



**PROSPER**  
**PORTLAND**  
Building an Equitable Economy

**DATE:** June 12, 2019  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 19-24  
Update on the Old Town/Chinatown Five-Year Action Plan

#### **BRIEF DESCRIPTION OF INFORMATION ITEM**

No action is requested; information only.

At the June 12, 2019 Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on the status of the Old Town/Chinatown Five-Year Action Plan (Action Plan). Adopted by Portland City Council (City Council) through Ordinance No. 186744 on August 6, 2014, the Action Plan is a comprehensive community development initiative to create a vibrant, economically healthy neighborhood in Old Town/Chinatown. Before staff seeks approval to extend the Action Plan later in summer 2019, this update will provide an opportunity to brief the Prosper Portland Board on accomplishments, challenges, and next steps.

#### **STRATEGIC PLAN ALIGNMENT AND OUTCOMES**

The Action Plan aligns with the following Prosper Portland Strategic Plan objectives:

1. Creating healthy, complete neighborhoods through supporting the redevelopment of key public and private sites, the addition of neighborhood-serving businesses, and measures to improve the safety and cleanliness of the district.
2. Providing access to high quality employment by emphasizing traded sector job growth in the Technology and Media and Athletic and Outdoor industries.
3. Fostering wealth creation by providing technical and financial assistance to long-time property owners of color in redeveloping their buildings and land.
4. Forming 21st century civic networks, institutions, and partnerships through the support of the many cultural and educational institutions in the neighborhood.

#### **BACKGROUND AND CONTEXT**

After more than a year of collaboration between Prosper Portland staff, bureau partners, and neighborhood stakeholders, in August 2014 Portland City Council adopted the Action Plan, whose objectives are threefold:

1. Attract new neighborhood investment to activate key properties and improve district connectivity;
2. Promote business vitality by increasing employment and retail activity; and
3. Align resources and build local capacity for improving district livability.

To achieve these goals, City Council and the Prosper Portland Board dedicated \$57,000,000 in resources from the River District and Downtown Waterfront tax increment finance (TIF) districts to Action Plan implementation. City Council also committed \$90,000 in General Fund resources over three years as a matching grant to the Old Town Community Association to support neighborhood promotion. In addition to these direct financial commitments, City Council approved a systems development charge (SDC) waiver pilot program to encourage middle-income housing construction.

Over the past five years, Prosper Portland staff has partnered with City of Portland bureaus, local business owners, neighborhood stakeholders, community-based organizations, real estate developers, and others to advance Action Plan priorities. Of note, Prosper Portland has only expended approximately 10 percent of the original commitment in TIF resources, as business and property owners were largely able to fund projects without public investment. That said, Old Town/Chinatown continues to substantially lag in investment compared to the rest of the Central City, and much remains to be done.

**Action Plan Overview and Accomplishments (2014 to 2019)**

Following is a summary of Action Plan accomplishments over the past five years, organized by objective:

1. Attract new neighborhood investment to activate key properties and improve district connectivity:

Measure of Success	Progress to Date
500 new moderate-income housing units	<ul style="list-style-type: none"> <li>➤ 260 new units of housing have been built at 38 Davis, 108 SW 3rd, and Erickson-Fritz</li> <li>➤ Of these units, 115 are market-restricted or affordable housing units – at 38 Davis and 108 SW 3rd via the use of the SDC waiver pilot program and 52 units at the Erickson-Fritz through Portland Housing Bureau investment</li> </ul>
Five buildings rehabilitated	<ul style="list-style-type: none"> <li>➤ Overland Warehouse, Society Hotel, Erickson-Fritz, Pacific Northwest College of Art, Pine Street Market, and the Hoxton Hotel with Prosper Portland and/or Portland Housing Bureau investments</li> <li>➤ Merchant Hotel, Mason-Ehrman Building Annex, and U.S. Custom House through private investment</li> </ul>
District Parking Strategy	<ul style="list-style-type: none"> <li>➤ Remains an outstanding district priority</li> </ul>

2. Promote business vitality by increasing employment and retail activity:

Measure of Success	Progress to Date
Five new retail stores	<ul style="list-style-type: none"> <li>➤ Mi Mero Mole, Charlie’s Deli, Deadstock Coffee, Bridgetown Barber Society, Starbucks, Hello from Portland, Dogwood Pdx, Tryst, Fortune Bar, Pine Street Market (multiple retailers)</li> </ul>
Business openings/expansions	<ul style="list-style-type: none"> <li>➤ Open Sesame, AirBnB, ThinkShout, Moovel, Netop, Society Hotel, CloudEngage, Portland City Boxing</li> <li>➤ International company WeWork opened co-working space at the long-vacant U.S. Custom House</li> </ul>
500 new living-wage jobs	<ul style="list-style-type: none"> <li>➤ Over the past five years the area has added 614 new jobs (Oregon Employment Department’s Quarterly Census of Employment and Wages)</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Over that same period, the area has experienced 10% job growth, 28% wage growth, and a strong growth in business headquarters (average salary of \$72,000) and software businesses (average salary of \$83,000)</li> <li>➤ The Multnomah County Health Department headquarters which opened in spring 2019 with TIF financial assistance houses an additional 300-350 employees</li> </ul>
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3. Align resources and build local capacity for improving district livability:

Measure of Success	Progress to Date
Four annual neighborhood events	<ul style="list-style-type: none"> <li>➤ June 2018 – Yoga at the Waterfront</li> <li>➤ Sept 2018 - Autumn Moon Festival</li> <li>➤ Aug 2018 - Iconoclast Multicultural Street Festival</li> <li>➤ April 2018 - Earth Day Neighborhood Clean Up</li> </ul>
District promotion	<ul style="list-style-type: none"> <li>➤ District manager hired to oversee development of district communications and outreach strategy</li> <li>➤ District brand and identity established</li> </ul>
District livability	<ul style="list-style-type: none"> <li>➤ Community Livability projects totaling \$625,000 in grant awards to community-based nonprofits, including Ankeny Alley, Portland Chinatown History Museum, Lan Su Chinese Garden, and Central City Concern’s Employment Access Center</li> </ul>

**Lessons Learned.** As noted previously, most real estate and development projects listed in the accomplishments summary were financed and completed without considerable public investment, leaving much of the Action Plan budget unspent. Moving forward, as Prosper Portland seeks proposals for the Block 25 and 4<sup>th</sup> and Burnside sites whose programs could include cultural amenities and community benefits, there could be requests for significant public investment to advance those projects.

The Action Plan was not designed to solve the larger societal issues visible in Old Town/Chinatown as well as many other parts of town, such as people experiencing homelessness, mental health crises, or substance abuse. Since the adoption of the Action Plan, representatives from the residential and business communities, the Mayor’s Office, the Police Bureau, the District Attorney’s Office, the Joint Office of Homeless Services, Multnomah County, Oregon Harbor of Hope, and local social services agencies convened the Pearl District/Old Town Joint Homeless Task Force to seek innovative solutions to persistent social service challenges in the neighborhood.

Going forward, the Action Plan will need to have a more explicit focus on equity, requiring a more intentional emphasis on broad partnerships, shared actions, and accountability.

**Action Plan Next Steps.** While there have been significant accomplishments in Old Town/Chinatown, staff and neighborhood stakeholders recommend extending the Action Plan by an additional five years; committing \$53,200,000 in TIF resources; and refining and updating implementation objectives and actions reflective of both past accomplishments and updated Old Town/Chinatown community priorities. Staff anticipates returning to the Prosper Portland Board in summer 2019 seeking an extension of the Action Plan by an additional five years.

**EQUITY IMPACT**

While the Action Plan did not originally have an explicit equity focus, over the past five years staff has worked to ensure that Prosper Portland's activities focus on delivering benefits to people of color and Old Town/Chinatown's diverse historic populations. This is primarily implemented through redevelopment of both public and privately owned properties as well as business assistance for entrepreneurs of color who are investing in the neighborhood. Furthermore, Prosper Portland has made significant investments in key cultural institutions that reflect and support the multicultural heritage of Old Town/Chinatown and this district's role as a gateway to Portland and the Pacific Northwest for generations of immigrants.

**ATTACHMENTS**

- A. Old Town/Chinatown Five-Year Action Plan (July 2014)