

District Retail Strategies: Phase 1

Report



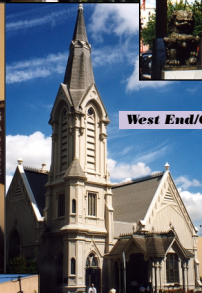
Retail Core



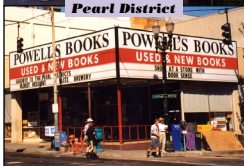
Old Town/Skidmore District



Pearl District



West End/Cultural District



by
Downtown Retail Council
a division of the Association for Portland Progress
&
Portland Development Commission
October 1999

DISTRICT RETAIL STRATEGIES: PHASE I

PORTLAND, OREGON

PREPARED BY:

PORTLAND DEVELOPMENT COMMISSION
&
ASSOCIATION FOR PORTLAND PROGRESS

SEPTEMBER, 1999

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DISTRICT RETAIL STRATEGIES: PHASE I
FOUNDATION FOR A VITAL DOWNTOWN RETAIL SECTOR
IN THE 21ST CENTURY

EXECUTIVE SUMMARY

The document, *District Retail Strategies: Phase I*, establishes a foundation for strategies to ensure that Portland's downtown retail sector will capture its market share in the next 15 years. These strategies will be designed to attract shoppers to a vital and healthy downtown, grow customer bases, create jobs, and realize optimum sales, each adding to the local economy. The direction provided in this document is intended to assist in providing answers to two critical questions: "What should downtown retail look like in the future?" and "What can be done to create that future?"

Vision.

Importance of retail to the City's downtown vitality

A vibrant downtown is an exciting amalgam of businesses, retail establishments, diverse housing units, civic and social organizations, and government, all sharing a common vision, achieving individual and community goals, and able to produce at maximum capacity. Downtown is created as the place where people want to be. Downtown becomes the "destination."

Furthermore, destination retail would increase, giving Portland's downtown the power to draw shoppers, workers, entertainment seekers, and more businesses to it. The demand for cultural and entertainment amenities would increase, and most importantly, more jobs would be created which in turn would help to continue economic growth and vitality on all fronts. Destination retail is considered to be 1) a retail establishment that, by itself, attracts shoppers to an area, or 2) a unique collection of independent and specialty stores that together serve as a destination for shoppers, and 3) an area that has a significant amount of unique, specialty, and anchor retail establishments that qualifies the area itself to be the retail destination. Independent retail is defined as stores that are locally-owned or locally controlled. For purposes of this study, retail includes eating and drinking establishments.

Opportunity.

Capturing downtown's retail market share

The recent Keyser Marston Associates report -- *Portland Downtown Retail Market Analysis* (released by the Portland Development Commission in November 1998) -- found that downtown Portland is not capturing its share of retail sales. The downtown core retail and dining space represented approximately 18% of the total metropolitan retail square footage, but only 14% of the total estimated retail and dining sales volume.

Future projections, based on the income of residents and spending characteristics of visitors, indicate that significant additional sales could be captured in the short and long term by

existing retail businesses. Downtown Portland sales potential could reach \$400 million by the year 2000. This represents a potential increase of \$92 million over downtown's retail and dining sales for 1997. Of this \$92 million, \$65 million is estimated to support the additional net new retail and dining space projected for downtown. The remainder, nearly \$28 million, is potentially available to the existing retail and dining space in downtown. The report recommended that the City look at destination retail as a primary means to capture market share.

Upon reviewing the market analysis report, the Downtown Retail Council (DRC) affirmed the value of a carefully balanced mix of retail choices in downtown. They also expressed concern for the future of independent businesses in the retail core and offered to participate in the continuing study of the downtown retail market.

According to visitors and residents, it is the unique array of retail choices -- large and small, local and national, independent owners and chains, pricing levels and product lines -- that gives downtown Portland its particular appeal. It has been the mix of retail that has set Portland apart from other cities, and for that reason, visitors and shoppers are attracted to downtown Portland. The bottom line is: retail sales are essential to the growth of the downtown economy. The spillover effect provides a positive impact on job creation, residential, and office growth in the local economy.

Retail strategies yet to be developed will address the development, encouragement, and support of a carefully balanced mix of retail uses. A balanced mix is a key element to continuing and increasing the vibrancy of downtown Portland. Independent retailers provide the sizzle -- the sense of discovery that increases the appeal of downtown Portland. The major and national retailers provide the important name brand "comfort" of familiarity as well as the grand style that draws shoppers to the area. The mix of both national and independent retail will maintain Portland's unique appeal, and additionally, will create the all important "sense of place;" the "place" that is uniquely Portland, and that can be marketed locally and globally.

Action.

Steps to develop the foundation for strategies

To address these concerns and opportunities by thinking and planning strategically, the DRC formed the District Retail Strategies Task Force. They began Phase I of the development of strategies that would maintain market share in the metropolitan area and capture additional retail sales. After identifying the opportunities, as well as the barriers and challenges faced by the downtown retail community, the Task Force proposed specific actions to help independent and national retailers maximize opportunities and successfully meet identified challenges.

The work of the Task Force was augmented by the managers of downtown Portland's major retailers as well as members of the Pearl District Merchants Association and an ad hoc committee of the Historic Old Town organization.

Strategy.

Establish unique districts in downtown. Identify a defining "theme" for each district.

The Task Force identified four districts as having geographic potential as a distinct retail destination. Each of the four districts is also characterized by a unique flavor or "theme" that has resulted from historic circumstances, unique physical features, evolving usage, economic forces, or public policy decisions. Identifying the theme or flavor of each district helped determine the cluster of complementary retail that would both promote the district, and appeal to visitors and shoppers. The district-by-district "theme-ing" exercise helped articulate the qualities that define each district and served as the foundation for discussions about marketing and promotions. The four districts selected were: Retail Core, Old Town/Chinatown/Skidmore, Pearl, and West End/Cultural.

The Task Force and others who shared their thoughts on the future of downtown retail had agreed to focus on the assets of each district as the basis for considering the most appropriate retail mix for a district. The Task Force also proposed methods to eliminate or mitigate threats to the health and vitality of downtown Portland's retail industry for the 21st century.

The substance of the discussions by the DRC Task Force and the other retailers involved in the development of the report, have been arranged into four major categories:

Transportation - A transportation system that links with retail; involves the movement of people or goods.

Improvements - Physical improvements that enhance the retail environments and sense of place.

Marketing - Activities and collateral materials that promote leasing to retailers consistent with the Retail Diversity Plan.

Business Assistance - Business development, retention and expansion activities that include maintaining a favorable business climate.

Actions proposed range from big picture/long term to small task/immediate resolution. Downtown-wide opportunities, challenges, and proposed actions were elicited and discussed.

The primary strategy that emerged for each district was the need to develop a Retail Diversity Plan, also referred to as a Merchandising Mix Plan. The goals of such a plan would be 1) to ensure that the retail mix in the downtown districts maximized the potential to gain market share and increase retail sales, and 2) to maintain downtown Portland as the vital commercial hub of the metropolitan area.

Next Steps.

Phase II: Retail Diversity Plan development

Phase III: Implementation and Marketing

Phase II: PDC has entered into an agreement with the consultants, Keyser Marston Associates, to develop the Retail Diversity Plan. APP has retained an independent retail consultant to provide local retail expertise. The opportunities, challenges, and actions presented in this document will provide a foundation for their work. PDC will coordinate and monitor the Plan, and also generate and collect data pertinent to the Plan.

Phase III: Upon completion of the Plan, an advisory group comprised of major and independent retailers, commercial brokers, property owners, managers, and leasing agents will develop strategies and tactics for its implementation. APP will develop a program and collateral materials to educate and assist property owners, property managers, leasing agents and commercial brokers in the importance of leasing to retailers appropriate for each district. Implementation will begin Phase III of the initiative to assure a vital downtown retail sector in the 21st century.

OVERVIEW

In recent years, the success of downtown Portland captured the attention of the nation. New development plans and district expansion now herald a bright future. At the same time, rising rents and the need for greater availability and ease of transportation to the retail areas provide challenges. Furthermore, current studies reveal that downtown retail, both national and independent, are not achieving market share.

This document focuses on measures to help downtown retail capture its market share in the next 15 years. These measures are designed to attract shoppers to a vital and healthy downtown, grow customer bases, create jobs, and realize optimum sales, each adding to the local economy. The direction provided in this document is intended as an important part of the answer to the questions: “What should downtown retail look like in the future?” and “What can be done to create that future?”

A Foundation for Retail Success in Downtown Portland

The work to develop a foundation for the continued success of retail downtown Portland consists of a two-step process: 1) the *Portland Downtown Retail Market Analysis*, completed in November 1998, and 2) this document - *District Retail Strategies: Phase I*, completed October 1999.

Step One was completed with the release of the *Portland Downtown Retail Market Analysis*. The document, prepared by Keyser Marston Associates, analyzed the downtown Portland retail market's projected sales increase. The report projects that downtown Portland (the area from the I-405 loop east to the Willamette River) will be a \$400 million retail market by the year 2000. This is nearly a \$100 million increase over downtown sales for 1997. Of the increase, 75% is estimated to support the additional new retail space that is currently planned for downtown. Projections show approximately \$28 million is available for existing downtown retailers to capture in 2000, with nearly \$100 million in 2005, and \$165 million projected as available for 2010.

Downtown Portland's marketable strengths are:

- A central location for a large and affluent residential support segment. In 1997, the residents of the Portland Trade Area (PTA) had an average household income of \$56,900 as compared to the national average of \$50,000, with 25% of the total households earning over \$75,000 annually. Average household income is expected to increase to approximately \$62,400 by the year 2000.

- A high concentration of downtown workers. Nearly 20% of all employment in the region is in downtown Portland. In 1997, an estimated 104,600 people, with average annual incomes of approximately \$55,000, worked downtown.
- A popular visitor destination. An estimated 2.5 million people from outside the region visited downtown last year.
- The growth of supporting populations. The number of regional and city residents, downtown employees, and visitors is increasing, creating a larger pool of potential shoppers.
- An attractive retail center. Downtown has well-planned amenities such as Pioneer Courthouse Square and the Park Blocks, three major anchor stores, and a high concentration of successful local restaurants. An abundance of these types of amenities makes downtown an attractive destination retail center. Upcoming projects such as the Fox and Sundance Cinemas will contribute to downtown's entertainment component.
- The cultural amenities. Downtown is enhanced by Portland's Cultural District, known for its impressive performing arts centers, museums, and theaters.
- Its proximity to central city housing. Downtown benefits from the 17,000 housing units located within the central city.
- A healthy regional economy. As the economic hub of the region, downtown benefits from the financial success and growth of the Portland Metro area. Likewise, the success of downtown promotes the vitality of the surrounding Metro area.
- The convenient vehicle and public transportation access. The metropolitan's major freeways (I-5, I-84, and I-405) offer easy access to downtown. Downtown is also a public transit hub with Tri-Met buses and Light Rail making stops throughout the district.

Market Support Segments

Total potential retail sales (new and existing/retail and dining) available to downtown projected for years 2000, 2005, 2010 are supported by four market segments:

Market Support Segments	% of Sales	Year 2000	Year 2005	Year 2010	
Primary Trade Area Residents (10 mile radius from downtown)	40%	\$145 M	\$187 M	\$239 M	
Regional Trade Area Residents (6 county area)	10%	\$39 M	\$44 M	\$53 M	
Downtown Employees	15 %	\$75 M	\$93 M	\$130 M	
Visitors from outside Regional Trade Area (approx. 2.5 million visitors per year)	35%	\$150 M	\$225 M	\$300 M	
TOTALS:		100%	\$409 M	\$549 M	\$722 M

For a more in-depth analysis of the social/economic demographics and type of sales, please refer to the Keyser Marston Associates report "Portland Downtown Retail Market Analysis." (copies are available at PDC by calling 823-3337)

District Retail Strategies: Phase I

District Retail Strategies: Phase I was initiated to assist new and existing retailers to capture sales of nearly \$100 million projected for 2005 and nearly \$165 million projected by 2010.

Dividing downtown into "districts" was determined to be the most viable strategy to develop and implement plans to guide the development of retail in downtown Portland. This plan identifies the strengths of each district for specialty and independent retailers and builds on each district's unique character and potential marketing theme. The four retail districts analyzed for this report are:

- Retail Core District
- West End/Cultural District
- Old Town/Chinatown/Skidmore District
- Pearl District

The study characterizes the unique identity of each district as its "theme." This theme establishes the district as an appealing retail destination designed to attract and retain shoppers. Creating these districts in a traditional downtown market requires specific actions to build theme recognition and develop the supporting mix of retail.

Recommendations

Many groups and individuals have identified measures for retail vitality in downtown Portland. Their suggestions are derived from both Step One and Step Two work. Over the past 18 months, the following groups developed the district retail recommendations:

- Downtown Retail Council (general membership and a special District Retail Strategies task force)
- Managers of downtown anchor retail stores
- Ad hoc committee of Historic Old Town Association
- Ad hoc committee of the Pearl District Merchant's Association
- The Association for Portland Progress (APP)

Their recommendations are:

- Develop a Retail Diversity Plan/Merchandising Mix Plan to capitalize on each district's unique theme. Create an implementation plan once the appropriate retail mix is identified.
- Maintain and enhance existing downtown retail anchors to assure downtown Portland increases its image as a retail destination.
- Enhance streetscapes that increase the vitality and safety of downtown sidewalks with active and attractive street level retail and services.
- Continue to develop high density, mixed-use projects to support downtown retail.
- Increase retail visibility and opportunities along the Transit Mall and the NW/West End streetcar corridor.
- Support residential neighborhood services' needs.
- Identify priority areas for focused redevelopment.
- Assure sufficient, convenient, and affordable visitor parking to meet increased demands from new office and retail development.
- Support expansion of the Convention Center in order to draw more visitors into the downtown districts.

Retail Diversity Plan

A principal finding of the Task Force was the need for a Retail Diversity Plan that would identify an appropriate mix of retail to support the theme of each district. Once this plan is defined, it will be an important tool for owners, brokers, leasing agents, and retailers when retail opportunities arise in a district. This plan will strategically cluster complementary retail, dining, and entertainment venues that reflect and enhance the theme of each district. Coordination and cooperation among owners, brokers, and retailers will be essential to create vibrant retail districts. The primary goal will be to highlight the unique charm of the districts by assuring an appealing mix of retail shopping. A diverse mix of independent (locally

owned or controlled), national, and regional retail will promote district vitality and individual retail success. In addition, the optimum mix of large and small shops with a variety of pricing levels and product lines will most likely increase market draw, enabling retailers to benefit from each other's sales, customers, and markets. Recognizing the economic benefits of clustering complementary retail will provide greater rewards for owners, retailers, and property managers.

Implementing actions that attract the retailers necessary to enhance the district's theme and contribute to its identity will develop each district as an attractive destination. The theme can guide local marketing and promotional opportunities. Retailers will be able to align their marketing focus with the district's theme and be able to better capture greater market share. As the district develops its identity and the complementary cluster of retail, its market draw will be greater, the shopper will stay longer and sales will increase (length of stay has been proven a significant factor in increasing sales).

Recommendations identified in Step Two of the study are now in process. APP and PDC staff are developing a scope of work that defines the tasks, roles, and responsibilities for the Retail Diversity Plan and implementation, as proposed in *District Retail Strategies: Phase I*.

Specific and Shared Challenges

The retailers' recommendations include both downtown-wide and district-specific actions. As part of the greater downtown, however, all four districts also share opportunities for improvement. For example, Burnside Street provides a challenge to pedestrian and vehicular movement between districts. Safety and security on mass transit and in the garages are also critical issues as people must feel safe in order to be drawn downtown. Tri-Met, the City and APP are currently addressing this issue. Pertinent areas of concern were identified that affect all retailers district-wide.

This initial study identifies proposed actions that are applicable to all districts. These actions range from the "bricks and mortar" physical improvements of infrastructure, to the resource-based needs of marketing and business assistance. Categorizing the issues creates focus and assists in the assignment of resources and responsibilities. The four major categories are:

Transportation - A transportation system that links with retail; involves the movement of people or goods.

Improvements - Physical improvements that enhance the retail environment and sense of place.

Marketing - Activities and collateral materials that promote leasing to retailers consistent with the Retail Diversity Plan.

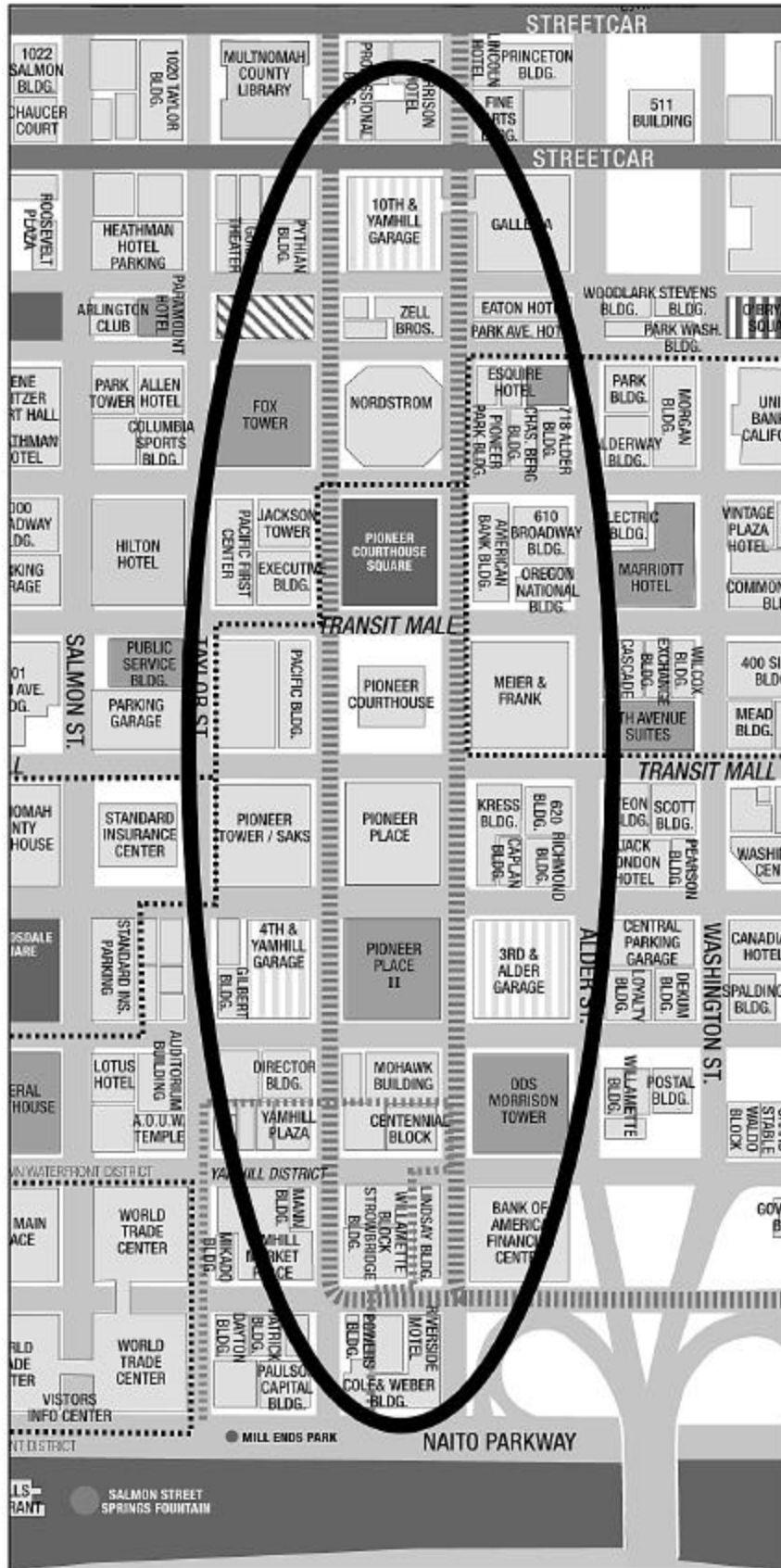
Business Assistance - Business development, retention, and expansion activities that include maintaining a favorable business climate.

Each district also faces challenges specific to its location, environment, and image. Subsequent sections of this document examine each district individually and focus on strengthening the particular theme and increasing the district's success. A description of each district's boundaries, unique qualities, and strengths assists in the development of marketing strategies based upon each district's character. There are public policy issues within each district, and as the next phase of the study progresses, it is anticipated that additional issues may arise. Using the same pertinent areas of concern (transportation, physical improvements, marketing and business assistance) that apply to the entire downtown retail sector, the following characteristics are explored herein:

- Opportunities (linked to enhancing retail sales)
- Barriers/challenges (problems that detract from successful retail development)
- Proposed actions (recommendations, proposed strategies, specific actions)

Taken together, the enhancements to the entire downtown retail area and the specific assessment of each district's needs and opportunities will create a vibrant, diverse and engaging retail experience that achieves its exciting potential.

Core Downtown Retail District



RETAIL CORE DISTRICT

Portland's downtown has achieved great momentum and is emerging as a 24-hour city, where people live, work, shop, learn, and play. Alive with urban parks, distinctive architecture (new and historic), landscaping and street amenities, the downtown core has much to offer. These attractions create excellent opportunities, but also provide their own challenges. In addition to the actions outlined in the section titled "Proposed Actions for All Downtown Retail Districts" near the end of this report, the Retail Core District requires specific attention resulting from its central location, current tenant mix and history.

Description

Portland's continuing commitment to the vision of anchoring the downtown with unique, quality retailers has created a destination Retail Core District that draws upon the regional Northwest population. This widespread drawing power provides enhanced opportunities for specialty retail in the Retail Core District. The district is generally bounded by SW Front Street on the east, SW Taylor Street on the south, SW Alder on the north, and blends into the West End/Cultural District. These two districts overlap west of SW Broadway.

The downtown Retail Core has a diverse mix of national, regional and independent retail. Morrison and Yamhill Streets form a couplet served by light rail, and are well anchored with major department stores (the original 1898 Meier & Frank, Nordstrom, and Sak's Fifth Avenue). The major retail anchors are within a four-block radius of Pioneer Courthouse Square, leading the consumer to smaller specialty shops along the way. Access is convenient by car, public transportation is widespread throughout Fareless Square, and short-term parking is inexpensive at the City's Smart Park Garages.

Generally, downtown streets are vibrant and pedestrian friendly. The Clean & Safe program keeps the core area inviting and pleasant for shoppers, visitors, and workers. Public art and fountains add visual appeal near the cultural attractions of theaters, restaurants, and the adjacent museums and performing arts centers. Pioneer Courthouse Square is Portland's "living room," – alive with events, music, concerts, performances, festivals and people-watching in the very heart of downtown.

Visitors are a strong market segment of retail shopping, providing up to 35% of retail sales. Opportunities with new hotel development, convention facilities and cinemas will further increase foot traffic and enhance the mix of retail. The diverse venues and energy of downtown will continue to draw visitors and residents to activities in the core.

Despite the success of the Retail Core, there are areas requiring attention. The Transit Mall needs revitalization and active retail. Storefronts must draw the pedestrian along the connecting route between the major department store anchors. The merchandising mix of retail is changing, and creates pressure on national and independent retailers to compete with new venues. Escalating rents make it difficult to retain the small independent retailers that provide a sense of charm in the downtown mix.

Public Policy Issues

The Retail Core District is part of three separate Urban Renewal Districts: Downtown Waterfront, South Park Blocks, and River District. The public funds resulting from urban renewal status will be used for public improvements such as the new park block, streetscape improvements to the mid-town park blocks and financing for affordable housing. Transportation facilities improvements include the new Central City Streetcar, Transit Mall rehabilitation, and additional short-term visitor parking. Retail incentives are part of the Urban Renewal Plans for the downtown core area. Maintaining and expanding opportunities for national, regional and independent retail is critical to keep downtown Portland a retail destination.

The area is generally zoned Central Commercial (CX), permitting a broad range of uses that reflect Portland's role as a commercial, cultural and governmental center. Development is intended to be pedestrian-oriented with a strong emphasis on a safe and attractive streetscape.

An examination of the issues affecting transportation, improvements, marketing, and business assistance within the Retail Core provide tools to enhance downtown Portland's reputation for excellence as a retail destination.

Transportation

Opportunities

- Light Rail will continue to bring additional people to the Retail Core District because of the convenient access. Weekend ridership is currently greater than weekdays, indicating the popularity of using rail to go to shops, restaurants, movies, plays, and concerts. The extension of MAX to the west also brings new commuters to and through downtown, with opportunities for them to make shopping stops along their way.
- The Central City Streetcar will provide convenient access to the retail core from either the Northwest or PSU, with a stop planned on SW 10th Avenue near the Galleria.

Barriers/Challenges

- Short-term visitor parking will experience a deficiency when the Park Block 5 lot is closed and 160,000 square feet of new retail space opens at Pioneer Place.

- Access by public transportation is difficult for shoppers on weekends as there are fewer buses, and during the holiday season when the MAX line is overcrowded.
- Traffic on SW Broadway impedes access between shopping, eateries, and cultural events.
- Loading zones are exclusively for trucks, which makes merchandise pick-up and delivery difficult for shoppers and merchants.

Proposed Actions

- Advocate for more public transportation on weekends and during holiday seasons.
- Determine methods that will encourage streetcar riders to visit the Retail Core.
- Develop more short-term/visitor parking on the west and east ends of the Retail Core District.
- Make short-term parking payment easy and uniform.
- Continue to support the Central Precinct's cruising reduction efforts along SW Broadway.
- Develop attractions (signs/banners, information kiosks, and promotions) that encourage people to walk back and forth between the Retail Core and West End/Cultural Districts.
- Resolve loading zone issues, particularly for independent retailers.

Improvements

Opportunities

- Substantial increase in foot traffic resulting from the development of new offices, retail space and 17 new cinema screens will create opportunities for retail and restaurants to extend their business hours.
- Completion of Pioneer Place Pavilion will add 160,000 square feet of retail and a six-screen Sundance Cinema. The opening is planned for early 2000.
- 33,000 square feet of retail in the new ODS Tower opened in August 1999.
- 40,000 square feet of retail on the lower two floors of Fox Tower with a ten-screen ACT III Cinema will open early to mid 2000.
- Over 3,000 hotel rooms exist in the downtown core with another 1,112 rooms coming on line by early 2000.
 - The 14-story Paramount Hotel (800 SW Taylor) is a 154-room business-class hotel with a restaurant and street-level retail. It will open in early 2000.
 - The Westin Hotel (SW Park and Alder Streets) opened in August 1999 with 200 rooms, a 3,000 square foot restaurant, and meeting/banquet rooms.
 - The 20-story City Center Marriott (SW Broadway and Washington Streets) is a 252-room hotel atop a 47,000 square foot retail complex which opened in August 1999.
 - The 321-room Hilton Tower (the former Greyhound Bus Depot on SW 6th and Taylor) is scheduled for construction in the summer of 2000.
- Streetscape improvements are planned for SW 9th and Park Avenues to improve the area's appeal and attract new foot traffic to the mid-town Park Blocks.

Barriers/Challenges

- High land prices and fragmented property ownership make land assemblage difficult for redevelopment.
- The Transit Mall streetscape, noise, visual image and vacant retail storefronts are uninviting.
- Gaps in the storefronts between the anchors reduce the flow of pedestrian traffic through the retail core.

Proposed Actions

- Support Transit Mall rehabilitation efforts to enhance the streetscape, further retard misdemeanor criminal activity, and reactivate retail storefronts.
- Promote ambiance of the new streetscape improvements in the mid-town Park Blocks.
- Increase window displays to enhance retail visibility and capture the interest of the visitor.

Marketing

Opportunities

- Major events at Waterfront Park and Pioneer Square offer excellent opportunities for event attendees to see the attributes of downtown and come back later to shop.
- The Portland Oregon Visitor Association (POVA) office will relocate its event ticket sales booth and an 80-seat theater to the Pioneer Courthouse Square. The theater will show videos of Portland and Oregon. The event ticket sales booth and theater are projected to attract 250,000 tourists to the square.
- 16 new theaters will bring more people to downtown.

Barriers/Challenges

The Retail Core District shares the same marketing barriers and challenges as all four districts. Actions identified to address these common barriers and challenges are described in “Proposed Actions for All Downtown Retail Districts,” Section 6, of this report.

Proposed Actions

- Establish a Downtown Retail Core Lighting District to create a vibrant, 24-hour downtown image.
 - Light the buildings to enhance the visual appeal of the architecture and brighten downtown’s image.
 - Coordinate the project with the millennium light show at Pioneer Courthouse Square.
 - Develop a strategy to execute the project as a high quality, world-class downtown lighting district.
- Extend shopping hours to:
 - Attract shoppers after work and after events.
 - Link extended hours to major events at Waterfront Park, Pioneer Square, cultural events, and entertainment opportunities.

Business Assistance

All four Downtown Retail Districts share the opportunities, barriers/challenges, and accompanying actions pertaining to business assistance for the Retail Core District. Proposed actions for strengthening business assistance for all four districts are listed in Section 6 of this document.

West End/Cultural Retail District



WEST END/CULTURAL DISTRICT

The West End/Cultural District serves a diverse population requiring retail and neighborhood services. Its adjacency to the Retail Core District, PSU, and the Pearl District offers great advantages for independent and specialty retailers. Combined with the proposed actions for improvements shared by all districts in Section 6 of this document, the West/End Cultural District has particular challenges and benefits related to its unique character and district amenities.

Description

The West/End Cultural District provides many opportunities for new specialty retail focused on the variety of cultural resources that anchor the West End and the abutting Retail Core District. This area overlaps several districts and functions as a “bridge” of activities and attractions that energize this emerging retail district. The district is generally defined by the Pearl District on the north, I-405 on the west, the University District on the south, and the Retail Core District overlapping on the east.

The West End/Cultural District is an interesting blend of uses and opportunities as described in A Vision Plan for the West End (July 8, 1999):

“The West End is a remarkable district within the heart of Portland. The area is home to a mix of extraordinary cultural destinations, a retail and service component with strong traditions, and a residential population. It provides a cross section of urban society unmatched by other areas of Portland. Further, these activities are supported by an exceptional physical setting: by proximity to downtown, by the adjacency to the Park Blocks, and by exceptional access to MAX, the Central City Streetcar, and I-405. 10th Avenue can grow to be an outstanding Main Street.

The district is a center for cultural, educational, and spiritual activities. It is home to the Central Library and the largest concentration of religious institutions in the city. The Cultural District of Portland adjoins the West End, and includes the Portland Center for Performing Arts, the Portland Art Museum, and the Oregon History Center. Childcare, the PSU Elementary School, nearby Lincoln High School, and Portland State University present educational opportunities for all ages. All of these resources draw visitors from around the region, and benefit the residents of the West End.”

The West End/Cultural District is a crossroads of transportation that binds it to downtown, Goose Hollow/Civic Stadium, and the Pearl and University Districts. The district itself can be separated into three “places:” Park West, Galleria, and the Burnside Triangle.

The Park West Cultural Quarter, located in the south end of the district adjacent to PSU, is an intense mix of cultural facilities and residences. A substantial amount of developable properties are prime candidates for mixed-use developments of residences, neighborhood services, and offices.

The Galleria Quarter overlaps the Retail Core District and is served by Light Rail and the planned Central City Streetcar. Many strong retail shops already anchor the district. Reactivation of the Galleria, however, is a key element to stimulate additional commercial activity.

The Burnside Triangle anchors the north end as the “front door” to the district and draws visitors throughout the region to Powell’s Books, restaurants, and nightlife entertainment. Renovation of the many older buildings in the district can stimulate new street-level retail.

The former Blitz Weinhard Brewery, now owned by Gerding Edlen developers, presents an exciting opportunity to create a bridge between the West End and the Pearl Districts. The development of this site will draw people to live, work, shop, and dine in the area. Furthermore, the Central City Streetcar will transform SW 10th and 11th Avenues into “Great Streets” becoming a ribbon that ties the district together: from churches, the library, schools, and residences to the Galleria, Safeway, the YMCA, and cultural facilities.

Public Policy Issues

The West End has been the focus of an intense study effort by private-public partnerships to create A Vision Plan for the West End. Beginning in December 1997, a West End Working Group was formed to explore strategies to stimulate unrealized potential for redevelopment in the study area. The vision document encourages new and revitalized retail and office buildings to enhance job opportunities. It also advocates for a substantial number of new housing units to create a critical mass supporting neighborhood services.

Some of the major actions identified in the plan that will enhance retail opportunities are highlighted below.

New Housing: 3,000 new housing units are planned for the overall area, with emphasis on a mix of rental and ownership units. Plans to develop the Jefferson Block and Museum Place (Safeway/YWCA) into high-density, mixed-use projects are in process.

Central City Streetcar: Scheduled for completion by spring of 2001, the streetcar will connect PSU with NW 23rd Avenue and provide service throughout the West End on SW 10th and 11th Avenues. Streetcar stops will provide critical connections between

adjacent neighborhoods, retail shops, and cultural institutions. Over 7,000 jobs are estimated for the West End, and linkages with public transportation will provide important inducements for office and residential development.

Mixed-Use Potential. Incentives to encourage greater density and utilization of surface parking lots need to be developed through zoning amendments that allow more commercial development and greater FARs.

Revitalization of the Galleria. Critical to anchoring retail on the West End of the downtown core, specific strategies to fund the Galleria's renovation and attract significant destination retailers are being explored with the current property owners.

Strengthen SW 10th Avenue as a Destination Shopping Street. Facilitate the redevelopment of developable properties on the avenue into uses that benefit district visitors, service district residents and workers.

Specific opportunities and challenges facing the West End/Cultural District in the four basic categories of transportation, improvements, marketing, and business assistance are outlined below. Proposed actions for implementation are also suggested.

Transportation

Opportunities

- The Multnomah County Central Library, cultural amenities, and museums generate substantial foot traffic.
- PSU also generates significant foot traffic with over 15,000 students, 2,400 faculty and staff, and over 8,200 meetings, events, dances, and concerts per year.
- The Central City Streetcar will link the PSU campus to residences and retail along the track lines on SW 10th and SW 11th Avenues and continue through the Pearl District to NW 23rd Avenue.

Barriers/Challenges

- I-405 is a physical barrier.
- The area south of Taylor Street needs activities that create incentives to get off the streetcar and walk east.
- Potential traffic congestion may occur with the streetcar, MAX, and Smart Park Garage at 10th Avenue and Yamhill Street.

Proposed Actions

- Determine and institute methods to encourage people to get off at the streetcar stops in the West End/Cultural District.
- Develop more short-term/visitor parking.
- Formulate incentives to eliminate surface parking with new development by allowing the existing parking spaces to be incorporated into the parking garage.

Improvements

Opportunities

- The recent \$25 million renovation of the Multnomah County Central Library and the \$30 million remodel/expansion of the Portland Art Museum defines this area and draws customers interested in literature, the arts and quality experiences.
- The current remodel of the Portland Art Museum includes a 42,000 square foot expansion into space formerly occupied by the Pacific Northwest College of Art. The expansion will provide a new auditorium, expanded museum shop, café, educational space, art conservation gallery, and permanent collection gallery.
- Redevelopment of South Park Block 5 (currently a surface parking lot) will provide new open space and possibly some retail (not to exceed 30% of land area) in the next two to five years.
- Capping I-405 would create a mixed-use plaza at the Yamhill and Morrison Streets intersection with Light Rail. Overall benefits include: 2,000 new jobs, 2,640 new residents, 1,345 new parking spaces, six acres of new parks, and 650,000 square feet of new office, retail and entertainment space.
- Proposed redevelopment of the Safeway site and the block immediately to the south will incorporate mixed-use apartments and condominiums, adding new residents to the district. The development further intends to expand Safeway, revitalize the YWCA, and increase office space, bringing new shoppers to the south end of the district.
- Historic buildings with visual appeal and great potential occupy several blocks.

Barriers/Challenges

- The neighborhood has a history of limited reinvestment.
- As a “district” it has no identity consistent throughout its length and breadth and does not draw shoppers to it.

Proposed Actions

- Revitalize the Galleria to anchor the West End.
- Promote the ambiance of 10th and 11th Avenues with new streetscape improvements at the streetcar stops. Activate the sidewalks with flowerpots, benches, and sidewalk tables at cafes.

Marketing

Opportunities

- The district includes several “destinations” such as the Library, The Real Mother Goose, and Finnegan’s.
- The district draws well-educated customers who are interested in quality products and experiences.

Barriers/Challenges

With the same barriers and challenges for marketing shared by the other three retail districts, proposed actions to mitigate marketing barriers and challenges are outlined in Section 6, positively influencing the Downtown Retail District overall.

Proposed Actions

- Develop stronger ties between specialty retail and Cultural District activities with cross-marketing promotions.
- Attract independent retailers and restaurants with the lure of new residential developments and the growing number of cultural and performing arts events.
- Encourage entertainment uses, which extend the hours of activity and promote increased foot traffic.
- Promote the Library as a literary and educational focus to cluster specialty bookstores, map suppliers, artists supplies, children’s educational toy retailers, and gift merchants.
- Foster an information network among retailers to increase cooperation and communication.
- Develop attractions (signs/banners, information kiosks, and promotions) that encourage people to walk between the Retail Core, West End/Cultural, and Pearl Districts.
- Develop a “kid-oriented” area that connects with the Library and museums.
- Strengthen the Galleria’s presence as destination retail.

Business Assistance

Opportunities

- A significant residential population requires a substantial number of neighborhood retail services (grocery, dry cleaning, pharmacy, etc.).
- The area currently includes an eclectic mix of stores, restaurants, and offices close to the growing Retail Core.

Barriers/Challenges

- The district is outside the area served by the Clean and Safe program.
- The district needs revitalization and recognition as a destination.

Proposed Actions

- Promote development of neighborhood services (day care, cleaners, and food options).
- Extend dining venues occurring on lower SW Alder and Morrison Streets up to 10th Avenue.
- Pursue the unique clustering opportunities for retail within or close to the Cultural District.
- Encourage brokers and specialty retailers to focus on varied, unique, and educational products and services to capture the market represented by students, faculty, and families.
- Strongly encourage continued cleaning and safety improvements to the 10th and Yamhill Smart Park Garage to eliminate any negative perceptions.
- Explore options to expand the Clean and Safe Program in this district.

Old Town/Skidmore Retail District



OLD TOWN/CHINATOWN/SKIDMORE DISTRICT

With a rapidly changing landscape and some of Portland's oldest buildings, the Old Town/Chinatown/Skidmore District is faced with new challenges as well as old. The proposed actions that encompass all four districts described at the end of this report in Section 6 serves to ease some of this district's growing pains. Further opportunities and barriers confronting the Old Town/Chinatown/Skidmore District are outlined herein.

Description

The Old Town/Chinatown/Skidmore District encompasses the historic origins of downtown and creates a "bridge" across Burnside Street. The district is rich in diversity, embracing the Willamette River on the east, the Steel Bridge and NW Glisan Street on the north, the Transit Mall on the west, and SW Oak Street on the south. The area bustles with activity as people come and go on MAX Light Rail to attend the Saturday Market, wander through the galleries, sample a variety of ethnic restaurants, appreciate the historic architecture, relax at the Skidmore Fountain and explore a vibrant nightlife scene.

There is more activity in Old Town now than in the past 30 years combined. A new commitment to the district is underway with the construction of residential apartments and offices. Opportunities for specialty retail and services in this emerging area will soon follow. The Classical Chinese Garden will anchor the north end of the district and Saturday Market will make its location permanent with the purchase of the Skidmore Building.

Public Policy Issues

In 1997, City Council adopted A Vision Plan for Old Town/Chinatown with a major emphasis on the need for strong communication, balance, and a commitment to the principles of the Good Neighbor Agreement. The Vision Plan also proposes crafting a Development Plan to create strategies that utilize public investment to foster private investment. The plan identifies the need to increase housing opportunities for all income levels, make infrastructure improvements, and perform retail enhancements. The Development Plan discusses the specific issues in great detail, especially improvements for access to the district.

Edges and boundaries represent a major deterrent for the downtown connection. Burnside Street is a negative "front door," Naito Parkway makes access to Waterfront Park more difficult, and NW 3rd and 4th Avenues need streetscape improvements to activate retail uses.

The Skidmore/Old Town Historic District was created in 1975 and has been the focus of ongoing revitalization. Saturday Market continues to bring thousands of people to the area

every weekend. Recent acquisition by Saturday Market of the Skidmore Building, and construction of public restrooms, continues the City's commitment to this important destination for shoppers and visitors.

The Old Town/Chinatown/Skidmore District is home to the transient population and provides a broad range of social services for that population. While the district has incorporated the needs of this population into its development, their presence is a deterrent to some visitors, especially in the evening. The district is also home to arts and entertainment venues that draw many visitors to the area. The district is generally zoned Central Commercial (CX) which permits a variety of uses reflecting Portland's role as a commercial, cultural, and governmental center. Development is intended to be pedestrian-oriented with a strong emphasis on a safe and attractive streetscape.

The district's history and diversity give the area its charm and its challenges. The neighborhood takes pride in an active Chinatown and a historically significant Old Town, but it also deals with unattractive or boarded-up storefronts, too little retail, and the problems of impassability on Burnside Street. A breakdown of the issues pertaining specifically to the Old Town/Chinatown/Skidmore District within the framework of transportation, improvements, marketing and business assistance offer suggestions for achieving the district's potential.

Transportation

Opportunities

- The district is located between downtown hotels/retail on the west side of the river and the Oregon Convention Center on the river's east side. Three East/West Light Rail stops make district access very convenient.
- Foot traffic is increasing as galleries and antique shops, spurred by First Thursdays, stay open later.
- The Transit Mall, Union Train Station, and Greyhound Bus Depot create a transportation core for tourist-oriented uses.
- The Classical Chinese Garden will attract over 100,000 visitors each year.
- Revisions to street designs and traffic modifications along NW 3rd Avenue and Burnside will improve vehicular access.
- Burnside Street will be narrowed when parking is allowed along the curb, slowing the unfriendly rush of cars past the district. The sidewalks will be more pedestrian-friendly because parked cars create buffer pedestrians from the busy street.

Barriers/Challenges

- Burnside Street is a visual and physical barrier for pedestrians wishing to cross safely and comfortably. This challenge has the greatest impact on the Old Town/ Chinatown/ Skidmore District.
- An awkward mix of traffic signals and stop signs causes frustration and safety concerns, especially for visitors unfamiliar with the district.

Proposed Actions

- Support the Old Town Vision and Development planning efforts for the district.

- Support PDOT’s efforts to study improving pedestrian crossings and calming traffic on Burnside Street.
- Lead people from Union Train Station and the Greyhound Bus Depot into the district with information kiosks and wayfinder signage.
- Make taxicabs more accessible.
- Explore methods to draw pedestrian traffic to the Classical Chinese Garden, making the stroll enjoyable and comfortable.

Improvements

Opportunities

- The former Post Office Building at 511 NW Broadway offers an opportunity for adaptive reuse.
- Relocation of the Fire Department will allow adaptive reuse of the building.
- 1,000 additional residential units are possible in the near future as acquisition and development plans are finalized.
- Significant opportunities exist for land assemblage that could result in additional mixed-use development.
- The \$8 million Classical Chinese Gardens will occupy an entire block and include a museum, tea room, auditorium, meeting rooms and gift shop. Over 100,000 visitors are expected to tour the Gardens each year, with almost one-half of that population coming from out-of-state.

Barriers/Challenges

- The “Front Door” to the district on Burnside Street creates a negative first impression.
- Old Town is in a “box,” with barriers on all sides. The 1926 widening of Burnside Street removed ten feet of space from buildings facing the street, creating building sizes that are too narrow and awkward for easy adaptive reuse.
- Property ownership is fragmented and makes land assemblage difficult.
- Current property owners have not been inclined to sell or to make investments to improve their buildings.

Proposed Actions

- Improve the Transit Mall to enhance streetscapes, increase pedestrian safety, and revitalize retail storefronts.
- Make Burnside Street more visually appealing, welcoming the visitor to Old Town.
- Explore ways to eliminate loitering problems adjacent to social service agencies.
- Utilize the Storefront Improvement and Building Lighting Enhancement Programs offered by Portland Development Commission.
- Explore ways to encourage property owners to invest in property improvements or sell.

- Motivate merchants and property owners to demonstrate stronger community leadership by actively participating in downtown events.
- Develop plans to adapt the fire station to mixed-use when it vacates its current location.

Marketing

Opportunities

- The district serves as the “front door” to major growth areas in the River District and connects the River District to downtown. Plans call for the creation of 5,000+ housing units serving a broad range of incomes. Major open space, transit improvements, and 1,000,000 square feet of office space in the River District are also in the planning stages.
- 800,000 people attend Saturday Market underneath the Burnside Bridge and the area around the Skidmore Fountain on Saturdays and Sundays, from April through December. With over 350 vendors, a single weekend attracts 44,000 people to the district. Annual sales exceed \$13 million.
- Major events at Waterfront Park and the Saturday Market create opportunities for people to enter Old Town and to continue into the district, exploring galleries, restaurants and entertainment offerings.
- The new 150,000 square foot Port of Portland Headquarters Building added 325 office workers to the district, and draws others who are conducting business with the Port.
- The concentration of eating and drinking establishments, entertainment, galleries, and after-hours services is defining the area as an emerging arts and entertainment district.
- Employment in professional, creative services and the high-tech industries is a strong component of the district, generating a demand for excellent restaurants, restaurants with late hours, unique retail, and quality cultural and entertainment offerings.
- Eating and drinking establishments see new opportunities to capture the evening strollers.
- Historic architecture is significantly concentrated on both sides of Burnside, into the greater Old Town area, and including Chinatown and Skidmore.
- The variety and visual complexity of the district’s historic architecture creates appealing retail storefronts at street level, attracting pedestrians to search for unique retail experiences among the buildings.
- The district enjoys a strong cultural heritage as well as an established historic identity, tying Portland back to its roguish past life as a timber and shipping center.
- The district lays claim to the only Japanese-American Historical Plaza in the country.

Barriers/Challenges

- There is a perceived lack of adequate parking as existing parking facilities are not readily recognizable.
- Suburban shoppers have no reason to come to the district.
- Although many people attend Saturday Market, they do not necessarily remain in Old Town to dine or shop further.
- Perceptions persist of Old Town as being a dangerous and unappealing district.

Proposed Actions

- Develop better identification for visitor parking, especially north of Burnside Street.
- Promote the ambiance of the new streetscape improvements on NW 5th and 6th Avenues and those proposed for NW 3rd and 4th Avenues.
- Develop historic architecture tours and lectures linked to the unique retail (galleries and antique shops) and dining establishments in the district.
- Encourage a mix of entertainment venues to appeal to the demographic variety of patrons.
- Foster strategies to promote the district's Asian cultural identity.
- Formulate Good Neighbor policies to reduce conflicts among differing uses.
- Create an environment of positive activity to change patterns of loitering.
- Provide services for visitors to the Classical Chinese Gardens such as souvenirs/gifts, food options, and film processing.
- Develop marketing and promotional links to attract visitors to explore the neighborhood after visiting Saturday market and the Gardens.

Business Assistance

Opportunities

- New housing units will add significantly to the “critical mass” of people needing neighborhood services, general and specialty retail, and dining and entertainment.
- Residential projects underway include:
 - Union Station Housing with 680 units of mixed rental and ownership residences.
 - Fifth Avenue Court: a two-phase project with 96 residential units, two levels of parking (158 spaces), and ground-floor retail.
 - North Park Lofts (733 NW Everett Street) which adds four stories to the existing six-story, 1908, former Artisan/Burnett Building creating 68 market-rate condominiums with ground-floor retail.

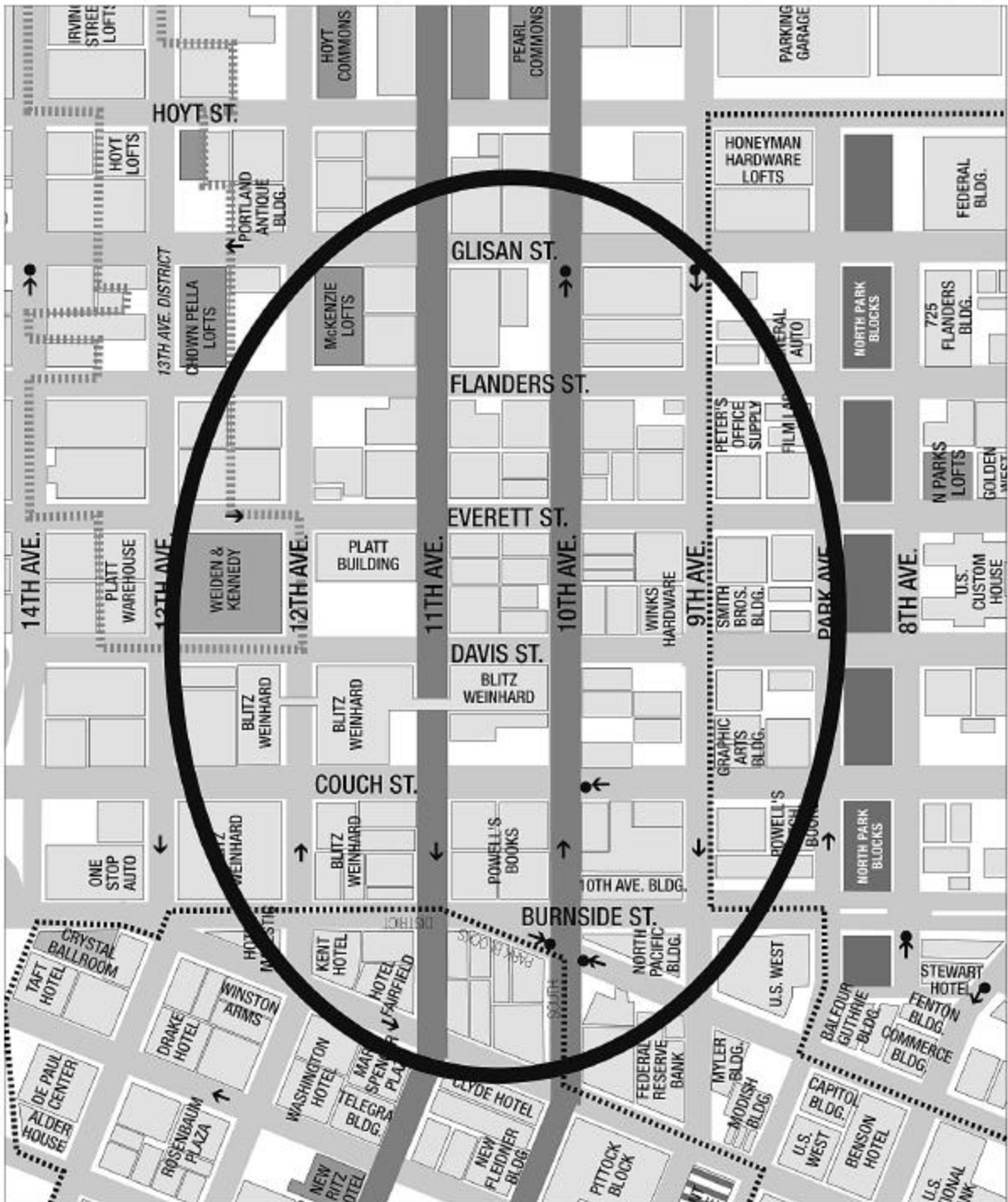
Barriers/Challenges

- Neighborhood services are in short supply, especially grocery stores.

Proposed Actions

- Expand entertainment attractions along Burnside with high visibility and availability of prime buildings. Promote a non-residential character on this street to help avoid late-night noise conflicts.
- Develop coalitions with neighborhood employers, residents, and social service agencies.
- Create a positive investment environment by promoting the entire district as a great place to live or visit.
- Provide neighborhood services such as grocery stores, drug stores and dry cleaners.

Pearl Retail District



PEARL DISTRICT

The Pearl's charm is diverse and distinct. It is also likely to change. Adjectives describing its character are as varied as its storefronts: artistic, upscale, warehouse chic, too expensive, cool and elitist. One district retailer defined the Pearl as the "Soho" of Portland saying it was "...on the edge, should stay on the edge and move more to the edge." Soho has changed, however, and the Pearl is changing too.

Description

The Pearl's boundaries are loosely defined by marketing efforts, neighborhood identity, political subdivision, and new residential construction on the northern edge. The Pearl District includes an older industrial area, in which industrial uses continue on many blocks, while redevelopment of old warehouses into housing and commercial spaces occurs rapidly. This emerging and lively district is generally bordered on the south by Burnside, extending north to NW Lovejoy, with NW Broadway as the east boundary, and I-405 as the west edge.

The Pearl District has a positive reputation for its eclectic blend of industrial uses and warehouses transformed into specialty shops of home furnishings, antique stores, and galleries. Restaurants serve the growing residential population of the district. Converted lofts, new apartments, and condos redefine the character of the neighborhood. The Pearl District is an extension of downtown, especially the West End. The two districts overlap on Burnside between Powell's Books on the east and the Crystal Ballroom on the west, with the former Blitz-Weinhard Brewery properties filling in the north side. The closure and sale of the brewery present a significant opportunity for redevelopment that could further change the character of the Pearl. The five-block complex is filled with older buildings that may or may not remain. Two of the buildings (an 1890 warehouse and the Armory) have potential for adaptive re-use.

As the Pearl District grows, its popular locales will continue to attract shoppers and diners to specific destinations. The real challenge will be to create a lively in-fill of specialty shops that complement the district's charm and entice the shopper to stroll into and throughout the neighborhood. Powell's is a significant anchor, serving over 3,000 customers a day. If shoppers are to be enticed to wander further into the district, surrounding activity will need to be extended between Powell's and the district's other retail stores, restaurants, and galleries.

Public Policy Issues

In October 1998, the City Council approved the creation of the River District Urban Renewal Area. The Urban Renewal designation allows the use of tax increment financing to fund

improvements specified in the River District Plan. This will enable the district to become one of Portland's great neighborhoods. Public funds resulting from the urban renewal status will support much-needed public improvements such as parks and open space, financing for affordable housing and transportation facilities.

The area is generally zoned Central Employment (EX), allowing a wide range of industrial, business and service uses that require a central location. Residential uses are allowed, but are not intended to dominate the area. Development standards are crafted to stimulate new development that complements the existing character of the district.

Some of the major projects enhancing retail opportunities are highlighted below:

New Housing: 5,000 new housing units are planned for the overall area, with 1,200 units on the north edge of the Pearl District. The housing will be a mix of apartments, townhouses, and condominiums serving a full range of income levels.

Central City Street Car: Scheduled for completion by spring of 2001, the streetcar will connect PSU with NW 23rd Avenue and provide service to the Pearl from NW Lovejoy and Northrup Streets and from the south on 10th and 11th Avenues.

Lovejoy Ramp Demolition: In conjunction with the streetcar project, the old Lovejoy Ramp was removed, eliminating a barrier that divides the neighborhood. The new approach to the Broadway Bridge starts at NW 9th Avenue.

Park Square Planning: To enhance the livability of the River District, three new parks are planned to provide a variety of activities. The parks will connect the new housing along NW 10th and 11th Avenues to the Willamette River.

New Grocery Store Planned: Active planning is underway encouraging the development of a new, full-service grocery store to serve the needs of the residents in the district.

The 1,200 new residential units being constructed north of Lovejoy Street are mixed-use developments that will attract new neighborhood services, both complementing and challenging the district's existing retail. This influx of new residents in the district will create opportunities to enhance the unique retail mix that gives the Pearl its vitality. While there will continue to be a desire for niche retail in this distinctive district, rents are increasing, artists are leaving and galleries find it a challenge to stay. Specialty retail and restaurants must have a critical mass of visitors that will wander and explore the district in order to thrive.

While Section 6, "Proposed Actions for All Retail Districts," details actions that will positively affect the Pearl as a part of the entire retail district, the areas of transportation, improvements, marketing and business assistance include particular issues unique to this evolving district.

Transportation

Opportunities

- Streetcars will link the PSU campus and NW 23rd Avenue to residences and retail along the track line, bisecting the Pearl District with a one-way couplet on NW Lovejoy and Northrup Streets at 10th and 11th Avenues.

Barriers/Challenges

- The high-volume traffic and a lack of traffic signals discourage pedestrians trying to cross Burnside at the mid-town Park Blocks.
- The speed and volume of the traffic, along with the condition of the storefronts, makes Burnside an uninviting “front door” to the district.
- Parking is a growing concern as residential density increases and special events draw more visitors.

Proposed Actions

- Support PDOT’s efforts to study improving pedestrian crossings and calming traffic on Burnside Street.
- Utilize the current parking study to identify solutions for additional off-street parking.
- Develop sidewalk and streetscape improvements along the streetcar stops. Heighten the sidewalk experience with flowerpots, benches, information kiosks, and “way-finders” to guide people to the stores.

Improvements

Opportunities

- 1,200 new residential units and 84,000 square feet of neighborhood retail and commercial space with parking facilities are planned for the Pearl District as part of the River District Urban Renewal Plan.
- Removal of the NW Lovejoy Ramp will return the street to grade level and eliminate the visual blight of the structure. Moreover, the ramp’s removal will allow a “Main Street” of shops to serve residents and visitors to the area.
- Capping I-405 would enhance the Burnside crossing as more pedestrian-friendly. It would also create 2,000 jobs; 2,640 residents; 1,345 parking spaces; six acres of parks; and 650,000 square feet of office, retail and entertainment space.
- Redevelopment of the Blitz- Weinhard Brewery Site (5 blocks) could stimulate new foot traffic into the Burnside Triangle area and create a strong connection with the adjoining West End/Cultural District.

Barriers/Challenges

- Fences around parking lots, particularly at both the “new” and “old” post office buildings, are unattractive to the surrounding neighborhood.

Proposed Actions

- Improve the visual image of parking lots, especially at the Post Office complexes.

- Renovate the historic building between NW Irving and Johnson Streets at NW 9th and 10th Avenues to house Ecotrust and Patagonia in the proposed Jean Vollum Natural Capital Center.

Marketing

Opportunities

- Redevelopment of the Blitz-Weinhard Brewery Site (5 blocks) will provide new retail opportunities and attract additional visitors to the Pearl District.
- The streetcar connecting PSU with NW 23rd Avenue will provide service to the Pearl from the northwest on Lovejoy and Northrup Streets and from the south on 10th and 11th Avenues. Retailers in the Pearl will enjoy greater visibility as streetcar riders pass through the district. Stops throughout the Pearl will encourage riders to descend the streetcar and explore the neighborhood.
- The Pearl District Merchants Association currently promotes cooperative marketing among retailers. This active organization will continue to benefit the district's marketing efforts.

Barriers/Challenges

- Merchants agree that Art-in-the-Pearl and other events do not create shopping opportunities for most of the merchants. Event attendees leave after the event instead of walking west into the district to shop.

Proposed Actions

- Identify and promote areas of activities and events (e.g. Art-in-the-Pearl, Dog Days of Summer, First Thursdays, Tower Lighting in December).
- Educate Portland residents and visitors on the broad range of shopping and entertainment activities in the Pearl district.
- Enhance retail opportunities along the North Park Blocks with coordinated programming of events and festivals.
- Promote an information network among retailers to foster increased cooperation and communication.
- Continue to encourage business participation in the Pearl Merchants Association.
- Develop signs and banners to draw pedestrians further west into the district.

Business Assistance

Opportunities

- The new facility for Wieden & Kennedy will offer opportunities for the immediate area to develop a “Creative Services” theme, attracting independent services (e.g. graphic design, video production, advertising, printing, artist representation, and communication services).
- The art gallery and antique store focus is growing.

Barriers/Challenges

- The district is almost entirely outside the area served by the Clean and Safe program.
- Nightlife entertainment can create conflicts for residents in this mixed-use neighborhood.
- The Pearl’s character and development is evolving. The unknown direction of this rapidly changing environment may create uneasiness for retailers.

Proposed Actions

- Promote a retailers’ information network, and continue encouraging businesses to participate in the Pearl District Merchants Association.
- Encourage businesses and property owners to capitalize on the significant opportunities occurring with the redevelopment of Blitz- Weinhard Brewery properties.
- Explore the feasibility of creating an “Interior Furnishings & Design Center.” This collection of designer showrooms and associated professional services would focus on a home decor theme potential in the district.
- Encourage entertainment facilities, especially live theater, which will provide expanded venues for a wide range of visitors and enhance support for eating and drinking establishments. Experimental theater would also fit the artistic character of the Pearl District.
- Attract small-scale neighborhood services such as groceries, home furnishings, cleaners, and print/copy shops to provide for the needs of local residents and businesses.
- Encourage the adaptive reuse of historic and industrial buildings by using basement, 2nd and 3rd-floor spaces for additional retail that accentuates the character of the district.
- Attract independent retailers and restaurants with the new residential developments and the growing number of arts and entertainment events.
- Create stronger links between businesses and the Pacific Northwest College of Art.

PROPOSED ACTIONS FOR ALL DOWNTOWN RETAIL DISTRICTS

While the four districts (Retail Core, West End/Cultural, Old Town/Skidmore, and Pearl) each have a unique character, these adjacent and overlapping areas share certain challenges. This section proposes actions to capitalize on the collective opportunities for all four districts and respond to the challenges faced by all Downtown Retail Districts. The challenges exhibited in all districts include:

- Improved parking options;
- Attention to unattractive or vacant storefronts and neglected buildings; and,
- Necessary owner/broker participation to attract and retain the retail mix appropriate to the district.

Burnside Street presents a particular challenge, and negatively affects all districts as it effectively cuts downtown in two. Burnside acts as a barrier to pedestrian traffic flowing between the districts and currently has limited appeal as a retail street. Access to the districts by automobiles is also hindered on Burnside as traffic moves too fast and there is a need for more vehicle left-turn capability.

Strong public/private partnerships will play a vital role in the successful implementation of these proposed actions. APP and PDC are currently developing a plan of action on the following items:

TRANSPORTATION

Proposed Actions

- Advocate for additional public transportation on weekends and holiday seasons.
- Develop design options that offer better access for the shopper, addressing adequate and convenient short-term parking.
- Sell the wonders of downtown; do not make traffic and parking the message about downtown. “People still flock to NYC, Chicago and San Francisco...”
- Improve signage at the existing lots and inform customers of their locations.
- Gain permission to use loading zones as a quick “in and out” for retrieving large items.
- Provide a centralized delivery system for retailers receiving large items or a mass quantity of products.
- Improve access from Burnside Street, which currently prohibits left turns into the districts.
- Conduct a comprehensive transportation access study to evaluate making access more “retail friendly” (i.e. pedestrian access across major streets such as Burnside and two-way traffic for more storefront exposure).

Improvements

Proposed Actions

- Conduct a block-by-block “curb appeal” assessment of storefronts, street furniture, street clutter and safety design issues.
- Create incentives to reduce surface parking lots, especially in new development areas.
- Inventory buildings and areas that are visually unattractive and negatively impact retail.
- Target appropriate streets and locations to promote active storefronts.
- Have merchants and property owners participate in storefront improvements (i.e. light the buildings, add flower planters, and create active window displays in the stores).
- Develop incentives to reduce seismic and ADA compliance barriers to renovation of buildings. Owners and tenants have no long-term commitment because the buildings will change or be demolished.
- Renovate historic buildings for adaptive reuse to retain the character of the neighborhood, attract visitors, and create new retail space.

MARKETING

Proposed Actions

- Develop a clearinghouse for identifying major events to:
 - Enable independent retailers to capitalize on the extra foot traffic in downtown.
 - Develop different strategies for different events (consider size, time of year, and audience).
 - Keep independent retailers informed (faxed bulletins, web sites, and list of events/activities).
- Enhance shopping as an entertainment experience to:
 - Create activities that attract and retain shoppers.
 - Provide areas for rest and relaxation.
 - Create a “kid-friendly” environment with play areas.
- Develop stronger community leadership of merchants and property owners through encouraging active participation in district events.
- Develop collective marketing strategies to promote downtown to tourists.
 - Promote shopping tours and partnerships with tour planners.
 - Capture the interest of individual travelers with events and displays.
 - Enhance visitor facilities, such as providing more public bathrooms (example: use European model of pay toilets).
- Maintain a mutually supportive mix of independent and major retailers and market this diversity of retail options for the shopper.
 - Educate Portland residents and visitors on the broad range of shopping and entertainment activities.
 - Focus on attracting independent retailers and restaurants to take advantage of the new residential development and the growing number of cultural events.

- Develop materials for owners/brokers to attract retailers that strengthen the marketing mix of each district's theme.
- Promote shopping after work with expanded retail business hours.
- Encourage retailers/restaurants to capture late-night business opportunities arising from increased cultural and entertainment events.
- Create links between transportation and retail.
 - Advocate for the design and funding of information kiosks, banners, and graphics at transit stops.
 - Help people become oriented to downtown retail.
 - Create verbal & visual interactive displays to provide specific information in multiple languages.
 - Foster a mid-town connection between the North and South Park Blocks with specialty retail and activities to draw people along the Park Block corridor.

Business Assistance

Proposed Actions

- Prepare a Retail Diversity/Merchandising Mix Plan to define the best mix of retail for downtown.
- Develop tools to help brokers recruit tenants consistent with a district's theme and its identified retail clustering.
- Compile an inventory of current leases, identifying future opportunities to enhance the retail mix.
- Review options to coordinate merchandising of available space.
- Develop business support programs for technical assistance, such as employee training, merchandising strategies, temporary services, insurance requirements, employee retention, and recruitment.
- Create opportunities for retail focused on a relationship with "green" corporations, and non-profit organizations and foundations.
- Advocate for more police/security personnel in late-night hours.
- Utilize APP's Business Assistance Program for business retention/expansion issues.
- Continue to pursue the goals of the economic development policies outlined in *Prosperous Portland* (1994).
- Maintain and expand the Downtown Clean & Safe program – assure that businesses are familiar with and know how to use the program.

The above actions will benefit all four retail districts and increase a sense of connection among downtown retailers. As development downtown increases, this groundwork will become more important, allowing the districts to fashion their growth and maintain retail vitality.

SUMMARY

Portland's downtown retail districts overall are vibrant and thriving areas in transition. Studies show, however, that the districts are not capturing their market share. With growth and increased competition, rents for retail space are rising. Transportation issues also pose difficulties to retail access.

These districts will continue to grow and change. Planning, cooperation, and implementation can focus these changes. Because a mix of independent and national shops, both large and small, is important for creating an appealing experience for the shopper and out-of-town visitor, the future of downtown retail must be shaped to ensure opportunities for independent and major retailers alike.

Four distinct sectors (the Retail Core District, the West End/Cultural District, the Old Town/Chinatown/Skidmore District, and the Pearl District) comprise the overall downtown retail district. As they are adjacent to each other and sometimes overlap, they have direct bearing on the success of one another. All four districts share certain influences and challenges. In addition, they possess unique features, requiring each district to implement specific measures that take advantage of its character and location.

In combining the actions for the overall district with a response to the individual needs of the four districts, the future of downtown retail will achieve its potential and Portland will serve as a national example of downtown vitality and character.

APP and PDC have begun work to develop the Retail Diversity Plan which will provide the foundation for a vital downtown retail sector in the 21st century.

ACKNOWLEDGEMENTS

With the release of the *Portland Downtown Retail Market Analysis* by Keyser Marston Associates in the fall of 1998, meetings with community organizations, downtown department store anchors, and independent retailers were initiated by PDC staff to develop strategies to capture the projected growth of sales. A list of the participants and a brief summary of the meetings are provided to acknowledge their contributions to maintain and enhance downtown Portland as a retail destination.

The District Retail Strategies report and recommendations are the compilation of the thoughtful suggestions and sincere efforts of the following people and groups:

Downtown Retail Council (DRC) – Tim Greve, Chair

October 28, 1998 – PDC staff gave brief presentation to General Membership meeting describing the District Retail Strategy to identify common themes in each district that could be used to enhance the image and marketing of the district. Members expressed interest for more active involvement after the holidays. (Subsequently, APP and PDC staff met several times to develop strategies to involve the independent retailers.)

February 24, 1999 – DRC General Membership conducted a “brainstorming” session. Members rotated to workstations for the four retail districts (Retail Core, West End/Cultural, Pearl, and Old Town/Skidmore). A 17-member Task Force was formed to meet weekly to incorporate the ideas into the report. (APP and PDC co-host)

March 26, April 2, April 9, April 16, April 23, May 7 – DRC Task Force met weekly from 7:30 to 9:30 AM to develop proposed actions for each district and review drafts of the report.

April 28, 1999 – DRC General Membership meeting. DRC Task Force members presented their proposed actions for the four districts. (APP and PDC co-host)

May 14 – Task Force toured Old Town, Old Post Office, Pearl, Burnside Triangle, and West End.

May 21, May 28, June 11, June 18, August 12 – DRC Task Force completes development of proposed actions for the four districts and the downtown area.

DRC Task Force Members:

Jill Ainslie	Willamette Week	Tim Greve	Carl Greve Jewlers (DRC District Retail Task Force Chair)
Tim Arbogast	Governor Hotel	Susan Landa	Fossil Cartel/Let it
Laura Clark	The Real Mother	Bead	
Goose		Dan Lenzen	Concept
Chris Finks	Pioneer Place	Entertainment	
Mgmt.		Alix Nathan	The Mark Spencer
Rebecca Flint	Byrne’s Luggage	Hotel	
		Jim Neill, Jr.	Davis Wright
Pamela Garner	First Avenue	Tremaine	
Gallery			

(APP Destination Committee
Representative)
Doug Peterson Peterson's
Bryan Sampsel Norris,
Beggs, Simpson
Joanne Sunnarborg Desperado
Janet Takayama Destination
Portland
Judy Van Alstyne H. Naito
Properties JanWilson POVA

ACKNOWLEDGEMENTS

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Major Retail Anchors:

Lee Davies, Saks Fifth Avenue
Patrick Done, Pioneer Place
Tim Greve, Carl Greve Jewelers (DRC)
Brian Keck, Meier & Frank
Chris Keenan, Nordstrom
Michelle Korb, Nordstrom
Mike Raabe, Meier & Frank
Allyson Reed, Pioneer Place

November 23, 1998 – Mayor Katz and staff of PDC met with the major retail anchors to review the release of the Keyser Marston report and discuss issues affecting retail in the downtown. The group agreed to meet again to continue discussions.

February 26, 1999 – Mayor Katz met with the anchor retailers and staff from PDC and APP to follow-up on previous meeting. Major priorities identified were creating the Downtown Retail Core Lighting Project, developing a Merchandising Mix Plan, and creating a clearinghouse to distribute information on events with retail opportunities.

April 6, 1999 – Anchor retailers met with Tim Greve, President of the Downtown Retail Council, APP, and PDC staff to discuss issues common to both national and independent retailers. Key issues identified were the need for a Merchandising Mix Plan, incentives to attract the right mix, and implementing the technical study for the Lighting District.

Old Town Ad-Hoc Committee for Retail Marketing – Phil Kalberer, Chair

February 10 and March 9, 1999 – PDC staff met with the group to explain the Keyser Marston study and the District Retail Strategies process. Group was interested in developing a more detailed Retail Market Analysis and Merchandising Plan.

Pearl District Merchants Association – Tod Breslau, Chair

June 9 and August 20, 1999 – PDC staff met with members to discuss the DRC draft report for the Pearl.

River District Steering Committee – Bob Ames, Chair

June 16, 1999 – PDC staff gave a brief presentation of the Keyser Marston study and the District Retail Strategies process. Committee expressed an interest in incorporating additional analysis of the type of retail mix in the Pearl District and the developing residential area.

