

# The Portland Mercado



**Developer/ Owner:** Hacienda CDC

**Presenter:** Barbara Alexander

**Location:** 7238 SE Foster Road

**Inspiration:** Latino cultural history and heritage, traditional and local foods, social enterprise, vibrant cultures, and public markets throughout the world.

**Model:** Food carts pods and a brick and mortar structure with a market, bar area, commissary kitchen, offices on 2nd floors, food establishments and sitting area.

**Project costs:** Approximately \$2,400,000 in 2014/15.

**Sources of Funds:** (approximate numbers) \$900,000 in Prosper Portland loans, \$177,000 from Prosper Portland's Community Livability Grant, \$220,000 in New Market Tax Credits, \$800,000 in Federal Grants (EDA), \$250,000 from Private Grants.

**Timeline:** The project started in 2010 and opened in 2015

**Community Benefits:** The project created affordable commercial space to Latinos and other entrepreneurs and a cultural place to help integrate the community.

**Achievements:** The Mercado offers 9 food carts and 9 indoor businesses. In the first year in businesses, it created 114 new jobs, generated \$2.5 million in sales and welcomed an average of 580 people per day.

**Operations:** Currently Hacienda CDC contracts a property manager to handle the space, collect rents, keep up with maintenance issues, maintain licenses, coordinate vendors, etc. Hacienda's small business support programs are also housed onsite.

The kitchen supports 70 businesses/year and has an average of 40 monthly users. 24 vendors have been through the spaces.

**[www.PortlandMercado.org](http://www.PortlandMercado.org)**

# Plaza 122



**Developer/ Owner:** Mercy Corps

**Presenter:** Sven Gatchev

**Location:** SE 122nd and Market Street

**Model:** Retail street mall- with direct community ownership opportunity - Community Investment Trust

**Project costs:** Approximately \$1.5M

**Sources of Funds:** \$920,000 in Bank Mortgage, \$220,000 from Private Impact Investors funds, approximately \$230,000 Mercy Corps funds. The approximately \$450,000 from Impact Investors and Mercy Corps represent the down payment. Equity buffer from Mercy Corps of approximately \$180,000.

**Timeline:** Launch of the first CIT in Fall of 2017

**Community Benefits:** The property will provide 400 low-income East Portland families (and 1,400 people) with a long-term, affordable (\$10-100/ month), loss-protected investment opportunity in their neighborhood. The CIT has paid out annual dividends in the 9% range and the share price has increased from \$10.00 in 2017 to \$15.87 in 2020. The project currently has 150 investors; when fully subscribed in 2-3 years 400+ investor families will be building equity in the CIT.

**Achievements:** The project is 95% leased with a diverse mix of 27 tenants, including Africa Family Holistic Health, a Latina-owned hair salon, a Russian importer of lotions, three multi-lingual tax and accounting firms, a low-cost funeral preparation company, The Somali American Association of Oregon, faith-based organizations, and an array of small businesses. In 26 months, the mortgage debt has been reduced by \$43,000 and the property is appraised at \$440,000 over its value at the CIT's initial offering.

**Operations:** A third party management company maintains and operates the project.

# Vanport Square



**Developer:** Marco Properties LLC

**Presenter:** Jeana Woodley

**Location:** NE Martin Luther King Jr. Blvd., full block between NE Sumner and NE Emerson Streets

**Inspiration:** The Albina Neighborhood of NE Portland has long been one of the city's most economically distressed areas.

**Model:** Commercial condominium ownership for small minority and neighborhood businesses.

**Project costs:** Approximately \$9,000,000 in 2007.

**Sources of Funds:** New Market Tax Credits, TIF Financing and private equity. Prosper Portland subsidized the cost of the land.

**Timeline:** RFP awarded in December 2001. Phase I construction started in 2006 and completed in Dec 2007, and Phase II started in 2011 and completed in 2012

**Community Benefits:** Vanport Square created ownership for 14 local business, 2/3 of which were Minority or Women Owned businesses. The project also created 134 Construction Jobs and 98 Permanent Jobs, redeveloped an important area of NE Portland and set the stage for the development of what is now the Alberta Commons block. Vanport Partners originally had development rights to this block, and developed the initial development program that was eventually built based on the community input that was provided as part of the King Commercial Development Study which was completed in 2000.

## **Challenges:**

- Governmental requirements, including the pre-sale of 50% of the project units prior to bidding and starting construction on the project,
- New Market Tax Credits timeline, in order to transfer the condo units to the businesses
- Change in market conditions and 2008 recession, threatening the sales and occupancy of last five units
- In order to off-set unexpected costs including the holding and carry costs for vacant units , developer kept 2 of the units that they currently lease at affordable rates to small and minority businesses.

# The Redd on Salmon



**Developer/ Owner:** Ecotrust, Urban Patterns (architect & project manager), and Walsh Construction (builder)

**Location:** 831 SE salmon Street

**Presenter:** Emma Sharer

**Inspiration:** The Redd development started after EcoTrust conducted an 18-month study to better understand where the gaps are when it comes to connecting the supply chain between mid-sized regional producers (Ag of the Middle), with institutional food buyers (schools, hospitals, corporate cafeterias etc). The report is called the Oregon Food Infrastructure Gap Analysis and was published in 2016 by Ecotrust Food, Farms & Fisheries team. They are also inspired by restoring historic spaces in Portland and found the two block site on Salmon St too good to be true given that a Redd is a nest that salmon in dig in rivers to spawn, hence our mission to help spawn a regional food system.

**Business Model:** For profit LLC with revenue stream that comes from anchor tenant leases (8 total), and operating costs include building maintenance, and staff time to manage tenants and facilities

**Project Cost:** \$25M total (\$15M Redd East and \$10M Redd West)

**Sources of funds:** Investor equity, New Market Tax Credits, loans from family foundations (PRIs)

**Timeline:** September 2015– January 2019

**Community Benefits:** Kitchen production space, last-mile logistics (includes warehousing, fulfillment, and distribution), office, and community space for companies of all sizes to scale up together and spark collaboration. The Redd is a spawning ground for local companies to source responsibly, innovate, and connect with buyers in the urban core (i.e. New Seasons, hospitals, schools etc). The East building has become a landmark events center for community partners across the region, which draws the public into the campus and connects food caterers and chefs with value-add producers in the West facility.

**Achievements:** Project complete! Restore OR DeMuro award for Redd East historic preservation, PGE Renewable Development Fund for solar on both buildings, 100% capacity with tenancy

[www.ReddOnSalmon.com](http://www.ReddOnSalmon.com)