominiums and apartments in the Downtown as a whole is currently strong. By way of example, the new Brewery Block apartments in the Pearl District rent for $1,100 to $1,800 for a 1-bedroom and $1,500 to $2,650 for a 2-bedroom unit. Meanwhile, condominium sale prices in the Pearl District and South Waterfront start at about $450 per square foot. Overall, there are an estimated 13 mid- to high-rise condominiums and mix-used developments with over 2,000 units currently under construction between the Pearl District and South Waterfront.

Despite the success of condominium projects in other downtown locations, new residential development has been absent in the Ankeny/Burnside area. This suggests that the expanding demand for downtown living in the Portland Metro has thus far been met by new projects in the Pearl District, the South Waterfront, and other in-fill locations. As a result, the Ankeny/Burnside area remains an untested sub-market, lacking a successful, flagship project that would signal to developers that homebuyers are willing to pay competitive prices to live in the area. Currently, developers appear wary of the area and report concern over potential conflicts between entertainment and residential uses. However, a successful project, combined with declining land availability elsewhere in the Downtown, could serve as a catalyst for additional residential investment in the Ankeny/Burnside area in the long term.

Office Market Conditions

The Ankeny/Burnside area possesses a relatively active office market with an eclectic mix of tenants attracted to the neighborhood's unique environment, convenient location, and relatively low lease rates. Specifically, the sub-market caters to smaller, "pioneer" tenants in the creative fields (e.g., software and internet, architects and designers, marketing, and start-ups) that do not require a prestigious CBD address, are willing to occupy less conventional space, and can tolerate perceived neighborhood safety issues. In return they get direct proximity to the CBD and the waterfront, excellent mass transit accessibility, cheaper and more abundant parking, a "hip" and historic setting, and below-average costs. This position has allowed the Ankeny/Burnside area to serve as an incubator office market for the rest of the City.

The nature of the Ankeny/Burnside office market is in part a by-product of the building inventory itself. As noted, a large proportion of the buildings are historic and thus do not offer the amenities of a Class A building, (e.g., modern utilities, plumbing, elevators, and floor-plans). For example, the standard 50-by-50 building dimension, or 2,500 square feet per floor, that predominates in the Ankeny/Burnside area does not allow for the larger floor plans sought by most larger, corporate firms.

However, many of the buildings do offer other qualities attractive to less conventional tenants, including open floor plans, exposed wooden beams and brick, high ceilings, and marble. Overall, there is about 872,000 square feet of office space in the Ankeny/Burnside project area, only one of which is a Class A (the 320,000-square foot Bank America building on 2nd Avenue). The vacancy rate is estimated at about 10 to 15 percent which is comparable to the downtown as a whole, but this does not account for the significant amount of under-utilized space. Meanwhile lease rates average about $15 per square foot compared to about $25 in the CBD.

In general the Ankeny/Burnside market conditions mirror the trends in the downtown office market as a whole. Specifically, the Portland Metro is just starting to emerge from a nationwide office market downturn which hit the high technology sectors especially hard. As a result of this downturn, and with downtown office vacancy rates hovering over 10 percent, new development has been almost non-existent over the last five years. However, there are a number of development proposals currently on the table that suggest the market may be improving. Notable proposals include (1) 17-story Class A office building project by Equity Office

on 1st Avenue and Main Street, (2) a 12-story Class A office building by One Waterfront Place, LLC at 1201 NW Naito Parkway, (3) Elliot Tower, a mixed-use high-rise project by the Elliot Tower LLC on 10th and Jefferson, and (4) the Zimmer Gunsul Frasca Headquarters Tower, a 250-foot mixed-use office tower (with hotel and condominium) on SW 12th Avenue and Washington Street.

Despite the lack of new office development, the downtown area as a whole has experienced a number of successful historic renovation projects over the last five to ten years, especially for office and hotel products. Indeed, Portland boasts a relatively high level of developer expertise in historic renovation with numerous high-performing properties and an experienced development community. Although the Ankeny/Burnside area contains the largest concentration of historic buildings in Portland, it has not experienced as much historic renovation as other areas. The most noteworthy projects in the area include the Blagen Building (78 NW Couch), renovated in 1983, the George Lawrence building (on 1st and Oak), renovated in 1985, and New Market Theater, renovated in 1983.

In the long run, the Ankeny/Burnside office market will benefit from its historic character, strategic position in the Downtown (e.g., proximity to CBD, mass transit, and waterfront) and the Portland Metro's appeal to "creative class" entrepreneurs and high-technology sectors. In the more immediate term, however, new investment in the area will depend on a more robust recovery of the regional and national office market.

Retail Market Conditions

As noted, Ankeny/Burnside area currently serves as a nightlife and tourist destination within the Portland Metro. This role currently defines both the type of retail tenants that exists in the area and their performance. Specifically, the retail includes a mix of bars and nightclubs, restaurants and daytime eateries/coffee shops, and an eclectic mix of arts and crafts, galleries, antiques stores, and boutiques oriented towards tourist and Saturday Market patrons. The area is dominated by local and regional independent retailers with few national tenants represented. The bulk of the retail demand is generated by evening and weekend patrons as well some office workers during the weekday. However, the area does not, at present, serve as a destination for the regular daily purchases of local residents.

Like the office market, the nature of the Ankeny/Burnside retail market is in part driven by building inventory. The historic nature of many of the buildings and the size and configuration of the ground floor retail space are generally not of the format sought by higher-volume, national retailers. Consequently, annual lease rates average about $12.00 per square foot, compared to $20.00 or higher in the CBD. The quality of the building stock and below average lease rates combine to offer a unique and low-cost environment for small, local entrepreneurs to market their products.

Overall, there is about 350,000 square feet of retail space in the Ankeny/Burnside area, most of which is on the ground floor of office, residential, or warehouse/storage-related buildings. The vacancy rate is about 10 percent, compared to about 6 percent in the downtown as a whole. There has been minimal new retail development, either as stand-alone or part of a mixed-use project, and new tenancies have occurred primarily through re-modeling and/or re-occupancy of existing space.

In the long-term future growth in the Ankeny/Burnside retail sector is likely to be linked to the success of other revitalization efforts in the project area, most notably office and residential development. Specifically, additional employees and residents would provide a new source of retail demand beyond the current nightlife, tourist, and daytime lunch crowd. In addition, office and residential development would provide a more around-the-clock pedestrian presence to help overcome the safety and security concerns that may be depressing lease rates and deterring certain kinds of retailers from the area.

In the long term, the Ankeny/Burnside retail sector will likely succeed by building on its existing

strengths rather than attempting to re-position itself. These strengths include excellent accessibility by public transit, abundant parking relative to other downtown destinations, proximity to major event generators (e.g., Saturday Market, the Convention Center and sports complex across the river, and the CBD), and an identity as a "one-of-a-kind" environment.

Financial Feasibility Assessment

The financial feasibility of new development in the Ankeny/Burnside area will depend on a variety of factors, including market rents and sale prices, development costs, interest rates, regulatory requirements, and the investment priorities of individual property owners. For the purpose of this analysis EPS utilized cash-flow pro forma analysis to simulate the development economics of a mixed-use project (ground floor retail) developed on a vacant parcel. Specifically, the cash-flow analysis summarized in Table 3 and further described below compares hypothetical condominium and office projects with the estimated value of a surface parking lot. The financial assumptions and calculations utilized in the analysis are further documented in Appendix A and derive from interviews with developers and brokers active in the area as well as EPS in-house expertise.

As shown in Table 3, given prevailing market and financial parameters and current regulatory requirements, surface parking is estimated to yield the highest return to current property owners. Thus, it is not surprising that new development has not occurred in the Ankeny/Burnside area despite its prevalence elsewhere in the downtown (e.g., Pearl District). Indeed, given the existing market and regulatory environment, office development is infeasible on vacant land even with no alternative uses (existing lease rates to not warrant the level of investment required). Meanwhile, residential development is estimated to be marginally feasible on a vacant parcel with no existing income stream.

Three key factors that could potentially change the dynamic described above include (1) improved market conditions (e.g., higher prices and lease rates), (2) an increase in the allowable height above the existing 75-foot limit and corresponding floor area ratios and/or (3) public assistance in the form of low interest loans, land price write down, new market tax credits, or other subsides. For example, the EPS analysis suggests that a 4 percent increase in achievable condominium sale prices (e.g., an increase in the average sale price of a 1,100-square foot condominium from $412,000 to $430,000, in real terms), or an increase in the maximum

Project Description[1]			
Parcel Size	19,500	19,500	19,500
Condo Units	81	-	-
Retail Sq. Ft.	11,603	13,260	-
Office Sq. Ft.	-	110,224	-
On-Site Parking	81	-	120
Revenue Assumptions			
Condo (value / sq. ft.)	$375	-	-
Office (value / sq. ft.)	-	$275	-
Retail (value / sq. ft.)	$170	$170	-
Parking (Revenue / space / year)	-	-	$1,225
Cost Assumptions			
Development costs / sq. ft.[2]	$348	$271	
O&M costs / Space			$751
Residual Land Value[3]			
Total	$159,000	-$874,000	$948,000
Per Square Foot	$8	-$45	$49
Threshold Feasibility Requirement[4]			
% Increase in Market Value	4%	8%	na
Minimum Allowable Stories	9	25	na

(1) All development is subject to a 75 foot height limit and FAR of 4 to 1. Retail is assumed on the ground floor only.
(2) Represents total estimated development cost per building sq. ft., including soft and hard costs as well as builder profit.
(3) Residual value represents the net present value of the land after accounting for all future revenues and costs associated with the use specified.
(4) Represents the change in key financial parameters needed to make the specified land use preferable to surface parking from a private investment perspective.

TABLE 3: Summary of Financial Feasibility of New Development

height allowance from 75 to 95 feet, would make the relative return for residential development more favorable, as shown in Table 3. For office development, average lease rates would have to increase by 6 percent in real terms or the height allowance would have to increase to 225 feet to make this type of development preferable to surface parking.

It is more difficult to make general conclusions about the financial feasibility of historic renovation because of the highly unique circumstances associated with individual projects. According to developers active in the field the cost associated with successful historic renovation range from about $100 to $200 per square foot. This suggests that annual lease revenues would have to increase by $8.50 to $17.00 before such a renovation would be profitable. Such an increase in lease rates may be realistically achievable compared to the return from a vacant building. However, if a property is already generating revenue in its existing use, even if this revenue is well below its market potential, this revenue presents an additional financial hurdle from an investment perspective. Of course, public assistance in the form of low interest loans for seismic retrofitting, tax abatement, new market tax credits, and other incentives could improve this dynamic. Finally, the potential for other components of the Ankeny/ Burnside Development Framework to improve overall market conditions will also make development more financial feasibility.

TABLE 4: Mixed-Use Development Cash Flow (Residential Over Retail)

Item	Project Assumption / Calculation Factor		Amount
Project Description			
Lot Size (in sq. ft.)			19,500
Maximum Height Allowance (feet)			75
# of floors	15 ft. 1st floor, 10 ft. remainder		7.0
Lot Coverage			85%
FAR			6.0
Net to gross ratio (GLA/Gross sq. ft.)			
Retail (ground floor)			70%
Office			90%
Condos			90%
Net Sq. Ft.			101,108
Retail	1	floors	11,603
Office	0	floors	-
Condos	6	floors	89,505
# of for-sale condos	1,100	Avg. sq. ft. / unit	81.0
Market Rate	100%		81.0
Affordable	0%		-
Parking Requirements			
Condo (per unit)	1		81.0
Retail (per 1,000 sq. ft.)	0.0		-
Office (per 1,000sq. ft.)	0.0		0
Revenue Assumptions			
Market Rate Condos	$375	price / sq. ft.	$33,412,500
Affordable Condos	$220	price / sq. ft.	$0
Retail	$170	Gross capitalized value / sq. ft.	$1,972,425
Condo Office	$275	price / sq. ft.	-
Gross Project Value			$35,384,925
Development Cost Assumptions			
Hard Costs			
Site Preparation	$3.00	/ land Sq. Ft.	$58,500
Shell and Core			
Condo Component	$160	/gross building area	$15,912,000
Retail Component	$140	/gross building area	$2,320,500
Office Component	$140	/gross building area	$0
Tenant Improvements			
Retail	$15	/ sq. ft of GLA	$174,038
Office	$25	/ sq. ft of GLA	$0
Parking			
In-Lieu fee / space	$10,000		$0
On-Site / Space -- underground	$30,000		$2,430,000
Hard Cost Contingency	7%		$1,292,553
Subtotal			$22,187,590
Soft Costs			
Building Fees (Permits and Impact Fees)			
Market Rate Condos	$10,500	/ unit	$850,500
Retail	$7.00	/ sq. ft of GLA	$81,218
Office	$12.00	/ sq. ft of GLA	0
Construction Defect Litigation Insurance	$18,000	/unit	$1,458,000
Architecture, Engineering, & Consulting	6%	of hard costs	$1,331,255
Developer Project Management	5%	of hard costs	$1,109,380
Taxes, Insurance, Legal, and Accounting	3%	of hard costs	$665,628
Leasing and Marketing			
Condos	6%	Of finished value	$2,004,750
Retail	6%	Of finished value	$118,346
Office	6%	Of finished value	0
Soft Cost Contingency	3%		$228,572
Subtotal			$7,847,648
Financing	5.5%	of hard & soft costs	$1,651,938
Total Development Costs			$31,687,176
Developer Profit Requirement	10%	of revenues	$3,538,493
Residual Land Value (Revenues minus development costs and profit)			
Total			$159,256
per sq. ft.			$8.2

This table represents a hypothetical development cash-flow per forma for a prototype project.

TABLE 5: Mixed-Use Development Cash Flow (Office over Retail)

Item	Project Assumption / Calculation Factor		Amount
Project Description			
Lot Size (in sq. ft.)			19,500
Maximum Height Allowance (feet)			75
# of floors	13 ft. 1st floor, 9 ft. remainder		8.0
Lot Coverage			85%
FAR			6.8
Net to gross ratio (GLA/Gross sq. ft.)			
Retail (ground floor)			80%
Office			95%
Condos			90%
Net Sq. Ft.			123,484
Retail	1 floors		13,280
Office	7 floors		110,224
Condos	0 floors		-
# of for-sale condos	1,100	Avg. sq. ft. / unit	-
Market Rate	100%		-
Affordable	0%		-
Parking Requirements			
Condo (per unit)	1.2		-
Retail (per 1,000 sq. ft.)	0.0		-
Office (per 1,000sq. ft.)	0.0		0
Revenue Assumptions			
Market Rate Condos	$375	price / sq. ft.	$0
Affordable Condos	$220	price / sq. ft.	$0
Retail	$170	Gross capitalized value / sq. ft.	$2,254,200
Condo Office	$275	price / sq. ft.	$30,311,531
Gross Project Value			$32,565,731
Development Cost Assumptions			
Hard Costs			
Site Preparation	$3.00	/ land Sq. Ft.	$58,500
Shell and Core			
Condo Component	$160	/gross building area	$0
Retail Component	$140	/gross building area	$2,320,500
Office Component	$135	/gross building area	$15,883,375
Tenant Improvements			
Retail	$15	/ sq. ft of GLA	$198,900
Office	$25	/ sq. ft of GLA	$2,755,594
Parking			
In-Lieu fee / space	$10,000		$0
On-Site / Space -- underground	$30,000		$0
Hard Cost Contingency	7%		$1,469,781
Subtotal			$22,486,650
Soft Costs			
Building Fees (Permits and Impact Fees)			
Market Rate Condos	$10,500	/ unit	$0
Retail	$7.00	/ sq. ft of GLA	$92,820
Office	$7.00	/ sq. ft of GLA	$771,566
Construction Defect Litigation Insurance	$18,000	/unit	$0
Architecture, Engineering, & Consulting	6%	of hard costs	$1,347,999
Developer Project Management	5%	of hard costs	$1,123,332
Taxes, Insurance, Legal, and Accounting	3%	of hard costs	$873,999
Leasing and Marketing			
Condos	6%	Of finished value	$0
Retail	6%	Of finished value	$135,252
Office	6%	Of finished value	1618691.875
Soft Cost Contingency	3%		$178,910
Subtotal			$6,142,571
Financing	5.5%	of hard & soft costs	$1,573,507
Total Development Costs			$30,182,728
Developer Profit Requirement	10%	of revenues	$3,256,573
Residual Land Value (Revenues minus development costs and profit)			
Total			-$873,569
per sq. ft.			-$44.8

This table represents a hypothetical development cash-flow per forma for a prototype project.

TABLE 6: Parking Lot Residual Land Value Analysis

Item	Assumption	Amount
Lot size	19,500	
Maximum # of spaces	120	
Revenues		
Avg. Daily Revenue / Occupied Space		
Weekday	$6.00	
Weekend	$5.00	
Days of Operation		
Weekday	250	
Weekend	100	
	350	
Avg. Occupancy Rate		
Weekday	75%	
Weekend	20%	
Total Revenues		$147,000
Avg. Revenue / Space		$1,225
Operating Costs		
# of attendants	1	
Fully loaded wage / hour	$15.00	
Total Employee costs		$51,000
Annual Property Taxes		$20,000
Insurance	3%	$4,410
Maintenance	4%	$5,880
Management & Admin.	6%	$8,820
Total Costs		$90,110
Avg. Cost / Space		$751
Net Operating Revenue		$56,890
Capitalization Rate	6%	
Residual Land Value		
Total		$948,167
Per Square Foot		$48.62

Represents a hypothetical development cash-flow per forma for a prototype project.

APPENDIX D

PLANNING & DEVELOPMENT CONTEXT

MOORE IACOFANO GOLTSMAN, INC.

A NUMBER OF PLANS, STUDIES, AND REGULATIONS ADOPTED by the City of Portland and the Portland Development Commission (PDC) impact all or portions of the Ankeny/Burnside Development Framework study area. Many ongoing development efforts in the study area also exist, and may prove to be catalysts for change. These planning documents and ongoing efforts were strongly considered during the creation of the Ankeny/Burnside Development Framework, and served to inform many of the overall and priority implementation strategy recommendations. Key points of the plans, studies and regulations affecting the Ankeny/Burnside Development Framework study area are summarized herein. For details, please refer to the relevant plan documents and regulatory codes. The central goals and program elements of concurrent efforts in the District are also summarized herein.

General Plans

City of Portland Downtown Plan (1972)
The 1972 Downtown Plan was developed to increase the vitality of downtown Portland and strengthen its role as a business, entertainment, and retail center. The Downtown Plan established a number of districts, with guidelines for each district. The Ankeny/Burnside study area is generally contiguous with Planning District 5 of the Downtown Plan, called the Old Town/Skidmore Fountain District, and also includes a portion of Planning District 4, the Downtown Waterfront.

Key aspects of the District 5 vision in the Downtown Plan that relate to the Ankeny/Burnside Development Framework are listed below.

- The character of District 5 will include rehabilitated historic buildings, new development that is complimentary in scale and texture, and a diversity of uses, including specialty retail, entertainment, commercial services, housing and offices.
- Densities within District 5 are envisioned to step down toward the waterfront, and be compatible in scale with existing historic buildings.
- This area will be pedestrian-focused, with limited auto through-traffic and an enhanced pedestrian environment with streetscape improvements. Pedestrian links to the waterfront will be emphasized.
- A major east-west pedestrian link will pass through District 5 along Ankeny Street, linking the waterfront with the park blocks.

Planning District 4 in the Downtown Plan addresses the entire Downtown Waterfront. Key aspects that affect the Ankeny/Burnside planning area include:

- The Downtown Waterfront will focus on open space and commercial recreation activities, with a major open space at the river's edge. Within the Downtown Waterfront area, appropriate uses are open space, tourist-oriented shops, restaurants, community facilities, and civic and cultural functions (e.g. marine museum, aquarium, amphitheater).
- Open space and pedestrian-scale development will characterize this District.
- Within the Downtown Waterfront District, there should be places to observe the river, public gathering spaces and facilities, and attractive public realm improvements. Waterfront-oriented shops and restaurants should be provided within walking distance, and river-oriented tourist activities should be promoted.
- The Waterfront District should be linked to other downtown districts by carrying waterfront lighting and improvements into other districts. Vehicular traffic should be excluded, with a major pedestrian/bicycle route along the waterfront and pedestrian connections to Old Town and Skidmore Fountain.

City of Portland Central City Plan (1988)
The Central City Plan was adopted in 1988 to update the 1972 Downtown Plan and provide new direction for the entire urban core, including east of the Willamette River. The Central City Plan identifies the Ankeny Plaza area as an attraction and gateway, highlighting the importance of this area to Portland's economic development.

The Ankeny/Burnside study area is within two different Central City Plan study areas: the Downtown and North of Burnside Study Areas. This Plan was updated in 1995 with River District policies, which resulted in the replacement of the North of Burnside area policies. The River District policies address the Ankeny Plaza area and the Skidmore/Old Town Historic District.

The Central City Plan identifies the Ankeny Plaza area as an attraction and gateway, highlighting the importance of this area to Portland's economic development and civic identity. It calls for increased connections to the river, strengthened historic districts, and improved transportation through a series of specific actions. Social services are to be maintained while new business development is supported. The Central City Plan calls for the highest densities adjacent to the transit mall and transit lines, and reiterates support for lower heights in historic areas and heights that step down to the Willamette River. Increased housing for a

range of households is called for, as is an increase in home ownership, rental housing, and jobs. The Central City Plan is implemented by the Central City Plan District regulations in the Zoning Code.

Central City Transportation Management Plan (1995)
The Central City Transportation Management Plan (CCTMP) was developed as a result of the Central City Plan, which called for an improvement of accessibility to and from the Central City while maintaining livability. The CCTMP is intended to maintain air quality, promote economic development, support an efficient transportation system, and encourage the use of alternative modes of transportation.

This Plan addresses the need for pedestrian access, a walkable environment in the Central City, bicycle parking, and access improvements to the study area. The CCTMP calls for a reduction in parking without negatively affecting development opportunities by setting forth specific parking requirements in the Central City. These requirements are different from elsewhere in Portland, and address six types of parking with different regulations for each.

The Ankeny/Burnside Development Framework area is subject to the CCTMP, which means that future development will be subject to Central City Parking Review.

Metro Region 2040 Growth Concept (1995)
The Metro 2040 Growth Concept is the regional growth and development framework for the Portland metropolitan region, and will serve to guide the next 50 years of growth and change. The 2040 Growth Concept focuses on land use and transportation strategies for accommodating growth while maintaining the region's quality of life. The Growth Concept reinforces the primacy of the Central City and calls for the region's highest density and most diverse mix of uses to be located there.

Land Use, Transportation and Development Plans

Burnside Transportation and Urban Design Plan
The Burnside Transportation and Urban Design Plan proposes far-reaching changes to one of Portland's landmark streets. It recommends large-scale revisions to Burnside from 12th Avenue on the east side of Portland to the west end of Portland's urban core, including a couplet of one-way streets running east on Burnside and west on Couch.

The exact nature and design of this couplet is still under consideration as of the writing of the Ankeny/Burnside Development Framework. However, there is enough certainty regarding the eventual configuration to recognize that this Plan will have a large impact on the study area, will provide many opportunities for streetscape improvements, and has the potential to knit together the District by improving access across Burnside.

Naito Parkway Reconstruction Plan
Naito Parkway is one of Portland's oldest roads, serving the city for more than 156 years. A current reconstruction project is rebuilding the entire street, upgrading pedestrian crossings and curb ramps, adding bike lanes and improving sidewalks. The project also includes the addition of on-street parking on the west side of Naito Parkway from SW Main to SW Ash, and restriping of the SW Market intersection to improve freight access.

The future design of Naito Parkway is of particular importance to the Ankeny/Burnside Development Framework because of the need to accommodate a relocated Portland Saturday Market, which will extend across Naito from Ankeny Plaza into Waterfront Park. Improvements are needed to ensure safe and inviting pedestrian access across Naito at this point. Construction will be complete in 2007.

Waterfront Park Master Plan
Since its inception, the use of Waterfront Park has changed significantly. The Waterfront Park Master Plan, adopted in May 2003, updates the original 1975 Plan with recommendations for policy, programs and physical

improvements. Its fundamental purpose is to address the level and type of use that Waterfront Park is experiencing while remaining true to the original 1975 Master Plan. The updated Waterfront Park Master Plan centers on the following guiding principles:

- Integrate and connect the park with its surrounding city center location.
- Accentuate the riverfront location of the park.
- Create an environment for diverse activity and expanded recreational opportunities.

Because Waterfront Park is a regional attraction in the Portland metropolitan area, the result of over three decades of high-level planning and design, all recommendations set forth in the Ankeny/Burnside Development Framework must respect the visions and goals of the Waterfront Park Master Plan.

Downtown Waterfront Development Opportunities Study

The Downtown Waterfront Development Opportunities Study was commissioned by the PDC and is intended to complement and reinforce the Naito Parkway Reconstruction Project and the Waterfront Park Master Plan. This study was developed by PDC in order to address the decline facing Portland's Downtown Waterfront. This study was conceived with the following goals:

- Identify obstacles to redevelopment along Portland's waterfront districts.
- Identify the public and private actions required to stimulate historic revitalization and new development in the study area.
- Develop implementation strategies to stop the decline of the District and revitalize the waterfront.

Five key elements were identified by the study as crucial to the success of revitalization efforts: connectivity, housing, historic districts, Ankeny Plaza, and livability. The study provides detailed recommendations for each of these elements that outline potential opportunity sites for development and projected funding needs for districts along the waterfront.

Old Town/Chinatown Development Plan

Old Town/Chinatown Development Plan is intended "to develop Old Town Chinatown into a vibrant, 24-hour, mixed use, urban neighborhood, rooted in a rich historical past." The portion of the Ankeny/Burnside study area north of the Ankeny Plaza area is within the Old Town/Chinatown planning area. This Plan offers the following recommendations:

- Reduce barriers to Old Town/Chinatown.
- Preserve and enhance the historic and cultural character of the area.
- Support the development of retail, arts and entertainment business in the District.
- Enhance the area around the Classical Chinese Garden.
- Support preservation and development of a mix of housing for different incomes.
- Proceed with development of the Trailways Blocks.

The Plan also makes recommendations to improve access to and from the District, as well as within the District, support improved public safety and livability, and add residential development to the area to activate public spaces and create a more lively and enjoyable urban realm.

Regulations for Historic Properties

The entire study area is encompassed by the Skidmore/Old Town Historic District, and both zoning regulations and design guidelines impact exterior alterations and new construction.

Zoning Regulations for Historic Properties

A three-tier zoning hierarchy exists in the District that will impact development efforts. The base zone for the District is Central Commercial. This zone covers all of the Skidmore/Old Town Historic District, in addition to much of the surrounding area. This zone calls for high density development, pedestrian orientation, and safe and attractive streetscapes. It allows for a wide variety of commercial office, retail, and residential uses.

The second zoning tier is the Central City Plan District (33.510), which implements the Central City Plan and

addresses circumstances particular to the Central City. Regulations from the Central City Plan District supersede base zone provisions where differences exist. While many standards articulated in the Central City Plan District apply to the study area, those most pertinent to this Plan include:

- 33.510.200 Floor Area Ratios
- 33.510.205 Height
- 33.510.210 Floor Area and Height Bonus Options
- 33.510.225 Required Building Lines
- 33.510.220 Ground Floor Windows
- 33.510.225 Ground Floor Active Uses
- 33.510.261 Parking

The third tier in the zoning hierarchy is the Historic Resources Overlay Zone, which works in conjunction with other zoning provisions to provide the Skidmore/Old Town Historic District with strong regulatory protections. Central to the Overlay Zone are clauses regarding historic design review, demolition review and preservation incentives.

Construction of new buildings and major exterior alterations to structures within District boundaries requires Historic Design Review. Major design reviews are processed through a procedure that requires a public hearing and a decision by the Historic Landmarks Commission. Minor design reviews are processed by Bureau of Development Services staff. The scope of construction and/or alterations determines which level of review is required.

Demolition review is also a requirement for some structures in the District. Contributing properties in the District will require demolition review if such an action is proposed (noncontributing properties have no review).

Demolition review, which is a Type IV procedure, will require a public hearing before City Council. This process gives the public an opportunity to comment upon the proposed demolition and allows for the pursuit of alternatives to demolition or actions that will mitigate for the loss. The Landmarks Commission advises City Council, which can either approve of the demolition, approve of demolition with conditions, or deny the request.

Council will approve a request to demolish the resource if the applicant can show that either the proposed demolition has been evaluated against and found to be supportive of the goals of the Comprehensive Plan and other relevant area Plans, or that denial of a demolition permit would effectively deprive the owner of all reasonable economic use of the site.

Design Guidelines

Design guidelines that are specific to the Skidmore/Old Town Historic District exist. These guidelines address topics such as materials selection for exterior construction, the reuse of cast iron, building proportions and floor area ratios, and other issues pertinent to maintaining the visual integrity of the District.

The current Skidmore/Old Town Historic District design guidelines will be revised in the near future. Please refer to Appendix F for details on the current guidelines and recommendations for their revision.

National Historic Landmark Designation

Beginning in the early 1960s, historic preservation efforts in Portland led to the establishment of protective "Design Zones" in the Skidmore Fountain area. With the passage of the 1966 Historic Preservation Act by Congress, more tools were made available to protect and preserve historic resources. By 1975, the Skidmore/Old Town Historic District had gained National Register status. In 1977, it was designated as a National Historic Landmark District. Currently, the city is preparing and update and renewal application for the area.

Concurrent Efforts

There are many ongoing efforts in the Ankeny/Burnside study area that are encouraging, as they are potential catalysts for change. During the Ankeny/Burnside Development Framework planning process, these efforts were considered and integrated where possible.

Fire Station #1/Block 8 Charrette

After a multi-year process to identify priorities for the Ankeny/Burnside area, the City of Portland concluded

that it would like to explore a move of Fire Station #1 (located on First Avenue and Ankeny Street) and its related functions three blocks to the north. This move was intended to enable the development of new housing, retail, and a major public market on and around the current fire station site. An initial design workshop known as the "Block 8 Charrette" was held in July 2004 to develop a design scheme and economic strategy for locating the new fire station on Block 8.

The charrette provided the initial design and planning framework for a design competition that occurred during the following year. Three teams submitted proposals, one team was selected, and the project was set to move forward. In 2006, the City Council reconsidered their priorities in the Ankeny/Burnside area and cancelled the move of Fire Station #1 to Block 8. However, the process of identifying potential opportunities and design needs for the move of Fire Station #1 provided a wealth of information and creative ideas for improving and revitalizing the Ankeny/Burnside area.

Portland Public Market Feasibility Study

The Portland Public Market envisions a public market of approximately 20,000 square feet, intended to be a regional attractor. It would feature fresh produce, local agricultural products, and prepared foods sold by a variety of vendors, including an additional outdoor seasonal farmer's market. The market could also incorporate other complementary uses, such as office space, specialty retail, or institutional uses such as a cooking school or culinary museum.

After an intensive study involving stakeholder and public input and market analysis, two sites were selected that fit the market development team's criteria; the site of the Old Post Office, located at 511 NW Broadway, and Fire Station #1, located at 55 SW Ash Street, adjacent to Skidmore Fountain. Fire Station #1 was the preferred public market site. The cancellation of Fire Station #1's move put the future of the public market in flux. The public market's investors are looking now at a variety of alternate sites.

Portland Saturday Market Permanent Home Study

The Portland Saturday Market has been operating at its current location in Ankeny Plaza at First Avenue and West Burnside Street for the last 20 years. Centered on the historic Skidmore Fountain, adjacent to Waterfront Park, and sheltered underneath the Burnside Bridge, Saturday Market has grown into an internationally-recognized Portland landmark.

Currently the Portland Saturday Market exists on a patchwork of short-term leases that offer little long-term certainty for its vendors. This instability has deterred capital investment and improvements to the site. Lack of activity on the site during weekdays reinforces adverse social conditions in the neighborhood and imposes the additional burden of regular cleaning of the site before Market use. Additionally, the Downtown Waterfront Development Opportunities Study recommended that the surface lot adjacent to the Skidmore Fountain Building (occupied by the Market on weekends) be redeveloped into mixed-use retail, restaurant, and housing.

The Portland Saturday Market Permanent Home Study examined options for a permanent location (i.e. a twenty-year lease, at a minimum) and improved infrastructure for the Portland Saturday Market, intending to provide for a viable and vibrant Saturday Market into the future. The study identified a variety of possible relocation opportunities, including the current relocation and reconfiguration plan that is the preferred alternative for the future of the Saturday Market. This scenario envisions a Market occupying Ankeny Plaza, stretching across Naito Parkway into Waterfront Park. This configuration could also serve as an anchor and focal point for the Ankeny/Burnside area.

Little Italy Portland

The Little Italy Portland concept plan was submitted to the PDC for review in 2006. The proposal calls for the recreation of an Italian District, with a mixed-use area to include retail, restaurants, residential space and a community educational and cultural center in the historic core of Portland's

downtown. The concept includes food, shopping, Italian education and a cultural center, along with program space for traditional festivals. Little Italy Portland is intended to reinforce and complement the other cultural attractions in the area, including Chinatown, the Japanese Nikkei Center, and the Oregon Jewish Museum.

University of Oregon

The University of Oregon recently signed an 18-year lease to occupy space in three historic buildings on Block 9, just north of the Burnside Bridge. The University will be expanding its graduate architecture, journalism, and law programs into the buildings, which are undergoing substantial renovation. Scheduled to be complete by January 2008, the University's Portland Campus will occupy the White Stag Building, the ground floor of the Skidmore Building, and additional space on the ground floor of the Bickel Block. The complex will include classrooms, event space, galleries, journalism and architecture libraries, computer facilities, a bookstore and cafe, and administrative offices.

With the restoration of three historic buildings, this project will provide an anchoring presence in the heart of the District and a source of activity and energy in the area.

Mercy Corps

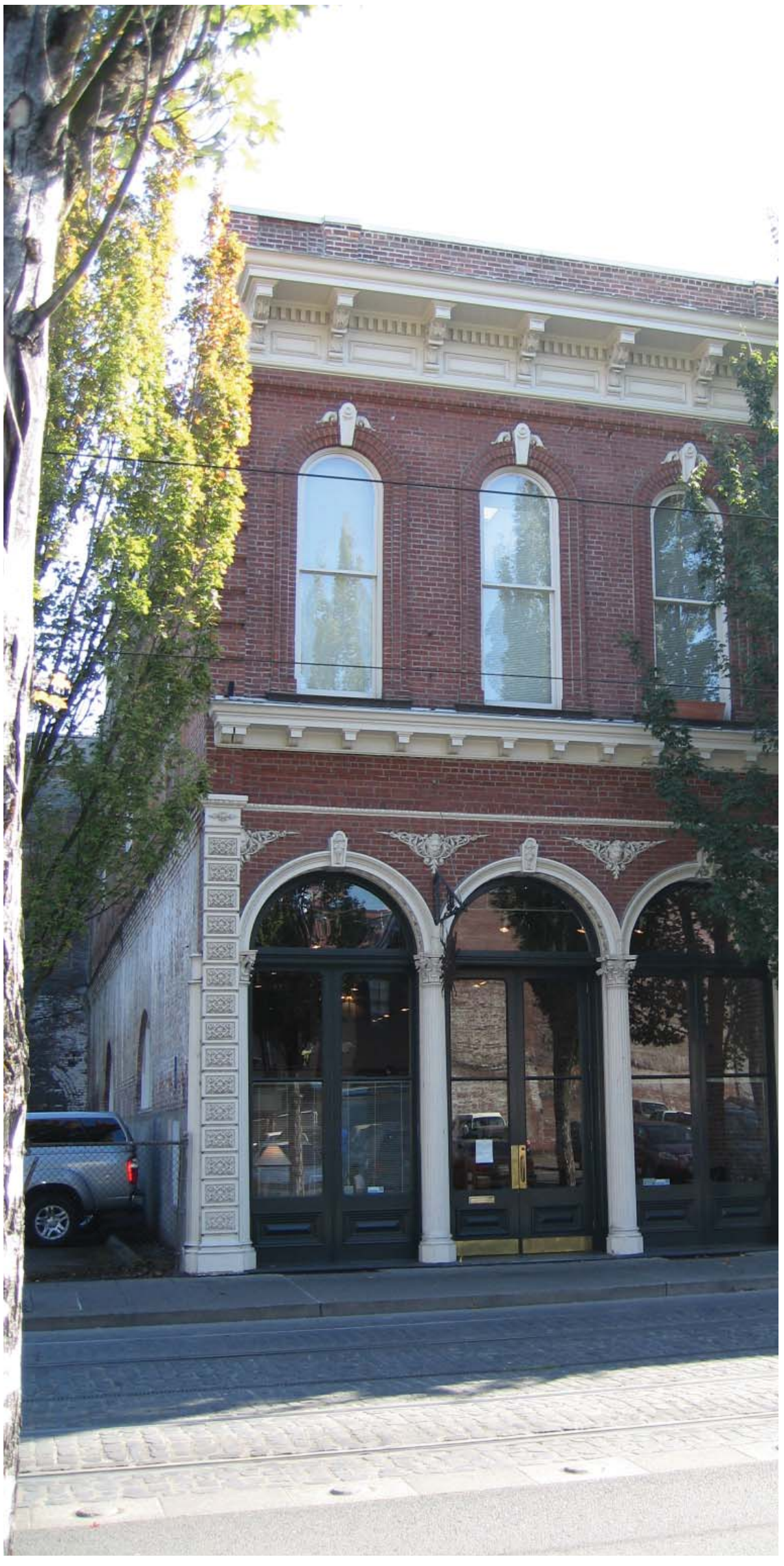
Mercy Corps is an international humanitarian aid and economic development agency. Based in Portland, Mercy Corps is wishing to consolidate its operations in the Central City. Currently, Mercy Corps wants to purchase or construct a 70,000-75,000 square foot facility. This facility will serve as administrative offices for Mercy Corps' 144 employees and house the Mercy Corps Northwest Office's microenterprise functions. Five thousand square feet of the facility will serve as a World Hunger Action Center. This museum, intended to provide interactive displays and exhibits, will be dedicated to educating and engaging the public in the causes of and solutions for world hunger and poverty.

Mercy Corps is undertaking a sizable capital campaign to help fund the redevelopment of Block 10 for the consolidation of its world headquarters. Mercy Corps is working with the PDC to determine how best to develop Block 10 and is exploring how to approach the need for new construction, including a potential underground parking structure.

Mercy Corps, in conjunction with the University of Oregon, may create a strong node of activity within the District, activating Ankeny Plaza and providing a catalyst for revitalization.

Reuse of Historic Cast Iron

A large amount of the original cast iron used in the construction of Portland's historic commercial center was salvaged and saved during the demolition of historic buildings in the mid-twentieth century. This collection of cast-iron facades is now owned by the PDC and maintained and stored by the Bosco-Milligan Foundation. Several full facades have been preserved, as have a number of smaller, decorative pieces. Preservationists and cast iron advocates have put forth proposals to reuse this cast iron as part of an overall effort to restore and revitalize the District. This could be accomplished by reusing the cast iron in new infill construction, or in streetscape elements such as colonnades. Knitting together the District with this collection could be a key ingredient for revitalization in the area.



APPENDIX E

REVITALIZING HISTORIC DISTRICTS: CASE STUDIES

MOORE IACOFANO GOLTSMAN, INC.

WHAT MAKES A SUCCESSFUL HISTORIC DISTRICT? How is such a district defined, and what are the economic, legal, social, and aesthetic factors that shape its current form and future potential? How is "revitalization" in historic districts best managed – allowed sufficient freedom to encourage investment and vitality, but sufficiently regulated to prevent the destruction of the very heritage and built fabric that encouraged redevelopment?

Answers to these questions, critical to establishing a framework for the redevelopment of the Skidmore/Old Town Historic District, were generated through an analysis of five historic districts in the United States and Canada. Gastown and Yaletown in Vancouver, British Columbia, Seattle's Pioneer Square, San Francisco's Jackson Square and the Vieux Carre (French Quarter) in New Orleans were studied and compared to discern what contributes to the success - and failure - of historic districts today.

Six traits appeared to most contribute to successful revitalization:

- The presence of an original, contiguous built fabric;
- A strong regulatory body to prevent the destruction of historic structures, and to encourage new construction that is sympathetic to existing styles, dimensions and construction materials;
- A vibrant mix of uses to encourage a varied audience and diversity of use patterns;
- Multi-modal access;
- Market-driven restoration and rehabilitation investment; and
- Leadership and participation by political players and community members alike.

Streetscape and historic facades in Gastown.

The unique architecture of Gastown.

New construction adjacent to old in Gastown.

Gastown (Vancouver, BC)

Gastown occupies 30 square blocks of the northeastern section of Vancouver's downtown peninsula, just south of Burrard Inlet. As the only confluence point for trans-Pacific ship traffic and the Canadian Pacific Railway, Gastown was nineteenth-century Canada's westernmost international hub – and the birthplace of the City of Vancouver.

Gastown features an extensive collection of Late Victorian and Edwardian commercial architecture, the majority of which ranges from two to four stories in height. The district suffered from a decline typical to that of many inner-city early industrial areas in the 1930s, remaining a "skid row" until the early 1960s. However, this decline, and the resulting obscurity of the district, has been credited as a factor in saving many historic structures from destructive redevelopment in this era. Today, alternating building heights in the area gives the district a "sawtooth profile," which has been identified as one of its primary defining features.

In the mid-1960s, a team of local and international companies put forth "Project 200," which called for the demolition of Gastown and the construction of 36 high-rises in its place, as well as demolition of a portion of Chinatown. In response, Vancouver's Community Arts Council initiated walking tours of Gastown, which attracted hundreds of participants and began the process of encouraging public and private entities to restore and revitalize the district through more heritage-conscious means.

By 1971, Gastown was designated a Heritage District by the Province of British Columbia. Extensive street beautification efforts were put forth by public entities and local business owners, including the rehabilitation of Maple Tree Square. By 1974, zoning guidelines were established for the district, and an Historic Area Advisory Board had been appointed to monitor architectural changes. Retail uses became established at ground-level, and offices and residential uses began to move into upper stories.

In the first decade of the establishment of this district, office, retail, and small-scale residential developments were largely driven by market conditions. Public investments were available, but mainly limited to historic rehabilitation funding and street improvements.

Due to economic changes in the 1980s, however, viable development appeared to require additional density, prompting the creation of policies more amenable to development, including density bonuses and the relaxation of development restrictions. Several one to two-story additions were added to historic structures, and a variety of new construction was allowed. While some of this development was considered to be in keeping with the historic character of the area, Vancouver residents began to feel that the historic character of the

district was being eroded. This led to the adoption of the Gastown Heritage Management Plan in 2002.

The Gastown Heritage Management Plan establishes a new set of guidelines for developers and regulators to manage the district's built heritage. This plan provides design guidelines and policies to preserve and enhance the historic district, and sets forth incentives to preserve historic structures. Additionally, the plan puts in place a rigorous oversight program for the City of Vancouver to ensure the impact on the existing stock of low-income SRO housing is closely monitored.

Publicly-funded developer incentives remain to encourage rehabilitation, including façade improvement funding, property tax relief, and bonus density awards. In addition, in limited circumstances, developers are able to "purchase" additional density and height by providing public amenities such as superior landscaping, rehabilitation and preservation of historic structures, pedestrian improvements, or other benefits to the public realm.

Today, 90% of Gastown's historic structures have been rehabilitated and a vibrant street life exists. While there is limited public transit to Gastown, a considerable amount of parking exists and the district is very walkable. The revitalization of the district has led to an increase in tourism, which is a significant factor contributing to street life in the area, requiring additional supporting retail and restaurants. Office space also contributes to a diversity of use patterns in the district, and the number of residential units is increasing incrementally.

While there is limited public transit to Gastown, a considerable amount of parking exists and the district is very walkable. Publicly-funded developer incentives remain to encourage rehabilitation, and new construction is monitored by the Historic Area Planning Committee using standards and guidelines laid forth in the Gastown Heritage Management Plan.

Gastown can be characterized as a "successful" revitalization project due to the vibrancy of its streets, the result of mixed-use development that responded incrementally to long-term, real-market needs. Gastown is also an historic success, with development incentives regulated by a strong review board, which protects the existing, contiguous built fabric. These efforts, as well as their success, are grounded in a citizen and civic commitment to both economic vitality and appropriate preservation.

Specific factors contributing to preservation-appropriate revitalization in Gastown include:

- A contiguous built fabric stretching across 30 square blocks, featuring Late Victorian and Edwardian structures with a distinctive two to four story "sawtooth" pattern;
- Developer incentives encouraging private preservation efforts, such as bonus density awards, façade retention grants, and property tax relief;
- In limited circumstances, additional density and height is allowed in exchange for providing public amenities;
- Design changes monitored by a district-specific design review board entitled the Heritage Area Planning Committee;
- A mix of commercial and residential venues, creating a diversity of use patterns;
- Adequate provision of parking for visitors and residents; and
- A walkable pedestrian-oriented environment.

Sidewalk seating, contributing to an active street life, in Gastown.

The tall towers of Concord Pacific Place, the modern catalyst for successful redevelopment of historic Yaletown.

Yaletown after redevelopment, with rehabilitated warehouses and a pedestrian scale.

The old versus the new in Yaletown.

Yaletown (Vancouver, BC)

Yaletown occupies approximately 16 square blocks of the southeastern section of Vancouver's downtown peninsula, northwest of Concord Pacific Place and False Creek. With a warehouse and rail-related heritage and building stock, Yaletown's recent redevelopment is akin to that of Portland's Pearl District or San Francisco's SOMA.

Although it bustled with industrial activity for almost ninety years, Yaletown experienced a measurable decline in use by the 1970s, as road-based shipping required warehousing and distribution centers to relocate out of the downtown urban core. With an eye on redevelopment, the City of Vancouver purchased the land southeast of historic Yaletown. This area hosted the 1986 Worlds' Fair. After the Fair, the empty waterfront land was marketed to the private industry for redevelopment. This area became Concord Pacific Place.

With considerable public involvement in the creation of development policies for Concord Pacific Place, a residential and recreational node emerged that had substantial public open space, public access to the waterfront, and the restoration of a former Canadian Pacific Roundhouse (the only remaining historic structure in the Concord Pacific Place parcel) as a community arts and recreation center. These public amenities were constructed and paid for by the private market; in exchange, sizeable residential towers were allowed to be constructed to make development profitable.

While the vacant parcels of Concord Pacific Place were densely constructed by the mid-1990s, Yaletown – featuring masonry and timber warehouse structures nestled within narrow streets – was not experiencing growth. In 1997, the City created a district plan to help Yaletown achieve its potential. The stated intent of this plan was to "encourage the conversion and renovation of existing warehouse buildings and the construction of compatible new buildings to produce a more contemporary mix" of uses. Design standards and guidelines were also established by this plan.

Since rezoning, and with the assistance of developer-oriented guidelines and financial assistance, Yaletown has emerged as an entertainment, office and residential district. Within approximately sixteen square blocks, it features 10,000 residents and 900 businesses; retail and office space have near-zero vacancy rates, and the district contributes $6.7 million per year to the City in property taxes, with the second-highest assessed value of the Business Improvement Association districts in the City. Given its high residential and commercial use patterns, parking is very limited and several streets are closed to vehicular traffic. However, pedestrian access is viable.

Some critics feel the historic character of the district has been overpowered by new construction and

infill. In many cases, the infill visually references the history of this former industrial zone, but does not actually preserve the existing structures. One market study notes that while 62% of the district's structures were built prior to 1946, only 15% of Yaletown's structures were "effectively" built prior to 1946 given recent restoration and rehabilitation efforts. Such construction patterns should somewhat be expected, however, given the City's stated redevelopment mission and its conscious decision to not establish a district-specific review board (see "Gastown").

The strong occupancy rates, vibrant street life, and transformation of Yaletown point to the potential of new development to encourage revitalization. However, significant alterations to historic properties have occurred in this district, and property values have risen to the point that housing is out of reach for many. Yaletown is an instructive example of how to create economic life in former "dead zones." However, it shows how revitalization may lead to a degradation of the character of historic districts and a loss off affordability if the process is not carefully managed.

Specific factors contributing to revitalization in Yaletown include:

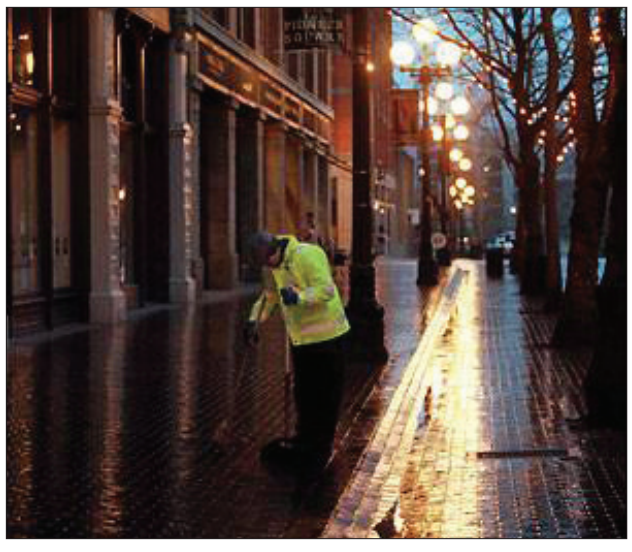
- Successful private investment in the Concord Pacific Place parcels, featuring high-density residential, public waterfront access and public recreation facilities;
- Publicly-funded developer incentives in Yaletown – designed to build upon the private successes at adjacent Concord Pacific Place – including bonus density awards, façade retention grants, and property tax relief;
- Design review of architectural changes by the Heritage Commission;
- An original built fabric with many "missing teeth," allowing for more extensive infill than in neighborhoods in which preservation of significant heritage features or a highly contiguous original built fabric is key; and
- A pedestrian-friendly environment.

Massing in Yaletown today.

Modern conversion of warehouses in Yaletown.

Yaletown rehabilitation, akin to that of Portland's Pearl District or San Francisco's SOMA.

Streetscape features in Pioneer Square.



"Clean and Safe" initiatives have been ongoing in Pioneer Square since the 1980s.

Pioneer Square's architecture is notably historic.

Pioneer Square (Seattle, WA)

Pioneer Square is Seattle's oldest neighborhood, spanning a 24-block area adjacent to the city's downtown and the Puget Sound waterfront. Pioneer Square was Seattle's first National Register Historic District, designated in 1970. It currently serves as an entertainment, arts, and tourism quarter.

Thriving in the late nineteenth century, Pioneer Square gained a reputation as a skid row by the 1950s and 1960s due to its deteriorating structures, vacancy rates, and extensive collection of bars, taverns, and adult entertainment venues. Demolition of the district began in 1961 with the tear-down of the Seattle Hotel; this trend was halted through early community activism and private investment, as well as legal protections created by the burgeoning United States national historic preservation movement.

A combination of "clean and safe," affordable housing, and preservation incentive programs; streetscape/park improvements; market-driven investment in the restoration and rehabilitation of the district's historic structures; strong regulatory oversight; and community activism has halted much of the physical decline of Pioneer Square.

Ninety-eight percent of Pioneer Square's historic structures have been restored or rehabilitated since redevelopment initiatives began in the 1980s. A growing economy and subsequent changes in property ownership have stimulated additional private investment in the district's buildings, again regulated through the City's preservation ordinances.

As a whole, the district serves a varied market: 70% of structures are devoted to entertainment or recreation purposes, 15% to office space, 10% to retail, and 5% to residential. Although Pioneer Square is an "incubator" for tech and business ventures, it has a 24-hour street life. The district boasts the lowest vacancy rates in the city.

Specific factors contributing to preservation-appropriate revitalization in Pioneer Square include:

- A contiguous original built fabric with contributing, Victorian Romanesque structures and streetscape features;
- A strong, citizen-based review board entitled the Pioneer Square Preservation Board, which examines proposed exterior alterations for their compliance with design and use guidelines;
- A varied mix of uses, including entertainment/recreation, office, retail and residential;
- Multi-modal transportation access;
- Market-driven investment in the rehabilitation/restoration of historic structures;
- Privately-led, grassroots community activism on behalf of preservation; and
- Publicly-supported incentives for clean and safe initiatives, preservation and affordable housing.

Jackson Square (San Francisco, CA)

Jackson Square occupies approximately 17 square blocks near the northeast waterfront in San Francisco, directly north of city's financial district, adjacent to Chinatown. Stocked with masonry commercial structures dating to the 1850s and 1860s; Italianate, cast-iron fronted commercial buildings from the late nineteenth century; and a collection of modern structures, Jackson Square is one of the only districts in the city to largely survive the 1906 earthquake and fire.

Jackson Square was placed on the National Register in 1971, the first National Register Historic District in San Francisco. Today, it houses a mix of uses, including offices and warehouses, galleries and antique stores, restaurants and cafes, and residential units such as live/work lofts. Over 90% of its historic structures have been rehabilitated since redevelopment began in earnest in the 1980s. New additions to the public realm include the construction of Levi Plaza, Walton Park and Osgood Place, enhancing public access to the waterfront.

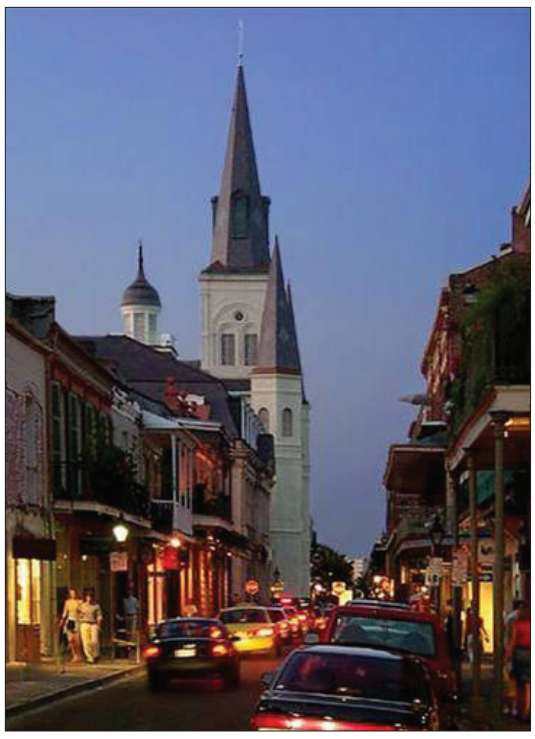
Redevelopment in the 1980s and 1990s filled many of the district's "missing teeth," and helped finance the restoration of Jackson Square's historic buildings through an increase in the tax base. Active community groups have monitored and participated in the ongoing preservation of Jackson Square, including the Friends of Nob Hill and the San Francisco Historical Society. Design guidelines that strictly regulate building profiles and construction materials have encouraged the construction of modern structures that complement the district's historic fabric.

Specific factors contributing to preservation-appropriate revitalization in Jackson Square include:

- Complementary modern infill of "missing teeth," regulated through design guidelines that are particular to the district and a review of proposed exterior changes by the Department of City Planning, with advisement from the Landmarks Preservation Advisory Board;
- A mix of business, commercial, residential and open space, with easy public access to the waterfront;
- A pedestrian-oriented environment, with low-volume vehicular streets and multiple modes of transit nearby;
- Market-driven investment, with a large corporate anchor (Levi, Inc.), numerous start-up and high-tech-owned units, and the recent construction of 300 residential units; and
- Strong community and public leadership in support of the district's preservation – Jackson Square was the first National Register District established in San Francisco, in 1971.

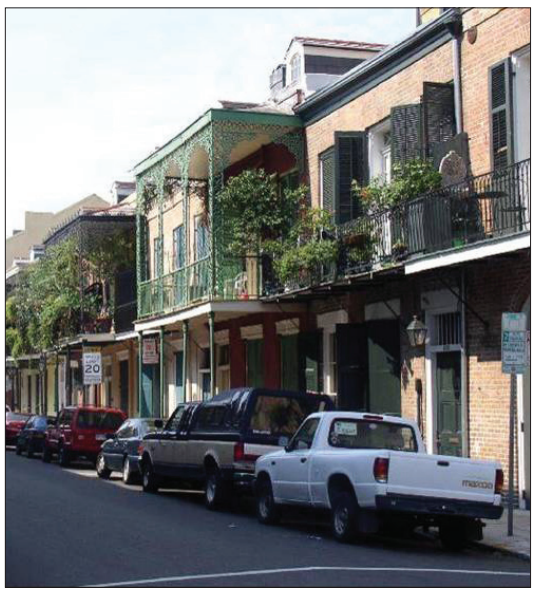
Italianate buildings in Jackson Square, San Francisco.

Historic warehouses and adjacent modern construction in Jackson Square, San Francisco.



Scale and massing in New Orleans' French Quarter.

Vieux Carre architecture.



Second-story balconies in the French Quarter create a unique visual and physical dynamic for pedestrians.

Vieux Carre (New Orleans, LA)

The French Quarter, an 85-block district of French and Spanish architecture adjacent to the Mississippi River, lies at the heart of New Orleans. Its international reputation for authenticity and beauty, as well as its contiguous built fabric, can be traced to the early efforts of city preservationists.

New Orleans preservationists were active as early as the 1890s, demonstrating opposition to the demolition of the Royal Hotel, successfully opposing the proposed demolition of the Cabildo, and passing the nation's first preservation ordinance in 1924. Citizen action spurred the creation of the Vieux Carre Commission in 1936, the first preservation-minded regulatory review board in the United States. While this Commission's impact has had varied results in the decades since its establishment, it still governs the district today.

The French Quarter suffered in the post-WWII years when a decade-long deluge of tourists increased property owners' interest in redevelopment. The official boundaries of the Vieux Carre were adjusted to allow for new construction, existing structures were neglected to the point of total deterioration in an attempt to force redevelopment, and the French Quarter regained its notorious red-light reputation.

In 1958, the Commission approved of the construction of an elevated freeway through the southern edge of the Quarter. In response, the public called for the Commission to renew its dedication to the Vieux Carre's heritage. With public support for preservation, the Vieux Carre became the first National Landmark District in the United States in 1965. With passage of the National Historic Preservation Act in 1966, federal funds for roadwork became unavailable due to adverse affect clauses. The project was cancelled in 1969.

Guidelines for exterior design work, as well as a rating system for historic structures, were formalized in the 1970s, imbuing the Commission with more regulatory strength. While dominated by tourism-related entertainment and retail uses, office space does exist, and the northern and eastern edges of the French Quarter are heavily residential. The nation's oldest operating public market, the French Market, is housed at the southeastern edge of the Vieux Carre.

Specific factors contributing to preservation-appropriate revitalization in the Vieux Carre include:

- A highly contiguous built fabric, with initial preservation efforts dating to the 1890s;
- Market-driven investment grounded in a strong, stable tourism industry;
- A pedestrian-oriented environment with easy public access to the waterfront, low-volume vehicular streets and multiple modes of transit nearby;

- Strong, district-specific regulatory design guidelines;
- Strong community and public leadership in support of the district's preservation, including non-profit preservation groups and governmental bodies such as the Vieux Carre Commission

Conclusion

Analysis of historic districts in the United States and Canada generated a list of traits which can contribute to successful revitalization. These traits should be considered when crafting a framework for redevelopment of the Skidmore/Old Town Historic District.

This analysis can be summarized, with comparison to the existing conditions of the Ankeny/Burnside area, as seen in the chart below.

	Vancouver Gastown	Vancouver Yaletown	Seattle P. Square	New Orleans	San Francisco	**Ankeny/ Burnside**
Strong Regulatory Body	+	+	+	+	+	+
Contiguous Built Fabric	+	O	+	+	–	–
Enhanced District Identity	+	+	+	+	+	O
Vibrant Mix of Uses	+	+	+	–	+	–
Multi-Modal Access	–	O	+	O	+	+
Market Driven Investment	O	+	+	O	+	–
Leadership & Participation	+	+	+	+	+	+

List of Resources

Gastown:

Gastown, Chinatown, Hastings Street Heritage Incentives:
This page contains a wealth of information regarding the City of Vancouver's efforts in Gastown and includes links to the following:
http://vancouver.ca/commsvcs/planning/heritage/incentives.htm

Gastown Façade Retention Program:
(Storefront Improvement Program)
http://vancouver.ca/commsvcs/guidelines/H010.pdf

Gastown Rehabilitation Programs, Policies and Procedures:
(Tax incentives and bonus density guidelines)
http://vancouver.ca/commsvcs/guidelines/H009.pdf

Gastown Heritage Management Plan consultant's report (2001):
http://vancouver.ca/commsvcs/planning/heritage/nov2001.pdf

Gastown Heritage Management Plan (2002):
http://www.vancouver.ca/ctyclerk/cclerk/020801/csb4.htm

Municipal and Provincial Heritage Conservation Program Information:
(Includes information on Gastown, Yaletown, and overall municipal and provincial programs)
http://vancouver.ca/commsvcs/planning/heritage/fact8.htm

Gastown Schedules:
(Zoning Codes and Guidelines)
Zoning: http://vancouver.ca/commsvcs/BYLAWS/zoning/ha-2.pdf
Design guidelines: http://vancouver.ca/commsvcs/guidelines/G006.pdf

Gastown Management Entity:
http://www.gastown.org/

Yaletown:

History of Yaletown:
http://www.city.vancouver.bc.ca/commsvcs/planning/heritage/walks/w_yt_in.htm

Yaletown Profile:
(Includes information on build-out, tax revenues, commercial and residential characteristics, etc.)
Commercial
http://www.bizmapbc.com/pages/commercial-profile/yaletown.php

Residential:
http://www.bizmapbc.com/pages/neighbourhood-profile/yaletown.php

Yaletown Schedules:
Zoning: http://vancouver.ca/commsvcs/BYLAWS/zoning/Ha-3.pdf

Municipal and Provincial Heritage Conservation Program Information:
(Includes information on Gastown, Yaletown, and overall municipal and provincial programs)
http://vancouver.ca/commsvcs/planning/heritage/fact8.htm

Yaletown Management Entity:
http://www.yaletowninfo.com/main/

Pioneer Square:
Historical Overview of Pioneer Square:
http://www.historicseattle.org/preservationseattle/neighborhoods/defaultsept.htm

Pioneer Square Preservation District:
(Includes links to district rules, and ordinances)
http://www.seattle.gov/neighborhoods/preservation/pioneersquare.htm

Pioneer Square District Rules:
http://www.seattle.gov/neighborhoods/preservation/draftrulesrevisions.pdf

Pioneer Square District Ordinance:
http://clerk.ci.seattle.wa.us

Pioneer Square Neighborhood Plan (1998):
http://www.cityofseattle.net/neighborhoods/npi/plans/psquare/

Pioneer Square Management Entity:
http://www.pioneersquare.org/

Jackson Square:
City of San Francisco Downtown Area Plan
(Includes Jackson Square Historic District, as well as a variety of streetscape, urban design, and building design guidelines):
http://www.sfgov.org/site/planning_index.asp?id=25045
Overview of Historic Preservation Guidelines for the City of San Francisco
http://www.ci.sf.ca.us/site/planning_index.asp?id=24996

Note: The city of San Francisco holds several whitepapers in its files on guidelines and incentives for the Jackson Square Historic District that are available in hard copy format only. These documents can be made available upon request by contacting Mark Luellen of the City of San Francisco Planning Department (415) 558 – 6478.

Vieux Carre:
Vieux Carre Commission:
(includes historical information, design guidelines, and the composition authority and jurisdiction of the commission)
http://www.cityofno.com/Portals/Portal59/portal.aspx

General History of Preservation and the Vieux Carre Commission:
http://www.cityofno.com/Portals/Portal59/portal.aspx?portal=59&tabid=12

Zoning/Guidelines:
http://www.cityofno.com/Portals/Portal59/portal.aspx?portal=59&tabid=26

APPENDIX F

DESIGN GUIDELINE RECOMMENDATIONS

MOORE IACOFANO GOLTSMAN, INC.

THE EXTENT AND SUCCESS OF CONTEXT-SENSITIVE DEVELOPMENT in historic districts relies largely upon the language, review process and enforcement of a city or district's design guidelines. Guidelines that are weak or lack an enforcement mechanism can allow "rehabilitation" to ignore or overpower the distinctive characteristics of an historic neighborhood. At the same time, design guidelines that are too strong or are limited in their allowances can prevent private development from even occurring.

The current design guidelines for Portland's Skidmore/Old Town Historic District were drafted in 1987. These Guidelines are founded upon the Secretary of the Interior's Standards but are notably vague, with little language specific to the District. The intent of the Guidelines' flexible language was to enable private development. However, the District's recommended floor area ratio (FAR) of 4:1 is prohibitively small, and little privately-funded development has occurred since the guidelines were adopted.

Skidmore Fountain is the focal point of the District (1895).

The District was characterized by continuous building frontage which provided enclosure for the street (1941).

Revisions to the guideline language are necessary to ensure future private development preserves the District's integrity and retains its hallmark identity. Guideline revisions will also ensure that the District, as a whole, gains sympathetic new construction and complementary improvements to the public realm.

This document – one product of an extensive analysis of the District in support of the Ankeny/Burnside Development Framework – outlines the District's most character-defining features. It also recommends revisions and additions to the existing guidelines to assist the Bureau of Planning in shaping new development and rehabilitation efforts in the Ankeny/Burnside area.

Some of the recommendations of the Development Framework are outside the purview of design guidelines. These are described in a separate section as recommendations for revisions to the zoning code.

Defining Characteristics

The elements that define the District's identity provide a strong foundation on which to base design guidelines. This section identifies the primary categories of the District's defining characteristics. The final revised guidelines, to be written by the Bureau of Planning, should fill in the detail of this outline, such as richer descriptions of the District's architectural styles, use of historic awnings and signs, surface treatments, and storefront characteristics.

As one of only two National Historic Landmarks in the City of Portland, the Skidmore/Old Town Historic District is an important element of the Central City. Given its status as an historic district, as well as the city's birthplace, the Skidmore/Old Town District has value as a whole that is greater than the sum of its parts.

It is important to recognize that the District's character is defined by its

Floors of adjacent buildings relate to each other, and create a consistent story height among the buildings (1941).

Historic buildings in the District vary in height from one to four stories (1941).

Buildings rise straight from the street with no setbacks or stepbacks.

Historic photos are courtesy of HRA, Inc. Please see Appendix A for specific citations.

history and, as such, is set. New construction should respect, highlight or enhance the District character without attempting to replicate historic design.

The values that underpin the design guidelines for the District should place a high priority on preserving and restoring historic buildings, materials and features where they still exist, while encouraging new construction that enhances historic character by, for example, extending patterns and rhythms, while differentiating the new from the old.

Clearer articulation of the Skidmore/ Old Town Historic District's defining historic features, including the visual integrity and character of its contributing structures, and the scale, massing and relationship of all structures to the public realm, must occur if the District is to maintain its historicity as new development occurs. This section describes those elements of the District that are most distinctive; preservation of these characteristics should be a fundamental goal of the revised design guidelines.

Site Configuration and Building Location

Historically, the District was characterized by continuous building frontage from the street. The buildings were constructed to the edge of the property line on all sides, including the front, or street, side. Access was available only from the street side on each building. Vehicular access was not a consideration.

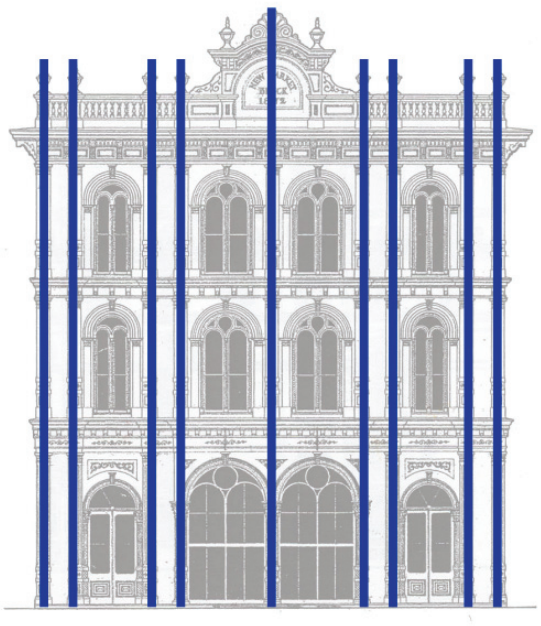
Building Scale and Massing

The historic buildings in the District vary from one to four stories, providing some differentiation in height. They have no setbacks and are built to the edge of the right of way. The buildings also have no stepbacks; they rise straight from the street to the cornice.

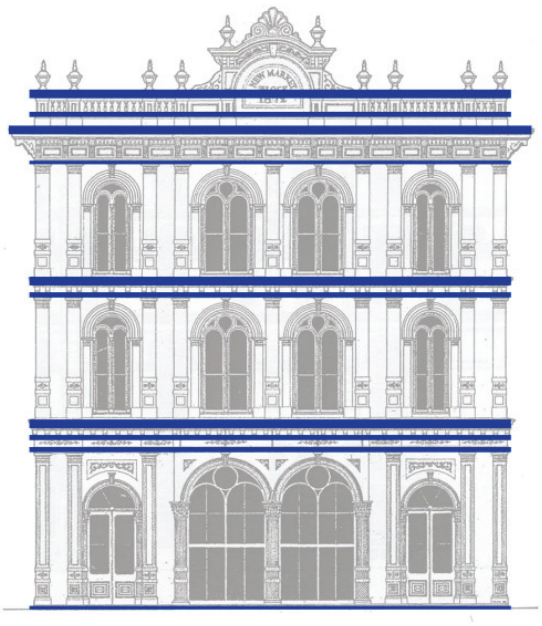
Multiple buildings per block face (usually three or four) give the District a

The ground floor is typically taller than the second and higher floors of the District's historic buildings.

Street level facades are permeable, due to large transparent windows.



Colonnades and window proportions give buildings a strong vertical orientation.



Clear delineation between floors is provided by strong horizontal lines on the building.

Historic building facades are usually symetrical, and roof cornices typically feature strong ornamentations with a prominent parapet.

Buildings connect directly to the street, and entries often feature a high degree of ornamentation.

Cast iron is a prominent feature in many of District historic structures.

fine-grained texture. Building widths range from approximately 25' - 100' or from a quarter of a block to one block. Floors of adjacent buildings are sympathetic to each other, creating a consistency of the story height among the buildings.

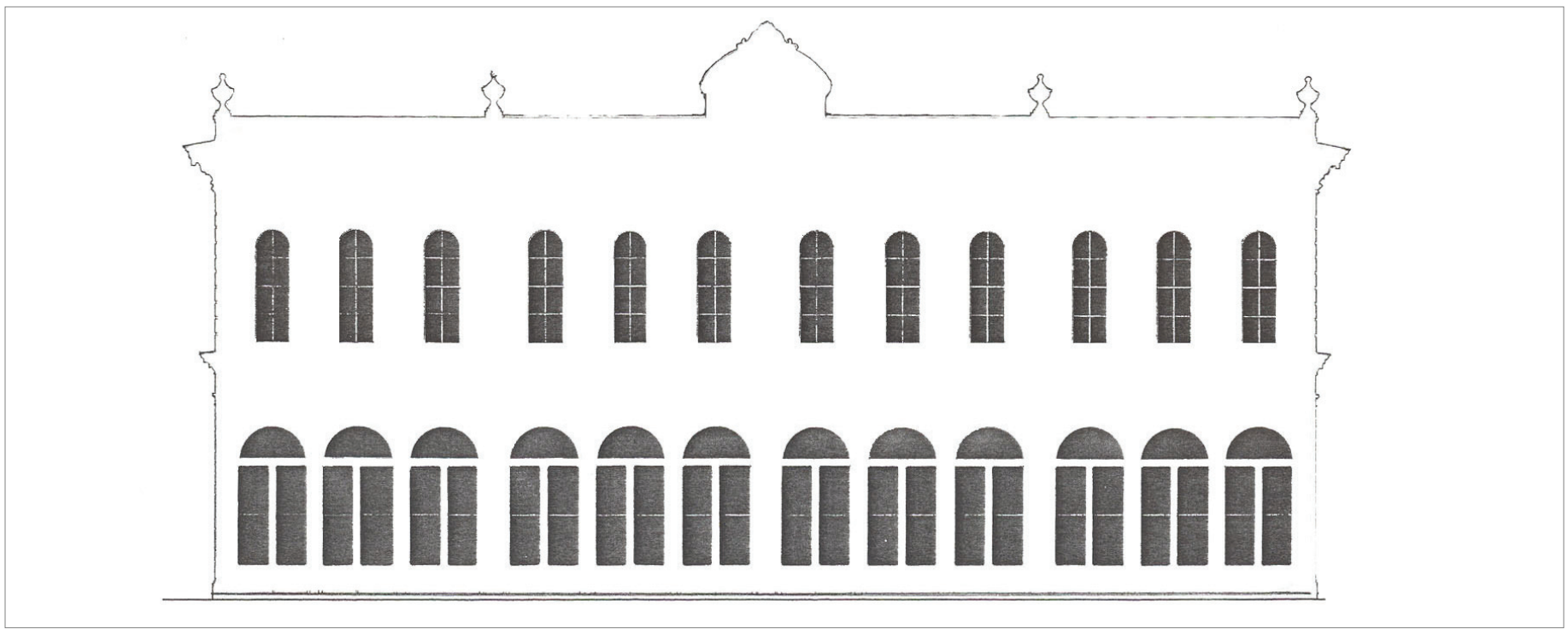
Building Character/ Edge Articulation

Many buildings in the District were constructed in a grand scale to make a bold statement. Others are more demure, creating a cohesive yet diverse visual background for daily activity. Every building contributes in terms of its proportion and sense of detail to create a consistent frontage.

The building proportions are generally wider than tall with strong horizontal roof lines, although the New Market Theater building is an exception to this generalization.

Buildings are characterized by strong vertical elements illustrated with colonnades and the vertical orientation of the windows. These complement and contrast with the horizontal lines created by the clear visual delineation between the floors. The ground floor is generally somewhat taller than the others, typically 18'- 20', while the remaining floors are of the same height, typically 16-18'.

The building facades are usually symmetrical, highlighted by rhythmic fenestrations. Buildings located on corners exhibit a clear difference between the primary and secondary facades, with the main entrance and richer detail on the primary facade. There is strong ornamentation on first floor, with less ornamentation on the second and subsequent floors. There are strong, rhythmic fenestration patterns with balanced ratios of wall to window surface on the upper levels. Strong ornamentation is evident on the roof cornice. A parapet (usually containing



The first floor of historic buildings have larger windows than upper floors.

the date and building name) is often located at the center of the roofline. Many original cornices have been lost or replaced.

The first floor is the place of public-private interface. The historic building design made a strong effort to connect to the street with multiple entries on each block face, and often for each building. Entries are oriented directly to the sidewalk. The ground level facade has a high level of detail and ornamentation. This facade is dominated by windows and glass, resulting in a surface at street level that is visually transparent and permeable.

Building Materials, Architectural Style and Construction Methods

The historic buildings are constructed primarily in two ways: cast iron and wood, with wood construction above, or brick masonry construction. All buildings, both masonry and wood, contain a large proportion of glass in the form of windows. Most of the buildings' color is inherent in the materials and there is little or no applied ornamentation, except the cast iron.

The structures were constructed in a variety of architectural styles. However, the District is predominately Italianate with some variations, such as Italianate-Sullivanesque and Victorian-Italianate, Richardsonian Romanesque, and early 20th century Commercial and Utilitarian styles. The construction methods and use of materials reflected the structural innovations of the times. For example, cast iron was used as a structural element to span large doorways.

There is a great level of detail within 10 – 12" of the facade's first floor frontage, providing a key visual quality to engage the pedestrian. The greatest sense of detail is evident at ground floor; upper stories have less detail. The recessed fenestration provides rich detail on the facade and creates an interplay of light and shadow.

Building and Land Uses

Historically, this District had a variety of industrial and commercial uses, serving as the hub of commerce for the city. There was a mix of some permanent housing with rooming houses and hotels.

Urban Setting/Fabric

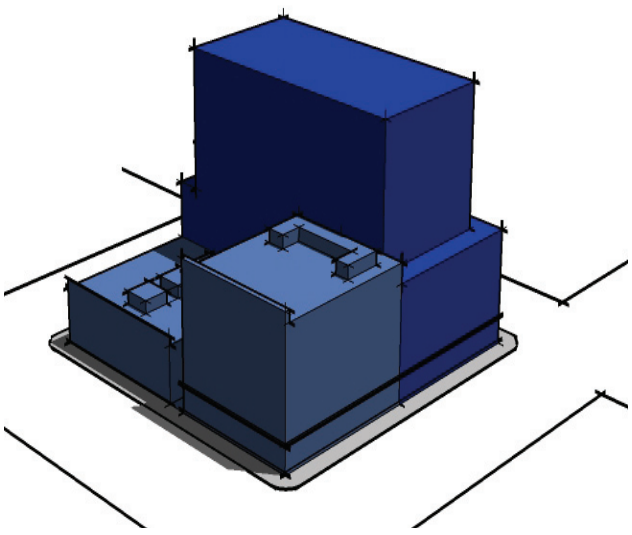
The District is located where the Portland and Couch's Addition street plats meet, creating an offset in the street grid of about 20 degrees. This offset created a number of odd parcel shapes and surplus space in some rights of way. Historically, there were few if any vacant lots, providing continuously developed block faces throughout the District. The right of way provided the primary open space, in concert with Ankeny Plaza – the focal point of the District and site of the 1888 Skidmore Fountain. Buildings provided a sense of enclosure to the street, with a ratio of building height to street width ranging from 1:1 to 2:1.

The area around Skidmore Fountain was the "heart" of the District. The roadway was shared by pedestrians and vehicles (originally non-motorized). The original dirt and gravel streets, were paved with basalt cobblestones beginning in the 1870s. The full width of Front, 1st and 2nd streets, and portions of Oak, Pine, Couch and Davis were paved with cobblestones; other streets were "macadamized" with rolled gravel and oil. The streets were eventually paved over with asphalt.

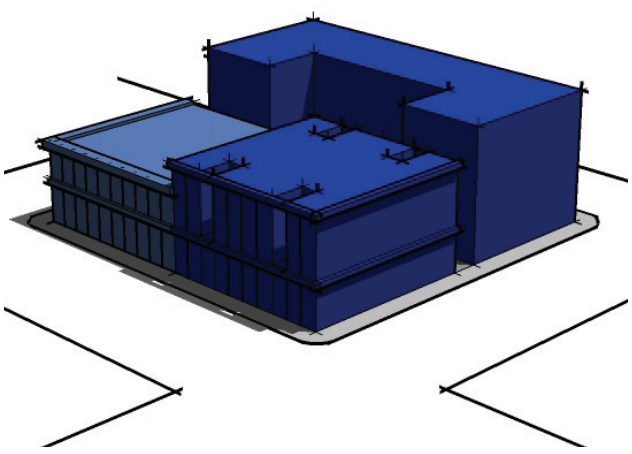
Sidewalks, originally constructed of wood, were replaced with concrete at the turn of the century and were continuous on every block. There was little landscaping in the District other than potted trees and balcony planters. Street trees were not introduced into the District until the 1960s. Street lights, originally gas and later electric, were installed on telephone poles and on standards mid-block.

Recommended Zoning Code Revisions

Successful implementation of the Ankeny/Burnside Development Framework will need consideration



Building height on identified opportunity sites in the district may exceed 75', but should step back by at least 15' between 40' and 75' from ground level.



Internal light wells should be used when new construction abuts existing structures at the lot line to allow light to reach the interior of the buildings.

Additional stories on historic structures that comply with the proposed height and FAR revisions can stimulate new housing opportunities while maintaining the District's historic character.

of revisions to the City's zoning code. Changes to requirements for height will create economic incentives for redevelopment while stepback and floor height changes will help ensure compatibility with the District's character. Below are recommendations for zoning code revisions within the District.

A. Building Height

Building height in the District shall not exceed 75' except for edge opportunity sites as identified in the Ankeny/Burnside Development Framework.

B. Stepbacks

For buildings over 75' in height, stepbacks must occur between 40'-75' from ground level. Minimum stepback from a building facade should be 15'.

C. Floor Height

Height of first floor should be approximately 15-20'; second and higher floors should be no less than 12'.

Recommended Guideline Revisions

General Language/Terminology

The words and terms used in the guidelines need to be carefully considered and applied consistently throughout the document. Specifically, the terms "shall" and "should" have different ramifications for, and interpretations by the public. These terms need to be defined in the document and applied carefully to ensure the desired outcomes.

Ambiguous or general language should be clarified and amplified with visual images to provide more specific direction to the user. Examples of language that should receive this treatment include: "compatible use," "distinguishing qualities," "sensitive treatment of distinctive stylistic features," "significance of changes to buildings and environments," "recognition and respect of such changes," and "inconsistent alterations."

A terminology section should be included in the document to assist those who are unaccustomed to architectural, preservation or planning terms.

Document Organization

The existing guidelines, adopted in 1987, provide direction for alterations to historic buildings and new construction. Since their adoption, the city has developed a standard organization for design guidelines that better reflects the components of a district that design guidelines should address. To provide consistency with other district guidelines and a more user-friendly document, the design guidelines for Skidmore/Old Town should be re-organized into the following sections:

1. Skidmore/Old Town Character Guidelines
2. Pedestrian Emphasis Guidelines

3. Project Design Guidelines, for
   - Alterations and Additions to Historic Landmarks, Potential Landmarks and Other Compatible Buildings, and
   - New Construction

Each section should begin with an introduction that outlines the goals and objectives for that section and ties them back to the District's defining characteristics. In addition, each guideline should contain:

- A background section that explains the desired characteristics and intent of the guideline;
- A guideline statement that clearly describes desired outcomes of the guideline; and
- Examples in text and images (drawings and photos) of how the guideline may be accomplished.

For example, one characteristic of the historic buildings in the District is the proportion of glass to opaque building materials on the first-level facades. The guideline for use of glass at street level in new construction should provide background information that describes the proportion of glass to solids in District historic buildings, a statement indicating the minimum proportion of glass required for the street level facades, and examples in text and image of how the guideline could be implemented. The images should illustrate a variety of street-level façade treatments in new construction that meet the guideline. The examples may not be from Portland, but should be deemed feasible.

Summary of Revisions by Section

Skidmore/Old Town Character Guidelines

This section should encompass and expand upon the "General Considerations" section of the existing guidelines. Where possible, guidelines in this section should be tied to specific District-defining characteristics outlined in earlier in this document.

Introduction to the Section

The introduction should highlight the essential character-defining elements of the District and how those elements can be reinforced through new construction and rehabilitation.

Additions and Revisions to the Existing Guidelines

This section should attempt to bring the existing Skidmore/Old Town guidelines more in line with the Secretary for the Interior's Standards for the Treatment of Historic Properties (SSI) by updating its wording and order. In addition, Guidelines G, H, and I should be moved to, or reiterated within, the section on Project Design Guidelines as they apply specifically to additions, alterations and new construction.

Pedestrian Emphasis Guidelines

Introduction to the Section

The introduction should highlight the special characteristics and features of the pedestrian environment in the District, and how guidelines can preserve and strengthen those characteristics. In addition, the introduction should make the point that the guidelines are intended to strengthen the District's appeal and safety for pedestrians while reinforcing the District's identity and maintaining its integrity. Specific elements that the guidelines seek to enhance include safety (both real and perceived), comfort (protection from the elements, places to sit), detail and interest, direction and wayfinding, and a memorable experience that speaks to the historic character.

Additions and Revisions to the Existing Guidelines

Guidelines should address the elements of the public and private realms that influence how the District is experienced by the pedestrian and help achieve the goals described in the introduction.

Guidelines for the Public Realm

The following elements of the public realm should be addressed in the guidelines. Since historic guidelines do not currently apply to the right-of-way, these could either be advisory, or recommended for code revisions.

A. Roadways

Discuss the appropriateness and design of shared roadways for vehicles and pedestrians, and identify streets that should be considered for this treatment.

B. On-street parking

Encourage the retention of on-street parking. Identify alternative solutions (such as angled parking) and locations where these solutions may be appropriate.

C. Lighting

Specify the type, location and lumens of pedestrian-scale street lighting and lighting that can adequately illuminate vehicular pathways.

D. Landscaping

Address the location, placement and type of street trees, and other landscaping materials in the right-of-way.

E. Sustainable/Green Design

Specify the types of sustainable design treatments that are compatible with or convey the spirit of the historic character or integrity of the District's public realm

F. Pedestrian pathways

Address sidewalk design and materials; sidewalk width, and clear zones and furnishing zones if recommendations differ from existing city standards.

G. Universal design

Provide direction to incorporate universal design into all aspects of public right-of-way design. Some historic streetscape improvements may require modification to improve accessibility.

H. Wayfinding and Signage

Historic and wayfinding markers should be incorporated into the District. These should provide direction for pedestrians and drivers, highlight areas of special interest, and should highlight the places and people that are key to the District's history. Historic markers should supplement the pedestrian wayfinding signs planned for the area.

I. Use of Cast Iron

Discuss the use of cast iron remnants in the public realm, particularly, when such use is appropriate. Also discuss the use of cast iron remnants in an architectural manner to suggest the silhouette of buildings that once stood in the District.

Guidelines for Private Development Affecting the Public Realm

Since the public realm is strongly influenced by the ground floor use, character and detail of privately-owned buildings, the guidelines for private development should address the following:

A. Relationship of Buildings to the Street

A1. Connection with the Street

Buildings should establish a strong connection with the street to maintain the historic character of the District and promote a comfortable, safe pedestrian experience. This may be accomplished by providing:

- Building entries facing directly onto the street
- Multiple entries per block
- Articulated building facades
- Detail and ornamentation on the street-level facade
- Transparent windows of clear glass (non-reflective, non-colored) up to 8' in height to provide permeability of the buildings

A2. Sense of Enclosure

The buildings should provide a sense of enclosure for the street. This may be accomplished through building height to street width ratios varying from 1:2 to 2:1 with no setbacks or stepbacks on the buildings in the first 40' from ground level.

A3. Building Use

The most public and quasi-public uses of the buildings should be encouraged at street level to ensure they maximize the potential to be transparent and open out onto the street. Where possible, encourage pedestrian-friendly uses, such as cafes, restaurants, or retail, on the ground floor and allow them to use the sidewalk space (within applicable city requirements) to strengthen the connection with the street.

B. Building Lighting

Building lighting should provide additional light to the pedestrian environment, highlight key architectural elements, and illuminate business signs.

Encourage wall-mounted, pedestrian-scale lighting that confirms with city standards for height, protrusion over the right-of-way and other requirements.

C. Signs

Encourage human-scaled signs that are integrated into the building design, awnings or lighting to provide detail and interest at the pedestrian level. Provide size, materials, color and location guidelines for signs for both historic buildings and new construction in the project design guidelines.

D. Awnings

Encourage building-appropriate awnings for climate (rain and sun) protection. Provide guidelines for awning design, color and materials for both historic buildings and new construction in the project design guidelines.

PROJECT DESIGN GUIDELINES

Alterations and Additions to Historic Landmarks, Potential Landmarks and Other Compatible Buildings

Introduction to the Section

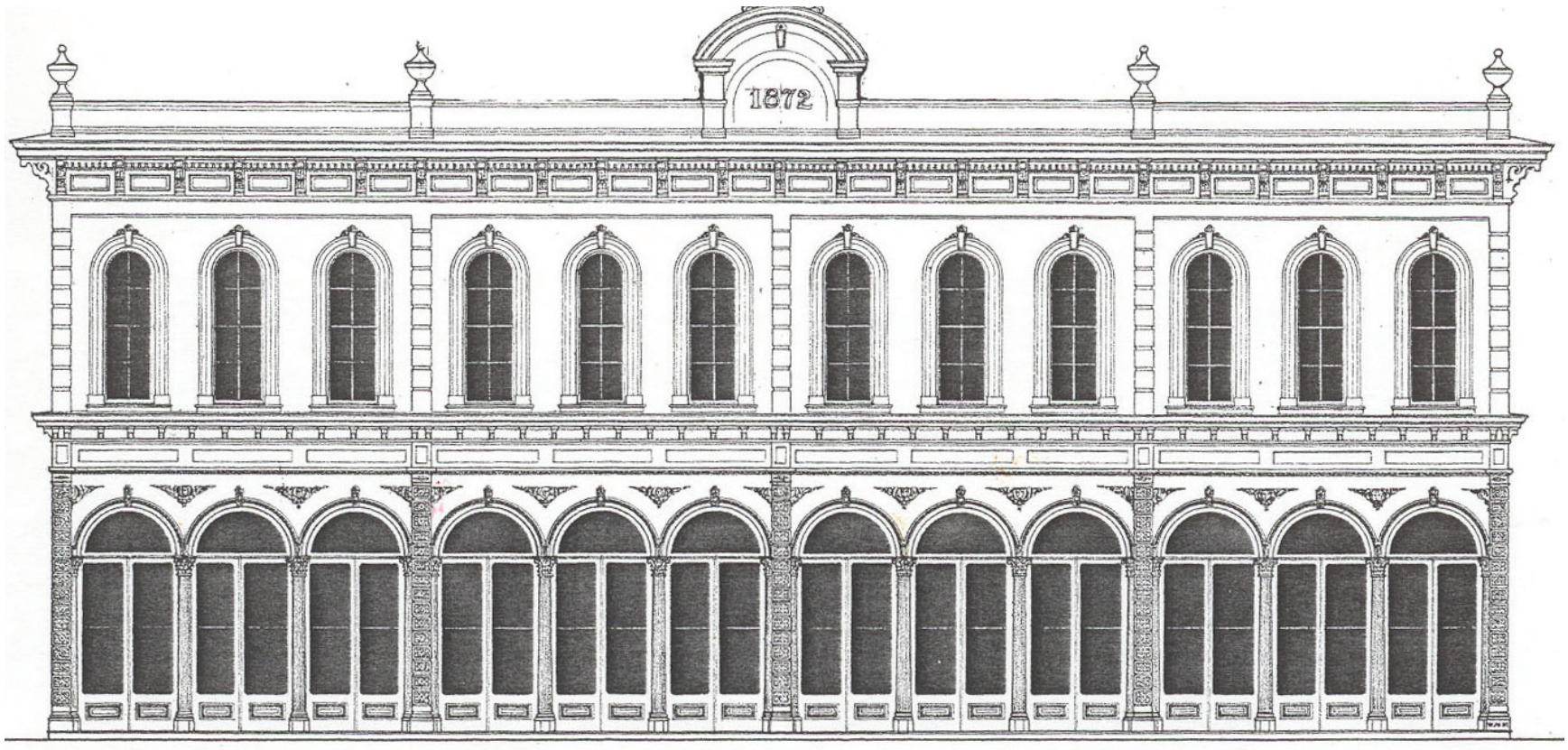
The introduction to this section should reinforce the importance of historic structures to the District's fabric, refer to the Secretary of the Interior's Standards for alterations to historic buildings, and confer the importance of the guidelines to retaining the District's integrity. The introduction also should make the point that alterations affect not only the subject building, but the District as a whole, and that District-wide impacts need to be considered when planning alterations to existing historic structures.

Additions and Revisions to the Existing Guidelines

Consider including the following in this section of the guidelines:

- The Secretary of the Interior's Standards for the Treatment of Historic Properties (SSI), so as to include reference to all four treatment methods for historic properties: preservation, rehabilitation, restoration and reconstruction.
- SSI Rehabilitation Standard Number 7 referencing cleaning and treatment of historic buildings, and Standard Number 8 referencing archaeological resources.
- A "Routine Maintenance" section that would list actions not requiring review by the Portland Landmarks Commission.

Smith Block, 1872



A sense of verticality should be maintained in design.

Parking entries such as this, fronting upon a major event street (Ankeny), should be discouraged.

All primary building entries should face directly onto the street.

New Construction

Introduction to the Section

The introduction should speak to the need for new construction to maintain the integrity of the District and should refer to the Secretary of the Interior's Standards for new construction, which states in part, "… new work shall be differentiated from the old and shall be compatible with the massing, size, scale and architectural features to protect the historic integrity of the property and its environment."

Additions and Revisions to the Existing Guidelines

Guidelines for new construction were developed to preserve the District's identity by incorporating or interpreting elements that define the District. In particular, the guidelines address building height, the relationship of the street and sidewalk to the buildings, the use of materials, visual delineation between floors and the ratio of solid wall to glass on visible elevations, especially the ground floor. This section outlines the elements that should be addressed in the guidelines for new construction within the District, and provides recommendations for the content of the guidelines.

A. Siting

A1. Primary Facade on Corner Lots
New construction on corner lots should be designed with a primary and secondary facade to mirror the facade design of historic buildings. The primary facade should be chosen based on the street hierarchy of the framework plan. For example, buildings on corners with frontage on First Avenue or Ankeny Street should orient the primary facade to those streets.

A2. Building Entries
Ensure all primary building entries face directly onto the street. On corner lots, the main entry should be located on the primary facade, as determined in A1 above. Where buildings occupy more than 30% of the block or more than 110 continuous feet of façade, buildings entries should occur no less than every 50 feet.

A3. Parking Entries and Exits
In addition to existing regulations governing the location of access to underground parking, parking entries should be located on the secondary streets identified in the framework plan. Parking entries on primary pedestrian streets (First Avenue, Ankeny Street) should be avoided.

A4. Light Wells
Where new construction will abut adjacent buildings at the lot line, buildings should be designed with an internal light well to allow the facade to meet the street on all sides of the building.

B. Height and Bulk

B1. Building Height

Complement the context of existing buildings. Building height is also addressed in the section on recommended revisions to the zoning code.

B2. Setbacks

Construct buildings to taxlot boundaries with no setbacks from sidewalk edges.

C. Scale and Proportion

C1. Incorporate strong vertical elements in building design.

C2. Provide visual articulation between floors.

C3. Height of first floor should be taller than height of upper floors.

C4. Roof line should be horizontal with detailed cornices.

D. Materials, Color and Texture

D1. Use materials inherent to the District where possible: cast iron, wood, brick, etc.

D2. Building color should be achieved primarily through the inherent colors of the building materials.

D3. Buildings should apply orna mentation in a manner consistent with historic facade characteristics.

E. Rear and Side Walls

E1. Consider the appearance and relationship of adjacent buildings when developing designs for rear and side walls.

F. Signs, Lighting and Other Appurtenances

These elements should be incorporated this section into the Pedestrian Emphasis Guidelines. Change Section F to Windows (below).

G. Windows

G1. Use clear transparent glass.

G2. Articulate with sills and arched or horizontal lintels.

G3. Set windows back at least two inches to create a play of light and shadow through articulation on the building facade.

H. Use of Cast Iron

H1. Use existing cast iron remnants where appropriate and possible.

H2. Reuse existing cast iron remnants in a manner analogous to original, intact cast iron.

I. Sustainable/Green Elements

I1. Encourage LEED certification for all new construction in the District.

I2. Encourage use of active and passive solar design strategies.

I3. Encourage green roofs and on-site storm water retention.

The reuse of cast iron should be encouraged, where appropriate.

Materials, colors and textures used in new design should be inherent to the District.

APPENDIX G

PUBLIC REALM IMPLEMENTATION

MOORE IACOFANO GOLTSMAN, INC.

Architectural Cost Consultants, LLC

Parametrix

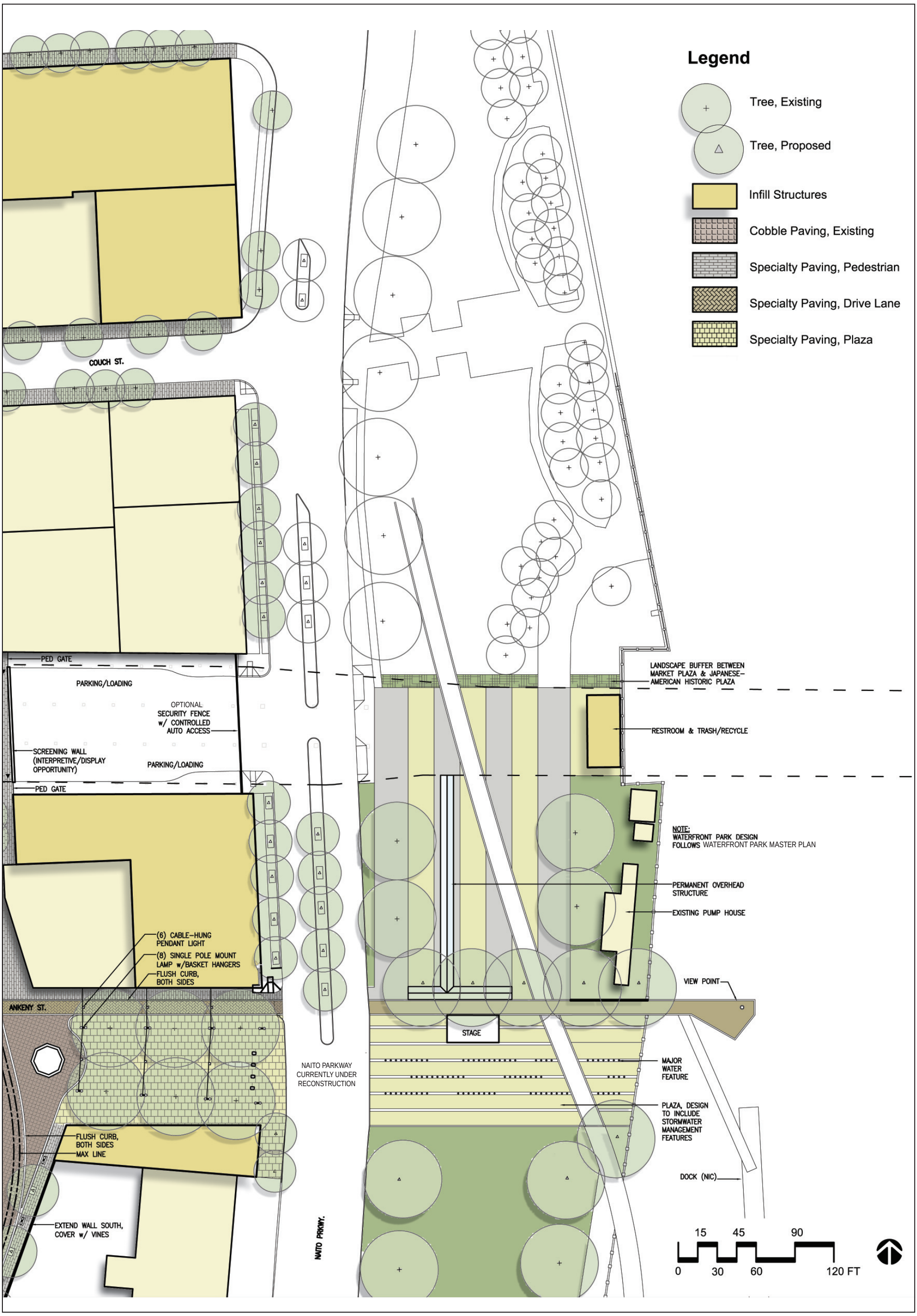
THIS APPENDIX PROVIDES CONCEPTUAL DESIGNS AND COST ESTIMATES for priority public realm improvements in the Skidmore/Old Town Historic District. The first step in the design process, completed by MIG, was to identify priority public realm improvement areas. Four distinct but interrelated areas were delineated:

- First Avenue;
- Under the Burnside Bridge;
- Ankeny Street between First and Third Avenues; and
- Ankeny Plaza and Waterfront Park.

During the third design charrette of the Development Framework planning process, design parameters and recommendations for each of the four areas were developed. These ideas are outlined and illustrated in the following pages.

After the charrette, a cost estimate for Waterfront Park improvements was completed by Architectural Cost Consultants. This estimate is provided the end of this appendix. An additional cost estimate, which identifies the costs of accommodating Saturday Market's new configuration in Waterfront Park and Ankeny Plaza, was completed by Parametrix during an associated planning process. This estimate is also provided at the end of this appendix.

FIGURE G1: Conceptual public realm improvements


Legend
Tree, Existing
Tree, Proposed
Infill Structures
Cobble Paving, Existing
Specialty Paving, Pedestrian
Specialty Paving, Drive Lane
Specialty Paving, Plaza
COUCH ST.
PED GATE
PARKING/LOADING
OPTIONAL
SECURITY FENCE
w/ CONTROLLED
AUTO ACCESS
SCREENING WALL
(INTERPRETIVE/DISPLAY
OPPORTUNITY)
PARKING/LOADING
PED GATE
(6) CABLE-HUNG
PENDANT LIGHT
(8) SINGLE POLE MOUNT
LAMP w/BASKET HANGERS
FLUSH CURB,
BOTH SIDES
ANKENY ST.
FLUSH CURB,
BOTH SIDES
MAX LINE
EXTEND WALL SOUTH,
COVER w/ VINES
NAITO PARKWAY
CURRENTLY UNDER
RECONSTRUCTION
NAITO PRKWY.
LANDSCAPE BUFFER BETWEEN
MARKET PLAZA & JAPANESE-
AMERICAN HISTORIC PLAZA
RESTROOM & TRASH/RECYCLE
NOTE:
WATERFRONT PARK DESIGN
FOLLOWS WATERFRONT PARK MASTER PLAN
PERMANENT OVERHEAD
STRUCTURE
EXISTING PUMP HOUSE
VIEW POINT
STAGE
MAJOR
WATER
FEATURE
PLAZA, DESIGN
TO INCLUDE
STORMWATER
MANAGEMENT
FEATURES
DOCK (NIC)
15 45 90
0 30 60 120 FT

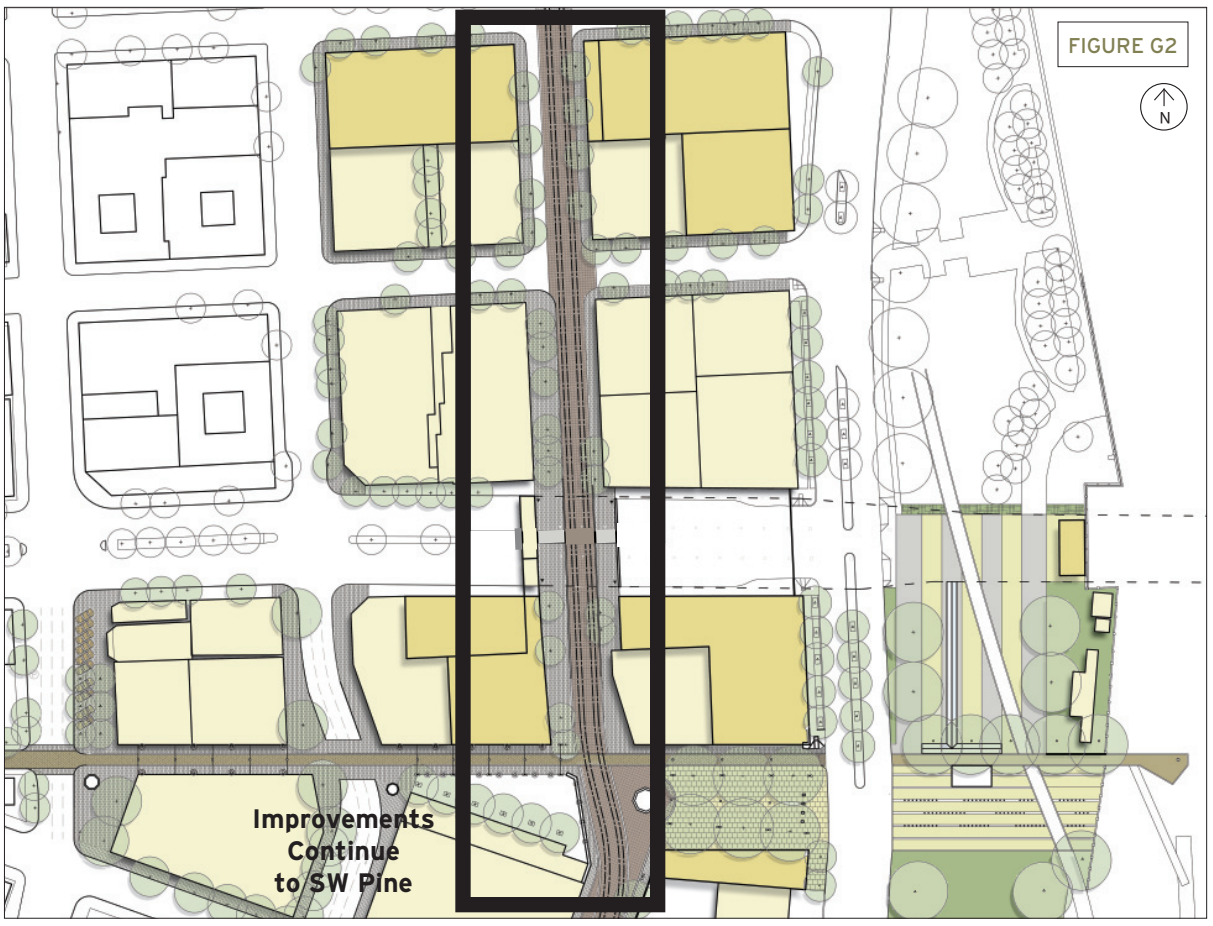
First Avenue

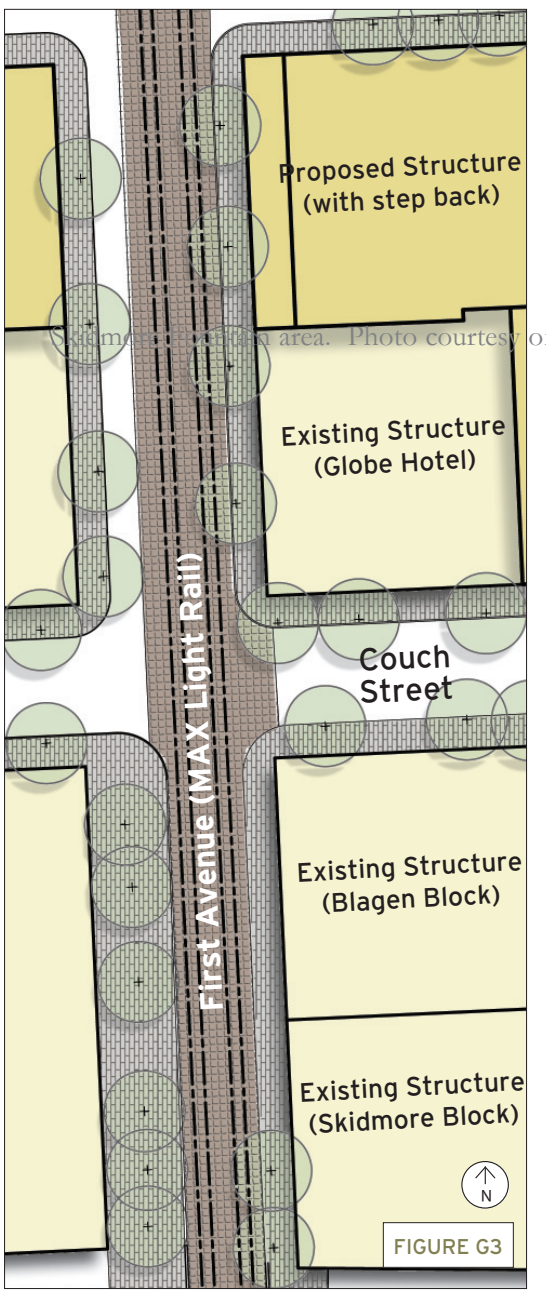
Design Parameters

- Design treatments should communicate to the visitor that First is the District's "main street;"
- Design treatments should emphasize historic character and scale;
- The reuse of original cast iron remnants should be considered in new building designs;
- Trees should be trimmed to avoid blocking historic facades;
- Skidmore Fountain should be showcased;
- Design treatments for the north and west edge of Block 34 should strive to visually activate Ankeny Plaza;
- Retain a car free core;
- Create places to sit; and
- Create places to gather.

Key Improvements

- Install wayfinding signage, currently being fabricated, at NW First and Couch and at New Market Theater on SW First;
- Install gateway features at the intersection of NW First and Davis and SW First and Oak;
- Plant trees along NW First or install in moveable pots;
- Use stormwater management features such as bioswales and permeable pavers; and
- Design paving patterns that differentiate the pedestrian and transit/ automobile realms. Avoid curbs.





Segmented priority area. Photo courtesy of ODOT.

FIGURE G2: First Avenue priority area

FIGURE G3: Segmented plan of priority area

FIGURE G4: Blagen Block

FIGURE G5: View of Globe Hotel from First

FIGURE G9

FIGURE G6: West wall of Block 34

FIGURE G7: Distinctive pedestrian/light rail paving

FIGURE G8: Historic facades, covered by trees

FIGURE G9: Section (First Avenue, north of Couch) showing proposed building height.

Under the Burnside Bridge

Design Parameters

- Design treatments must increase safety and security;
- A variety of parking options should be considered to support new and current developments;
- Create the ability to control access between the MAX light rail station and parking for security;
- Priority should be given to service access for adjacent property owners;
- Redesign/reprogram the storage area on the west side of the MAX;
- Activate the MAX stop; and
- Improve lighting.

Key Improvements

- Install signage to orient MAX users to the District and provide direction for transit riders traveling to Saturday Market, Mercy Corps, and University of Oregon;
- Install artwork and/or interpretive panels along the MAX platform;
- Improve lighting on the MAX platform and in the parking area;
- Create activating use on or near the MAX platform, such as an informational kiosk, coffee shop, or newsstand. This will increase "eyes on the street" in a critical location, and would reduce potential safety risks; and
- Work with Block 9 and Block 10 tenants and owners to develop a safety management strategy for under the Burnside Bridge.

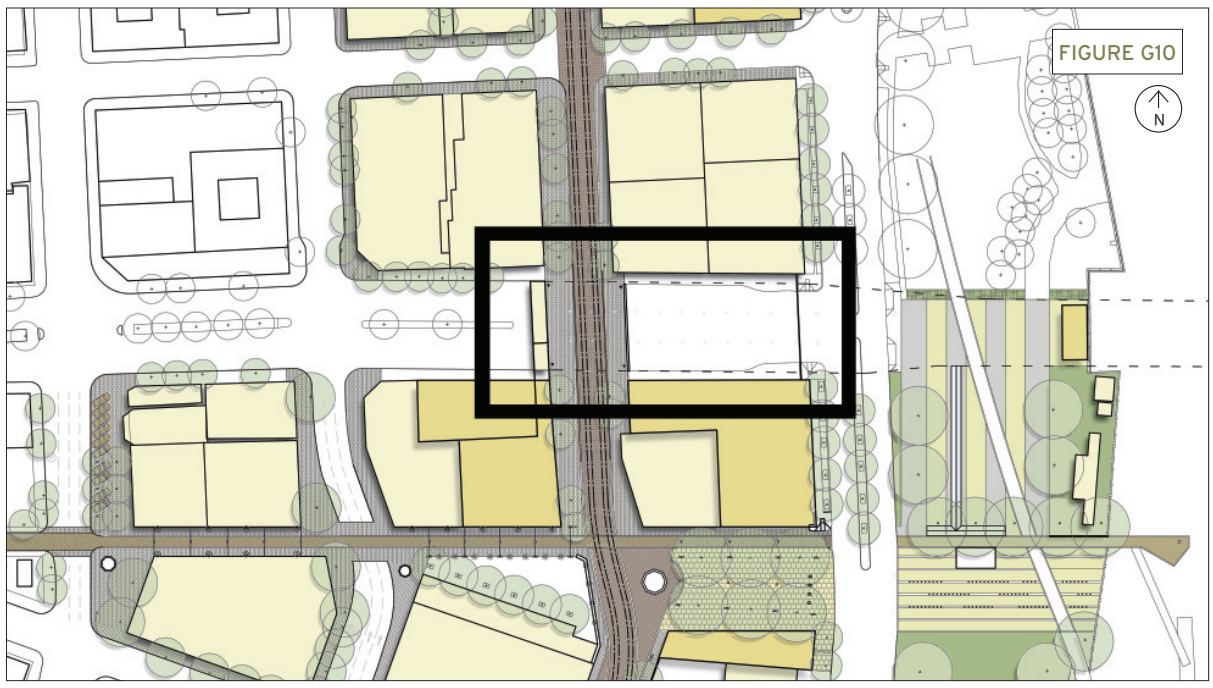


FIGURE G10: Burnside Bridge priority area
FIGURE G11: Current storage for Saturday Market; potential for active use
FIGURE G12: Saturday Market informational booth, open only on weekends
FIGURE G13: Surface parking between Burnside Bridge and Skidmore Fountain Building (Block 10)


FIGURE G14

FIGURE G16

FIGURE G14: Burnside Bridge "canopy" and surface parking at Block 10

FIGURE G15: Plan detail of area/MAX stops under the Burnside Bridge

FIGURE G16: MAX stop under the Burnside Bridge

FIGURE G17: Section (First Avenue, north of Ash at New Market Theater)

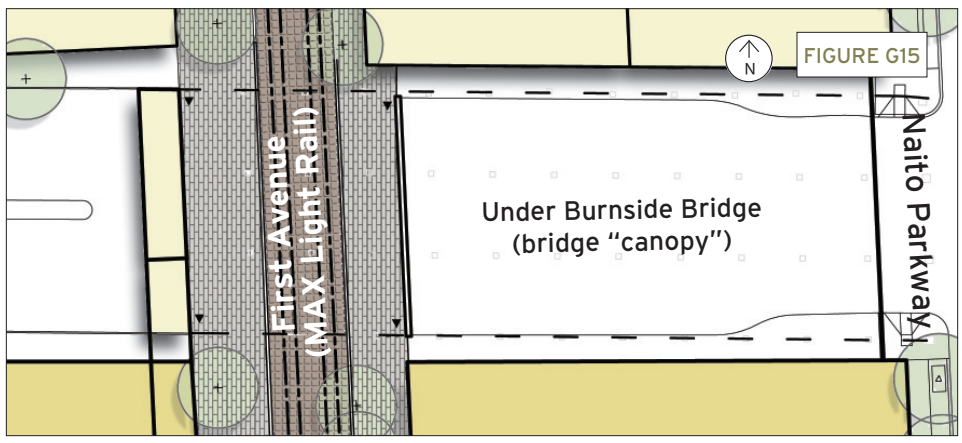


FIGURE G15

FIGURE G17

Ankeny Street

Design Parameters

- The pedestrian experience should lead from Ankeny and Third to the water's edge in Waterfront Park;
- Water elements, such as the Fountain Walk concept, should be considered to symbolize and enhance connection to the river;
- Strengthen the existing sense of scale and enclosure, created most notably by the relationship of buildings to the street on Ankeny between Second and Third;
- Allow for light;
- Design treatments should give priority to pedestrians;
- Design treatments should enable traffic restrictions for events;
- Create a festival feel; and
- Provide covered space for adjoining businesses to seat customers.

Key Improvements

- Reclaim excess right of way at the intersection of Ankeny Street with Second and Third Avenues so as to create public space and implement the Fountain Walk concept;
- Design a temporary closure mechanism for Ankeny Street between Second Avenue and Naito Parkway to enable traffic restriction during events, or when needed;
- Install wayfinding signage, currently being fabricated, at SW Naito Parkway and at the New Market Theater on SW First, near Ankeny;
- Create a gateway feature at the intersection of Third Avenue and Ankeny;
- Use stormwater management features such as bioswales and permeable pavers;
- Install overhanging pendant lighting the length of Ankeny between Third and Naito Parkway.

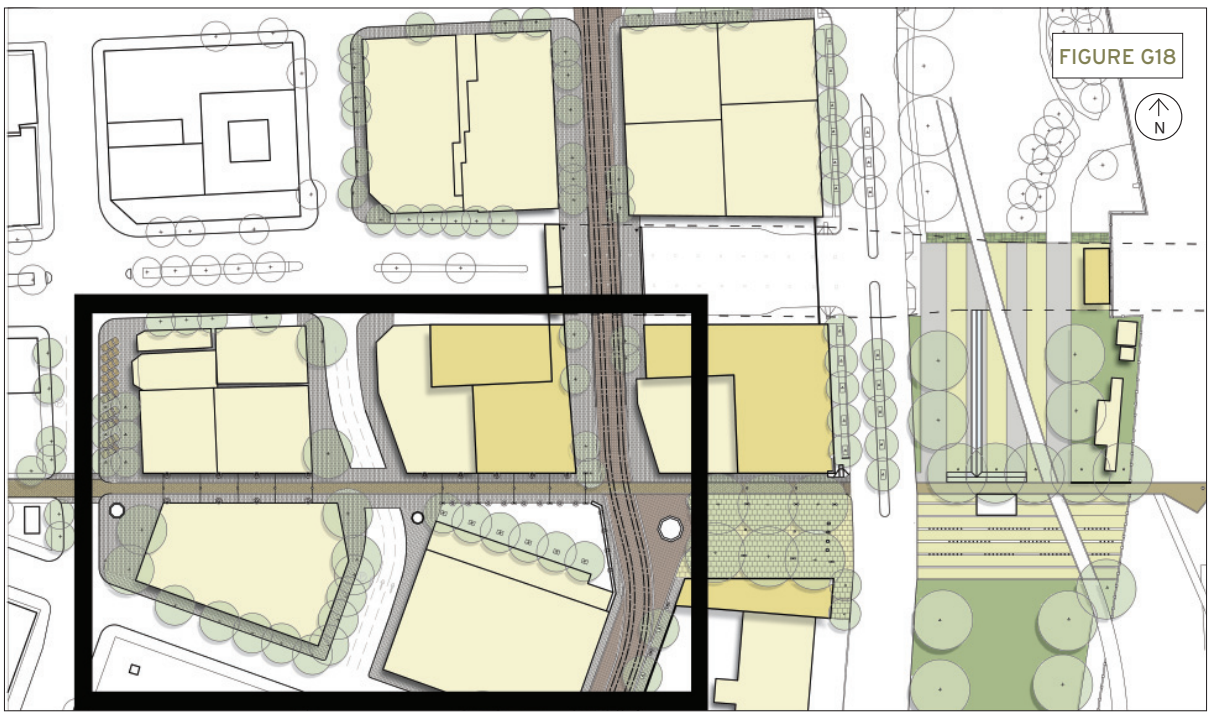


FIGURE G18

FIGURE G19


FIGURE G20

FIGURE G21

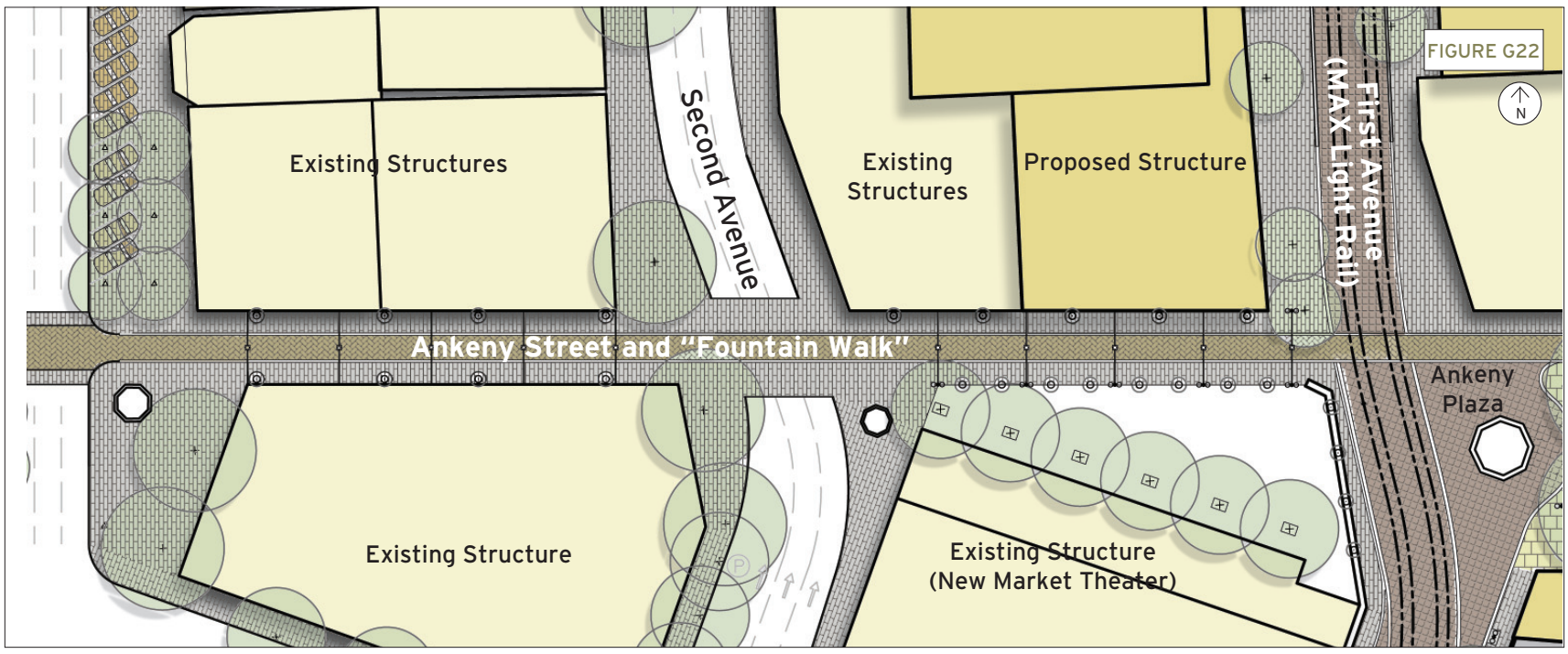


FIGURE G18: Ankeny Street priority area

FIGURE G19: Current temporary closure mechanism for Ankeny Street

FIGURE G20: Crossing at Second Avenue, looking east

FIGURE G21: Historic scale between Third and Second, looking east

FIGURE G22: Plan detail of Ankeny Street and Fountain Walk

FIGURE G23: Looking west from Ankeny Plaza

FIGURE G24: Section (Ankeny Street, looking east to Second)

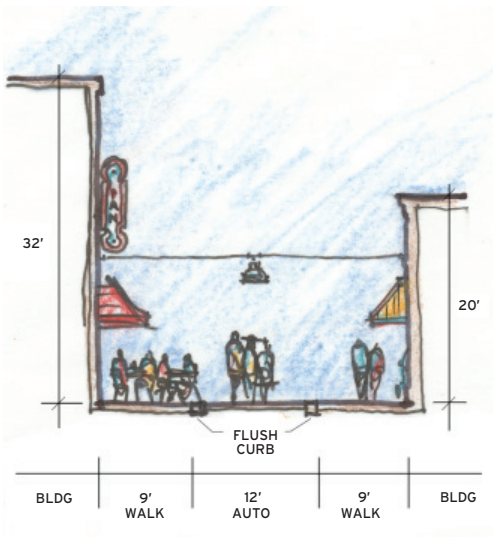


FIGURE G24

Ankeny Plaza and Waterfront Park

Design Parameters

- Design treatments should retain or create programmable public space;
- Programmable public space should have semi-permanent shelter coverings;
- Tree canopies should be reshaped and most, if not all, of existing trees retained; and
- Stormwater management features such as bioswales and permeable pavers should be used where possible.

Ankeny Plaza

- Retain one-way vehicle traffic access on Ankeny Street, but create a mechanism for temporary closure between SW Second and Naito Parkway;
- Ankeny Street and Ankeny Plaza should be re-surfaced without curbs from building face to building face;
- Designated pedestrian areas and auto areas should be delineated through changes to paving materials, colors and/or patterning;
- Provide utility connections in Ankeny Plaza for market vendors; and
- Activate the walls of Block 34, which border upon Ankeny Plaza.

Waterfront Park

- Integrate all changes with the Waterfront Park Master Plan;
- Create a hardscaped plaza with accommodations for public events;
- Provide utility connections in this plaza/program space;
- Include a stage, food court and major water feature in the plaza;
- Refurbish the Ankeny Pump Station and integrate it into the park;
- Support the Waterfront Park Master Plan concept to rebuild the dock area and approach ramps;
- Build restroom facilities to serve event and park users;
- Modify the Naito Parkway crossing between the plaza and the park;
- Create two wide crossings between Ankeny Plaza and Waterfront Park across Naito Parkway;
- Modify signal timing at the Naito Parkway crossing to give pedestrians priority. According to PDOT estimates, the majority of a one-minute signal cycle can be devoted to pedestrian crossing;
- Reduce traffic lanes on Naito Parkway to one in each direction during market and event times; and
- Create a demonstration project of stormwater management features, such as bioswales and permeable pavers.

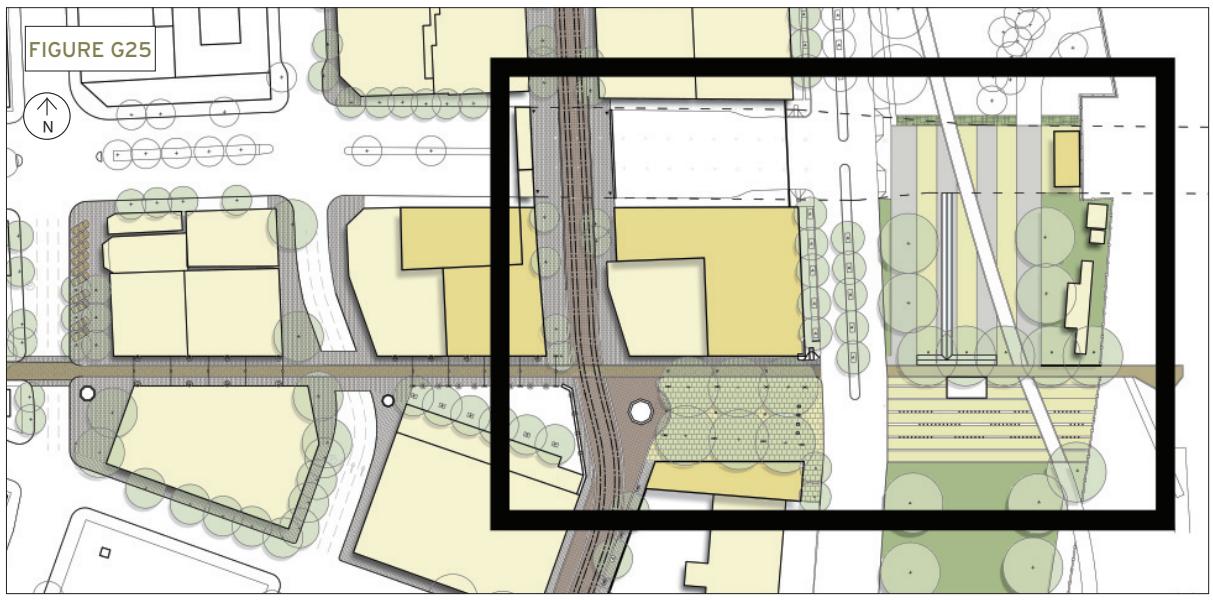


FIGURE G25: Ankeny Plaza/Waterfront Park
FIGURE G26: Future programmable event space in Waterfront Park, under bridge
FIGURE G27: Temporary shelter for events
FIGURE G28: Crossing at Naito Parkway

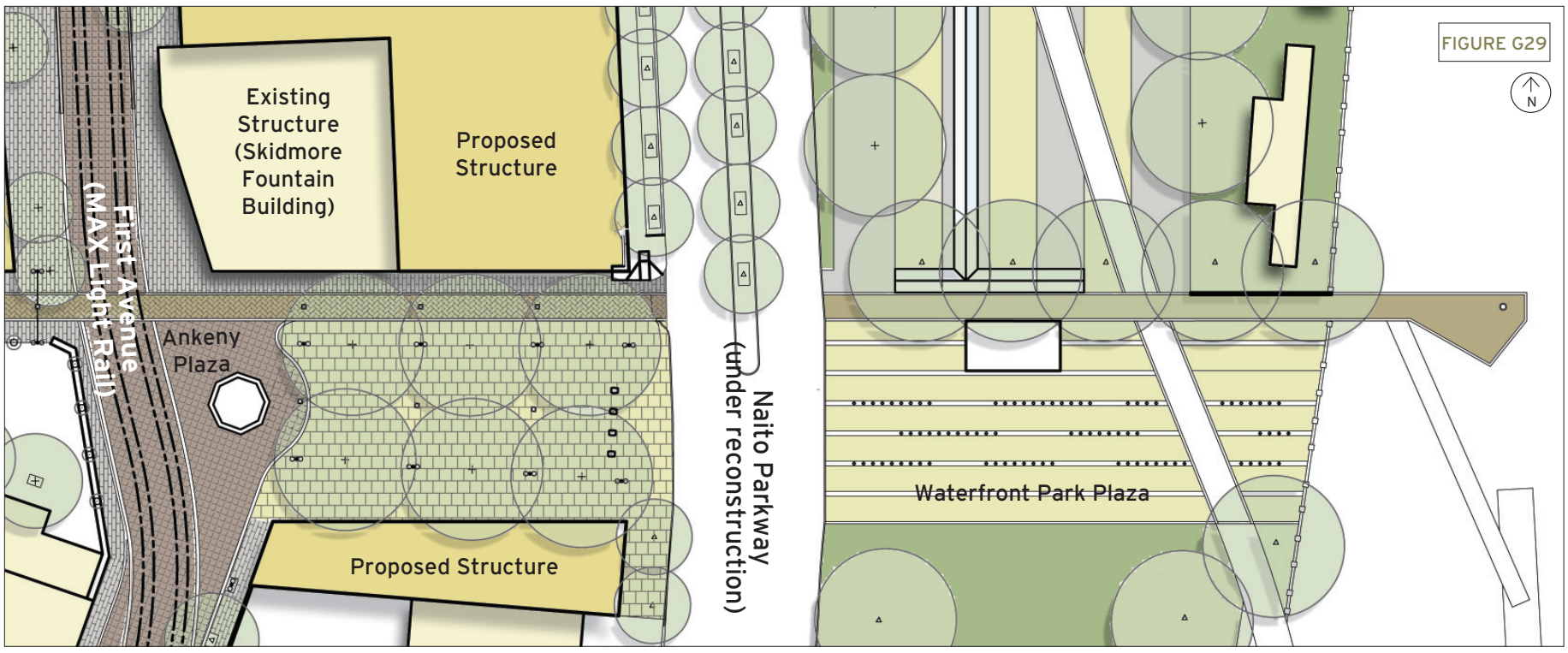
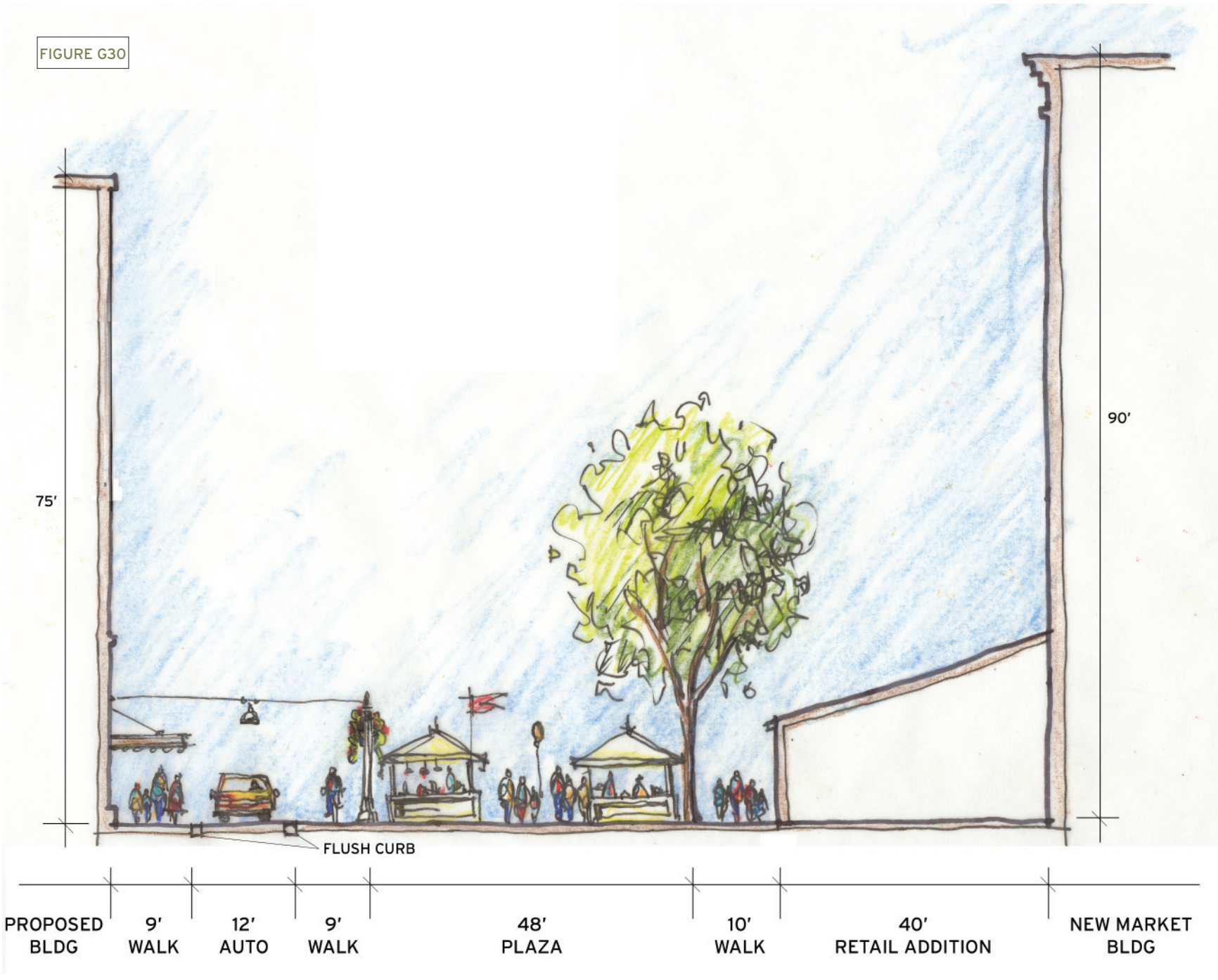


FIGURE G29: Plan detail of Ankeny Plaza and Waterfront Park

FIGURE G30: Section (Ankeny Plaza, looking east to Naito Parkway)



Architectural Cost Consultants, LLC

AUTHOR: JAMES A. JERDE, AIA & STANLEY J. PSZCZOLKOWSKI, AIA

COMPANY: ARCHITECTURAL COST CONSULTANTS, LLC

ADDRESS: 8060 SW PFAFFLE STREET, SUITE 110 TIGARD, OR 97223

DATE: NOVEMBER 20, 2006

WATERFRONT PARK IMPROVEMENTS DO NOT INCLUDE IMPROVEMENTS FOR SATURDAY MARKET

Executive Summary

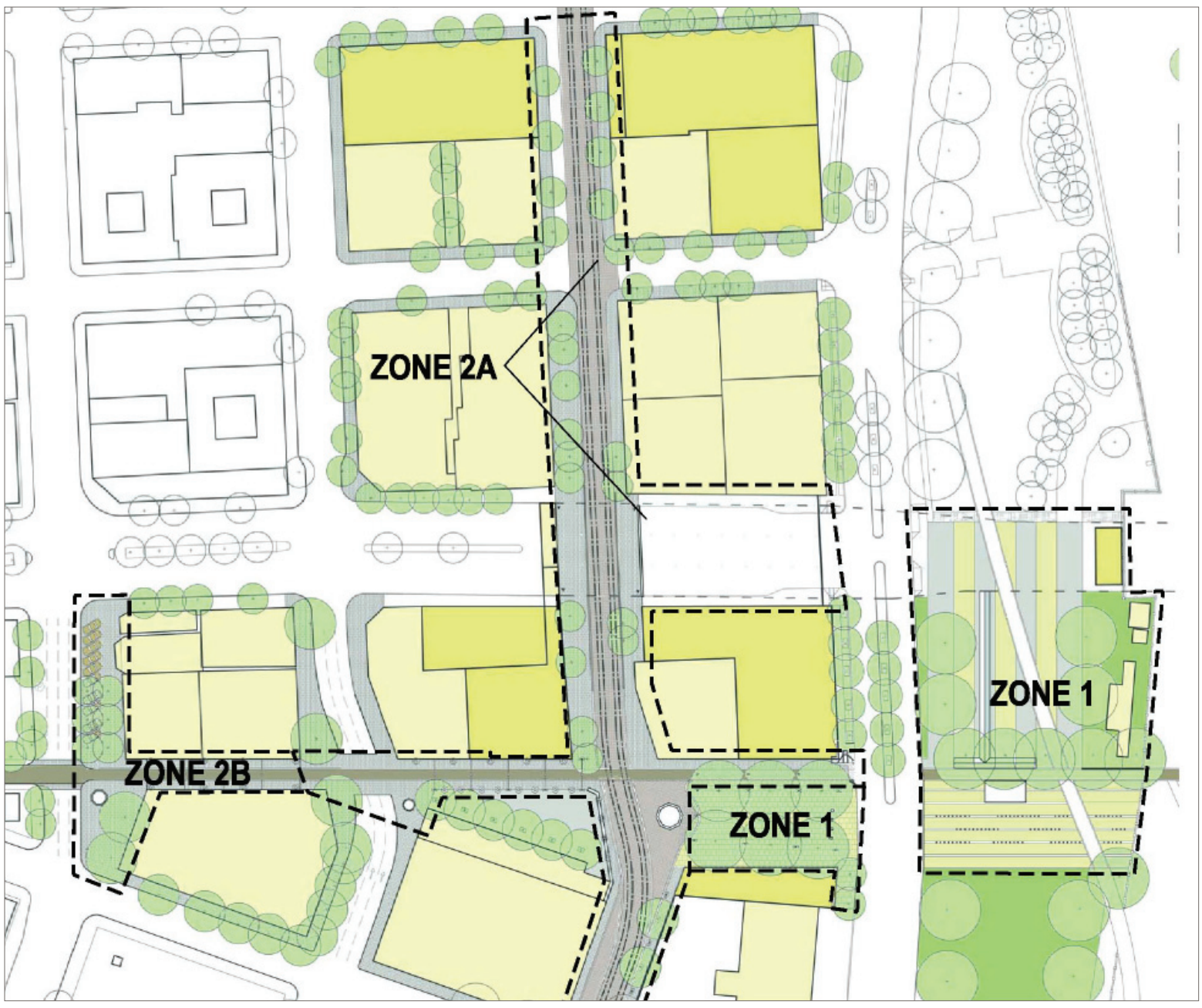
DIRECT CONSTRUCTION COST	Area		Cost / Sf	Total
TOTAL DIRECT CONSTRUCTION COST ZONE 1 - WATERFRONT PARK/ ANKENY PLAZA	**81,500**	**sf**	**$72.93**	**$5,944,137**
TOTAL DIRECT CONSTRUCTION COST ZONE 2A - WEST OF WATERFRONT PARK	**61,600**	**sf**	**$64.50**	**$3,973,195**
TOTAL DIRECT CONSTRUCTION COST ZONES 1 & 2A	**143,100**	**sf**	**$69.30**	**$9,917,332**
TOTAL DIRECT CONSTRUCTION COST ZONE 2B	**17,000**	**sf**	**$42.55**	**$723,374**

The above estimates are for direct construction cost only. They do not include furnishings & equipment, consultant fees, inspection and testing fees, plan check fees, financing costs, nor any other normally associated development costs.

The above costs assume a construction start of: **01-Mar-08** Assumes a 10% per year inflation factor.

We are experiencing a very volatile market with dramatic increases in materials costs such as steel, cement and piping materials. Building costs are up over 10% from a year ago. We have attempted to take this into account in the estimate.

FIGURE G31: Map of improvement zones



SITE WORK - DETAIL	Quantity	Unit	Cost/Unit	Cost	Total	Comments
ZONE 1 - WATERFRONT PARK/ANKENY PLAZA						
Demolition						
revise utility vault access structures	1	sum	$50,000.00	$50,000		
remove asphalt & concrete paving	29,000	sf	1.25	36,250		
miscellaneous	1	sum	30,000.00	30,000		
Sub-total					$116,250	
Earthwork						
level & fine grade	76,000	sf	0.30	22,800		
Sub-total					22,800	
Site Utilities						
water						
line 3/4"	500	lf	40.00	20,000		parametrix
plumbing for fixtures	3	ea	250.00	750		parametrix
hose connections - quick coupling	8	ea	1,000.00	8,000		
storm drains						
allowance	1	sum	30,000.00	30,000		allowance
electrical						
service	1	sum	10,000.00	10,000		parametrix
conduit - underground	2,200	lf	50.00	110,000		parametrix
exterior duplex outlets	100	ea	350.00	35,000		parametrix
stage hookups/lighting/sound	1	sum	10,000.00	10,000		parametrix
lighting						
12' pole mount indirect light	20	ea	5,000.00	100,000		
lighting under Burnside Bridge	15	ea	2,000.00	30,000		parametrix
cast-iron light poles w/basket hooks	4	ea	6,500.00	26,000		@ Ankney Square
tele/data						
hardwire - underground	100	lf	30.00	3,000		parametrix
Sub-total					382,750	
Hardscape						
new 12" flush curb	367	lf	24.00	8,808		
concrete paving - vehicle rated	12,988	sf	8.00	103,904		6" concrete over 12" base
concrete paving - fire truck rated	55,247	sf	12.00	662,964		9" concrete over 18" base
cast iron tree grates	6	ea	1,500.00	9,000		
Sub-total					784,676	
Structures						
toilets/recycling building	1,200	sf	425.00	510,000		
permanent covered walkway	2,430	sf	70.00	170,100		
stage - concrete, 18" high	400	sf	50.00	20,000		no cover or walls
seat wall along walk, 18" high	60	lf	80.00	4,800		
booth tie-downs	150	ea	100.00	15,000		
Sub-total					719,900	
Signage						
free standing signage	9	ea	4,000.00	36,000		parametrix
banners on poles	15	ea	600.00	9,000		parametrix
Sub-total					45,000	
Site furnishings						
benches	8	ea	2,000.00	16,000		parametrix
trash receptacles	3	ea	300.00	900		parametrix
bike racks	6	ea	800.00	4,800		parametrix
Sub-total					21,700	
Ankeny terminus						
light pole & sculpture	1	sum	25,000.00	25,000		
Sub-total					25,000	
Water feature						
allowance	1	sum	**********	1,500,000		
Sub-total					1,500,000	
Landscape						
landscape buffer north	1,450	sf	3.50	5,075		
lawn	8,674	sf	1.00	8,674		
trees 4" cal.	10	ea	600.00	6,000		
irrigation	10,124	sf	0.85	8,605		
Sub-total					28,354	
Sub-Total	81,500	sf	44.74	3,646,430	**$3,646,430**	
Design & Program Contingency			20.00%	729,286		
Index to Construction Start	01-Mar-08		12.50%	546,965		10.00% /year
General Conditions			15.00%	738,402		
General Contractor's Fee			5.00%	283,054	2,297,707	
TOTAL DIRECT CONSTRUCTION COST ZONE 1 - WATERFRONT PARK/ ANKENY PLAZA	**81,500**	**sf +/-**	**$72.93**	**/sf**	**$5,944,137**	affected site area

SITE WORK - DETAIL	Quantity	Unit	Cost/Unit	Cost	Total	Comments
ZONE 2A - WEST OF WATERFRONT PARK						
Demolition						
curbs	1,120	lf	$5.00	$5,600		
sidewalks & streets	61,600	sf	1.50	92,400		
miscellaneous	1	sum	25,000.00	25,000		
Sub-total					123,000	
Earthwork						
rise grades	550	cy	30.00	16,500		
level & fine grade	61,600	sf	0.30	18,480		
Sub-total					34,980	
Site Utilities						
adjustments to existing utilities						
allowance	1	sum	200,000.00	200,000		allowance
electrical						
lighting under bridge	1	sum	50,000.00	50,000		
overhead hanging pendant lights	8	ea	4,500.00	36,000		
cast-iron light poles w/basket hooks	12	ea	6,500.00	78,000		
Sub-total					364,000	
Hardscape						
new 6" curbs @ 2nd Avenue	162	lf	20.00	3,240		
new 12" flush curb @ Ankeny	1,348	lf	24.00	32,352		
"sidewalk" brick (typ.) on conc.						
south of Burnside	13,370	sf	18.00	240,660		
	27,098	sf	18.00	487,764		
"herringbone" brick @ Ankeny on conc.	6,070	sf	20.00	121,400		
cast-iron tree grates	2	ea	1,500.00	3,000		
Sub-total					888,416	
Structures						
under bridge structures						
storage / restrooms / staging	645	sf	300.00	193,500		
coffee / news	450	sf	250.00	112,500		
guard station	270	sf	100.00	27,000		
storage structure	1,792	sf	125.00	224,000		
screen wall	900	sf	50.00	45,000		assume 10' high
pedestrian gates	2	ea	2,000.00	4,000		
8' high wall along 1st south of Ankney						
foundation	197	lf	50.00	9,850		
masonry wall	3,546	sf	35.00	124,110		define
Sub-total					739,960	
Signage						
signage	1	sum	0.00	0		undetermined
Sub-total					0	
Site furniture						
benches	14	ea	2,000.00	28,000		
bike racks	8	ea	800.00	6,400		
Sub-total					34,400	
Fountain						
allowance	1	sum	250,000.00	250,000		allowance
Sub-total					250,000	
Landscaping						
trees	2	ea	300.00	600		
irrigation	1	sum	2,000.00	2,000		
Sub-total					2,600	
Sub-Total	61,600	sf	39.57	2,437,356	**$2,437,356**	
Design & Program Contingency			20.00%	487,471		
Index to Construction Start	01-Mar-08		12.50%	365,603		10.00% /year
General Conditions			15.00%	493,565		
General Contractor's Fee			5.00%	189,200	1,535,839	
TOTAL DIRECT CONSTRUCTION COST ZONE 2A - WEST OF WATERFRONT PARK	**61,600**	**sf +/-**	**$64.50 /sf**		**$3,973,195**	affected site area

SITE WORK - DETAIL	Quantity	Unit	Cost/Unit	Cost	Total	Comments
ZONE 2B						
Demolition						
curbs	650	lf	$5.00	$3,250		
sidewalks & streets	17,000	sf	1.50	25,500		
miscellaneous	1	sum	25,000.00	25,000		
Sub-total					53,750	
Earthwork						
rise grades	76	cy	30.00	2,280		
level & fine grade	17,000	sf	0.30	5,100		
Sub-total					7,380	
Site Utilities						
storm drains						
allowance	1	sum	15,000.00	15,000		allowance
electrical						
overhead hanging pendant lights	5	ea	4,500.00	22,500		
Sub-total					37,500	
Hardscape						
new 6" flush curb @ 3rd Avenue	320	lf	16.00	5,120		
new 12" flush curb @ Ankeny	414	lf	24.00	9,936		
"sidewalk" brick (typ.) on conc.	14,126	sf	18.00	254,268		
"herringbone" brick @ Ankeny on conc.	2,070	sf	20.00	41,400		
cast-iron tree grates @ parking	6	ea	1,500.00	9,000		
Sub-total					319,724	
Signage						
signage	1	sum	4,000.00	4,000		@ parking
Sub-total					4,000	
Site furnishings						
benches	6	ea	2,000.00	12,000		
bike racks	2	ea	800.00	1,600		
Sub-total					13,600	
Landscape						
trees @ parking	6	ea	500.00	3,000		
irrigation	1	sum	2,400.00	2,400		
tree guards	6	ea	400.00	2,400		
Sub-total					7,800	
Sub-Total	17,000	sf	26.10	443,754	**$443,754**	
Design & Program Contingency			20.00%	88,751		
Index to Construction Start	01-Mar-08		12.50%	66,563		10.00% /year
General Conditions			15.00%	89,860		
General Contractor's Fee			5.00%	34,446	279,620	
TOTAL DIRECT CONSTRUCTION COST ZONE 2B	**17,000**	**sf +/-**	**$42.55**	**/sf**	**$723,374**	affected site area

Parametrix

THE FOLLOWING COST ESTIMATE WAS PERFORMED FOR DESIGNS CREATED by Parametrix and EDAW in cooperation with Saturday Market.

COMPANY: PARAMETRIX

ADDRESS: 700 NE MULTNOMAH
SUITE 1000
PORTLAND, OR 97232

DATE: OCTOBER 18, 2006

Draft Portland Saturday Market Order of Magnitude - Prioritized Cost Estimate

Waterfront Park/Ankeny Plaza/East Burnside Bridge-Hybrid B

Cost Estimate Date: September 2006 - Site Transition Date: Spring 2008

1-Highest Priority
2-Medium Priority
3-Low Priority

PSM Primary Priorities	Item	Unit	Quantity	Unit Cost	Estimated Cost	Proposed % Paid for by PSM	Proposed % Paid for by Other	Estimated Cost to PSM	Estimated Cost to Other	Comments and Assumptions
Site Infrastructure										
1	**Mobilization**	LS	0	8.00%	$230,964.32	40%	60%	$92,385.73	$138,578.59	8% of construction cost, priorities 1-3
1	**Electrical**									
	Service/Breaker	EA	1	$10,000.00	$10,000.00	50%	50%	$5,000.00	$5,000.00	
	40 Amp Outlets (at grade w/ cover)	EA	100	$150.00	$15,000.00	60%	40%	$9,000.00	$6,000.00	In Ankeny and Waterfront
	Conduit (underground)	LF	2200	$50.00	$110,000.00	50%	50%	$55,000.00	$55,000.00	In Ankeny and Waterfront
1	**Water**									
	Line 3/4"	LF	500	$40.00	$20,000.00	50%	50%	$10,000.00	$10,000.00	In Ankeny and Waterfront
	Plumbing for fixtures	EA	3	$250.00	$750.00	100%	0%	$750.00	$0.00	In maintenance bldg
1	**Storm Drain**									
	Catch Basin	EA	4	$1,000.00	$4,000.00	50%	50%	$2,000.00	$2,000.00	Waterfront only
	Storm Line	LF	300	$50.00	$15,000.00	50%	50%	$7,500.00	$7,500.00	Waterfront only
	Wash Quick Couplers w/cover	EA	5	$150.00	$750.00	50%	50%	$375.00	$375.00	Pump in storage building
	Catch Basin Grease Insert	EA	4	$10.00	$40.00	100%	0%	$40.00	$0.00	On-going operational cost
	Industrial Rug (Grease Mat) 3'x300'	EA	1	$114.00	$114.00	100%	0%	$114.00	$0.00	On-going operational cost
	Pump for pressure washing	EA	1	$1,500.00	$1,500.00	100%	0%	$1,500.00	$0.00	In park maintenance bldg
Surface Improvements										
1	**Site Preparation under Burnside Bridge**									
	Asphalt and Concrete Removal/Scarifying	SF	15,600	$1.50	$23,400.00	50%	50%	$11,700.00	$11,700.00	Under Bridge East
1	**Eastside of under Burnside Bridge**									
	100% Concrete	SF	15,600	$6.50	$101,400.00	50%	50%	$50,700.00	$50,700.00	
1	**Waterfront Park (Festival Area)**									
	100% Concrete	SF	32,400	$6.50	$210,600.00	50%	50%	$105,300.00	$105,300.00	Includes Esplanade East 10'
1	**Lighting Fixtures Under Bridge**	EA	15	$2,000.00	$30,000.00	50%	50%	$15,000.00	$15,000.00	Permanent
Site Furnishings										
1	**Signage**									
	Free Standing Signage	EA	9	$4,000.00	$36,000.00	100%	0%	$36,000.00	$0.00	Temporary
	Banners on -Poles	EA	15	$600.00	$9,000.00	100%	0%	$9,000.00	$0.00	Permanent
1	**Trash Receptacles**	EA	3	$300.00	$900.00	100%	0%	$900.00	$0.00	
1	**Bike Racks**	EA	6	$800.00	$4,800.00	50%	50%	$2,400.00	$2,400.00	
1	**Stage/hookups/lighting/sound**	LS	1	$20,000.00	$20,000.00	50%	50%	$10,000.00	$10,000.00	Permanent Upgrade to Existing
1	**Off-site directional signs**	EA	3	$500.00	$1,500.00	50%	0%	$750.00	$0.00	

1	**Booth tie-downs**	EA	150	$100.00	$15,000.00	60%	40%	$9,000.00	$6,000.00	
Site Amenities										
1	**Column Relocation in Ankeny Park**	EA	8	$2,000.00	$16,000.00	50%	50%	$8,000.00	$8,000.00	
Structures										
1	**Maintenance (Tool) Room/Garbage/Recycling**	SF	2,500	$150.00	$375,000.00	100%	0%	$375,000.00	$0.00	Cantilevered structure to cover opening; east end of bridge
1	**Storage (In the Park under the Burnside Bridge)**	SF	2,700	$150.00	$405,000.00	100%	0%	$405,000.00	$0.00	Part of Park restroom
1	**Sink Room (Potable and Disposal)**	SF	150	$50.00	$7,500.00	100%	0%	$7,500.00	$0.00	In Waterfront Park
1	**Restrooms (Waterfront Park)**	SF	1000	$300.00	$300,000.00	50%	50%	$150,000.00	$150,000.00	In Waterfront Park
1	**On-site Info/Adm. Booth (2 booths on wheels)**	EA	2	$12,000.00	$24,000.00	100%	0%	$24,000.00	$0.00	
1	**Existing Structure Drainage (Bridge/Ramps)**	LF	700	$20.00	$14,000.00	50%	50%	$7,000.00	$7,000.00	
1	**Cover/Structure (temp/perm) (MIG Cover for Waterfront)**	LF	100	$3,350.00	$335,000.00	50%	50%	$167,500.00	$167,500.00	Covers 40-60 booths
1	**Temporary Wind/Screens (20x30)**	EA	20	$2,300.00	$46,000.00	70%	30%	$32,200.00	$13,800.00	Roll-up cover 20'x30' semi-permanent
1	**Outdoor Cover**									
	10x20 Stage	EA	1	$2,000.00	$2,000.00	100%	0%	$2,000.00	$0.00	
	20x20 Food	EA	3	$3,000.00	$9,000.00	100%	0%	$9,000.00	$0.00	For seating near stage in Park
	Priority One Totals									**Shared Totals**
							Priority One Subtotal	**$1,621,614.73**	**$771,853.59**	**$2,393,468.32**
40% Contingency (Hard Costs, Contract Administration)				0.40				**$648,645.89**	**$308,741.44**	**$957,387.33**
25% Contingency (Soft Costs, Design and Engineering				0.25				**$405,403.68**	**$192,963.40**	**$598,367.08**
						Total Cost (Current Dollars)		**$2,675,664.30**	**$1,273,558.43**	**$3,949,222.73**
					Total Cost with Inflation (Transition Date Dollars)			**$2,813,669.71**	**$1,339,246.02**	**$4,152,915.74**
Average 3.4% Inflation Multiplier										
	12 months	***18 months***	***24 months***							
Inflation with Contingencies for PSM										
1.034	$2,766,637	$2,813,669.71	$2,860,703							
Inflation with Contingencies for Other										
1.034	$1,316,859.41	$1,339,246.02	$1,361,633							
PSM Secondary Priorities	**Item**	**Unit**	**Quantity**	**Unit Cost**	**Estimated Cost**	**Proposed % Paid for by PSM**	**Proposed % Paid for by Other**	**Estimated Cost to PSM**	**Estimated Cost to Other**	**Comments and Assumptions**
2	**Telephone**									
	Wireless	N/A	0	$0.00	$0.00	100%	0%	$0.00	$0.00	
	Hardwire (underground)	LF	100	$30.00	$3,000.00	100%	50%	$3,000.00	$1,500.00	Hardwire to info. kiosk and tool room in park
2	**Benches**	EA	8	$2,000.00	$16,000.00	50%	50%	$8,000.00	$8,000.00	Permanent
2	**Lighting Fixtures in Park**	EA	9	$4,700.00	$42,300.00	30%	70%	$12,690.00	$29,610.00	Permanent
	Priority Two Totals									**Shared Totals**
							Priority Two Subtotal	**$23,690.00**	**$39,110.00**	**$62,800.00**

40% Contingency (Hard Costs, Contract Administration)				0.40				**$9,476.00**	**$15,644.00**	**$25,120.00**
25% Contingency (Soft Costs, Design and Engineering				0.25				**$5,922.50**	**$9,777.50**	**$15,700.00**
						Total Cost (Current Dollars)		**$39,088.50**	**$64,531.50**	**$103,620.00**
						Total Cost with Inflation (Transition Date Dollars)		**$41,104.61**	**$67,859.91**	**$108,964.51**
Average 3.4% Inflation Multiplier										
	12 months	*18 months*	*24 months*							
Inflation with Contingencies for PSM										
1.034	$40,418	$41,104.61	$41,792							
Inflation with Contingencies for Other										
1.034	$66,725.57	$67,859.91	$68,994							
PSM Tertiary Priorities	**Item**	**Unit**	**Quantity**	**Unit Cost**	**Estimated Cost**	**Proposed % Paid for by PSM**	**Proposed % Paid for by Other**	**Estimated Cost to PSM**	**Estimated Cost to Other**	**Comments and Assumptions**
3	**Street Lighting**	N/A	0	$0.00	$0.00	50%	50%	$0.00	$0.00	
3	**Second Traffic Signal**	N/A	0	$0.00	$0.00	50%	50%	$0.00	$0.00	
3	**Site Preparation Ankeny**									
	Asphalt and Concrete Removal/Scarifying	SF	13,400	$1.50	$20,100.00	50%	50%	$10,050.00	$10,050.00	Ankeny Plaza
3	**Ankeny Plaza 13,400 SF**									
	100% Concrete	SF	13,400	$6.00	$80,400.00	50%	50%	$40,200.00	$40,200.00	Including Area Under East Bridge
3	**Restrooms (Ankeny Plaza)**	SF	800	$200.00	$160,000.00	50%	50%	$80,000.00	$80,000.00	In existing adjacent building
3	**Cover/Structure (temp/perm) (MIG Cover for Ankeny)**	LF	120	$3,350.00	$402,000.00	50%	50%	$201,000.00	$201,000.00	Replaces 30x30 tents. Covers 50-70 booths
	Priority Three Totals									**Shared Totals**
						Priority Three Subtotal		**$331,250.00**	**$331,250.00**	**$662,500.00**
40% Contingency (Hard Costs, Contract Administration)				0.40				**$132,500.00**	**$132,500.00**	**$265,000.00**
25% Contingency (Soft Costs, Design and Engineering				0.25				**$82,812.50**	**$82,812.50**	**$165,625.00**
						Total Cost (Current Dollars)		**$546,562.50**	**$546,562.50**	**$1,093,125.00**
						Total Cost with Inflation (Transition Date Dollars)		**$574,753.10**	**$574,753.10**	**$1,149,506.20**
Average 3.4% Inflation Multiplier										
	12 months	*18 months*	*24 months*							
Inflation with Contingencies for PSM										
1.034	$565,146	$574,753.10	$584,361							
Inflation with Contingencies for Other										
1.034	$565,145.63	$574,753.10	$584,361							
PSM Upgraded Amenities	**Item**	**Unit**	**Quantity**	**Unit Cost**	**Estimated Cost**	**Proposed % Paid for by PSM**	**Proposed % Paid for by Other**	**Estimated Cost to PSM**	**Estimated Cost to Other**	**Comments and Assumptions**
	Tables	EA	20	$200.00	$4,000.00	100%	0%	$4,000.00	$0.00	Free standing/movable
	Chairs	EA	80	$50.00	$4,000.00	100%	0%	$4,000.00	$0.00	Free standing/movable
	Small transport vehicle (Gator Vehicle)	EA	1	$15,000.00	$15,000.00	100%	0%	$15,000.00	$0.00	To transport goods from storage
	Commissary Kitchen	SF	2000	$250.00	$500,000.00	100%	0%	$500,000.00	$0.00	In Skidmore Building?
	Upgraded Saturday Market Amenities/Improvements									**Shared Totals**

						Upgrades Subtotal		**$523,000.00**	**$0.00**	
40% Contingency (Hard Costs, Contract Administration)				0.40				**$209,200.00**	**$0.00**	
25% Contingency (Soft Costs, Design and Engineering				0.25				**$130,750.00**	**$0.00**	
						Total Cost (Current Dollars)		**$862,950.00**	**$0.00**	
						Total Cost with Inflation (Transition Date Dollars)		**$907,459.24**	**$0.00**	
Average 3.4% Inflation Multiplier										
	12 months	*18 months*	*24 months*							
Inflation with Contingencies for PSM										
1.034	$892,290	$907,459.24	$922,628							
Inflation with Contingencies for Other										
1.034	$0.00	$0.00	$0							
								PSM	**Other**	**Total Shared**
	All Priorities Total (Current Dollars) including upgraded amenities							**$4,124,265.30**	**$1,884,652.43**	**$5,145,967.73**
	All Priorities with Inflation (Transition Date Dollars) including upgraded amenities							**$4,336,986.66**	**$1,981,859.03**	**$5,411,386.45**

N/A = Not Applicable
EA =Each
SF = Square Feet
LS = Lump Sum
LF = Lineal Feet

APPENDIX H

ECONOMIC ANALYSIS OF KEY CATALYTIC OPPORTUNITY SITES

JOHNSON GARDNER

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DATE: NOVEMBER 18TH, 2006

JOHNSON GARDNER WAS RETAINED TO PROVIDE PRELIMINARY ECONOMIC ANALYSIS of a series of development opportunity sites in Portland's Ankeny/Burnside area.

A total of four sites are evaluated, utilizing preliminary programming information from Hotson Bakker Boniface Haden Architects. A series of pro forma financial analyses were run for these development programs, which evaluate the characteristics of the developments from an investment perspective. This memorandum and the attached pro formas summarize our findings with respect to the financial characteristics of the development programs evaluated.

Planning level cost estimates generated by Johnson Gardner, based on our recent experience in similar projects. Construction costs have been rising rapidly in the last year, and the estimates should be considered to be very rough. Assumed income and financial variables were also provided by Johnson Gardner. Our expectation is that careful program evaluation and tuning could enhance the yield identified in this analysis, although rising costs may negatively impact viability. Cost estimates used are based on typical product types, while lease rates and sales prices are based on professional opinion.

This memorandum summarizes the general conclusions of our analysis, with the detailed pro formas made available as an appendix.

Basic Assumptions

Each development and individual components were evaluated using a ten-year cash flow, with a reversion value at the end of the period.[1] The scenarios assumed fee simple ownership of the property by the developer and conventional financing.

Planning level estimates of construction costs were provided by Johnson Gardner. These are based on estimates provided for recent projects we have worked on, with some upward adjustment to reflect rising costs. The cost of construction has been unusually volatile in the last few years, with costs rising dramatically. Actual cost may vary substantively, depending upon variations in design and finish quality. In addition, available capacity in the construction trades can also have a substantial impact on costs. The assumption used for acquisition in this analysis was $100 per square foot for land area, with no value assumed for existing structures on the property.

Financial assumptions were made with respect to lending terms based on recent experience. The following is a brief summary of financial assumptions common throughout the analysis:

The capitalization rate and interest rates assumed are considered to be reflective of current and short term future conditions, but area historically low. A significant shift in these rates higher would be expected to negatively impact the viability of the development programs evaluated.

Income and sales assumptions were based upon the professional opinion of Johnson Gardner, and necessarily assume a fairly generic product. These included the following:

It is difficult to establish residential pricing in the area, as there is little local product. Condominium pricing in the nearby Pearl District ranges from $450 to $650 per square foot, but this are would need to be discounted considerably in relation to the Pearl, at least in early phases. Office space in the area is primarily Class C/Rehab space, with very affordable full-service rates and limited amenities. The quality of retail space in the area varies widely, with little new construction to assess localized lease rates.

The analysis assumed threshold requirements in terms of a minimum return necessary for development to occur. A 9.0% return on cost was assumed for office and retail space, with a lower 8.0% rate assumed for rental apartments. The market for rental apartment products is unusually strong right now, and is expected to remain that way for the next few years. Return on cost is defined as the net operating income (NOI) during the first stabilized year divided by the total project cost. This level of return is higher than recent trends, but closer to historic norms. The current investment market for income properties has driven acceptable yields lower, increasing the value of properties. The threshold for condominiums was assumed at a 15.0% net return on sales, which reflects the net yield from sales divided by the cost.

FIGURE 1: Lending Assumptions

Variable	Assumption
Capitalization Rate:	7.00%
Minimum Debt Coverage Ratio	1.25
Loan to Value Ratio Maximum	75%
Construction Loan Interest Rate	7.00%
Points on Construction Loan	1.00%
Permanent Loan Interest Rate	7.50%
Points on Permanent Loan	1.00%
Threshold Return on Sales/Condos	15.00%
Threshold Return on Cost/Income	9.00%
Office and Retail	9.00%
Rental Apartments	8.00%

FIGURE 2: Income and Sales Assumptions

Product Type	Income Assumption
Condominiums	
Sales Price/S.F.	$375-$410 per square foot
Office Space	
Net Lease Rate/S.F. (Rehab)	$15.00 per square foot
Net Lease Rate/S.F. (Class A)	$18.00 per square foot
Retail Space	
Net Lease Rate/S.F.	$16.00 per square foot

[1] An estimated sales price at the end of the period.

Summary of Findings

The scenarios evaluated varied in their viability, with the provision of structured parking generally eroding yields in the area. For residential uses, for-sale units currently produce the best yields and rental products were not assumed in this analysis. This trend is expected to shift in the next few years, as the condominium market softens and pricing escalates significantly in the rental market. The following table summarizes the overall development costs and the calculated financing gap associated with each of the development programs evaluated:

This analysis does not assume parking in either Block 8 or Block 34. While positively impacting viability from a financial perspective, this is likely to have a significant negative impact on marketability. To the extent possible, parking rights should be arranged for elsewhere in the area, potentially in Block 31. We would recommend that new construction provide the maximum allowable parking for office space and a minimum of 0.75:1 for condominium units in this location.

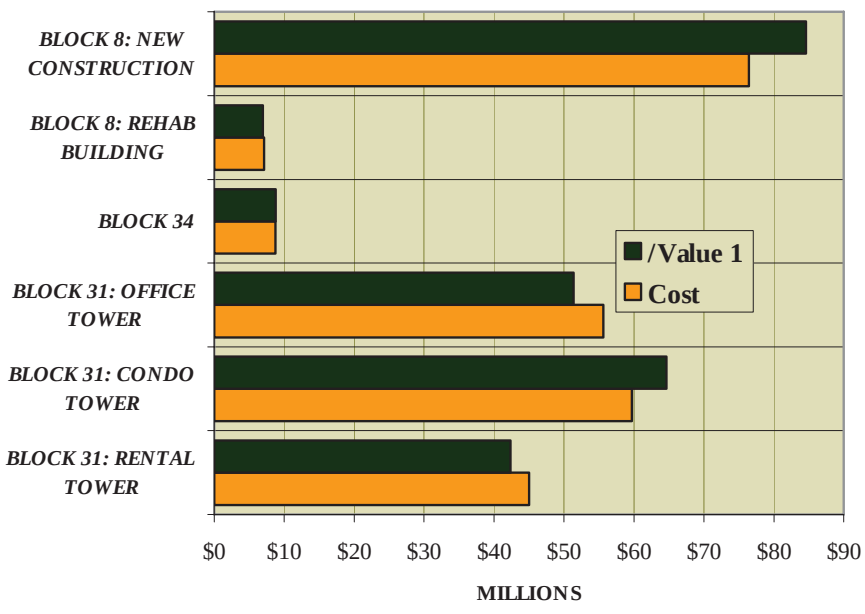
The following sections will review in more detail the program and indicated financial performance of the assumed development programs on the sites.

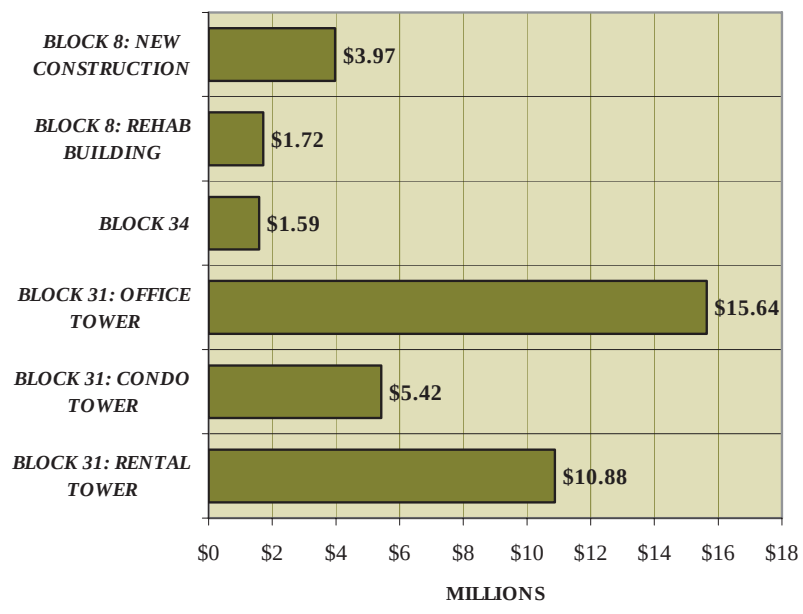
Block 8

Block 8 is a full block bound by NW Davis to the north, NW Couch to the south, 1st Avenue to the west and Naito Parkway to the west. The northern half of the site is currently used as a surface parking lot, with an older historic masonry building (Globe Hotel) on the southwest quarter of the parcel. The existing building on the southeast corner is assumed to have minimal value. The site will offer waterfront and mountain views

FIGURE 3: Summary of Development Sites

Site	Program: Res. Units	Retail S.F.	Office S.F.	Parking Spaces	Cost of Development	Indicated Value 1/	Value/ Cost	Calculated Viability Gap: Total 2/	% of Cost
BLOCK 8: NEW CONSTRUCTION	320	31,712	0	0	$76,412,337	$84,578,689	111%	$3,972,317	5.2%
BLOCK 8: REHAB BUILDING	0	9,288	25,078	0	$7,122,658	$6,943,749	97%	$1,721,964	24.2%
BLOCK 34	24	8,370	9,300	0	$8,749,022	$8,787,786	100%	$1,586,210	18.1%
BLOCK 31: OFFICE TOWER	0	18,000	162,000	360	$55,618,257	$51,404,220	92%	$15,637,197	28.1%
BLOCK 31: CONDO TOWER	150	18,000	0	225	$59,726,560	$64,676,949	108%	$5,421,578	9.1%
BLOCK 31: RENTAL TOWER	180	20,000	153,000	225	$44,982,511	$42,340,823	94%	$10,879,005	24.2%
	674	105,370	349,378	810	$252,611,344	$258,732,215	102%	$39,218,271	15.5%





1/ Reflects capitalized value at first stablized year as well as bulk sale value of condominiums based on assumptions outlined. Not intended as a legal representation of value.
2/ Based on the assumptions outlined in the detailed pro formas included as an Appendix to this report.

FIGURE 4: Block 8 New Construction Estimate

MEASURES OF RETURN:	
Indicated Value @ Stablization	$84,578,689
Value/Cost	111%
Return on Cost (ROC)	8.7%
Return on Sales (ROS)	9.7%
Internal Rate of Return (Income Component)	25.0%
Modified Internal Rate of Return @ 8% Reinventment	20.0%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	15.0%
Calculated ROS	9.7%
Calculated Gap-Condos (includes parking)	$3,769,804
Targeted Return on Cost (ROC)	9.0%
Calculated ROC	8.7%
Calculated Gap-Income Components	$202,513
Total Calculated Gap	$3,972,317
Overall Gap as % of Development Cost	5.2%

FIGURE 5: Block 8 Globe Hotel Rehabiitation Estimate

MEASURES OF RETURN:	
Indicated Value @ Stablization	$6,943,749
Value/Cost	97%
Return on Cost (ROC)	6.8%
Return on Sales (ROS)	N/A
Internal Rate of Return (Income Component)	10.8%
Modified Internal Rate of Return @ 8% Reinventment	10.2%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	15.00%
Calculated ROS	N/A
Calculated Gap-Condos (includes parking)	$0
Targeted Return on Cost (ROC)	9.0%
Calculated ROC	6.8%
Calculated Gap-Income Components	$1,721,964
Total Calculated Gap	$1,721,964
Overall Gap as % of Development Cost	24.2%

to the east, with marketable urban views from higher levels in other directions.

Two development programs are assumed on the site: new construction on the northern and eastern portions of the site, and renovation of the Globe Hotel building. The new construction would be split into two separate buildings. Building 1 would be a an eleven story condominium building over ground floor commercial space, while Building 2 would be a five story condominium building over ground floor commercial space. No parking was assumed in the initial scenarios, which will represent a significant marketing challenge.

The development program calls for "workforce" units. In response to this, we have set pricing relatively low by limiting the square footage of units. As modeled, the average unit size would be 650 square feet, with an average sales price of approximately $258,000. The new construction portion of this project is rather large at 320 units, which we see as potentially too many units for a simultaneous release. The risk of the project is also increased due to an assumed lack of parking in the project, which will substantially limit the target market. Phasing of the project would not be realistic under the assumed program.

The new construction program yielded a total of 320 residential units and 31,700 square feet of retail space. The estimated cost of the development was just over $76.4 million, with an indicated stabilized value of approximately $84.6 million. The calculated return on sales was 9.7% for the condominium units, while the calculated return on cost for the retail space was 8.7%. Based on the threshold return parameters used, this indicates that there would be a viability gap of just under $4.0 million under these assumptions. As noted previously, the lack of parking is a major problem for the condominium units, as well as potentially the retail space. While a public garage is available directly north of the site, condominium buyers will typically prefer direct access secured parking. Assuming our minimum recommended ratio of 0.75 spaces per unit, the project would require 240 spaces. While these spaces would be expected to yield approximately $40,000 per space in additional revenue if sold, that amount would likely be less than cost if the spaces were provided subterranean.

The rehab of the Globe Hotel was modeled separately, assuming office uses over commercial space at completion. The assumed program would yield just over 25,000 square feet of speculative office space, and 9,200 square feet of ground floor commercial space. As with the new construction, no parking would be included in the program. The hard costs associated with the rehabilitation of the building were assumed at $125 per square foot, assuming relatively high costs per square foot due to the limited size of the structure. It should be noted that reliable cost estimates will require engineering studies of the building, as the program will require seismic upgrades. Costs for seismic upgrades are highly dependent upon specific characteristics of the building, and a more reliable determination of costs was beyond the scope of this analysis.

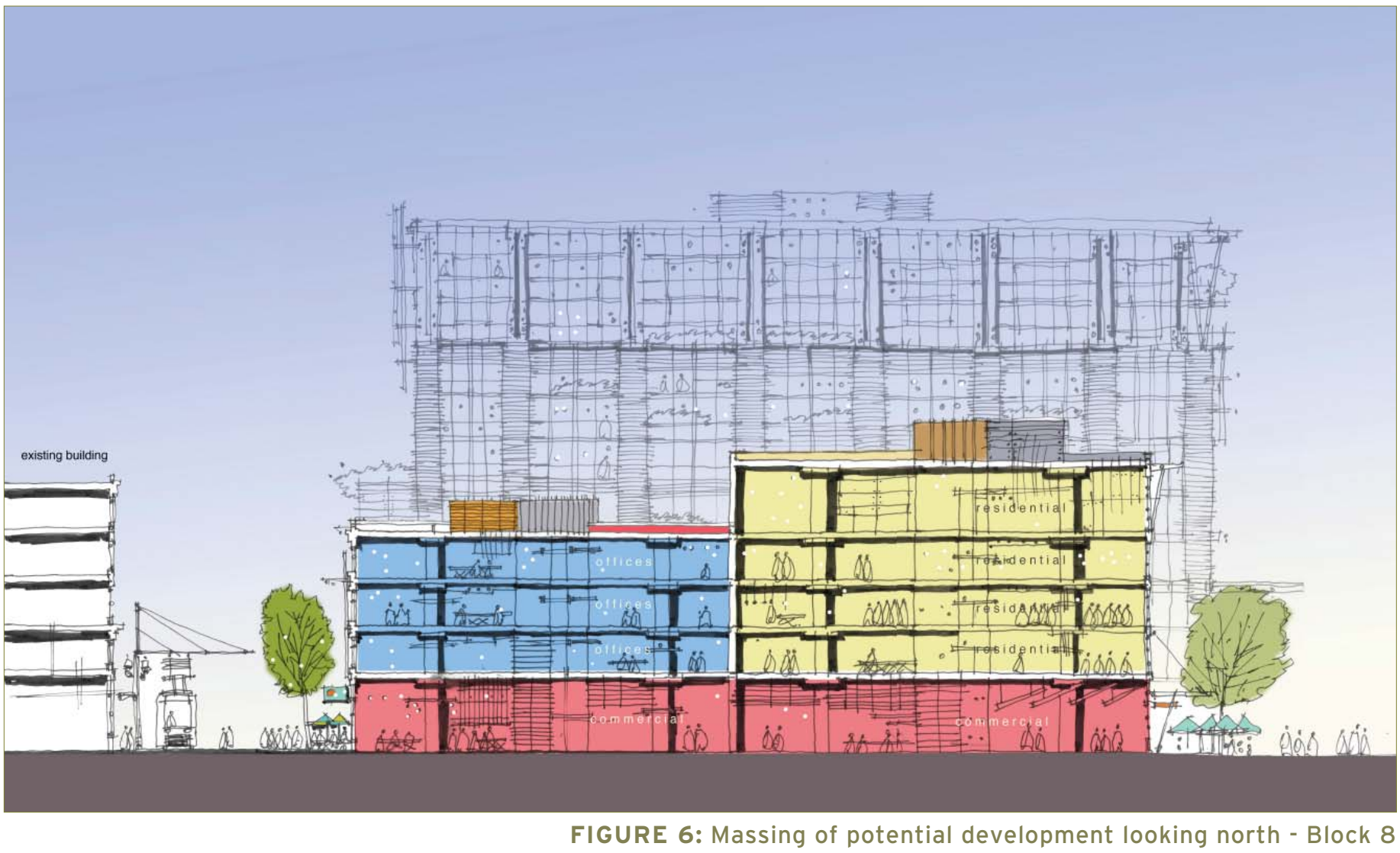


FIGURE 6: Massing of potential development looking north - Block 8

The indicated return on the assumed program indicates a viability gap of just over $1.7 million, or 24.2% of construction costs. Based on the limited information available with respect to costs, this number may vary substantially when better information is available.

Block 34: Fire Station Block

Block 34 is bounded by a park to the north, Naito Parkway to the east, SW 1st to the west and SW Ash to the south. The development program for Block 34 is a shallow mixed-use structure along the north and west edge of the site. Two programs were considered: a three story structure with residential units over ground floor retail space; and a four story structure with office space on the second floor. For this analysis, we evaluate the four story structure, which delivers somewhat higher density. From a return perspective, the three story structure may yield better returns. The inclusion of the office space in the program will reduce leasable are in the ground floor, and will potentially require additional core space. As with Block 8, no parking is assumed in the development program. In this instance, it is unlikely that on-site parking provision would be practicable. The building would have single loaded corridors, with units facing outwards.

The program yields a total of 24 condominium flats, 8,100 square feet of office space and 8,400 square feet of retail space. The cost of development of the program was estimated at $8.7 million, while the indicated value at completion as just under $8.8 million. The calculated return on sales for the condominiums was 4.0%, well below the 15.0% threshold. The indicated return on cost for the income property space was 6.6%, also below the threshold assumptions of 9.0%. The resulting indicated viability gap was $1.6 million, or 18.1% of development cost. As with Block 8, the development program offers no parking, which we see as offering a substantial marketing challenge.

It should be noted that project costs included an assumed $930,000 land value. A write-down of this value would bring this project close to viability under our assumptions.

FIGURE 7: Block 34 Estimate

MEASURES OF RETURN:	
Indicated Value @ Stablization	$8,787,786
Value/Cost	100%
Return on Cost (ROC)	6.6%
Return on Sales (ROS)	4.0%
Internal Rate of Return (Income Component)	9.5%
Modified Internal Rate of Return @ 8% Reinventment	9.2%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	15.00%
Calculated ROS	4.0%
Calculated Gap-Condos (includes parking)	$528,847
Targeted Return on Cost (ROC)	9.0%
Calculated ROC	6.6%
Calculated Gap-Income Components	$1,057,363
Total Calculated Gap	$1,586,210
Overall Gap as % of Development Cost	18.1%

FIGURE 8: Massing of Potential Development - Block 34

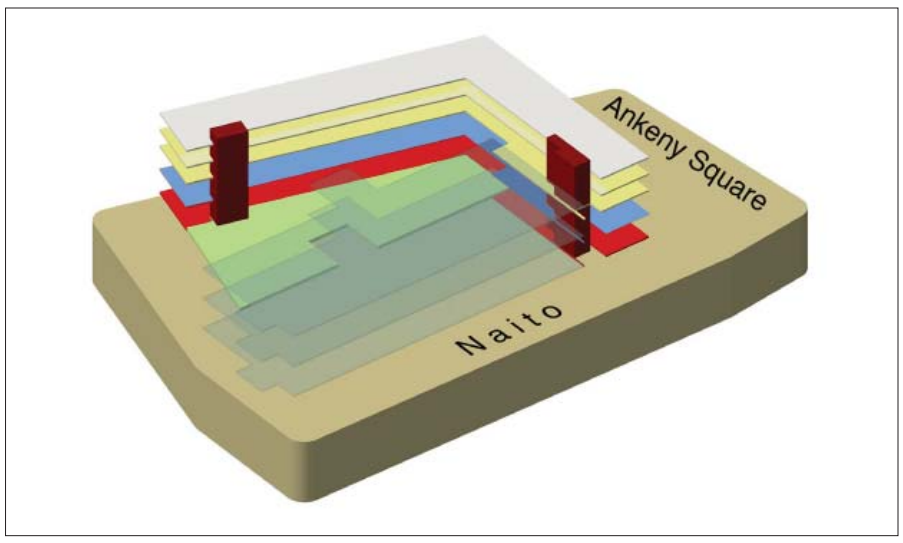
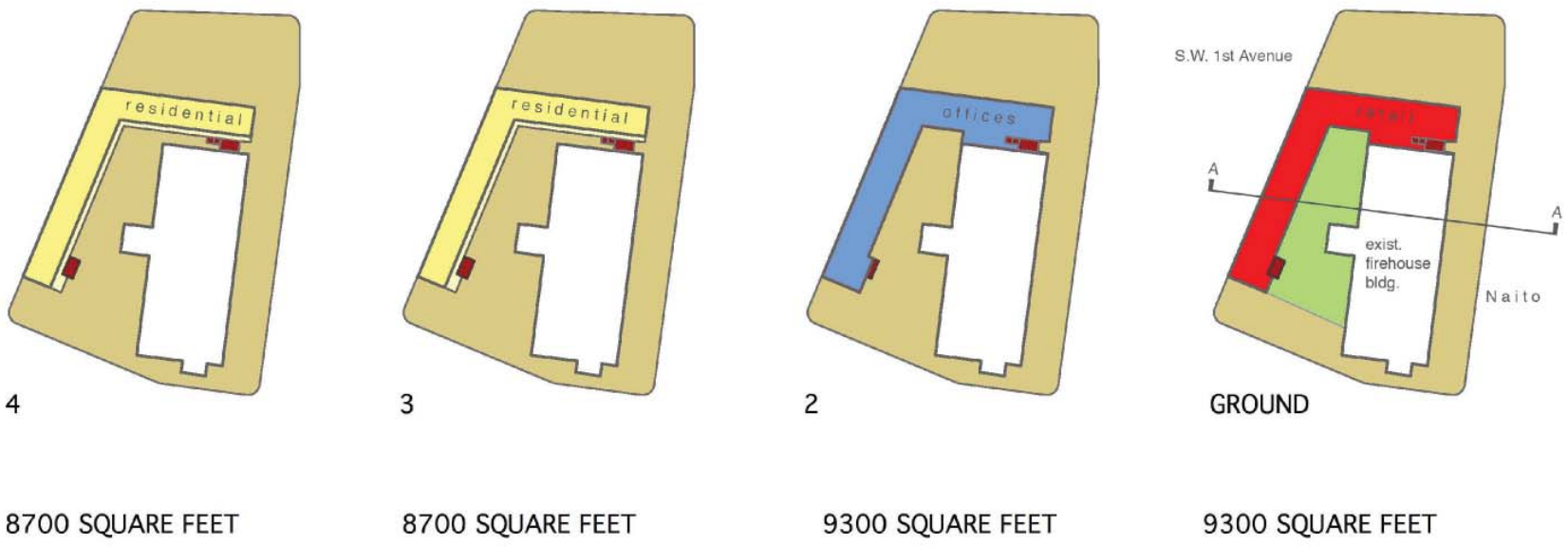


FIGURE 9: Sketch of Potential Development - Block 34

FIGURE 10: Plan View of Potential Development - Block 34



Block 31: Goodman

Block 31 is bounded by SW Ash to the north, SW 3rd to the west, SW 2nd to the east and SW Pine to the south. The development program on Block 31 utilizes the northern half of the block, which is currently in use as a surface parking lot. While not allowed under current zoning, the program modeled on the property would require a height limit of 130'. The owner of the property intends to retain ownership, and the property has a significant current income stream.

Three development scenarios were modeled for this site. The first of these assumed a ten story speculative office tower, yielding 162,000 square feet of leasable office space, 18,000 square feet of retail space and 360 subterranean parking spaces. The estimated cost of this development program was $55.6 million, with an indicated value at completion of $51.4 million. The calculated return on cost under the assumptions used was 6.5%, below the assumed threshold of 9.0%. As a result, the project has an indicated viability gap of $15.6 million, or 26.1% of development cost.

The second assumed program was a ten story market rate condominium tower, yielding 150 units with an average sales price of $428,000, 18,000 square feet of retail space and 225 subterranean parking spaces. The estimated cost of this development program was $59.7 million, with an indicated value at completion of $64.7 million. The calculated return on sales under the assumptions used was 5.4% for the condominium units, well below the assumed threshold of 15.0%. As a result, the project has an indicated viability gap of $5.4, or 9.1% of development cost.

A third program was also modeled, which included market rate rental apartments over ground floor retail and subterranean parking. This program yielded 180 rental apartment units, 225 parking space and 18,000 square feet of ground floor commercial space. The estimated cost of the development was $45.0 million, with an estimated value at completion of $42.3 million.

As modeled, the program has a significant viability gap of $10.9 million, or 24.2% of costs. This reflects the relatively high cost of high rise construction relative to achievable lease rates in the area at this time.

Block 28

Block 28 is not considered a catalytic opportunity site, but there has been interest in determining the FAR required to make a new project economically feasible for a developer. As a half block site, the development opportunities would be similar to those on Block 31. As outlined in the scenarios developed for that block, viability is limited even with a height limit of 120'. The current 75' limit would probably yield viable development forms with a lower density. The degree to which redevelopment makes sense will be a function of the assumed property value as a surface parking lot.

FIGURE 11: Block 31 Office Tower Estimate

MEASURES OF RETURN:	
Indicated Value @ Stablization	$51,404,220
Value/Cost	92%
Return on Cost (ROC)	6.5%
Return on Sales (ROS)	N/A
Internal Rate of Return (Income Component)	9.0%
Modified Internal Rate of Return @8% Reinventment	8.8%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales **Income**	**N/A**
Calculated ROS	N/A
Calculated Gap-Condos (includes parking)	**N/A**
Targeted Return on Cost (ROC)	9.0%
Calculated ROC	6.5%
Calculated Gap-Income Components	$15,637,197
Total Calculated Gap	$15,637,197
Overall Gap as % of Development Cost	28.1%

FIGURE 12: Block 31 Condo Tower Estimate

MEASURES OF RETURN:	
Indicated Value @ Stablization	$64,676,949
Value/Cost	108%
Return on Cost (ROC)	9.0%
Return on Sales (ROS)	5.4%
Internal Rate of Return (Income Component)	28.6%
Modified Internal Rate of Return @8% Reinventment	22.2%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	15.00%
Calculated ROS	5.4%
Calculated Gap-Condos (includes parking)	$5,425,145
Targeted Return on Cost (ROC)	9.0%
Calculated ROC	9.0%
Calculated Gap-Income Components	($3,567)
Total Calculated Gap	$5,421,578
Overall Gap as % of Development Cost	9.1%

FIGURE 13: Block 31 Rental Apartment Tower Estimate

MEASURES OF RETURN:	
Indicated Value @ Stablization	$42,340,823
Value/Cost	94%
Return on Cost (ROC)	6.1%
Return on Sales (ROS)	N/A
Internal Rate of Return (Income Component)	9.8%
Modified Internal Rate of Return @ 8% Reinventment	9.5%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	15.00%
Calculated ROS	N/A
Calculated Gap-Condos (includes parking)	$0
Targeted Return on Cost (ROC)	8.0%
Calculated ROC	6.1%
Calculated Gap-Income Components	$10,879,005
Total Calculated Gap	$10,879,005
Overall Gap as % of Development Cost	24.2%

Based on recent experience, we believe that underlying land values at $100 per square foot can be supported by a mid-rise condominium project over a parking podium, assuming achievable sales prices of at least $420 per square foot. While not currently considered achievable in this area, this may be achievable in the foreseeable future if significant new investment is seen in the area.

Sub-Appendix A: Glossary of Terms

Capitalization Rate or Cap Rate – The rate of return used to derive the capital value of an income stream. The value of a real estate asset is commonly set on the basis of dividing net operating income (NOI) by a capitalization rate.

Debt Coverage Ratio – Defined as net operating income divided by annual debt service. This measure is often used as underwriting criteria for income property mortgage loans, and limits the amount of debt that can be borrowed. Standard minimum debt coverage ratios would be in the 1.20 to 1.30 range. A debt coverage ratio of 1.20 indicates that in your first year of stabilized occupancy, your net operating income (NOI, gross income less expenses) is equal to 120% of your debt service requirements (principal and interest).

Equity – The interest or value that the owner has in real estate over and above the liens held against it.

Internal Rate of Return (IRR) – The true annual rate of earnings on an investment. Equates the value of cash returns with cash invested, considering the application of compound interest factors.

Modified Internal Rate of Return (MIRR) – Similar to an IRR, the MIRR considers both the cost of the investment and the interest received on reinvestment of cash. This measure of return recognizes that cash flows are reinvested at an alternative rate, which is typically lower.

Net Operating Income (NOI) – Income from property after operating expenses have been deducted, but before deducting income taxes and financing expenses.

Residual Value – The realized value of a fixed asset after costs associated with the sale. In this analysis, the residual value represents the capitalized value of the development at the end of the period less sales costs.

Return on Cost (ROC) – Net operating income in the initial year, divided by total project cost. This measure is also commonly referred to as the going-in cap rate.

Return on Equity or Equity Yield Rate – The rate of return on the equity portion of an investment, taking into account periodic cash flow. In this analysis, the return on equity represents the initial rate of return, and is defined as the net cash flow after interest costs divided by the developer equity.

Return on Sales – Defined as net profit as a percent of net sales. This measure is most commonly used with for-sale development such as condominiums.

Triple-Net Lease – A lease in which the tenant is to pay all operating expenses of the property, the landlord receives a net rent. Operating expenses include taxes, utilities, insurance, repairs, janitorial services and license fees.