



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

**DATE:** April 20, 2022  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 22-13  
Update on the Old Town Action Plan

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

At the April 20, 2022, Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on progress toward the goals and objectives of the Old Town Five Year Action Plan (Action Plan).

### **BACKGROUND AND CONTEXT**

Old Town has been an entry point for a diverse group of immigrant populations over the past 170 years. Chinese immigrants began arriving in the 1850's drawn by opportunities in mining, fisheries, and the railroad in a rapidly expanding economy. After the late 1800's people of Chinese ancestry were 12 percent of the Portland population with city having the second largest Chinatown on the West Coast. In 1882, U.S. Congress passed the Chinese Exclusion Act prohibiting Chinese immigration; this act was repealed in 1943.

The Japanese have also been historic residents in Old Town, arriving in large numbers in the 1890's, drawn to the Pacific Northwest and Portland by opportunities with the railroad as well as agriculture. By 1940, there were over 100 Japanese American owned businesses in Portland. In 1942, during World War II, President Franklin Roosevelt, through executive order forced all Japanese Americans into internment camps until the end of the war.

In addition to the Chinese and Japanese, Old Town also once served as a cultural center for the Black community. The historic Golden West Hotel at NW Broadway and NW Everett Street was the first hotel in Portland to break down racist barriers and accept Black guests. The Golden West served many Black railroad porters in the early 20<sup>th</sup> Century and housed many Black-owned businesses on the ground floor.

Old Town began to show signs of disinvestment by the 1960's. The City of Portland (City) responded by beginning redevelopment efforts in the 1970's and officially recognizing Old Town as a historic district in 1989. In 2000, the Lan Su Chinese Gardens opened reinforcing Old Town's status as a center for key cultural institutions.

In early 2014, Prosper Portland staff convened community and City bureau partners to develop a holistic, strategic, five-year investment strategy for the Old Town community. This effort led to the creation of the Old Town/Chinatown Five Year Action Plan, which was adopted by Portland City Council on August 6, 2014, through Ordinance No. 186744. The Action Plan guided Prosper Portland and partner activities through 2019. At that time, staff reconvened community partners and collectively agreed to propose a five-year extension to the Action Plan in acknowledgment that many of the priorities were relevant and yet to be accomplished. Portland City Council subsequently adopted the

Old Town/Chinatown Five Year Action Plan Extension 2019-24 on September 4, 2019, through Resolution No. 37445, reaffirming the Action Plan’s goals and relevance.

The Action Plan (see the Focus Area Map in Attachment A) responds to several key challenges in the neighborhood, including: 1) and imbalance of uses and identity; 2) crime and safety concerns; 3) stagnant development; and 4) lack of district connectivity.

The Action Plan addresses these challenges by prioritizing investment in the following areas:

- 1) **Neighborhood Investment** - developing vacant land, buildings, infrastructure, encouraging market rate housing, and supporting key cultural institutions;
- 2) **Business Vitality** - assisting small businesses and non-profits with an emphasis on minority entrepreneurs; and
- 3) **Enhancing District Livability** - improving district sanitation and cleanliness and better coordinating between City of Portland bureaus.

To accomplish these objectives, Prosper Portland committed \$57,000,000 in River District and Downtown Waterfront Tax Increment Finance District resources to fund to Action Plan implementation (see Attachment B). A total of \$18,000,000 has been spent during the first seven years of the Action Plan leaving \$39,000,000 available for investment during the remaining three years (through fiscal year (FY) 2023-24).

The economic downturn caused by Covid-19 has been a significant setback for the community and resulted in several businesses to close or depart Old Town. Prosper Portland and community stakeholders have responded to the loss by investing over \$12,400,000 since FY 2019-20 into Action Plan priorities. These efforts included the following initiatives and results:

### ***Activating Old Town***

Prosper Portland commissioned ECONorthwest to conduct a market analysis and stakeholder survey and make recommendations that would facilitate economic development in Old Town. The primary findings of the ECONorthwest study were:

- 1) There is a need for increased attention and funding in Old Town.
- 2) Old Town is missing a variety of services thus requiring residents to shop outside the district.
- 3) Tourism is an important driver for retail businesses in Old Town.
- 4) Stakeholders are committed to Old Town.

Based on these findings, ECONorthwest recommended emphasizing the following actions:

- 1) Conduct pop-up events to increase foot traffic and potential customers in Old Town.
- 2) Increase support for small businesses that drive Old Town’s economy with an emphasis on Black, Indigenous, People of Color (BIPOC) owned establishments.
- 3) Employ a consistent approach to neighborhood cleanliness.
- 4) Re-tenant existing vacant space.

To help implement these recommendations, Prosper Portland has funded two contract positions with the Old Town Community Association: a Retail Navigator to recruit new business and assist small businesses to stay in Old Town and an Event Coordinator to activate the neighborhood and bring in customers. Thus far, they have made a significant positive impact with the following events, actions, and business recruitments:

### **Major Old Town Events Held and Planned FY 2021-22**

- Summer 2021 – Retail Pop-Up Shops weekends on NW Davis
- November - December 2021 – Holiday Tree Market at 4<sup>th</sup> & Burnside

- December 2021 – Holiday Pop Up Shops
- January 2022 – Eudeimonia Art Show
- February 2022 – Chinese New Year Exhibit, Black History Month Art Show
- March 2022 – Devine Feminine Art Show, March Madness Block Party
- April 2022 – Chinatown Museum Mural, Nuestro Camino Anniversary Show
- May 2022 – Mother’s Day Art Show, Rose City Festival, Old Town Storefront Decorations
- June 2022 – Maybelle Center Mural

#### Small Businesses Recruited FY 2021-22

- Barnes & Morgan Clothiers
- Goodies Neighborhood Market
- Open Haus Coworking Space
- Creative Homies Creative Space and Jazz Club
- Black Star Athletics Training
- Mimi’s Fresh Teas
- Red Robe Tea House return

#### ***Grants to Small Business and Non-Profits***

Strengthening small business and non-profits are a key to Old Town’s revival. Therefore, over the past three fiscal years Prosper Portland has made \$828,000 in grants to small business and non-profits for physical improvements to their facilities. Recipients include The Chinese Consolidated Benevolent Society, Portland Saturday Market, and Stone Soup, a non-profit organization training disadvantaged residents for employment in the restaurant industry. In addition, Prosper Portland awarded grants to approximately 12 BIPOC businesses and entrepreneurs to assist them to locate, stay or expand in the neighborhood including Index PDX Vintage Sneakers, Barnes and Morgan fashion designer and clothing retailer, Goodies Market convenience store, Creative Homies artist workspace and jazz club, and Black Star athletic training.

#### ***Assistance to Cultural Institutions***

The Action Plan prioritizes strengthening key cultural institutions and the Prosper Portland Board has taken significant action to further this goal, including:

- On August 14, 2019, through Resolution No 7331, authorizing a loan and the sale of the Prosper Portland-Owned Old Town Lofts commercial condominium at 411 NW Flanders Street to the Oregon Nikkei Endowment to become the organization’s permanent home and public museum.
- On December 16, 2020, through Resolution No 7407, authorizing the terms of a loan to the Portland Chinatown History Foundation for purchase of a building at 127 NW 3<sup>rd</sup> Avenue for the organization’s offices and public museum.
- On May 13, 2020, through Resolution No. 7368, authorizing acquisition of Block 24 for the purpose of redeveloping the site in partnership with Lan Su Chinese Gardens into a cultural and event center as well as market rate housing development. Schematic designs have been completed and a request for interest from developers is planned to be issued in the fall of 2022.

#### ***Upcoming Development and Infrastructure Projects***

In 2018, staff conducted extensive stakeholder outreach to inform development plans for two strategic properties own by Prosper Portland: 1.) The 7,000 square foot lot adjacent to the Chinatown Gate known as 4<sup>th</sup> & Burnside, and 2.) the 30,000 square foot parcel on the south side of the block bounded by NW 3<sup>rd</sup> Avenue, NW 4<sup>th</sup> Avenue, NW Glisan Street, and NW Flanders Street known as Block 25. A public selection committee recommended two development partners for these sites and in 2019

Prosper Portland signed Memoranda of Understanding with Colas Development for 4<sup>th</sup> and Burnside on July 15, 2020, and with Key Development for Block 25 on August 6, 2019. When the pandemic hit in 2020, both projects were put on hold until conditions in the real estate market improved.

During this time, significant archeological remediation was accomplished on the 4th and Burnside site. This remediation was required by the State Historic Preservation Office since the site was found to contain historic artifacts. Colas Development is ready to start predevelopment work in spring 2022 on 4<sup>th</sup> & Burnside by refining schematic plans for a culturally sensitive, mixed-use development.

Other important upcoming projects include the renovation of the iconic Chinatown Gate on NW 4<sup>th</sup> Avenue and West Burnside Street. Prosper Portland is assisting these efforts led by the Old Town Community Association by contributing \$300,000 to the project. It is expected this project will move forward later this year when replacement tiles from China become available.

A second infrastructure project that will improve quality-of-life in the neighborhood is the conversion of the railroad crossing on NW Naito below the Steel Bridge to a quiet zone crossing, eliminating the need for trains to sound their horns when approaching the crossing. Prosper Portland has committed \$200,000 to the Portland Bureau of Transportation project for this community supported effort.

Also, after three years of analysis on how to feasibly redevelop the Prosper Portland-owned Old Engine House #2 at the base of the west bound Steel Bridge ramp, Prosper Portland has demolished the unsafe structure after community consultation. Staff is in the process of hiring a real estate broker to sell the vacant property and reinvest the proceeds in other Old Town priorities.

### ***Recent Positive Trends***

Before the pandemic, the neighborhood was beginning to experience a revitalization with new retail, restaurants, and office space. Unfortunately, due primarily to economic downturn, Old Town lost many of these businesses.

However, one sector that has thrived in Old Town is streetwear fashion. Many of these and other businesses are owned and operated by BIPOC entrepreneurs. The historic Merchant Hotel on NW Davis Street between NW 2<sup>nd</sup> Avenue and NW 3<sup>rd</sup> Avenue has been recently tenanted by BIPOC entrepreneurs recruited, in part, by the Old Town Community Association Retail Navigator. These businesses include Barnes & Morgan, Goodies Market, Open Haus Co-Working, and Mimi's Fresh Tees.

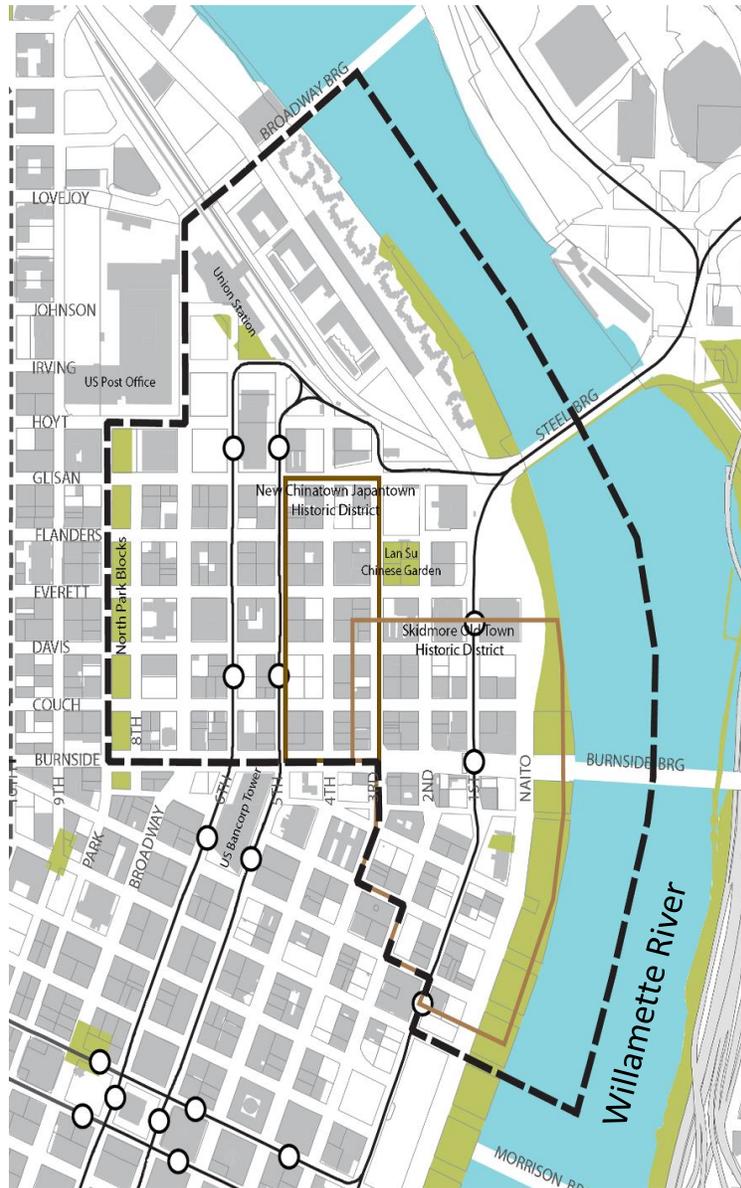
### **EQUITY IMPACT**

As mentioned, Old Town has been a diverse, multicultural center for Portland since the mid-1800's. Prosper Portland's efforts in Old Town intentionally use a racial equity lens to focus the agency's investments in culturally-specific organizations and BIPOC-owned business owners.

### **ATTACHMENTS**

- A. Old Town Action Plan Focus Area Map
- B. Downtown Waterfront and River District Financial Summaries

**OLD TOWN ACTION PLAN FOCUS AREA MAP**



**DOWNTOWN WATERFRONT AND RIVER DISTRICT FINANCIAL SUMMARIES**

**Financial Summary  
 Five-Year Forecast**

<u>Downtown Waterfront TIF Fund</u>	<u>Revised 1 FY 2021-22</u>	<u>Requested FY 2022-23</u>	<u>Forecast FY 2023-24</u>	<u>Forecast FY 2024-25</u>	<u>Forecast FY 2025-26</u>	<u>Forecast FY 2026-27</u>
<b>Resources</b>						
Beginning Fund Balance	39,776,682	27,948,520	15,135,475	11,094,760	9,485,014	8,284,127
<b>Revenue</b>						
Fees and Charges	276	-	-	-	-	-
Interest on Investments	353,541	159,533	147,891	137,134	-	-
Loan Collections	22,188	7,966	7,966	7,966	7,967	3,163
Property Sales	63,266	63,266	63,266	63,266	63,266	63,266
Rent and Property Income	19,610	14,800	31,608	1,800	1,800	-
Reimbursements	20,000	-	-	-	-	-
<b>Total Revenue</b>	<b>478,881</b>	<b>245,565</b>	<b>250,731</b>	<b>210,166</b>	<b>73,033</b>	<b>66,429</b>
<b>Total Resources</b>	<b>40,255,563</b>	<b>28,194,085</b>	<b>15,386,206</b>	<b>11,304,926</b>	<b>9,558,047</b>	<b>8,350,556</b>
<b>Requirements</b>						
<b>Administration</b>						
A00023-Debt Management-DTW	9,457	12,121	12,121	12,121	-	-
<b>Administration Total</b>	<b>9,457</b>	<b>12,121</b>	<b>12,121</b>	<b>12,121</b>	<b>-</b>	<b>-</b>
<b>Infrastructure</b>						
<b>Transportation</b>						
A00693-RR Crossing Quiet Zone-DTW	0	200,000	-	-	-	-
<b>Infrastructure Total</b>	<b>0</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Property Redevelopment</b>						
<b>Commercial Property Lending</b>						
A00359-CPRL-General-DTW	1,000,000	-	-	-	-	-
<b>Real Estate Management</b>						
A00259-Old Town Lofts-Prkng-DTW	1,400	1,400	1,000	1,000	550	550
A00260-RiverPlace Marina-DTW	20,000	-	-	-	-	-
A00263-One Waterfront South-DTW	0	-	-	22,500	22,500	22,500
A00625-Block 24-DTW	31,407	31,698	27,198	-	-	-
<b>Real Estate Disposition</b>						
A00259-Old Town Lofts-Prkng-DTW	500	-	500	-	500	-
<b>Redevelopment Strategy</b>						
A00522-OT/CT Investment & Parking-DTW	8,967,146	10,375,000	2,154,166	-	-	-
A00686-OTCT-PI-DTW	62,500	75,000	-	-	-	-
<b>Redevelopment Grants</b>						
A00389-CLG-General-DTW	550,000	200,000	200,000	-	-	-
A00495-Prosperity Investment Program (PIP) Grant-DTW	261,000	200,000	200,000	-	-	-
<b>Property Redevelopment Total</b>	<b>10,893,953</b>	<b>10,883,098</b>	<b>2,582,864</b>	<b>23,500</b>	<b>23,550</b>	<b>23,050</b>
<b>Total Program Expenditures</b>	<b>10,903,410</b>	<b>11,095,219</b>	<b>2,594,985</b>	<b>35,621</b>	<b>23,550</b>	<b>23,050</b>
<b>Personnel Services</b>	<b>69,232</b>	<b>182,060</b>	<b>157,709</b>	<b>164,709</b>	<b>111,673</b>	<b>72,326</b>
<b>Total Fund Expenditures</b>	<b>10,972,642</b>	<b>11,277,279</b>	<b>2,752,694</b>	<b>200,330</b>	<b>135,223</b>	<b>95,376</b>
Interfund Transfers - Indirect Charges	1,334,401	1,781,331	1,538,752	1,619,582	1,138,697	775,831
Contingency	27,948,520	15,135,475	11,094,760	9,485,014	8,284,127	7,479,349
<b>Total Fund Requirements</b>	<b>40,255,563</b>	<b>28,194,085</b>	<b>15,386,206</b>	<b>11,304,926</b>	<b>9,558,047</b>	<b>8,350,556</b>

**Financial Summary  
 Five-Year Forecast**

<u>River District TIF Fund</u>	<u>Revised 1 FY 2021-22</u>	<u>Requested FY 2022-23</u>	<u>Forecast FY 2023-24</u>	<u>Forecast FY 2024-25</u>	<u>Forecast FY 2025-26</u>	<u>Forecast FY 2026-27</u>
<b>Resources</b>						
Beginning Fund Balance	65,985,295	31,466,548	14,415,925	12,954,617	14,184,935	12,658,543
<b>Revenue</b>						
Fees and Charges	3,616	2,110	-	-	-	-
Interest on Investments	649,605	95,475	-	-	-	-
Loan Collections	7,464,199	677,745	664,431	6,576,914	2,290,927	18,504
Property Sales	0	8,000,000	6,000,000	-	-	-
Rent and Property Income	1,919,101	2,432,235	2,565,561	2,699,729	2,866,614	2,633,184
Reimbursements	13,687	14,098	14,521	14,956	15,405	15,854
<b>Total Revenue</b>	<b>10,050,208</b>	<b>11,221,663</b>	<b>9,244,513</b>	<b>9,291,599</b>	<b>5,172,946</b>	<b>2,667,542</b>
<b>Total Resources</b>	<b>76,035,503</b>	<b>42,688,211</b>	<b>23,660,438</b>	<b>22,246,216</b>	<b>19,357,881</b>	<b>15,326,085</b>
<b>Requirements</b>						
<b>Administration</b>						
A00025-Debt Management-RVD	1,020,379	33,098	33,098	33,098	-	-
<b>Administration Total</b>	<b>1,020,379</b>	<b>33,098</b>	<b>33,098</b>	<b>33,098</b>	<b>-</b>	<b>-</b>
<b>Housing</b>						
A00166-Affordable Housing-RVD	6,466,715	5,978,908	-	-	-	-
A00186-Fairfield Apartments-RVD	25,000	-	-	-	-	-
<b>Housing Total</b>	<b>6,491,715</b>	<b>5,978,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Infrastructure</b>						
<b>Public Facilities</b>						
A00483-Union Station Grant-RVD	100,000	100,000	-	-	-	-
<b>Infrastructure Total</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Property Redevelopment</b>						
<b>Real Estate Management</b>						
A00276-Post Office-RVD	919,523	915,923	544,923	459,923	459,923	-
A00278-4th and Burnside-RVD	34,558	34,558	34,558	-	-	-
A00285-Block Y-RVD	114,893	116,667	118,528	120,178	121,896	83,614
A00286-Union Station-RVD	1,684,650	1,739,184	1,798,287	1,858,081	1,919,944	1,981,808
A00288-Centennial Mills-RVD	472,264	522,932	540,932	-	-	-
A00290-Station Place Prkng-RVD	647,661	849,082	691,074	700,313	714,552	728,791
A00291-Block R-RVD	0	-	35,371	36,008	36,645	37,282
A00292-One Waterfront North-RVD	0	-	-	19,652	19,652	19,652
A00293-Old Fire Station Mgmt-RVD	280,685	280,685	-	-	-	-
A00558-RD Small Lots - 9th & Naito-RVD	17,269	17,682	18,116	18,572	19,028	19,484
A00587-Block 25-RVD	35,054	35,054	35,054	-	-	-
<b>Real Estate Predevelopment</b>						
A00276-Post Office-RVD	13,186,800	11,053,900	2,089,670	-	-	5,219,630
A00278-4th and Burnside-RVD	493,448	5,000	5,000	-	-	-
A00587-Block 25-RVD	75,000	-	-	-	-	-
A00620-Post Office Grant-RVD	119,596	-	-	-	-	-
<b>Real Estate Disposition</b>						
A00288-Centennial Mills-RVD	888,000	1,000,000	-	-	-	-
A00293-Old Fire Station Mgmt-RVD	505,000	5,000	5,000	-	-	-
<b>Redevelopment Strategy</b>						
A00038-Superfund-RVD	382,320	46,080	79,200	79,200	-	-
A00279-Broadway Corridor-RVD	20,000	-	-	-	-	-
A00517-OT/CT Investment & Parking-RVD	11,536,324	-	-	-	-	-
A00687-OTCT-PI-DTWF	62,500	75,000	-	-	-	-
<b>Redevelopment Grants</b>						
A00390-CLG-General-RVD	635,966	100,000	100,000	-	-	-
A00497-Prosperity Investment Program (PIP) Grant-RVD	387,411	150,000	150,000	-	-	-
<b>Property Redevelopment Total</b>	<b>32,498,922</b>	<b>16,946,747</b>	<b>6,245,713</b>	<b>3,291,927</b>	<b>3,291,640</b>	<b>8,090,261</b>
<b>Total Program Expenditures</b>	<b>40,111,016</b>	<b>23,058,753</b>	<b>6,278,811</b>	<b>3,325,025</b>	<b>3,291,640</b>	<b>8,090,261</b>
<b>Personnel Services</b>						
	1,268,302	988,619	856,396	894,976	606,409	394,161
<b>Total Fund Expenditures</b>	<b>41,379,318</b>	<b>24,047,372</b>	<b>7,135,207</b>	<b>4,220,001</b>	<b>3,898,049</b>	<b>8,484,422</b>
<b>Interfund Transfers - Indirect Charges</b>						
	3,264,637	4,224,914	3,570,614	3,841,280	2,801,289	1,960,868
<b>Contingency</b>	<b>31,391,548</b>	<b>14,415,925</b>	<b>12,954,617</b>	<b>14,184,935</b>	<b>12,658,543</b>	<b>4,880,795</b>
<b>Total Fund Requirements</b>	<b>76,035,503</b>	<b>42,688,211</b>	<b>23,660,438</b>	<b>22,246,216</b>	<b>19,357,881</b>	<b>15,326,085</b>