

VI Block A&N Development Scenarios

Block A&N

Block A&N is a triangular block, bounded by 3rd Avenue to the west, the Glisan Street off-ramp to the south and the Union Pacific railroad tracks to the northeast. It is currently owned by PDC. The existing Fire Station is located near the southwest corner of the block and is listed as a Local Historical Landmark (see *Historical Considerations* chapter, following). Block A&N's parcel size is approximately **29,000 square feet**, with an allowable **FAR of 4:1, bonusable to 7:1**. The **height allowed is at 350', bonusable to 425'**. As mentioned in previous chapters, the light rail lines travel along the southern edge of the block, and turn north along the west side of the parcel. The intersection of Glisan and Third is planned to be signalized. The heavy rail lines run along the northeast side of the property with an additional light rail spur line to be constructed, effectively cutting a 20' wide sliver off the northern portion of the property.

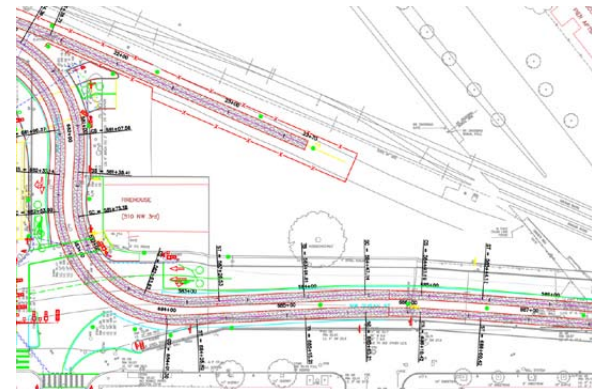
A recent parking study was completed by PDC along with SERA Architects in 2007 on various sites to provide OTCT district parking and Block A&N was one of the candidate sites. The site configuration proved challenging for conventional parking, but the if the Fire Station was removed, the study showed a potential of four levels of parking providing about 380 spaces and up to seven levels, accommodating 680 spaces. The study showed that parking use was feasible given the fringe location of the property, with the caveat that its perimeter location also indicated that it may not serve the district well for parking. A single access point to the parking entering from 3rd Avenue may also prove challenging for district-wide usage.

Block A&N was also cited as challenging for Blanchet House and a potential Transitions Projects Inc./Resource Access Center on the site, given the impact of light rail, the reduced amount of developable land due to the proposed spur line, and the potential costs to renovate the Fire Station building if it were to remain. Earlier estimates anticipate a cost to seismically reinforce the structure at \$1.5 - \$2M. Although burdened with these and potentially other challenges, the site is relatively unencumbered and holds other opportunities for development as part of the evolving northern gateway into NOTCT. The site location serves as an entryway into the OTCT district from the Steel Bridge approach and has visible prominence from the passenger trains along the north side. The site has a favorable solar orientation with a long north-south exposures, providing northern views toward the Willamette River and southern views toward the city. The atypically configured site, albeit challenging, would effectively demand a non-static building of unique mixed uses and components potentially producing a development reflecting the diverse and evolving constituents of Old Town/Chinatown.

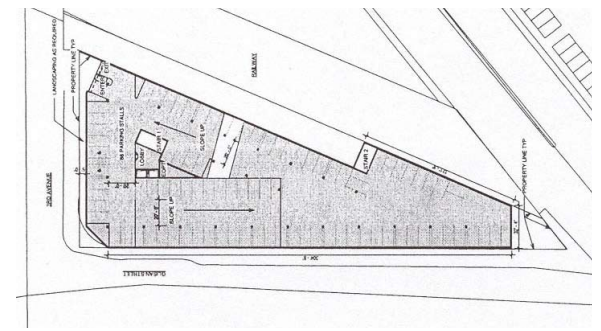
The following scenarios illustrate several approaches to redevelopment that take advantage of the location's unique attributes to provide more active amenities for the district. The concepts are optimistic and progressive but are tempered in economic realities. The scenarios look at a range of options with the historic Fire Station (from full renovation to removal), several configurations and access points for parking, varied entrance sequences into the development, and a mix of district- and site-specific uses. Several non-traditional construction techniques are also illustrated, in an effort to balance the higher square foot costs anticipated with an unusually configured and bounded site. Some uses may prove to be more feasible than others but the commonalities in all of the schemes are efforts to bring light, air, views, sustainability, and activated street frontages. The objective for each scenario was to steer potential development to reflect not only the spirit of the site and the district, but also express the unique essence and values of Portland.



Aerial photo of Block A&N (prior to light rail construction)



Planned light rail tracks on the south, west, and north sides of Block A&N



Parking study by PDC and SERA Architects showing full-block parking use

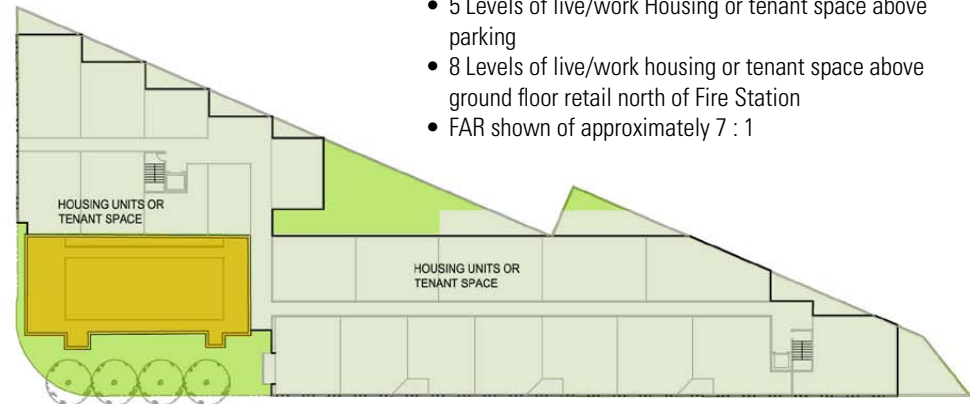
Block A&N Scenario A

This scenario illustrates a fully renovated Fire Station, connected to mixed-use structures on the balance of the parcel. A small, multi-level parking structure is accessed from beneath the Steel Bridge in the eastern corner of the site, as well as in the northwest from 3rd Avenue (where site vehicular access is currently assumed by PDOT). Adjacent and to the north of the Fire Station is shown commercial/retail space on the ground floor, two levels of commercial/office above, with housing above that.

The retrofitted Fire Station building could house offices with a possible green house/penthouse addition at the roof level to serve the existing needs of Portland's Classical Chinese Garden. Above the parking structure is shown mixed-use commercial tenant space, or small housing units. Green trellises can be used as an environmental cladding material for the parking structure, softening the exterior and providing shading on this southern exposure, as well as exhibiting a sustainable gateway of nature at this most infrastructure-intensive parcel of urban fabric.

Scenario A

- Renovated Fire Station as commercial tenant space
- 4 Levels of parking (conventional) - approx. 140 ps
- 5 Levels of live/work Housing or tenant space above parking
- 8 Levels of live/work housing or tenant space above ground floor retail north of Fire Station
- FAR shown of approximately 7 : 1

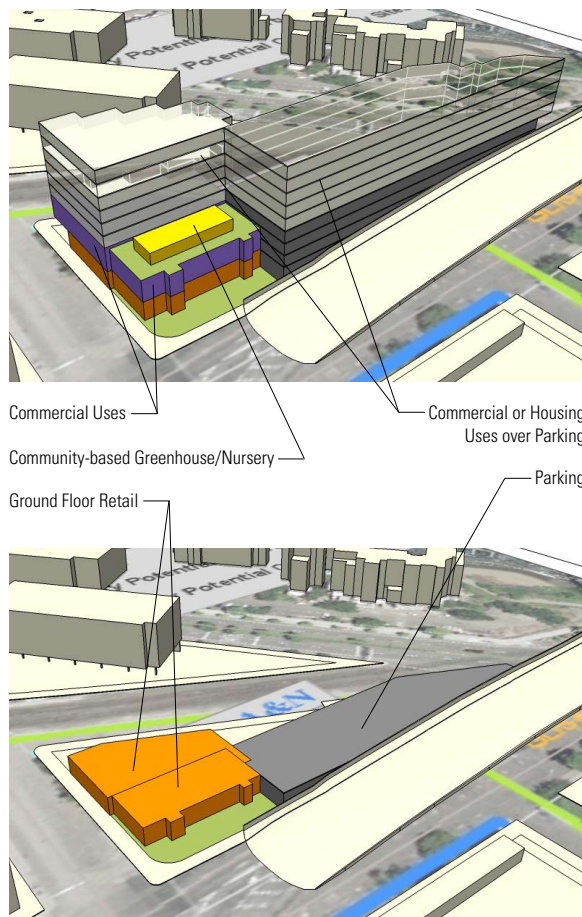


TYPICAL FLOOR PLAN



GROUND FLOOR PLAN

Ground and Typical Floor Plans indicating a renovated fire station, parking accessed from both the east and west, and either commercial or housing uses above



Ground floor and above-ground model use diagrams



Aerial view from the southwest showing renovated Fire Station in the foreground with adjacent mixed-use structure, and parking garage under housing in the eastern portion of the parcel

Block A&N Scenario B-1

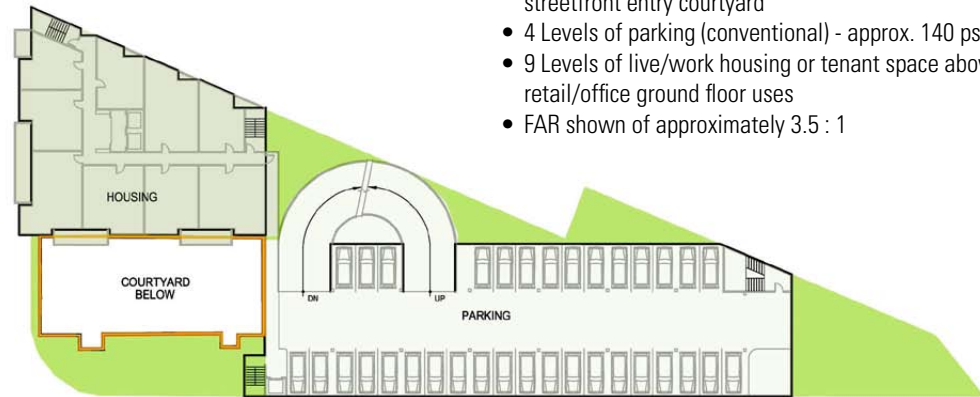
This option keeps the Fire Station building shell only and transforms the interior to an open air entry courtyard. The scheme shows a partial block of conventional parking again along the east end with single access point to parking from Glisan Street under the Steel Bridge approach ramp. Eliminating the driveway from 3rd Avenue in the northwest corner of the parcel allows for more commercial space on the ground level, with housing or live/work tenants occupying all levels above commercial.

This is the most modest scheme in terms of build-out and complexity. By keeping the Fire Station exterior in tact, this is still an expensive renovation effort, but minimizes somewhat portions of the seismic upgrade costs, while keeping significant elements of the historic façade. The existing building enclosure makes a connection to the unique protected exterior garden courts in the district, such as found at the Classical Chinese Garden and the court bounded by the Sinnott House and Simon Building facades. This landscaped open court could be expanded into the southern sideyard adjacent to the approach ramp, perceptually enlarging this existing narrow openspace.

An urban nursery use such as that needed by the Classical Chinese Garden is illustrated on the parking garage rooftop. The large elevator shown could serve double duty in transporting plants to the rooftop greenhouse where the potted trees capture rainwater and mitigate somewhat the heat island effect. This space could serve the present need as Classical Chinese Garden's local overstock area where plantings can be stored for periodic sales events.

Scenario B-1

- Renovated Fire Station facade walls into a new streetfront entry courtyard
- 4 Levels of parking (conventional) - approx. 140 ps
- 9 Levels of live/work housing or tenant space above retail/office ground floor uses
- FAR shown of approximately 3.5 : 1

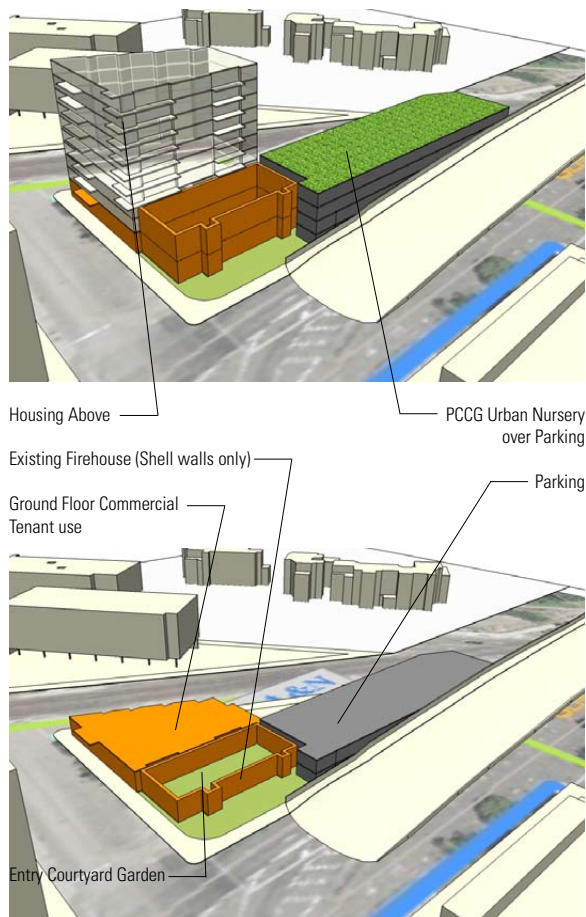


TYPICAL FLOOR PLAN



GROUND FLOOR PLAN

Ground and typical floor plans indicating renovation of the Fire Station facade shell only as an entry courtyard, parking accessed from the east, an urban nursery above the parking garage to support the Classical Chinese Garden, and a mid-rise configuration of live/work artists' housing.



Ground floor and above-ground model use diagrams



Aerial view from the southwest showing renovated Fire Station in the foreground with adjacent mixed-use structure, and parking garage under housing in the eastern portion of the parcel

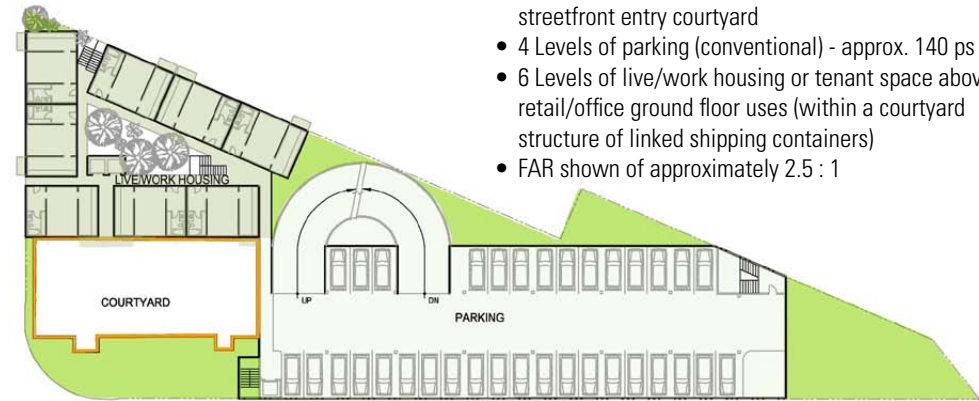
Block A&N Scenario B-2

Option B2 is a variant of the previous concept, where everything remains the same except for the housing mid-rise component. To combat the difficult economics of a relatively small housing component to be constructed on a constrained site, an alternative construction method is illustrated. A mid-rise tower of shipping containers is proposed with a goal to potentially reduce per square foot costs and create a unique environment affordably.

The idea of using steel shipping containers for housing is gaining (theoretical) relevancy since they are recycled, structurally sound, watertight, modular, very inexpensive, and may fit contextually in certain edgy districts (such as adjacent to railyards or working port environments). The configuration illustrated shows another unique opportunity to minimize cost and create a strong connection to nature is the out-of-doors environment around the housing units through a central courtyard and exterior breezeways.

Scenario B-2

- Renovated Fire Station facade walls into a new streetfront entry courtyard
- 4 Levels of parking (conventional) - approx. 140 ps
- 6 Levels of live/work housing or tenant space above retail/office ground floor uses (within a courtyard structure of linked shipping containers)
- FAR shown of approximately 2.5 : 1

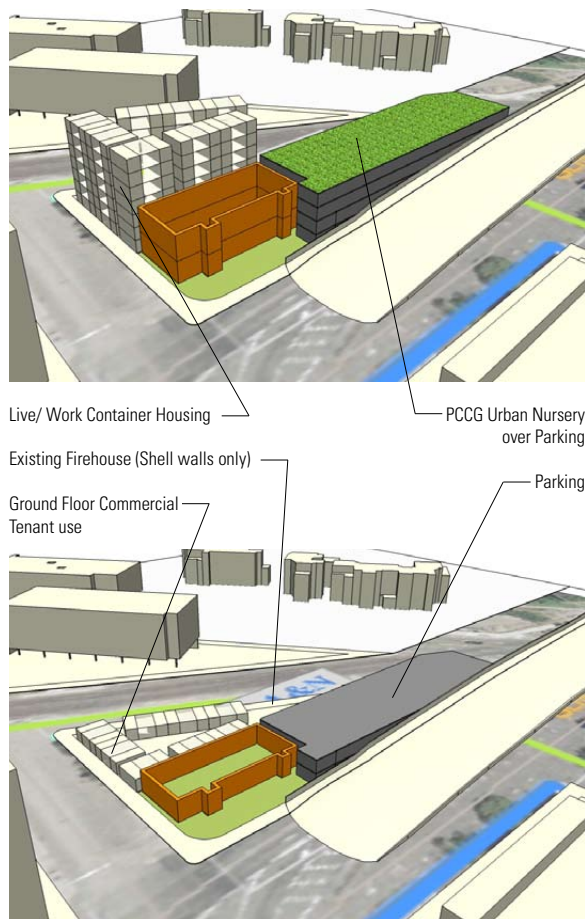


TYPICAL FLOOR PLAN



GROUND FLOOR PLAN

Ground and typical floor plans indicating renovation of the Fire Station facade shell only as an entry courtyard, parking accessed from the east, an urban nursery above the parking garage to support the Classical Chinese Garden, and a courtyard configuration of live/work artists' housing constructed primarily of shipping containers.



Ground floor and above-ground model use diagrams



Aerial view from the southwest showing renovated Fire Station facade as entry courtyard in the foreground with adjacent mixed-use structure, and parking garage under Classical Chinese Garden nursery in the eastern portion of the parcel

Block A&N Scenario C

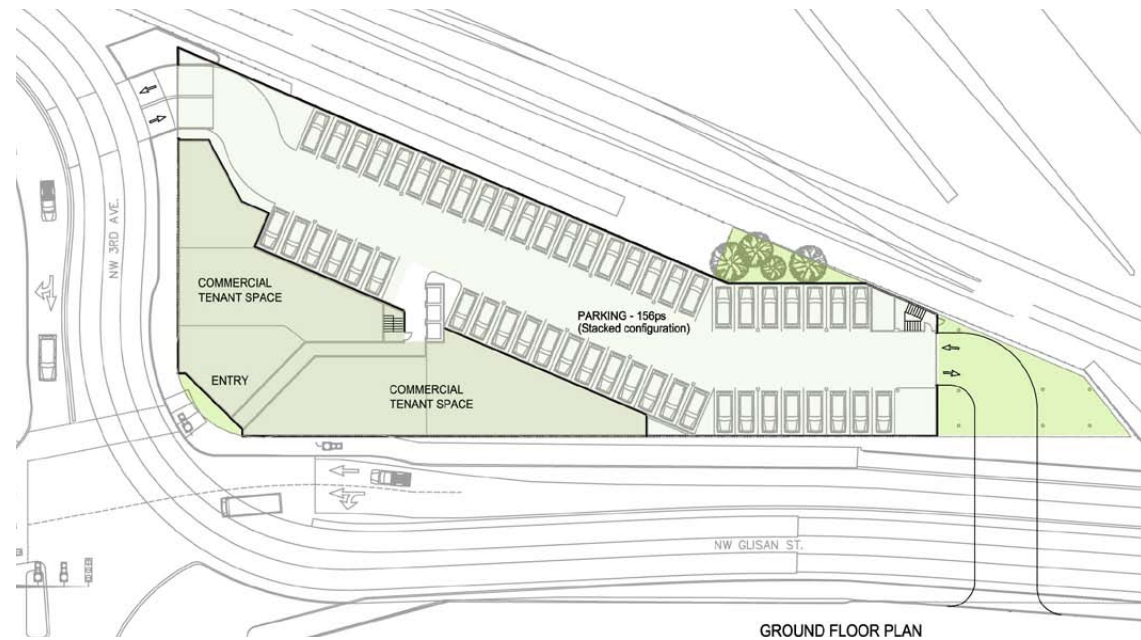
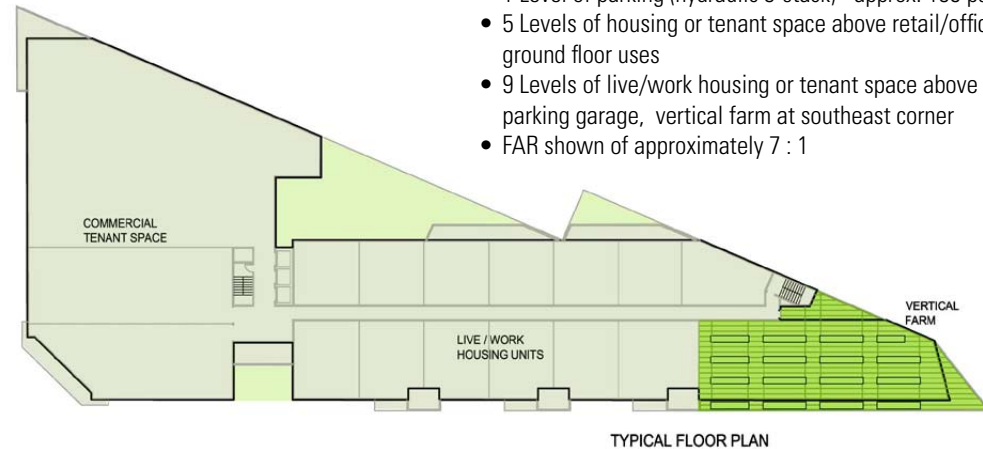
This option removes the Fire House entirely and shows a full-block development unencumbered by that building's location (or renovation costs). A single level hydraulically-stacked parking garage is accommodated underneath a commercial mid-rise at the western end and a live/work tower at the east end, leaving a portion of the ground floor available for commercial or retail storefronts. The garage is shown accessed at both the northwest corner of the parcel, off 3rd Avenue, and in the southeast from Glisan Street, underneath the Steel Bridge approach ramp.

Pedestrian access to the commercial/housing portion is at the most accessible southwest corner of the building. A single shared lobby/building core serving the above-ground uses and the parking garage is centrally located. A simple triple-stack configuration for the parking would accommodate over 150 parking spaces as a cost-effective alternative to the less efficient small-scale above-ground multi-level garages shown in the earlier options.

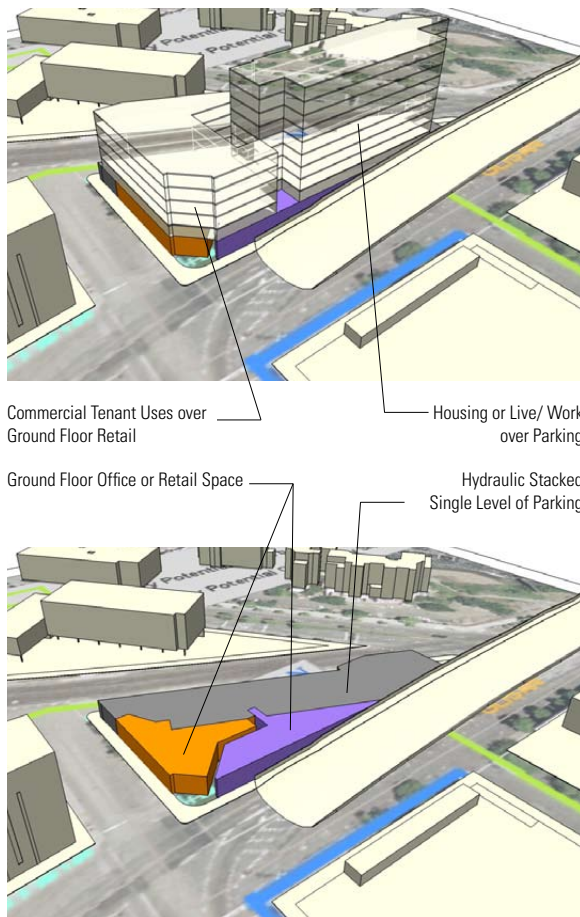
Given the full block redevelopment opportunity, this option shows a shorter corner building dedicated to commercial tenant spaces and a longer slab tower of live-work housing units, to build the site out to near its maximum allowable FAR. Bridging this highly urban site to the Willamette Valley's rich horticulture and as a prominent visual marker viewed from the Steel Bridge approach to downtown, a vertical farm is shown at the building's prow, where a steel armature and system of steel grates allow for the filtering of sunlight through to the various levels of edible gardens.

Scenario C

- Removal of Fire Station
- 1 Level of parking (hydraulic 3-stack) - approx. 156 ps
- 5 Levels of housing or tenant space above retail/office ground floor uses
- 9 Levels of live/work housing or tenant space above parking garage, vertical farm at southeast corner
- FAR shown of approximately 7 : 1



Ground and typical floor plans indicating removal of the fire station, a hydraulically-stacked parking garage accessed from both the east and west, and either commercial or housing uses above



Ground floor and above-ground model use diagrams



Aerial view from the southwest showing new construction over the full parcel. This would require removal of the Fire Station, which would allow for more efficient parking on the ground floor and mixed-uses above.



Aerial composite view of the study area, looking to the west, from above the Steel Bridge

VII HISTORICAL CONSIDERATIONS

North Old Town/Chinatown Historic Designations

Much of the North Old Town/Chinatown study area is located within the New Chinatown/Japantown Historic District. Because of the area's history and several of the existing structures' historic designations, a careful understanding of the historic district and considerations for redevelopment in these locations is necessary. The various historic listings and corresponding ramifications vary by block. The following is an overview of the historic district, the various designations, and considerations relevant to the implementation of the vision set forth in the previous chapters.

New Chinatown/Japantown Historic District

The historic district, designated in 1989, is a ten block area bounded by W Burnside Street to the south, NW Fifth Avenue to the west, NW Glisan to the north, and NW 3rd Avenue to the east. The nomination of the district was approved based on the criteria that the district is "associated with events that have made a significant contribution to the broad patterns of our history." The district was proposed for nomination because it serves as a physical expression of the Chinese experience in Portland and in Oregon. The emphasis of the nomination was therefore heavily weighted towards historic significance as opposed to architectural significance, though many of the area's buildings were designed by notable architects from 1880 to 1943 (the district's historic period). The nomination form documents the history of the Chinese in Portland and describes in detail each of the buildings in the district. The end of the historic period of the district coincides with the change in federal law, which allowed Chinese to become United States citizens and own property. As a result, Chinatown's residents and businesses dispersed throughout the Portland metropolitan area.

Preservation and Evolution

Many historic Chinatowns are currently experiencing a resurgence, evolving into districts supporting hybrid forms of culture and commerce. The most successful of these districts maintain a cultural memory of their past as well as a vibrant essence looking toward the future. These types of neighborhoods, including Portland's Old Town/Chinatown, exhibit within their environments the journey and evolution of their immigrants, residents, and businesses that have contributed to their district. As discussed in prior chapters, substantial public outreach was undertaken regarding the future of the study area. A resounding theme was balance of preservation and evolution of both the district's character and built form. This was voiced by stakeholder input and reaffirmed by the urban design principles and economic findings.

In an effort to balance the historic and cultural context, with the desire to create a vibrant mixed-use district, the North Old Town/Chinatown Strategy provides a range of development scenarios and urban design recommendations. These are explained in greater detail in the preceding chapters, and are intended to help return the district to its roots as a vibrant and diverse environment providing opportunities to newcomers, small businesses, and other workforce populations. Achievement of this vision requires the demolition of the contributing historic structures on Blocks 25 and 26, with the exception of the Royal Palm Hotel. The strategy also provides a range of development scenarios for Block A&N, ranging from full or partial preservation of the historic Engine House #2, to demolition and new construction. There are no historic designation considerations on Block 24.



*Historical Chinatown,
Courtesy Oregon Historical Society*



*Model of Historic Nihonmachi, indicating percentage
of Japanese ownership throughout the district*



Map of New Chinatown / Japantown Historic District. Blocks 25 and 24 are in the northwest corner of the District. The dashed green line indicates the Skidmore / Old Town Historic District to the southeast.

Historic Designations

There are many ways historic resources can be classified or designated. A resource may carry more than one “official” classification or designation, and generally, the ‘highest’ level of designation determines which rules and benefits apply. It is important to understand the different types of designations, how they are applied, and what the different benefits and responsibilities are.

Historic resources may be listed as contributing to a historic district and/or individually listed on local or national registries:

- Contributing resources date from the historic period of significance established for the district. They contribute to the significance and character of the district through their historical associations and/or architectural values. This designation pertains to the structures on Blocks 25 and 26.
- Individually listed resources are buildings, sites, trees, statues, signs, or other objects that are significant for their historical, cultural, archaeological, or architectural merit. They have one or more characteristics of citywide, statewide or national significance. Portland has approximately 500 such properties, categorized as either “Local Landmarks” and/or “National Register Properties”. The Engine House #2 on Block A&N is designated as a Local Landmark, but not a National Register Property. This property is not within the New Chinatown/Japantown district boundaries.

Demolition or Relocation of Historic Resources

Historic resource demolition regulations provide for a deliberative process prior to the permanent loss of a piece of the city’s built heritage. Depending on the type of resource, one of two different processes, Demolition Delay Review or Demolition Review (or no review) is required when the City receives a request to demolish a designated historic resource. Relocation requests are also subject to these reviews.

- Blocks 25 and 26: The buildings on these two blocks are classified as Contributing Structures to the Historic District, and therefore removal of specific structures would include a Demolition Review process. In this discretionary land use review, the City has the authority to deny or place conditions on approval for demolition. The Demolition Review process also gives the public an opportunity to comment on the proposed demolition and allows for pursuit of alternatives to demolition or actions that mitigate for the loss. In this Type IV land use review, the Historic Landmarks Commission advises City Council, which may either approve, approve with conditions, or deny the request. Council will approve a request to demolish the resource if the applicant can show that either:
 - Demolition of the resource has been evaluated against and, on balance, has been found supportive of the goals and policies of the Comprehensive Plan and relevant area plans, taking into account factors such as: the merits of proposed new development on the site, the merits of preserving the resource, and the area’s desired character; or,
 - Denial of a demolition permit would effectively deprive the owner of all reasonable economic use of the site.

In order to help the City evaluate such a claim, supportive documentation is required, such as studies of the structural soundness of the structure, the economic feasibility of restoration, renovation, or rehabilitation, and a summary of the extent to which the applicant explored the available historic preservation incentives and programs. If City Council approves a request, a demolition permit will not be issued until a permit for a new building is issued for site. This not only prevents replacement of historic resources with surface parking or a vacant lot, but also provides the mechanism for enforcing any conditions placed on the demolition review approval. Early communication with the neighborhood regarding the proposed demolition of historic structures is critical to ensuring strong neighborhood support and the demonstration of public purpose.

- Block A&N: As Engine House #2 is classified as a Local Landmark, removal of this structure would entail a Demolition Delay Review process. This nondiscretionary administrative process requires a 120-day delay period to allow time for consideration of alternatives to demolition, such as restoration, relocation, or salvage. Photographic documentation of the resource and evidence that the applicant responded to any relocation or salvage offers is required. The City has no authority to deny demolition after the delay.

Historic Design Review

Construction of a new building, or major alterations to an existing structure in a historic district—regardless of its contributing status—require Historic Design Review. Generally, normal repair and maintenance and interior alterations do not usually require Historic Design Review.

Historic Design Review is one of the City's tools to help ensure that the special characteristics, historic integrity, and architectural character of designated resources are preserved over time. There are different types of design review. Major design reviews are processed through a Type III procedure, which requires a public hearing, with a decision by the Historic Landmarks Commission. Minor design reviews are processed through a Type II procedure, with a decision by Bureau of Development Services staff. Determining which projects go through major or minor design review is based on the type of development and the value of the improvements. Additionally, the installation of mechanical equipment, awnings, or signs is processed through a Type I procedure.

Historic design review is a discretionary process that evaluates a number of elements of the proposed construction or alteration, including: architectural style; structure placement, dimensions, height, and bulk; lot coverage; building materials and color; and other factors. The approval criteria are the adopted design guidelines applicable in the area in which the resource is located. Development on Blocks 24, 25, 26, and A&N must comply with the Central City Fundamental Design Guidelines, the River District Design Guidelines, and the design criteria stated in Section 33.846.060.G of the Portland Zoning Code. Additionally, the New China/Japantown Unique Sign District guidelines apply to Blocks 25 and 26.



Engine House #2, Block A&N



Archive photo of CCBA building, just south of the study area

Site Specific Implementation Considerations

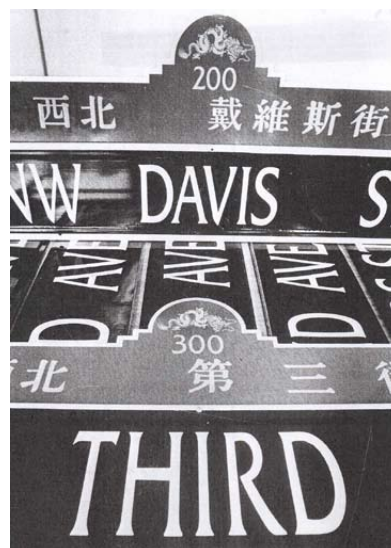
Block A&N: The historic considerations for redevelopment of the site will vary depending on the development proposal and the degree to which the Engine House #2 is preserved, modified, or demolished. Demolition of the Engine House #2 would require Demolition Delay Review. Any proposed redevelopment of the site will be subject to Historic Design Review.

Blocks 25 & 26: For redevelopment to occur on Blocks 25 and 26 to the degree shown on the preceding scenarios, the existing structures (with the exception of the Royal Palm Hotel) will need to be removed. Such redevelopment will need to take into consideration the Demolition Review and Historic Design Review processes.

Block 24: There are no historic designation considerations on Block 24. The block is outside of the New Chinatown/Japantown National Register Historic District and does not include any historic structures.



Historical Image of Engine House #2, Block A&N



Chinatown Street Signage,
Courtesy Oregon Historical Society

VIII Economic Overview

Development Economics and Market Analysis

During and after development of the conceptual scenarios, interviews were held with a variety of housing and mixed-use developers familiar with the Portland market in early 2007. This chapter summarizes a range of these developer responses to the opportunities and constraints presented by the Old Town/Chinatown Redevelopment Strategy. These include their initial reaction on the district's potential and the best bets for uses, pricing, and timing of development within the project's study area. Conversation specifically focused on Block 25, owned by the City of Portland and bounded by NW Glisan, NW Flanders, 3rd & 4th Avenues. Limited market data on the Old Town/Chinatown neighborhood is also included and is intended to complement recent market updates provided for PDC (e.g. the *Central City Briefing Book*). Developer input and market data is focused on residential projects, with some comments on viability of retail and office. This chapter presents a very brief overview of findings. More detailed information is included in this report's appendix, as additional market research specifics, coupled with financial analysis proforma data on the redevelopment scenario concepts.

SUMMARY RECOMMENDATIONS

Comments specifically related to site issues:

- The importance of maximizing the site's FAR varied between developers, who represented a range of development practices and priorities. Some always seek to maximize FAR whereas others would be more inclined to develop a product that responded to the market as it is today. Most developers acknowledged a trade off between near-term development and site density.
- Catalyst project: In general, developers felt that the more you can bring to the area, the better. Williams and Dame is currently undertaking a five acre catalyst redevelopment in Japantown in San Jose of mid-rise concrete construction. That said, developers universally acknowledged the need to phase unit delivery to market. Project size was described as in part a function of financing and possible public financial support.
- Apartments often lead as a residential project in a transitional area. In the West End, Museum Place and the smaller Mosaic condos preceded the larger ownership projects of the Eliot and the Benson. In contrast, with the Civic (W Burnside), market rate ownership units preceded the construction of the development's subsidized rental component.
- The transitional housing provided by the Royal Palms (Block 26) was identified by one developer as the largest obstacle for the site's redevelopment.
- The relocation of Blanchet House from Block 25 to Block A&N, across Glisan, was universally acknowledged as a good precursor to the area's redevelopment.

- One developer felt a single entity would likely sign up for only one component of a multi-block development, but that a master plan for multiple blocks should be in place. Developers were not asked directly if they would consider undertaking a multi-block development at this site.
- Timing: Several developers suggested waiting to issue an RFP for the site until planned mixed-use redevelopment of Block O (on the north side of Glisan) occurs and until light rail construction on adjacent streets is complete.

Comments related to residential issues:

- Developers and brokers agreed that the best target market for condos at this location is young, entry-level buyers. This demographic will likely have the highest comfort level with the neighborhood's social services and also the low parking ratios that will likely be necessary to keep project costs down.
- Regardless of the absorption period of the existing inventory, if a project can develop something to meet an affordable market niche it will not compete with the majority of the existing (higher priced) downtown condo inventory. For example, the planned 350-unit 1700 Building (south CBD) is hoping to provide lower cost units; the unprecedented size of this project indicates that at least some elements of the development community perceive depth (if not latent demand) for this market.



Old Town Lofts, with Block 25 in the foreground

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

- With construction costs continuing to rise – particularly for high rise product – the primary technique to deliver product within a more affordable market niche is developing smaller units.
- Units must be discounted to sell at an Old Town/Chinatown location and be affordable to the younger demographic that will be attracted to this location. A discount of up to 25% from Pearl District pricing may be required. Unit pricing was recommended to stay below \$250,000 - \$300,000, with per square foot pricing below \$400.
- There was very little support for a market rate apartment at this location, given that new construction requires top apartment rents to pencil (over \$2.00/sf), which may be difficult to earn at this location.
- A residential project size of 120 – 160 units was widely considered reasonable for a first project or single phase.
- Almost all developers interviewed would consider reduced parking ratios at this location. A ratio of 0.70 was suggested as reasonable; this ratio has worked at Everett Station Lofts.

Specific developer response to residential issues:

- This location is prime for funky, eccentric space that targets young people. A residential project here should not replicate the metal and glass high rises being built in other parts of the city. One developer stated that the more different and unique the product, the better. A moderate income, younger demographic was almost universally described as the most likely market for this location.
 - Good site for student housing – on the light rail line to PSU, near the new University of Oregon building. A design competition could solicit innovative ideas.
- Assessment of minimum necessary parking ratios varied. Many developers interviewed do not construct projects without one space per unit. However, most also acknowledged that smaller units without parking spaces have been the first to sell where they have been offered. (The caveat would be that these units were a minority component of projects in which the remaining units were higher valued – the results for projects in which all units are small without parking have been less uniform).
 - Sharing parking was advised, although some developers considered this not viable for a condo project. This is, however, Gerding Edlen's parking plan for the proposed 1700 Building condo project.
 - Most downtown-oriented developers most commonly stated they would not consider wood construction for a condominium project due to future liability risks. The construction cost differential between steel and concrete was estimated to currently be about \$30/square foot.
 - The high costs associated with the core components of high-rise construction – regardless of the units' build out – was an often repeated theme and cited as the primary challenge of constructing high density workforce housing. Project variables (e.g. kitchens, baths, flooring) comprise too small a percentage of the total construction budget to enable projects to pencil at lower price points by merely downgrading finishes. Downtown high-rise projects currently in planning phases are anticipating sales pricing above \$500/square foot, attributed primarily to continued escalation in the cost of construction inputs.
 - Given this cost structure, building efficiency was cited as key to a financially feasible project, particularly if projects target anyone other than the highest end buyers.



View of Block 26 from the southeast, with Pacific Tower in the background

- Some developers were skeptical that high-rise would pencil at this location at all, and thought mid-rise was the only way to reduce costs enough to sell units given the site's pioneering location. The assessment of sellable pricing varied from under \$400 per square foot (to avoid competing with Pearl District resales) to a total sales price under \$250,000.
- Developers acknowledged that the market has slowed from its heyday. Speculators were widely acknowledged to have left the condo market (estimated to have comprised about 20-30% of sales at the height of the market). The assessment of absorption required for current inventory varied from 12 months to 3-5 years (an outlier opinion). Current absorption was generally considered to be in the range of 3-5 units per month per project.
- Not so for all niches: Gerding Edlen believes there's significant unmet demand for units under \$300,000, as evidenced by their plans for 350 units at 1700 4th Ave.
- One developer described a second unmet niche as units for the aging population, for who access to services, transit, and single-level living are top priorities.
- Less optimistic was the prediction that a portion of condos currently under construction could actually convert to rental projects, and that some recent conversions may revert back, softening the rent increases the rental market has seen in recent months.



Leek Window, Classical Chinese Garden

- Most developers interviewed did not have first-hand experience with light gauge steel and were still unsure of its utility. However, several local developers have utilized this option; details on relevant projects have not yet been obtained.
- Developers widely cited the difficulty in penciling rental projects given high construction inputs. One interviewee stated that the most obvious rental option would be a tax credit project with 20% of units at 50% MFI – this would provide subsidy while limiting the number of very low-income residents the project brings to the district. The remaining units would target households earning 80-120% MFI.
- Developers generally felt that wholly income-restricted units would not provide a catalyst for the neighborhood. However, there was no assessment as to whether such a project would prevent future private investment in the area.

Comments related to commercial issues:

- Developers generally advocated activating the blocks' street level to the greatest extent possible.
- Given the low rents that retail spaces have generated in the district (averaging \$14 - \$16 per square foot annually gross), thinking creatively about ground floor uses may maximize project feasibility.
- The one example of office condominiums explored is still too recent to provide conclusions as to the broader viability and market acceptance of this product type.
- A major anchor tenant such as a grocery was widely acknowledged as a boon to any project, although potentially difficult to secure. The West End Safeway was able to negotiate parking ratios of 2.3:1,000 square feet.

Specific developer response to commercial issues:

- Several developers agreed that grocery would be difficult for this location unless it was a destination grocery such as Uwajimaya. Grocers were described as typically wanting 4 spaces per 1,000 square feet. At the Museum Place Safeway, a parking ratio of around 2.3 spaces per 1,000 square feet was negotiated.
- Office condos are a new product that has attracted developer interest. The experience of Madison Office Condos suggests that the Portland market has not fully embraced this model.
- The developer stated that the four condos are offered at 5,000 square feet because they determined that smaller space users have difficulty financing a real estate acquisition. While interest has been high, sales have been slower than expected.
- One developer stated that his rule of thumb is that a condo tower can support about 8,000 square feet of storefront retail space. This is an abstract figure that in practice would vary with building size and context.

Overall Market Update

This market data was assembled during and immediately after the redevelopment scenarios were presented in early 2007. As the study paused, during the site search process for the Transitions Projects, Inc./Resource Access Center, the overall construction climate continued leveling, with significant dips in the residential market, particularly condominiums. Several projects initially planned as owner-occupied condominiums were repositioned as rental apartments during construction. An exhaustive, updated market analysis has not been performed in this interim, but some brief observational updates can be stated:

- This analysis was prepared at the peak of the market so absorption potential is undoubtedly softer. This is likely to make it even more problematic to develop a large project (with hundreds of units) for at least the next couple of years.
- The one ray of sunshine is that Old Town is beginning to come up in the world relative to the rest of the Central City. The earlier proforma analyses had discounted pricing relative to the Pearl and West End -- there may be some reason for optimism to think that this gap could start to shrink -- but in an environment where condominium pricing elsewhere is now soft or depressed. While not good short term, this offers opportunity longer term once the finance and condominium sales market comes back.
- The rental apartment market is also stronger now than then and is likely to see further increases in rent ahead. Other than possibly affordable (subsidized) units, smaller market rate projects oriented to young creatives probably offer the most opportunity near term, given the current ongoing infill of smaller unit projects currently proceeding, some with a mechanized garage/car stacking parking configurations).



Illustrative redevelopment on Block 24, showing interblock alleyways lined with ground level double-sided retail uses connecting the Flanders Festival Street with the entrance to the Chinese Classical Garden

IX Implementation Recommendations

Recommended Implementation Measures

The success of this strategy will only be reflected in the future by redeveloped parcels housing a diverse mix of residents, community services, successful businesses, and active and vibrant streetscapes that are connected to the historical culture of this district's past and future. The conceptual redevelopment scenarios on the preceding pages document a spectrum of options illustrating these goals. Along with these illustrations and market considerations, the matrixes on the following pages form a list of action items, or roadmap, intended to implement this vision in the following areas:

- *Community Involvement and Partnership Building,*
- *Arts, Culture, History, and District Identity Measures,*
- *Housing Stimulus Measures,*
- *Commercial and Retail Oriented Measures,*
- *District Parking and Access Measures,*
- *and Block Specific Recommendations for development on Blocks 24, 25, 26, and A&N.*

In addition, due to the duration of this study, some of the intended actions prescribed at this strategy's outset have already progressed. The following bulleted list describes these items and indicates progress made to-date.

- **Resolution of site location for Blanchet House of Hospitality and Resource Action Center:** Studies were completed illustrating various co-located scenarios for these two facilities on Block 25, within the Study Area, as well as co-located on Block U, bounded by Glisan and Hoyt, and 6th and Broadway. After much stakeholder and community involvement at the Visions Committee, PDC Commission, and City Council levels, it was determined to locate the Resource Access Center on Block U, with a new facility for Blanchet House located on a ¼-block site at the northeast corner of Block 25.
- **Definition of new River District Urban Renewal District boundaries:** Feedback from the redevelopment scenarios, as well as from stakeholder interviews and on-going projects within and adjacent to the district, aided in determining the 50.37 acre expansion for the urban renewal district. The expanded boundary encompasses selected areas within OldTown/Chinatown, including Blocks 25, 26 and A & N.
- **Major portions of track installation for the Light Rail line through the district on 5th and 6th Avenues has been completed:** This work, with completion earlier in 2006 of the 3rd and 4th Avenue streetscapes and the Festival Streets on Davis and Flanders Streets, has upgraded nearly all of the public rights-of-way in North OldTown/Chinatown. Work remaining is shown below in the Transportation Measures section.
- **Bringing a grocery store to the district:** Early planning and design work on a multiple-block development for blocks 32 and 33 bounded by to the north by NW Davis, NW 5th to the west, NW 4th to the east and W Burnside to the south. This early design plan combines a specialty Asian supermarket on the ground floor, housing above, and below-grade parking.
- **Other redevelopment projects have been completed or are well underway in the area:** Adjacent to Burnside and in the Skidmore Fountain area, the University of Oregon's Portland Center recently opened; Mercy Corps Headquarters Office Building is currently under construction and scheduled for a June 2009 completion; the DeSoto Art Building at Broadway and Everett is now complete and occupied; the Pacific Northwest College of Art has been given the green light to take possession of the 511 Building at Broadway and Glisan; and planning and predevelopment work is underway for the redevelopment of Block 8 (bounded by NW Couch, Davis, 1st, and Naito Parkway).
- **Reestablishment of an Old Town/Chinatown Business Association:** Long dormant, an area association has been reformulated to raise the level of business involvement and development within the district.



Illustrative redevelopment on Block 25, seen from the Portland Classical Chinese Garden. Looking west towards the Flanders Festival Street, showing a corner cultural center and ground floor retail.

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

To continue this momentum and provide the necessary stimulus for redeveloping the specific blocks within the Strategy Study Area, additional implementation measures are recommended. The following matrix indicates a list of these items:

Key: L = Lead A = Assist	PDC	City Council	Visions	Neighborhood Association	Business Association	Land Use Committee	Other
Community Involvement & Partnership Building							
<ul style="list-style-type: none"> The OT/CT Visions Committee and Neighborhood Association are established forums for community information on upcoming projects, discussion, process involvement, etc. Reinforcing these existing venues (or other appropriate venues such as an URAC) and methods of communication is of utmost importance. Efforts should also be made to engage involvement of the Land Use Committee early and often. Further consideration will need to be given to the roles of these entities relative to the annexation of portions of the neighborhood into the River District URA. 	A		L	L	A	L	L – Urban Renewal Advisory Committee (URAC)
<ul style="list-style-type: none"> Create an Asian Heritage Development Committee to provide a framework for active stakeholder involvement and collaboration in the engagement of small ethnic businesses, Chinese family associations, absent property owners, and other individuals/entities in the district who are not actively participating in neighborhood development forums, but nevertheless have interests at stake. The Committee should actively engage in attracting and coordinating with businesses, property owners, and development efforts conducive to their vision. 	A						L – Community Stakeholders
<ul style="list-style-type: none"> Establish a framework for contacting the myriad of out-of-town property owners within Old Town/Chinatown and more actively engage these individuals and associations. Currently these parcels and/or structures may be an impediment to nearby redevelopment and in some locations allow crime to flourish. Explore economic measures to encourage out-of-town property owners to redevelop or sell blighted properties within the district. 	L						L – Asian Heritage Development Committee
<ul style="list-style-type: none"> Collaborate on an on-going basis with the Seattle/Vancouver BC Chinatown Exchange initiative regarding revitalization of their Chinatowns 	L						L - Community Stakeholders
<ul style="list-style-type: none"> Organize an annual or bi-annual open house to provide a context and overview of the numerous public and private projects and processes that are impacting the neighborhood. 	L		A	A	A	A	A - Various
<ul style="list-style-type: none"> Explore opportunities for increased engagement of young creative class in community involvement efforts to cast a wider net of participation and input 	L		L	L	L	L	
<ul style="list-style-type: none"> Collaborate on how best to utilize various international contacts to attract business opportunities and investors. 	A						L – Community members with ties to the Pacific Rim and PDC

Key: L = Lead A = Assist	PDC	City Council	Visions	Neighborhood Association	Business Association	Land Use Committee	Other
Arts, Culture, History, and District Identity Measures:							
<ul style="list-style-type: none"> Determine a public process for making recommendations for gateway improvements (physical or more abstract) at the Glisan and 3rd/4th Avenues locations, integrating art and cultural influences. Coordinate with Regional Arts and Culture Council as appropriate. Coordinate with the Portland Department of Transportation (PDOT) to continue the 3rd and 4th Avenue streetscapes through to Hoyt, enhancing the pedestrian and bike crossings of Glisan. Coordinate with Tri-Met's current signal and island configuration while finalizing a process and recommendations for a gateway plaza or other strategy at these intersections. Also coordinate with the on-going design and construction of the East-of-Pearl and Blanchet House projects on either side of Glisan. 	L						
<ul style="list-style-type: none"> Stakeholder input reinforced the desire for an Asian cultural center within the district, preferably close or adjacent to the Classical Chinese Garden. The case studies indicate a range of sizes for similar facilities, typically smaller than earlier OT/CT studies have indicated. For entities such as this, past examples indicate that the critical element is a champion within the private sector. While portions of the funding for facilities such as these can come from public sources, a private individual with the appropriate knowledge, commitment, and resources is critical to establishing community support in funding both the construction of the facility and preparing a framework for on-going operations expenses. 							L – Champion/ Developer to be identified
<ul style="list-style-type: none"> Earlier studies and stakeholder input also noted the need within the district for a hotel, related to the many Association meetings and festivals throughout the year. While this is a potential client base, this facility would also need to be attractive to the broader district demographics (including younger and more entertainment centered guests) and the case studies illustrate some potential examples. Additionally, one model co-locates an Asian cultural center as a part of this lodging facility, with the lobby and meeting rooms serving as cultural display and multi-purpose rooms. 							L – Champion/ Developer to be identified
<ul style="list-style-type: none"> Reinforce the Classical Chinese Garden's role within the community and where possible help facilitate programming efforts for the Garden itself and the surrounding Festival Streets. 			A	A	A		L – Chinese Garden Board
<ul style="list-style-type: none"> Reinforce the Business Association's role in actively programming the Festival Streets. Fundraising, marketing, and programming activities should increase once more development has occurred adjacent to the Festival Streets 					L		
<ul style="list-style-type: none"> Strengthen the current Neighborhood Association Arts, Cultural and History Committee. This committee could become the non-profit umbrella entity that could assist in programming for the Asian cultural center and/or other community spaces in the district. This could represent a coalition of existing groups like CCBA, Chinese Garden, Nikkei Center, the Jewish Museum, etc. 				L			

NORTH OLD TOWN / CHINATOWN REDEVELOPMENT STRATEGY

<p>Key: L = Lead A = Assist</p>	PDC	City Council	Visions	Neighborhood Association	Business Association	Land Use Committee	Other
<ul style="list-style-type: none"> Encourage arts and cultural activities to promote the history and evolving nature of the district. Coordinate with the Regional Arts and Culture Council to develop a district-specific program for additional permanent and temporary art within the neighborhood. As more galleries, design and art schools are moving into the vicinity, a diverse and high-standard for this effort should be established. 							L – Arts, Culture, History Committee
<ul style="list-style-type: none"> Develop a marketing strategy and materials to promote and stir excitement about the district attractions and development opportunities. This may include the creation of a district website, videos, and written materials. Potential collaboration opportunities include First Thursday events, TriMet’s Transit Mall opening celebration, Chinese Garden events, the Autumn Moon Festival, delegation trips to and from Asia, ULI/other similar conferences and trade shows, etc. Materials should be actively and consistently used in numerous discussions, meetings, and other forums, and should reflect the district mission, vision, and various policy and study documents. 	A		A	A	L	A	A - Various
Housing Stimulus Measures:							
<ul style="list-style-type: none"> Explore financial incentives for the implementation of mixed-use mixed-income projects including workforce housing and/or innovative product types such as live-work, smaller-sized condos and artist loft space (similar to Everett Street Lofts): <ul style="list-style-type: none"> Employer Assisted Housing Housing Trust Fund Land Bank Ground Lease Bond Financing Programs Potential revisions to Multi-Family Tax Abatement (currently under moratorium) Tax abatement for condominiums under 800sf Low Income Housing Tax Credits New Market Tax Credits City Lights Program (limited to development of rental housing on publicly owned land, such as Block 25). 	L	A					
<ul style="list-style-type: none"> Explore existing or new programs that would help incent development of student housing, including student housing bonds, ground lease and land bank tools. Explore collaboration with the various education providers including Portland State University, University of Oregon, Pacific Northwest College of Art, the Art Institute, Oregon College of Oriental Medicine, etc. 	A						L – Education Providers
<ul style="list-style-type: none"> Seek employers who want to initiate employer assisted housing programs, including those who may also want to occupy office space in a mixed use development. 	L						A – CEOs for Cities

Key: L = Lead A = Assist	PDC	City Council	Visions	Neighborhood Association	Business Association	Land Use Committee	Other
<ul style="list-style-type: none"> Sequence various housing development projects under consideration in the district to build a neighborhood track record, allow for the success of one project to aid in the feasibility of the next, and to minimize risk of flooding the market with competing product types. 	L						
<ul style="list-style-type: none"> Reinforce the balanced housing focus during the Central Portland Plan and Central City Plan efforts led by the Bureau of Planning. 	A		A	A	A	A	L – Bureau of Planning
Commercial and Retail Oriented Measures:							
<ul style="list-style-type: none"> Explore small-scale and diverse retail spaces within new developments. Often financial concerns limit tenant candidates to larger, more established companies. Most vibrant ethnic neighborhoods have entrances to different establishments every 25' or less, while Portland's Chinatown often has only one or two entrances per 200' block. Most tenants are much smaller, with individualized space or lease needs. In responding to these needs, landlords on SE 82nd Avenue are attracting many tenants that would otherwise like to be located in OT/CT. Special attention should be paid to encouraging small- or micro-retail along the Festival Streets, or in other concentrated locations (ie: double-loading of retail), to increase the frequency of storefront entrances. If a large floorplate ground floor use locates within the district, a liner of street-facing retail uses should be encouraged. (Several sides of the Seattle Uwajimaya utilize this configuration for their prepared-food vendors, activating both the street and the store interior.) 	A						L – Future Developers
<ul style="list-style-type: none"> Pursue commercial/retail reuse of current TPI space at corner of NW 5th & Glisan upon relocation to the Resource Access Center 							L – Central City Concern

Key: L = Lead A = Assist	PDC	City Council	Visions	Neighborhood Association	Business Association	Land Use Committee	Other
District Parking & Access Measures							
<ul style="list-style-type: none"> Parking (or a perceived lack of parking within the district) remains an issue within the Study Area given the entitlements for NW Natural on Block 25, increasing visitor demand, and the anticipated future redevelopment of existing surface parking lots. The recently completed PDC Old Town/Chinatown Parking Study outlines these projected needs and potential opportunities. <ul style="list-style-type: none"> Explore financial incentives to develop innovative parking solutions, such as simple hydraulically stacking options. As many of the developable parcels within the district are ¼-block sized, hydraulically stacked parking may be the only economically feasible configuration. The potential phasing of larger development parcels to maximize density and minimize absorption risk may also necessitate the use of hydraulic parking or other creative parking solutions. It is significant to note that late in the course of this Strategy, infill developments are just breaking ground on partial-block parcels in SE Portland utilizing simple hydraulically stacked parking configurations. Explore opportunities for residential/commercial or daytime/nighttime shared parking uses in future developments. Explore the ability to replace existing parking serving the district, such as Block 26, when the site is redeveloped. Development projects replacing existing undedicated parking within the downtown core, including Old Town/Chinatown, can reincorporate a portion of this parking if the project meets certain criteria, including: parking is built underground, all surface spaces are removed from a lot, and no more than 400 spaces have been built already in the entire Core Area. At the time the Parking Study was prepared, 235 spaces are available to be used within new projects. 	L A A					A A	L – Future Developers L – Future Developers
<ul style="list-style-type: none"> Study the viability of pedestrian/bike connection to the waterfront on Flanders. Currently Flanders dead-ends into the bank and retaining wall at NW 1st Avenue. If earlier concepts of a skatepark or other uses at this location proceed, efforts to enable bicycle access through this parcel should be implemented. 	A						L - PDOT
Block 25 Development Measures							
<ul style="list-style-type: none"> Complete transfer of the City and Blanchet House owned parcels on the block to PDC in coordination with the development of the new Blanchet House facilities, for the purposes of facilitating future mixed-use development on ¾ of the block. 	L	A					A – Blanchet House
<ul style="list-style-type: none"> Prioritize the substantial public investment necessary to replace the Northwest Natural parking obligation. 	L	L	A	A	A	A	A

Key: L = Lead A = Assist	PDC	City Council	Visions	Neighborhood Association	Business Association	Land Use Committee	Other
<ul style="list-style-type: none"> Upon completion of the light rail improvements and the new Blanchet House facilities, solicit development proposals (likely through the use of an RFP) consistent with the vision depicted in this development strategy, including: <ul style="list-style-type: none"> The development should be significant to activate the area and justify the large investment of public funds, and therefore high density and active ground floor uses should be prioritized to the extent possible within market realities, including absorption rate considerations. Encourage building mass and configuration of development to have deference to the Classical Chinese Garden to allow light and views. 							
<ul style="list-style-type: none"> Remove encumbrances to development to extent possible, including exploring relocation of NW Natural Parking to Block 24 and demolition of existing Blanchet House facility once vacated. 	L						A – NW Natural, Blanchet House
Block 26 Development Measures							
<ul style="list-style-type: none"> Engage the operations of Cascadia Behavioral Mental Health in the Royal Palm, at 3rd and Flanders, on the Festival Street. Explore ways to integrate some portion of active storefront on the Northwest corner of the structure onto this high-value public right-of-way. 	A						L – Block 26 Property Owner & Cascadia
Block A&N Development Measures							
<ul style="list-style-type: none"> Undertake preliminary due diligence, such as an updated structural assessment, environmental site assessment, and exploration of access options to further evaluate the development potential. 	L						
<ul style="list-style-type: none"> Solicit development proposals (likely through the use of an RFP). Development priorities should reflect the vision of the North Old Town/Chinatown Redevelopment Strategy and be further informed by the above mentioned due diligence. Unless deemed infeasible, reuse and preservation of the fire station should be explored. The development of structured parking on the site may also be a priority. 	L						
Block 24 Development Measures							
<ul style="list-style-type: none"> In light of the unlikelihood of redevelopment of Block 24 in the near to mid-term, explore the feasibility and potential cost savings of an interim hydraulic demonstration project on a portion of the site to accommodate the Northwest Natural parking obligation. This would allow for future unencumbered redevelopment of Block 25 	L						A – Northwest Natural

