

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: October 13, 2010
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 10-91
Johnson Creek Industrial Revitalization Strategy

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

None – information only.

SUMMARY

This report will update the Portland Development Commission (PDC) Board of Commissioners (Board) on the latest revitalization efforts occurring in the Johnson Creek Industrial Area of the Lents Town Center Urban Renewal Area (LTC URA). The Board will hear about various initiatives aimed at job creation, economic development, and redevelopment in the Johnson Creek/Outer Foster Road Corridor. This current effort is directly related to the PDC Strategic Plan and the LTC URA Plan (1998).

Concurrent with PDC's effort to spur revitalization and job creation is the City of Portland's program to specifically address the periodic flooding of Johnson Creek. PDC has partnered with the Bureau of Environmental Services (BES) and other City Bureaus to establish a redevelopment, infrastructure, and public investment framework addressing the long term problem of flood mitigation along Foster Road. PDC was awarded a \$250,000 grant to further these efforts, but due to unforeseen circumstances surrounding the grant program, will move the project forward without the grant using a combination of funds from our agency partners.

BACKGROUND

On May 14, 2008, the PDC Board approved Resolution No. 6583 authorizing an amendment to the LTC URA boundary as well as an increase to the maximum indebtedness to allow completion of key projects identified in the URA Plan.

One of these projects is called "Freeway Land," which is a large industrial site, a key catalyst for potential job creation within the URA, and the centerpiece of the Johnson Creek Industrial Revitalization Strategy. This strategy is identified in the LTC URA FY 2010-11 Budget and encompasses many efforts under one strategy.

In the beginning period of the URA, PDC worked with the previous owners of Freeway Land to reinvent the site from one that was focused on heavy industrial to a light industrial campus with traded sector companies. The site was bought in 2007 by a local investment group, Jameson Partners, LLC (Jameson Partners).

Foster Corridor Exploratory Study

Previously, Jameson Partners challenged the City of Portland to develop a unified vision among competing interests for the same site. In July 2008, PDC worked with City Bureaus to develop a new vision for the Freeway Land site as a cornerstone for the Outer Foster Corridor area that encompasses the industrial properties from I-205 to the east, 122nd Avenue to the west, Powell Boulevard to the north, and the city limits to the south. Foster Road acts as the backbone of the study area, the Springwater Corridor is a green, recreation ribbon that crosses through Foster Road, and Johnson Creek meanders through and is the main watershed feature of the Lents area.

Following an extensive charrette process led by the Bureau of Planning & Sustainability, Gil Kelley presented the new vision to Jameson Partners in September 2008. Discussions led by PDC and BES with Jameson Partners to implement the new vision ensued over the course of a year-and-a-half, but did not result in a letter of intent.

In March 2010, Jameson Partners designated the property manager as the single point of contact to continue discussions on behalf of the investors. PDC staff initiated a discussion in April separately from BES and continues to work with the property manager on new ideas for collaboration. PDC's goals for moving forward include potential infrastructure investments to encourage new businesses to locate at the site, designated buffer areas for flood mitigation, habitat restoration, and open space, and improved access for multi-modal transportation and distribution.

Neighborhood Economic Development Strategy

PDC is leading the City's effort at creating a new neighborhood economic development (NED) strategy for business districts and commercial corridors. Currently, PDC staff is creating a NED strategy for the Lents Town Center, while a potential second candidate could be the Foster Road Corridor, focusing on the industrial area. PDC aims to recruit targeted clusters, high growth, traded-sector businesses to the industrial corridor - consistent with the Economic Development Strategy - to take advantage of lower lease rates, access to I-205, and a skilled labor pool.

Johnson Creek Restoration Plan

The flooding of Johnson Creek has been a continual problem since this area was urbanized in the 1900s. Many efforts have been made by various jurisdictions to address the problem, but with little effect. The persistent threat of flooding inhibits redevelopment and private reinvestment in the area, thereby limiting job creation.

The Johnson Creek Restoration Plan, adopted in 2001 by the City Council, is intended to achieve a level of service for a ten-year flood event, whereby a flood of this magnitude will not cause serious damage to life or property. A secondary goal is to keep Foster Road open as a viable, multi-modal, transportation corridor. PDC has partnered with BES over the last two years to develop a coordinated effort at addressing the persistent flooding problem. To further the restoration efforts, PDC has invested in a preliminary hydraulic analysis that identifies potential lands for flood mitigation that will achieve a 25-year service level thereby allowing reinvestment and redevelopment on other lands that will be made available with significant public infrastructure investment. Other lands that are not currently subject to flooding, or will be made available through planned and constructed flood mitigation projects in the near future, will also form a short term strategy for neighborhood economic development.

Foster Lents Integration Partnership Strategy

In January 2010, PDC submitted a grant proposal to Metro as part of a multi-agency collaboration that aims to unify individual initiatives and areas described above into one strategic framework for public and private infrastructure investments along Foster Road, MAX Green Line Corridor, and the Johnson Creek watershed. Dubbed the Foster Lents Integration Partnership Strategy, this effort aims to tie each of these initiatives into one coordinated green infrastructure strategy. There are three distinct objectives for the strategy:

- Create a multi-modal transportation system for the Lents Town Center and surrounding neighborhoods;
- Address frequent flooding of Outer Foster Road and industrial properties; and
- Spur transit oriented development around station areas for Foster Corridor and MAX Green Line Corridor Powell, Holgate, Lents Town Center, and Flavel station areas.

There is a potential catalytic effect from each of the above objectives being achieved – it helps to solve the larger redevelopment puzzle by identifying the type and timing of public infrastructure investment that will have the greatest impact for neighborhood livability, job creation, and leveraging of private investment. An extensive public involvement process will be organized to inform the public investment choices and eventual recommendations.

Below is a summary of the objectives, outcomes, and the lead agency among the partnership.

Objective	Outcome	Lead Agency (Partner)
Multi-modal transportation system	Strategic vision to integrate bus-bicycle-streetcar and LRT infrastructure into a unified service plan	PBOT (TriMet, BPS)
Address frequent flooding	Hydraulic analysis that identifies redevelopment sites, open space areas for acquisition.	BES (PPR, Metro)
Mixed use station areas	Land uses, local street connections, and opportunity sites for the Powell, Holgate, and Flavel station areas in URA.	BPS (PDC, PBOT, TriMet)
Overall strategic framework of green infrastructure investments	Identify funding streams, agency leads, synchronized timing of improvements in the next ten years.	PDC (BPS, PBOT, BES, TriMet)

PDC staff provided a briefing to the LTC Urban Renewal Advisory Committee (URAC) in March 2010. The LTC URAC is very supportive of this effort and is an active partner. The LTC URAC represents many constituencies and is reflective of the study area. The Johnson Creek Industrial Revitalization Strategy and the larger Foster Lents Integration Partnership Strategy, present an opportunity to implement the Economic Development Strategy and Neighborhood Economic Development Strategy at the neighborhood level and help achieve the City's goal of 10,000 new jobs by 2014.

Budget

In June 2010, PDC was awarded a \$250,000 grant from Metro to initiate the Foster Lents Integration Partnership Strategy. Subsequently, the Metropolitan Homebuilders Association challenged Metro's grant program with a lawsuit. As a result, PDC is working with its City partners to identify funding within existing budgets (FY2010-11) to cover the anticipated amount from the grant. To date, the Portland Bureau of Transportation and BES have committed \$50,000 each with PDC picking up the remainder. PDC staff expects to move forward with a Request for Proposals to hire a consulting team to develop the green infrastructure strategic plan described above. The following is the projected timeline for the Foster Lents Integration Partnership Strategy.

Activity	Date
Request for Proposals for Professional Services	October 2010
Contract Execution	November 2010
Strategic Planning	January 2011 – December 2011
Plan Adoption: PDC Board/City Council	January 2012
Memorandum of Understanding/Compact	March 2012
Implementation	Ongoing thru 2020

PDC staff will schedule a briefing on the Foster Lents Integration Partnership Strategy in 2011 prior to a request for adoption in early 2012.

ATTACHMENT:

- A. Existing Assets & Opportunity Map 2010

