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Date: March 17, 2009

RE: Metro request for growth capacity and local planning aspirations

Dear Chris,

Thank you for the opportunity to provide preliminary comments on the City of Portland's key planning and community development assumptions and aspirations.

This letter and attachment are in response to your memo of November 24, 2009 seeking information about our local aspirations for future community development and growth capacity. As I understand, this information will help inform Metro staff as to what key assumptions to use to prepare the 2009 Preliminary Urban Growth Report (UGR). That report will inform Metro Councilors on alternatives and cause and effect consequences with which to decide the best direction for regional growth management actions over the next 20 years. Your request is timely because the city has embarked on periodic review of its Comprehensive Plan and begun extensive analysis of capacity and trends. We will provide data and descriptions now, and provide information to assist you as it becomes available.

Portland has been the beneficiary of sound regional growth management policies and those policies have given the city an enormous advantage in this era of rising energy costs, credit shortages, shifting global economies and climate change. This region's proven track record of success and Portland's contribution to it has made the region a national and international model for growth management, place making, and sustainable planning and development. With these advantages, Portland can continue to help lead the way toward a more sustainable regional environment and economy.

Portland looks to Metro to carefully weigh and balance future urban land need allocations because we depend on wise public and private investment decisions throughout the region to help us prosper locally. For our part, we will be able to describe many of the city's aspirations and key assumptions in our corridors and centers throughout the city in this initial preliminary response.

The attached staff report highlights and summarizes the existing goals and objectives for most of the major plans in the central city and five planning districts. The highlights identify some "opportunity sites" and other locations where there may be additional development and capacity created in the future to respond to changing conditions. The highlights also identify barriers to achieving our planning goals and meeting the region's expectations inside the Urban Growth Boundary.

**Using Metro's preliminary stage data, our analysis finds that the city's "planned" capacity in both the central city plan area and the remaining balance of centers and corridors exceeds the 2035 and 2060 population and employment forecast for Portland in any of the scenarios that have been modeled to date.**

Portland has achieved a remarkable residential capture rate. The city has averaged over one-third (36%) of all new housing starts in the region for the last 15 years. The city plan's to continue public investments in infrastructure and placemaking to help upon this trend. Both local data and national literature show that changing demographics, an aging population, and rising energy costs are driving consumer preferences.

The city has conducted extensive analysis about existing "planned" capacity in the central city plan area that we are incorporating in our response. Outside the central city, we are in the process of analyzing and calculating capacity for our Gateway regional center, 5 town centers, 52 existing and planned light rail station communities, 57 miles of main streets and over 100 miles of corridors for the balance of the city. This is a very large and time consuming task. It will result in significant new information and refinements to follow later as we learn more from our own work and the cause and effect relationships of regional scenarios.

I understand that your request for information about key assumptions and growth capacity is at a preliminary stage and that there will be two more opportunities to inform Metro on the city's planning aspirations. Going forward, key assumptions will be revised based on the cumulative responses from jurisdictions from throughout the region. I also understand that the first preliminary draft UGR will be produced in March, with another opportunity to comment before a revised draft is released in August to serve as the basis for growth management decisions in 2010. The city will need to take formal action to commit to key assumptions for our aspirations by the end of 2010.

The Metro Council decision includes whether and by how much to expand the regional urban growth boundary (UGB) under current policies and serves as a starting point for a regional discussion of policy and investment choices. Similar decisions for designating 40-50 year future urban and rural reserves will occur nearly simultaneously. For Portland, these decisions are about far more than population and employment forecast allocations and deciding on future urban land needs at the edge of the region. These decisions will affect the vitality of our town centers and main streets. How and where investments in infrastructure are made will drive the pace at which centers and corridors inside the UGB develop and will help shape how people will work, travel, live, and recreate in the future. In addition, these decisions will affect social and environmental equity issues for all citizens such as access to jobs, affordable housing, parks, open space, natural areas, transportation facilities and alternative transportation modes.

Toward this end, I understand Metro Council has directed an outcome based approach to growth management and that particular attention will be paid to UGR scenario results concerning the affects of various scenarios on housing affordability for cost-burdened households and greenhouse gas emissions. I am particularly interested in how the alternatives that will come before the Metro Council will perform.

I appreciate the extra time and commitment you and your staff have made to meet regularly and work closely with us. I look forward to a continued collaborative spirit going forward.

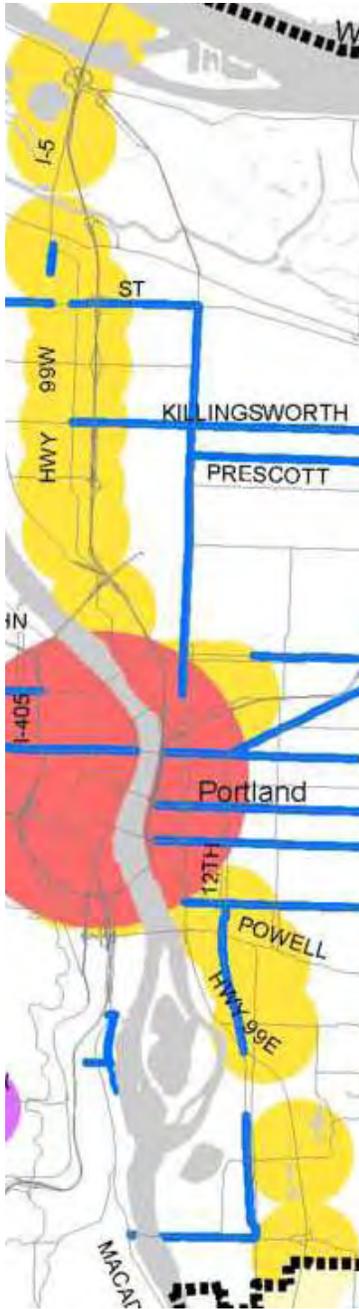
If you have any questions, please do not hesitate to contact me or Bob Clay (503-823-7713).

Best regards,



Susan Anderson, Director  
Bureau of Planning and Sustainability

Cc  
Portland Mayor and City Commissioners  
Portland Planning Commission  
Portland Planning and Development Directors



# Request for Preliminary Information and Key Assumptions on Local Aspirations for Community Development and Growth Capacity

**Staff Report  
Response to Metro  
March 17, 2009**



City of Portland Bureau of  
**Planning and Sustainability**  
Sam Adams, Mayor | Susan Anderson, Director

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## **Executive Summary**

The Staff Report that follows is the City of Portland's preliminary response to a request from Metro staff about the city's local aspirations for future community development and growth capacity. This information and further refinements will help inform Metro staff and Metro Council about what key assumptions should be included in the forthcoming 2009 Preliminary Urban Growth Report (UGR) and MetroScope scenario. The preliminary UGR is intended to describe where the region could be headed under current policies. It serves as a starting point for regional discussions and framing policy and investment choices about regional growth management decisions. City staff will provide more information in the coming months as The Portland Plan proceeds.

Like all other 25 cities and counties in the Portland Metropolitan Region, the City of Portland operates under the Oregon Statewide Land Use Planning Program and Region 2040, Metro's Regional Growth Management Framework Plan that is implemented through Urban Growth Management Functional Plan. Portland is one of 13 cities in the region that has currently entered the state's periodic review work program phase to update its comprehensive plan.

The city is developing a work program that goes beyond the established periodic review requirements. This Comprehensive Plan update is being called The Portland Plan and is also accompanied by an update of the Central City Plan called the Central Portland Plan.

The Portland Plan will build on Portland's visionary planning and urban design legacy by focusing on key challenges. Over the next two-and-a-half years, the city expects to undertake an inclusive plan to guide physical, economic, social, cultural and environmental development over the next 25 to 30 years.

The Portland Plan's map, goals, policies, objectives and implementation measures will form the city's blueprint for guiding development and redevelopment over the next 25 to 30 years. At this time, The Portland Plan timeline will reach completion and adoption by mid 2010, with some elements being completed earlier.

## **Key questions raised by the Metro request summarized**

**Does the City of Portland have sufficient “zoned and planned” capacity to accommodate the number of households and jobs forecasted for Portland in 2030 and 2060 under any of the “test” case growth scenarios developed last fall/winter, 2009? (i.e., Reference case, tight UGB, or centers and corridors)?**

*Yes, according to preliminary staff analysis, both the central city and the city's remaining balance of centers and corridors have considerably more than sufficient capacity for 2030 or 2035. Based on staff analysis against Metro's projected growth rate (scenario test cases) in the central city, the study shows the area appears to have at least 50 years of available capacity for redevelopment. Although current analysis is still underway in the balance of the city's centers and corridors, it also appears the city is reasonably likely to have sufficient capacity for at least 50 years, or 2060.*

*This is especially true in light of the city's legacy of planning, developing public-private partnerships and resulting up-zonings. A final conclusion this portion will be completed before the next phase. An example of this planning and implementation can be seen in the housing goals in the 1988 adopted Central City Plan. At the time of adoption, the CCP called for 1500 housing units in the River/Pearl District, however later refinements and a development agreement resulted in a goal anticipated at build out of nearly 10,000 housing units and 21,000 jobs. That same plan called for 1500 units in South Waterfront, and 10 years later, refinements to the plan are anticipating 4,000-5,000 housing units and 10,000 jobs by 2019. Both of those districts are on a pace to achieve those goals. (See section on Central City and Region Centers and Corridor Capacity).*

### **Does the City of Portland have aspirations for growth beyond capacity if available for 20 years; for 50 years?**

*The Portland Plan (Comprehensive Plan and Central City Plan updates) will examine alternative growth futures and make the final determinations for a planning horizon of about 30 years. Generally, the capacity available, pace of urban re-development, changing demographics that drive a preference for "urban" housing forms, and on-going public investment commitments suggests the city could exceed Metro's initial forecast made for "test" case scenarios in fall/winter, 2008. Where the city once captured 3-5% of the region's housing growth in the 1960s, 70s and 80s, the city now captures 8-10 times that amount. The city's rather remarkable 15-year residential regional capture rate of 36% is evidence that urban housing forms are accepted in the market place and that the construction and development industry has creatively adapted to changing preferences and economic forces. Portland's newer high density neighborhoods provide a very large proportion of the region's housing production on a fraction of the region's residential buildable land and these neighborhoods are far from capacity. (See section on residential capture rate, housing trends and market forces)*

*Portland also looks to redevelop key "opportunity sites" where specialized attention will maximize public investment and create value-added for surrounding neighborhoods. Several of these sites are identified in the section on each planning district.*

### **Does the City of Portland expect to maintain its public investment commitment to existing designated 2040 centers and corridors long term?**

*Yes, the city has a 30-year track record of sustained public investments using urban renewal powers, tax increment financing, municipal finance tools, System Development Charges (SDC's), Local Improvement Districts (LID's), Business Improvement Districts (BID's), bonding transit-oriented property tax abatements. These tools are complimented by a variety of regulatory policies to include transit-oriented mixed use development targeted to the right places. (see Appendix I) Portland has 11 urban renewal areas covering 13,196 acres or 14.28% of the allowable percentage. Portland has consistently maintained 13-14 % utilization URA coverage; and expects to continue this rate. Portland has over \$805 million in URA indebtedness, and \$1.6 billion in indebtedness remaining. The city has also established a successful track record to finance a street car system that serves as a catalyst to redevelopment. The city is moving forward to expand the streetcar system through the adoption of a Streetcar System Plan schedule in the near future. (See section on Streetcar System Plan)*

## **Can the Portland central city, centers and corridors deliver more urban productivity near alternative transportation at lower cost than areas at the edge of the Urban Growth Boundary?**

*Staff analysis of per unit housing and development costs strongly suggests greater efficiencies exist to build on the capacity of existing centers and corridors and that greater social, economic, and environmental equity to more households will also result.*

## **Does the city have a desired urban form aspiration in relation to the region?**

*Portland needs the region's growth management strategies to support our community's aspirations for the creation of vibrant, mixed-use centers where housing, jobs, and services are concentrated. Directing growth to mixed-use centers would not only help Portland realize its aspirations for its future, but provide significant infrastructure efficiencies and contribute to sustainability through compact development and reduced reliance on automobile travel.*

*The city's position generally is that the region should work to minimize the need for Urban Growth Boundary expansions because there is so much work to do to build Region 2040 locations inside the UGB and there is scarce infrastructure funding with which to do it. The city is committed to focusing on growth in our existing centers, corridors and industrial and employment districts. The city believes the regions economic health depends on a vibrant core and on a focused approach; otherwise city's progress will begin to lag. The last three rounds of UGB expansions in 1998, 2002, and 2004 resulted in the largest UGB expansions in the region's history, yet less than approximately 5% of the UGB urban land supply has seen development or permitted. Cooperating jointly with Gresham, Portland is very familiar with the extensive time and resources that went into pre-planning and concept planning efforts in Pleasant Valley. Metro added the area in 1998 and adoption of the Pleasant Valley Concept Plan occurred in 2004. Despite extensive planning and development finance efforts on a heroic scale by the City of Gresham to spark development, no permits have been issued. The city generally believes the region should focus energy and resources on developing inside the UGB before more land is brought into the UGB. As resources become available to develop over 23,000 acres of UGB expansions already brought in, only then should resources become available.*

## **Has Portland identified any barriers to achieving Region 2040?**

*Yes, inadequate funding for capital replacement and operating funds for growth-related infrastructure exists. Housing growth has been very significant, yet uneven, and many areas, particularly in East Portland do not have the kind of basic infrastructure needed to support transit-oriented uses.*

*The East Portland District encompasses approximately 30 square miles covering the area generally east of I-205 to the Gresham city limits. The East District (2000 population: 123,302) is one of the fastest growing areas of Portland, with a population increase of roughly 20,000 people between 1990 and 2000, and the development of roughly 10,000 new housing units between 1996 and 2006.*

*The district has received short term planning attention in the form of the recently adopted East Portland Action Plan (EPAP), and blue line and red line MAX station*

areas are the subject of the Eastside MAX Station Communities Project currently underway. The district, which includes the Gateway Regional Center, Lents Town Center and several current and soon-to-open light rail station areas, remains as having both the greatest development and redevelopment potential but also some of the most significant challenges and barriers to overcome before realizing development activity anticipated by the Region 2040 Goals and Framework Plan. Examples of these challenges include: a significant lack of existing local street and pedestrian improvements needed to accommodate development; an infill redevelopment context with existing development, significant parcelization and difficult lot sizes; a marketplace with modest rents which make high quality transit-oriented development difficult to achieve, particularly when the cost of local infrastructure is borne by development; a perceived lack of a "sense of place" for many of the centers and station communities; and a lack of financial tools in some areas to further development.

A very large backlog of street and sidewalk improvements continues to persist. While the city carefully targets infrastructure funding to 2040 centers and corridors, much more is needed. (See section on Infrastructure Needs and East Portland District)

The lack of a higher order of transportation connectivity in Southwest and East Portland, caused by historic semi-rural development patterns is also a challenge.

The city regularly adjusts its regulatory policies to accommodate market realities and for project diversity. At the same time the city recognizes the need for design review oversight as an important element to ensure quality design for higher density development, preservation of city investments, and community acceptance.

An economic opportunities analysis will inform The Portland Plan on ways to redevelop industrial and employment sites. Portland will consider establishing job targets much as it has for housing. (See section on economic and employment aspirations)

### **Does Portland propose any changes to the Region 2040 designated centers and corridors?**

Not at this time. The Portland Plan process will determine any proposed changes. However, some new additional main streets and corridors could emerge from the Portland Plan process, possibly in the large East Portland planning district. In order to maximize public and private investments, the city would entertain the approach of setting a hierarchy or tiers where public investments should be made, since not all centers and corridors are ready to redevelop at the same time. (See section on East Portland District Planning Area for specific possibilities).

### **The purpose of this report:**

This Staff Report is the City of Portland's preliminary response to a request from Metro staff about the city's local aspirations for future community development and growth capacity. This information and further refinements will help inform Metro staff and Metro Council, what key assumptions should be included in the forthcoming 2009 Preliminary Urban Growth Report (UGR) and MetroScope scenario. The preliminary UGR is intended to describe where the region could be headed under current policies and is one piece of a much larger set of information that will help serve as a starting point for regional discussions and framing policy and investment choices. Assumptions will be

revised based on those discussions and local aspirations. A revised draft UGR will be released in August, 2009 to serve as the basis for growth management decisions in 2010. There are two more opportunities to provide information prior to the adoption of the UGR and any decision is made on potential Urban Growth Boundary expansions. As the city continues to analyze its planned capacity and more information about Metro jobs and housing allocations become available, the city will supplement this preliminary response. For now, this report, when combined with responses from 24 other cities and three counties will help inform Metro Councilors on urban land needs and alternatives and cause and effect consequences of potential Urban Growth Boundary expansions for jobs and housing. The Metro decisions includes whether, where, and by how much to expand the regional UGB. Metro has described this incremental and iterative process as intending to serve as an outcomes-based approach to growth management; meaning that various effects will be measured against their performance with adopted Region 2040 goals – on such topics as affordable housing, access to transportation, and the cost of infrastructure to serve new growth.

This information will also help inform the size of future 40-50 year urban and rural reserves. The combination of all these regional decisions will affect the vitality and pace of the city's town centers, light rail station areas, main streets, and corridors.

How much land is added to the UGB affects the public investments in infrastructure, and that in turn will drives the pace and quality of centers and corridors inside the UGB.

The Metro decision will occur incrementally through the spring, summer, and fall of 2009 as more information become available and as decisions on transportation plans (HCT and RTP) become final. The city will need to make a final determination on its capacity aspirations and take formal action by December, 2010.

### **How Portland's planning and community development aspirations have been formed:**

Aspirations today are formed by adopted land use and functional plans, The Portland Plan, strategies, initiatives, and program implementation measures all developed with extensive outreach and public involvement by citizens and stakeholders, and all are typically reviewed other advisory committees, city commissions, and formal land use hearings held by the Planning Commission with recommendations made to City Council for final adoption.

The two primary adopted plans that guide the city's future growth and development aspirations are the Comprehensive Plan and the more specific Central City Plan.

Each of these has undergone extensive incremental revision since their original adoptions in 1980 and 1988 respectively gradually increasing plan and zoning development capacity to meet changing community needs. These plans are also made up of smaller scale area plans, district or community plans, and neighborhood plans and functional plans.

Citywide there are over 100 neighborhoods, many with a neighborhood or area plan. The Comprehensive Plan and its implementing zoning code also contain 26 plan

districts with specialized regulatory provisions as well as providing opportunities for public-private development agreements.

The Central City Plan area has eight sub-districts. Various strategic planning initiatives also respond to current conditions and try to anticipate long range national and global social, economic, energy, and environmental conditions and trends that will affect the city's future.

The city is particularly focused on developing sustainable community development goals, objectives, policies and practices in order to plan and prosper during an era of climate change, rising fuel costs, fiscal constraints, and changing global economies.

### **The current status of Portland's Periodic Review Work Program and Region 2040 Compliance:**

Like other cities and counties in the region, the City of Portland operates under both the Oregon Statewide Planning Program and the regional growth management framework known as Region 2040 and the Urban Growth Management Functional Plan. Portland is one of 13 cities in the region that has currently entered the state's periodic review work program phase. With one very small exception (Title 13 Nature in Neighborhoods 80% complete) the City of Portland is in compliance with the Region 2040 Urban Growth Management Functional Plan's 13 titles. The city is also developing a work program that goes beyond the established periodic review requirements. This Comprehensive Plan update is being called The Portland Plan and is also accompanied by an update of the Central City Plan called the Central Portland Plan. Description of the Portland Plan approach Intro: Together, the plan's map, goals, policies, objectives and implementation measures will form the city's blueprint for guiding development and redevelopment over the next 30 years. At this time, The Portland Plan timeline will reach completion and adoption by about summer/fall 2010, with some elements being completed earlier. The Portland Plan will build on Portland's visionary planning and urban design legacy by focusing on key challenges. Over the next two-and-a-half years, the city expects to under take an inclusive plan to guide physical, economic, social, cultural and environmental development over the next 25 to 30 years.

### **20-minute Communities with Distinct Central Places:**

One of the "big ideas" that has emerged thus far in engaging Portlanders in preparing The Portland Plan, has been a strategy that captures the concept of a 20-minute community where people have walkable or reasonable access to the places where they live, work and play within a reasonable distance to one or more distinct central places. One of the key attributes is to enable people to have available alternatives to driving; not to replace the car, only to provide more options. Clustering a range of key services with an attractive street environment encourages people to group their trips and walk among destinations.

The 20 minute community could take several forms. It could mean a traditional town or village center with a square at its heart. It could be a 3-4 block shopping district, with a small but centrally located plaza. It could mean a strip mall redeveloped into a commercial center with great pedestrian amenities and access to its surrounding neighborhood.

It is recognized that not all areas and development patterns are alike. The opportunities for more options would take different forms in different parts of the city based on the development patterns and circumstances of each area. With over 100 neighborhoods, the city, working with citizens would apply key parameters to define what constitutes a successful 20 minute community and its central place in each of these circumstances. The city can apply urban design principles and tools to help further define and map out relationships and function within the community.

Not unlike form-based codes, the concept lends itself to determining the appropriate level of density, intensity and the appropriate placement and size standards for a central place. In the end, the concept can address the state and regional imperatives to manage growth in a sustainable manner.

### **Portland's Place in the Region:**

Growth: In the mid-1980's the city had a population of 360,000. Today, Portland is a city with a population of over 570,000 and expects to reach about 580,000 with the release of the 2010 U.S. Census. The city has averaged an increase of 7,500 people since 2000.

Proportion of the region: The City of Portland's population is over one-third (36%) of the 3-county region total of about 1.5 million, and about 40% of the population within the regional UGB. When Clark County, Washington is added, Portland has about 28% of the 4-county region's population. Portland's land area occupies over 145 square miles and 92,766 acres, and this represents 36.3 % of the 400 square mile UGB and its 255,681 acres.

#### Economic role:

Located on the Pacific Rim and at the confluence of the Willamette and Columbia Rivers, the city is a gateway for commerce from parts of a 5-state region sometimes referred to as the Columbia River Basin or the Northwest Inland Empire. Serving as a major west coast economic hub, Portland is home to a number of one-of-a-kind facilities in Oregon, major business employers, and institutions of statewide and national economic significance.

Port and distribution: These facilities include deep draft port terminals for shipping and marine cargo, inter-modal rail yards, truck distribution terminals, gas and fuel storage tanks, and the Portland International Airport.

Science and technology: The city is also home to a growing science and technology quarter with Oregon Health Sciences University and Portland State University as anchors leading the way with cutting edge hospital and preventative health services, bio-tech, cancer and medical research, and modern computer and engineering programs. The city has made significant investments to nurture the potential for this quarter to become a world class research and education cluster to create a talented and educated work force that drives an intellectual and innovation economy of the future.

Transportation assets: The city also possesses an extensive multi-modal transportation network including auto, transit, bike, trail, and pedestrian facilities that provide access to serve an array of industrial freight, employment areas, office and retail users in business districts and services, residential neighborhoods, parks, natural areas, schools, hospitals, and state and regional cultural institutions. Stewardship of and re-investment in this system is essential to the city and region's economy and livability.

Sustainable development, green building and creative services assets: It is no accident that the city is also home to many professional services firms engaged in creativity and innovation; from architecture, green building and landscape designers to advertising and apparel designers. The city has actively invested in and marketed these sectors to the benefit of the economic benefit of the region. The combination of these features and many other niche industries together with a remarkably diverse agricultural industry and outdoor recreational opportunities help make the city internationally renowned for its quality of life. Currently the city is updating its sustainability plan, including elements such as greenhouse gas, green buildings and economic development strategies. One strategy embedded in this plan is called EcoDISTRICTS.

Building on Portland's Smart Growth Legacy to the concept of EcoDISTRICTS: Portland's reputation as a livable and sustainable community has been largely built upon its early leadership in land use planning, incentives to promote transit-oriented mixed use, multi-modal transportation infrastructure and demand management, affordable housing and historic preservation, green building, green infrastructure, and citizen participation. In total, these strategies have helped Portland create a competitive advantage over other mid-sized cities with a new model for urban development and environmental performance that provides economic opportunities in what has been coined "green collar jobs." Portland's continued leadership and ability to create significant job growth will depend in large part on how these other strategies can be accelerated to meet the needs of Portland residents while significantly reducing our collective environmental footprint in areas of energy, water and carbon dioxide. EcoDISTRICTS is a concept, initiative and investment strategy to manage growth in major redevelopment areas and existing neighborhoods. Eco DISTRICTS include three distinct strategies: 1. to test and apply new planning tools, including best practice rating systems, scenario and visualization software and footprint measurement strategies; 2. identify necessary incentives and regulatory changes; and, 3. implement green development design and finance best practices. The objective of the program is to accelerate and eventually codify the next generation of best practices in green development and civic infrastructure that can be scaled to create neighborhoods with the lowest environmental impact and highest economic and socially resiliency in the United States. An Eco DISTRICT is a neighborhood that incorporates green development strategies and energy efficiency; it generates all its energy from on-sites renewables, collects and recycles rainwater and reuses grey water, manages on-site wastewater, provides habitat restoration and seeks opportunities for urban agriculture, and prioritizes pedestrian, bike, and transit access. It combines mixed use, mixed income development; neighborhood parks, schools, community centers and services, and enhanced IT infrastructure. The Portland Plan will examine applying this concept in a variety of settings.

## **How Region 2040 Design Types apply to Portland:**

Scope of Portland's Centers and Corridors: Not surprisingly Portland has more Region 2040 centers and corridors than any other jurisdiction in the Portland Metropolitan three-county region. It is the only jurisdiction with every design type designated under the Region 2040 Plan. Portland has the only Central City designation. It also has one of the region's 8 Regional Town Centers, the Gateway Regional Center. In addition, Portland also has 5 Town Centers, 52 existing or planned Light Rail Station Communities, and over 57 miles of both Main Streets and 100 miles of Corridors. Portland also contains over 75% of the Regionally Significant Industrial Land Areas (RSIA) in its industrial sanctuary districts and more than 50% of the region's Employment Land supply.

## **Questions regarding 2040 design types that need to be addressed**

At this time, Portland does not propose deleting and any of these Region 2040 design type designations. However, through The Portland Plan and Central Portland Plan update, it is conceivable that design types area boundaries themselves could be modified or other designations could emerge. In the far southeast district, an area where the East Portland Action Plan (EPAP) has been recently prepared and adopted. Barriers and challenges to fulfill Region 2040 aspirations and making our capacity work are discussed both in the infrastructure section as well as summaries of the district by district analysis of selected design types, in particular the (Outer) East Portland District. Some potential main streets and corridors in East Portland not now design type designations, could emerge and be considered for a new designation during the planning stage. It is also conceivable a new village designation could be proposed. Later in the district by district section report we discuss possible suggestions for modifications.

The aspirations for and importance of public transportation investments is discussed under the housing capacity as well as under the Streetcar System Plan and district by district summaries.

## **Portland's Geographic Circumstances**

Portland is nearly landlocked from the regional Urban Growth Boundary. Portland is bounded by five other cities, special districts in unincorporated enclaves, and the Columbia River. Portland and its Urban Service Boundary is bounded by Gresham to the east, Happy Valley to the far southeast, unincorporated urban portions of Clackamas County to the southeast, Milwaukie and Lake Oswego to the south, a small portion of Tigard to the southeast; Beaverton to the southwest/west, and unincorporated "urban" Washington County to the west/northwest.

Pleasant Valley Plan District: Portland's eastern edge is partially bounded by the Pleasant Valley area, an area of 1500 acres brought into the UGB in 1998. Portland and Gresham jointly prepared the Concept Plan and its development policies and land use regulations for the area and amended their Comprehensive Plans in 2004 to include the area with their respective urban service boundaries. Portland's portion of the area is about 290 acres. To date, despite detailed planning and some development interest, no urban develop has taken place.

#### NW Hills:

Further to the northwest of Portland, the city limits and Urban Services Boundary (USB) is co-terminus with the UGB in the NW Hills of Multnomah County in several locations. The area is dominated by 2,000 acre Forest Park and large estate lot zoning, steep terrain and wildlife habitat and wildlife corridors. This is the only remaining area where the city could realistically expand its boundaries in the future.

However, the steep topography and lack of transportation connectivity limits urban service ability (sewer, water and roads) and is generally only capable of meeting very low density residential needs. The area also contains extensive environmental overlay zoning that reflects the importance of wildlife habitat and watersheds. As a result, urban residential density productivity is marginal at best and little or no employment or commercial office is contemplated.

Several potential “urban” candidate locations in the NW Hills area will be the subject of evaluation with Multnomah County under the regional Reserves Steering Committee process. That process calls for city to recommend any “urban” candidate additions to the Multnomah County Reserves Citizens Advisory Committee (CAC) it believes maybe warranted based on suitability criteria found in recent state land use law governing long term 40-50 year urban and rural reserves designations. It appears that most, if not all NW Hills potential “Urban” candidates identified would produce relatively low residential productivity levels due to service constraints, steep topography and governance issues. As a result, any inclusions could require either Title 11 Concept Plan full or partial exceptions or be subject to conditions that recognize unique development constraints or circumstances. For these reasons and others, the city generally has no significant long term growth aspirations in the NW Hills at this time.

#### Unincorporated Pockets:

Portland also contains more than 20 unincorporated “pocket” areas located within its Urban Service Boundary (USB); most within Multnomah County. The USB pockets contain 4,000 acres, 2,000 homes and about 4,000 residents. The majority of the acreage is in the NW and SW hills. Under an IGA with Multnomah County adopted in 2002, the City of Portland administers the Portland Comprehensive Plan and Zoning Code as well as transportation and development standards.

Under the IGA, the county adopts all changes to the Portland Plan by consent and Portland is responsible for compliance with the Urban Growth Management Functional Plan in these areas. Over time, Portland expects some property owners in these areas, without a full complement of urban services, to opt to annex to the city under the owner-consent method. Absent a broad and comprehensive annexation strategy, it is expected that this will be a very slow incremental process that would take several decades before the majority would become annexed to Portland. Some areas, such as Dunthorpe with urban service agreements with Portland and other special districts for conveying and treating sanitary sewer may never annex.

## Residential Development - Trends, Capacity, Tools and Aspirations

### Despite Portland's physical land constraints, city continues to redevelop:

Portland has grown by about 200,000 people in 25 years, from a population of 380,000 in the mid 1980's to nearly 570,000 in 2008. Much of the population growth occurs on only a fraction of the city's developable land. Over the last 15 years the city and its private and non-profit developers have emerged as leaders and innovators in housing construction types to address a wide range of urban household needs and demand that fit changing demographics and life styles as well as respond to economic conditions and rising fuel prices.

#### Increasing share of regional growth:

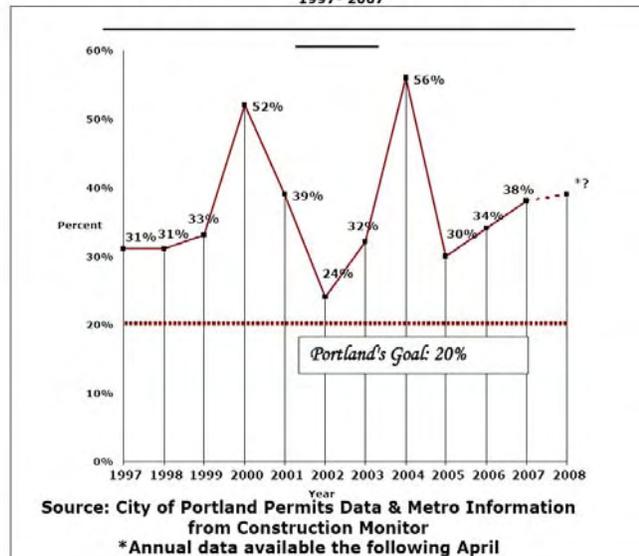
Through the 1960's, 70's, and 80's the city only captured 3-5 % of the region's residential growth. But a number of driving forces began emerging that dramatically changed that development trend. For the past 15 years, Portland has captured more than one-third (36%) of the region's new housing starts, averaging over 36%. In 1992, the City Council Portland Future Focus initiative set a target goal of capturing at least 20% of the region's new housing starts, and since 1995 Portland has produced no less than a 20% capture rate, and in two of those years topped 50%.

A rather remarkable 15-year trend is due in large part from a legacy of intentional planning initiatives: Portland uses an array of regulatory and municipal tax finance tools, incentives, and state and federal funding sources. These include Urban renewal area (URA) Tax increment financing (TIF), Transit-oriented limited tax abatement (TOD-LTA), System Development Charges (SDC's), targeted Capital Improvement Program (CIP) funds, development agreements, Floor Area Ration (FAR) bonuses and transfers, and parking maximums and other state and federal funds.

For over 20 years the city has had a "no-net-loss" housing policy. That policy requires that housing unit capacity lost to rezoning, such as residential to commercial, be either accommodated on site or made up through a comparable up-zoning in a comparable area.

In 2006, the city established a housing set-aside policy to require URA's to expend 30% of the TIF revenue on housing within each TIF district. These measures direct major public investments in transportation, infrastructure, and placemaking amenities. The tools leverage private investments and encourage a climate of public-private partnerships. When combined with changing market demand driven by demographics and changes in life style preferences, these tools have helped regenerate and revitalize not only the central city sub-districts, but neighborhood main streets and business districts throughout the city.

Portion of Metro UGB Housing Units being Built in City of Portland:  
1997- 2007



Market demand: Housing markets have also been driven by a combination of demographics and rising energy costs, altering consumer preferences toward more “urban” housing forms. These forms took hold several years ago and include mixed-use apartments and condominiums, townhouses and row houses on smaller lots and smaller unit sizes in proximity to transit and other urban amenities and services.

Urban housing comparables established: Portland had a very small number of condominiums just 20 years ago, and 15 years ago had only a handful of mixed use transit-oriented developments to point to as “comparables” in the market place. The economic, demographic, and market trends when combined with large development capacity throughout the city, and Portland’s track record of sustained public investments in Region 2040 centers and corridors, we believe make it reasonably likely that Portland’s housing capture rate of about 36% will continue long term. National and local housing economists like Chris Nelson at the University of Utah, confirm this long term trend.

### **Innovation in Residential Construction and Development:**

The residential permit numbers and trends themselves tell only part of the story. Aside from linking public infrastructure transportation investments to land use, the housing and construction industry itself has undergone dramatic innovation in the last 10 years. This transformation has adapted to changing demographics and new life styles, to produce new and popular housing forms and types not previously seen in the market place. High density transit-oriented mixed-use development was a rare commodity in Portland 20 years ago, but not today. Veteran observers of the Portland housing market will remember when apartments built over the Kitchen Kaboodle storefront on NW 23<sup>rd</sup> Avenue became Portland’s first residential mixed-use development in contemporary times. Today, many mixed use forms abound in many of the city’s Region 2040 locations. In the last 10 years the city has become a laboratory of mixed use mid-rise and high-rise forms throughout the central city.

Building Code Changes: Mid-rise, mixed-use transit-oriented 4-6 story residential developments also have begun to emerge along main streets and light rail station communities. The city’s construction and development codes have been altered to permit four and five story wood frame over concrete podium structures, and more recently a narrow, or modified “skinny” floor plate for high rise construction. The narrow floor plate tower enables adaptation to Portland’s 200x200 foot grid block layout, while maximizing light, views from inside, and view corridors from distances outside.

Urban TOD Housing benefits: Local and national studies document and confirm Portland’s experience and the benefits to TOD development; benefits that fulfill Region 2040 Goals.

Portland’s Comprehensive Plan Transportation and Growth Management Planning Goals that address this connection include: Living Closer to Work: Locate greater residential densities near major employment centers, including Metro-designated regional and town centers, to reduce vehicle miles traveled per capita and maintain air quality. (From *Comprehensive Plan* Urban Development Policy, 2.15 Transit-Oriented Development: Reinforce the link between transit and land use by encouraging transit-oriented development and supporting increased residential and employment densities

along transit streets, at existing and planned light rail transit stations, and at other major activity centers. (From *Comprehensive Plan* Transportation Policy 6.19)

Findings of *Effects of TODs on Housing, Parking and Travel*, Final Draft 8/01/2008 by the Transit Cooperative Research Program: The *Effects of TODs* study helped confirm that in the four metro areas studied, TOD development generates less traffic than conventional development. The metro areas studied are Philadelphia, NJ, San Francisco, Washington DC and Portland, Oregon. Information on three projects that have a TOD tax exemption and one that has a NMUH tax exemption is provided in the report.

Higher Use of Transit and Other Alternative Transit Modes in Mixed-Use TODs:  
In the *Effects of TODs*, the authors cited the results of a local Metro 1994 Travel Behavior Survey that illustrates the higher share of transit use and trips by other alternative modes in neighborhoods with TOD development. The reduction in automobile travel measured in vehicle miles traveled (VMT) is greater in TOD areas with a mixture of residential and commercial uses.

Reduced Auto Trips: A comparison between trip generation rates for TOD units and the average for apartments as determined by the Institute of Transportation Engineers (ITE) indicates that the units in three Portland TOD projects generate far fewer trips per day per household than the ITE standard for apartments. Center Commons is located near the NE 60<sup>th</sup> and Gilson Street MAX stop. Collins Circle is located in Goose Hollow at SW 18th and Jefferson near the Goose Hollow MAX stop. The Merrick is located near the Convention Center MAX light rail stop. Below is an excerpt from a larger chart in the study that includes the information on these three projects.

### **New housing types**

It is estimated that Portland can count more than 75 examples of transit-oriented mixed-use residential developments in the last 10 years. 15 examples of recent mixed-use residential developments that demonstrate innovation can be found in Chapter Three, Transit-Oriented Developments of the Tri-Met publication titled, ***Community Sourcebook: Land use and transportation initiatives in Portland, Oregon, December, 2007.*** Sourcebook examples range from the Arbor Vista Condominiums and Collins Circle in Goose Hollow, to Belmont Dairy, Buckman Heights, and Richmond Place in inner southeast, to the Hollywood Library/Bookmark Apartments and the Liberty Center and in the Lloyd District. Other familiar examples are featured throughout the Downtown, River/Pearl District and the South Waterfront, such as the John Ross and the Mirabella, the Eliot Tower at Museum Place, and the Merrick in the Lloyd Center. Future additions of the sourcebook will be able to feature many examples in Eastside MAX and NE Interstate Avenue MAX station communities.

Portland's newer high density neighborhoods provide a very large proportion of the region's housing production on a fraction of the region's residential buildable land and these neighborhoods are far from capacity. The River/Pearl District has average over 120 units per acre, and since 1994, almost 8,000 units have been provided. The South Waterfront averages more than 250 units per acre. The South Waterfront district is expected to provide 5,000 housing units while covering less than 1% of the City of Portland total land area.

The district will assume 4.7 percent of the city's job growth and 2.5 percent of the housing and residents, and potentially add more than 4.4 acres of open space for the public.

### **Affordable Housing Aspirations**

Portland has a rich array of tools to meet the needs of low and moderate income households, including the homeless and special need populations. The city also establishes affordable housing targets within large redeveloping districts such as the Pearl District and South Waterfront. The combination of these tools, together with strategic public investments in transportation, helps the city to meet a broad range of affordable housing goals and objectives.

The affordable housing aspirations of the Portland Plan will consider both housing and transportation access needs across a wide spectrum of incomes and household types. This approach has been referred to as “providing for diverse and affordable living.”

The city expects that Metro's growth management actions will take into account the location of “housing cost-burdened” households when making UGB urban land supply allocation decisions.

The city's aspirations for meeting its needs of low and moderate income households includes an expectation that jurisdictions across the region have a responsibility to meet Title 7 - Affordable Housing, and provide their fair share of the region's affordable needs of a diverse population. Since the affordable housing needs outstrip available subsidy resources many times over, it is important not to burden any one part of the region or create low income enclaves that make meeting regional goals difficult. Toward this end, the city will examine carefully Metro's Regional Housing Needs and their proportionate allocation to assure that future regional growth management decisions and UGB expansions account for fair and equitable cost-burdened housing allocations. Matching investments in public transportation alternative modes is an important regional social equity issue.

## Aspirations for mixed-use centers depend on regional decisions

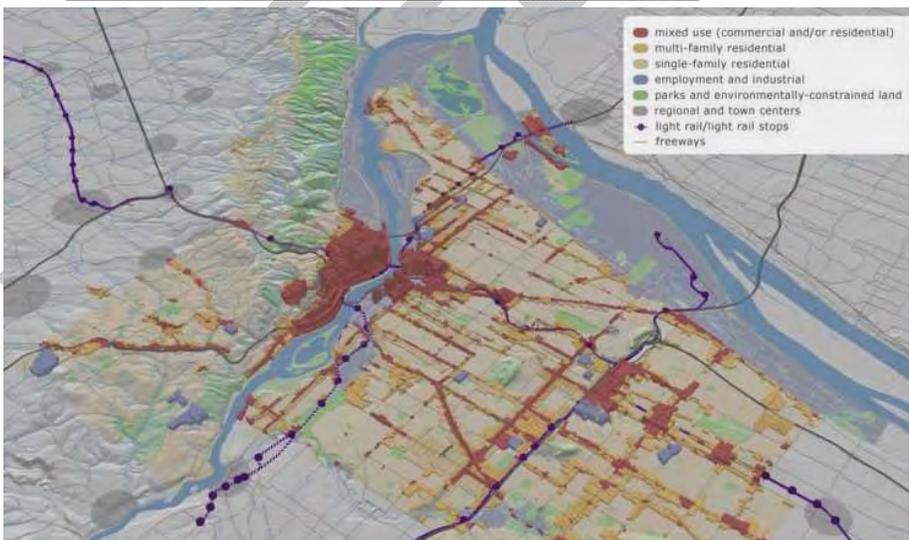
Portland needs the region's growth management strategies to support our community's aspirations for the creation of vibrant, mixed-use centers where housing, jobs, and services are concentrated. Directing growth to mixed-use centers would not only help Portland realize its aspirations for its future, but provide significant infrastructure efficiencies and contribute to sustainability through compact development and reduced reliance on automobile travel.

This concept and the community aspirations it reflects is not just about accommodating growth, but about creating places that serve as vibrant hubs of community life; with services, jobs, gathering places, and housing clustered to create walkable, transit-oriented urban places. This concept reinforces Metro's adopted Region 2040 Plan – the region's growth management plan. Portland's Central City, the Pearl District and South Waterfront have made great strides in evolving into new mixed-use neighborhoods.

Progress and Performance Toward 2040: Portland's overall performance in achieving 2040 goals, by most measures, has been generally very good. Portland has far exceeded its housing capture rate of 20%. During the past decade, 66% of the city's multifamily housing has been built in 2040 mixed areas. And Portland has been the nation's leader in reducing VMT and greenhouse gas emissions; and has set some of the most ambitious targets in the nation. Still there is much more work to accomplish and many challenges ahead.

Lagging areas: In areas, such as the Lloyd District, the Gateway regional center, and some of Portland's town centers, the majority of their potential as community hubs and settings for concentrated housing and employment is yet to be realized. For example, the Lloyd District is currently built to only 17 percent of its intended development capacity, while existing development in Gateway amounts to only 13 percent of the development that zoning is intended to foster.

Much additional development is needed before Portland's aspirations for the future of its mixed-use centers is close to being realized. Expansion of development capacity at the edge of the urban growth should be carefully considered to ensure that it does not direct development activity away from the mixed-use centers or dilute years of public-private investment decision to centers and corridors.



*Portland's intended future form: a network of mixed-use centers and main streets serving the surrounding community, where services, housing, and jobs are concentrated*



*Vision for the Hollywood town center as a vibrant, mixed-use community hub*



*... a vision not yet realized*

## Employment and Industrial Design Types and Economic Development

### **Continue long-term aspirations as an economic center of the region**

While Portland's economy is driven primarily by private sector decisions, it has also had a layered history of civic intentionality and public investments in its economic strengths.

Portland's economic strength as a *West Coast trade gateway and niche industrial city* has built up around nearly 14,000 acres of "freight hub" industrial districts along Portland Harbor and the Columbia Corridor, including Guild's Lake, Swan Island, Lower Albina, Rivergate, Airport, and others. This economic function has been supported by a legacy of marine, rail, air, pipeline and highway investments that converge in these districts and Portland's progressive 1980 "Industrial Sanctuary" policy to protect them explicitly for industrial growth. These districts represent most of Metro's designated Regionally Significant Industrial Area.

The vitality of Central Portland as the *region's urban and commercial center* has resulted in part from efforts such as the public-private initiatives and major investments of the 1970s Downtown Plan, the new transit-oriented districts of the Pearl and South Waterfront, and expansion of the higher education system at PSU and OHSU.

The city's economic strength in its *growing talent base* is linked in part to the success of urban livability initiatives, such as planned growth, distinctive neighborhoods, large open space system, and extensive transit and bicycle networks.

The *traded sector clusters* that bring income into the region are also assisted by the city's target industry program and business development incentives.

These longer-term policies and investments that support core economic strengths are generally expected to be continued and refined in the Portland Plan. We are also exploring new directions and emphasis on other economic aspirations, such as the following.

### **Expand economic strategy community values in sustainability and equity**

Outreach efforts to thousands of residents in VisionPDX (2007) highlighted equity and sustainability as two of three core community values, which have significant economic implications. Equity concerns include a growing equity gap in who benefits from economic growth, declining affordability, and that economic prosperity is widely perceived as something that happens at the neighborhood level. Examples of responses being explored include workforce development programs, the 20-minute neighborhood concept, and commercial revitalization efforts. Adjusting to global warming, rising energy costs and other resource issues have also elevated sustainability concerns as an economic shift in how we develop and a growth opportunity in propulsive emerging sectors.

## **Need for research and responses to local economic growth and competitiveness challenges and trends**

Goal: Economic globalization trends since the 1990s have placed increased pressure on communities to be competitive to remain prosperous. The city has had a strong share of region's housing growth in recent years, but a lagging share of regional job growth. In response, a job-growth target is being considered, comparable to Portland's successful 20 percent target share of regional housing growth.

**Land capacity issues for economic development:** The city is often perceived to have strong demand for a variety of employment site types, but most of the land supply for job growth is seen as constrained by a lack of larger sites, redevelopment costs, brownfield risks, and other limitations. A Goal 9 "economic opportunities analysis" of employment lands capacity is underway that will consider options for expanding capacity through zoning, infrastructure investments, and incentives. Here are some examples of capacity issues that we expect to consider:

Combination of industrial district retention, increasing industrial land efficiency, expansion of industrial land at the Airport District (golf courses) and West Hayden Island, and prioritized freight investments

Central Portland job growth strategies, including catalyst site and infrastructure projects, cluster development, university growth and related business development, and "industrial office" expansion accommodating strong job growth trends at colleges and hospitals constrained by residential zoning commercially underserved neighborhoods, mixed-use development along corridors, and development of "20-minute neighborhoods" new tools to overcome brownfield redevelopment barriers in industrial districts and commercial corridors new tools and incentives to overcome redevelopment barriers generally and increase job density on employment lands

## **Infrastructure Needs and Barriers: Investments targeted to Centers and Corridors:**

With The Portland Plan, the City of Portland will identify infrastructure needs for the next 20 years. We are currently assessing the current condition and capacity of transportation, water, environmental services and civic systems to meet existing Comprehensive Plan map designations. Once growth scenarios are prepared for Portland's future, the supportive City's infrastructure systems will be evaluated and capital projects identified.

The City will make targeted infrastructure investments to serve existing development and growth - with special attention to centers, corridors and station areas. We may propose changes to Portland's 2040 areas, with Portland Plan. We may also evaluate infrastructure needs to facilitate infill prototypes, including courtyard housing. Infrastructure needs vary across Portland, corresponding with a neighborhood typology of street grids, hills and natural areas, and built form. Infrastructure investments will consider the broad objectives of The Portland Plan and the City's investment capacity.

The Portland Plan will place the City's needs in the context of regional needs and opportunities. As a maturing city, Portland will need to invest in existing and new infrastructure assets to adapt to regional growth. Some existing systems have limited remaining life or do not meet current regulatory or service levels. New infrastructure assets will be needed to support redevelopment and growth.

**Five types of infrastructure needs follow:**

**Aging systems (citywide)** - short remaining life of existing assets will impact our ability to serve current and new households and jobs. Some park facilities, bridges and water tanks do not meet seismic standards.

**Regulatory compliance - seismic**, ADA accessibility, Portland Harbor Superfund, water supply (treatment, covering open reservoirs and constructing 2<sup>nd</sup> Powell Butte water tank), storm water sumps in East Portland, EPA system operations.

**Underserved areas** - annexed areas without developed parks, streets and storm water. Pedestrian networks in outer Southeast and Southwest, especially along arterials, are needed. For instance, safe pedestrian crossings are needed for SE Division east of I-205.

**Gaps in systems** - bike/pedestrian/trail, safety, connectivity.

**Retrofits** - relocating water and sewer pipes for light rail and streetcar.

## Development Capacity Generally

Central City: There is enormous residential capacity in 6 of the city's 8 central city districts and all have experienced significant housing growth, including South Waterfront, River District/Pearl, Downtown, University District, Goose Hollow, and the Lloyd Center.

Other Centers: The Gateway regional center, the 5 town centers and 52 existing or planned light rail stations will be future candidates for infill and redevelopment opportunities. Each of these town centers has shown at least some market and construction activity, Hollywood and Hillsdale among the most successful to date.

Corridors and Main Streets: Likewise, corridors and main streets have enormous redevelopment capacity. At least a dozen main streets that have experienced redevelopment of the type envisioned by Region 2040, including: SE Hawthorne, SE Belmont, SE Division, SE Milwaukie, NE Broadway, NE MLK, NE Alberta, NE Killingsworth, and NW 23<sup>rd</sup> and 21<sup>st</sup> Avenues, NW Thurman Street, and parts of SW Beaverton-Hillsdale Highway and NE Burnside. Most of these began experiencing revitalization and new mixed use development a decade or more ago. Other emerging main streets are seeing re-investment and residential growth, such as NE Interstate Avenue. Even places with no formal Region 2040 design type designations such as Mississippi Avenue have begun experiencing remarkable revitalization.

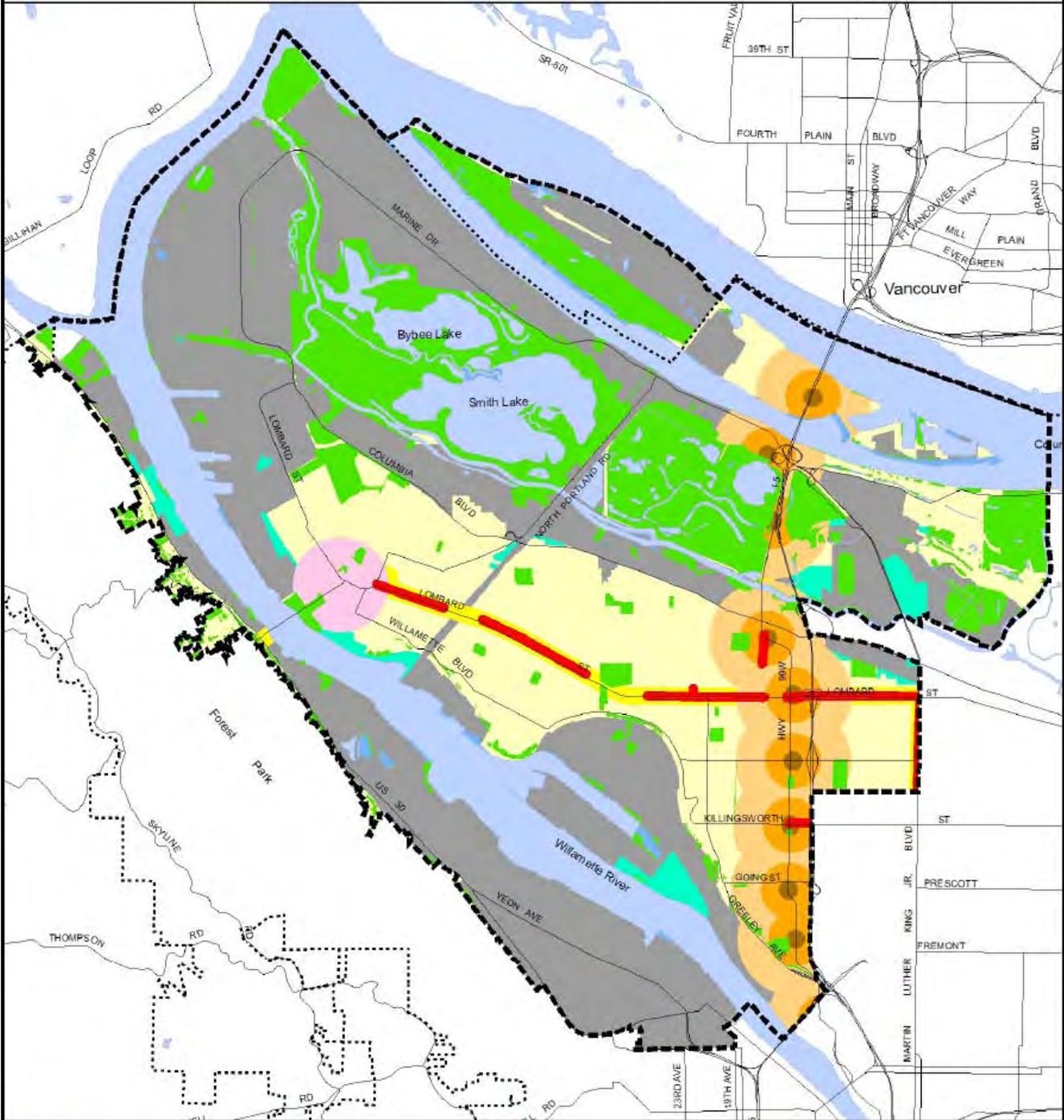
As these main streets have matured, we have begun to see signs that with the right mix of investments and incentives, other corridors may follow, including corridors such as NE Sandy Blvd., SE Foster, SE Powell and SE 82<sup>nd</sup> Avenue. See the East Portland summary for possible Region 2040 design type additions and major challenges and barriers.

### **Planning District by District Growth Capacity for Selected DesignTypes**

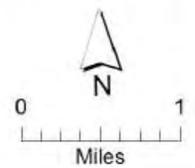
Below are both qualitative and quantitative summary descriptions of the growth capacity for most selected design type areas. It includes the issues and questions posed in the local aspirations request memorandum as follows.

- Activity spectrum?
- Desired urban form?
- Barriers to achievement?
- Planned capacity for growth?
- Estimate for growth by 2030?
- Aspiration for growth beyond planned capacity if available for 20 years?
- Aspiration for growth beyond planned capacity if available for 50 years?

# North Portland Planning District: 2040 Growth Concept



- |  |  |   |
|--|--|---|
| <span style="color: green;">■</span> Park and Open Space | <span style="color: brown;">■</span> Station Core        | <span style="color: cyan;">■</span> Employment Areas                  |
| <span style="color: red;">■</span> Main Streets          | <span style="color: orange;">■</span> Station Areas      | <span style="color: grey;">■</span> Industrial Areas                  |
| <span style="color: purple;">■</span> Regional Center    | <span style="color: yellow;">■</span> Station Community  | <span style="color: lightyellow;">■</span> Inner & Outer Neighborhood |
| <span style="color: pink;">■</span> Town Center          | <span style="color: yellow;">■</span> Corridors (May 02) | <span style="border: 1px dashed black;">□</span> Liaison Boundary     |
|  |  | <span style="border: 1px dotted black;">□</span> City Boundary        |



March 5, 2009

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## North Portland Growth Capacity for Select Design Type Areas

### **Hayden Island** (future LRT station)

The Recommended Hayden Island Plan (January 2009) envisions Hayden Island transitioning from a big box retail center to a new transit-oriented neighborhood with a regional retail center and neighborhood retail center in coordination with the development of a new Columbia River Crossing and a future LRT station. There will be moderate changes to comprehensive plan designations, but they will not significantly affect the planned capacity for growth in keeping with the regulations of the Airport Noise Impact Zone (X Overlay Zone). However, the recommended plan district regulations will encourage intensification within the existing zoning in anticipation of and in response to the transportation infrastructure improvements.

The Lloyd/Irvington District is the closest model on the activity spectrum and the urban form generally includes heights of 45 feet and an FAR of 3:1. However, in the center of the regional retail center heights of 75 feet and an FAR of up to 6:1 for housing built near the transit station would be allowed.

### **St. Johns / Lombard** (town center, Main Street and corridor)

Planning for the St. Johns / Lombard area was completed in 2004 and included a focus on pedestrian-friendly retail and housing along Lombard as well as a strong pedestrian-oriented retail environment in downtown St. Johns and a vibrant housing and employment district in the area closer to the river. The changes to the comprehensive plan designations resulted in an increased planned capacity for growth in the area. The planned capacity has not been reached and it is unlikely that within 20 years additional capacity will be needed. Within 50 years it may be necessary to consider increasing planned capacity, particularly if transportation improvements are made, such as streetcar or other high capacity transit along Lombard or construction of a new North Willamette crossing.

The Sellwood District is the closest model on the activity spectrum (though much of Sellwood's current build out is lower intensity than what is ultimately intended for St. Johns). The St. Johns Plan generally allows FARs of 3:1 and heights of 30-45 feet (up to 55 feet with modifications through design review).

### **Expo Center and Delta Park Stations** (LRT stations)

Within the next 20 years improvements made through the Columbia River Crossing project could provide more accessibility to these light rail stations and encourage nearby redevelopment. There are no plans to increase growth capacity but intensification within the existing zoning is desired and possible as transportation improvements are made. Maintaining the city's supply of viable employment and industrial land is the principal policy goal in this area, but 50 years from now, the future of this area could be re-examined. The area's growth will be constrained, however, by the capacity of the nearby transportation infrastructure. This area is zoned for commercial, employment, and industrial development so it doesn't fit into the activity spectrum. There is no height limit for the employment and industrial land and no maximum FAR for the industrially-zoned land. The FAR for the employment and commercial areas is 3:1.

### **Kenton / Denver (LRT Station and Main Street)**

Planning for downtown Kenton was completed in 2001 and is intended to support the revitalization of the Denver Avenue business district by encouraging nearby high density housing and mixed-use development surrounding the light rail station. The planned capacity has not been reached and it is unlikely that within 20 years additional capacity will be needed or desired. Within 50 years it may be necessary to consider increasing planned capacity.

The closest fit on the activity spectrum would likely be Sellwood on steroids. The allowed heights are generally 45 feet with higher buildings of up to 100 feet allowed on certain properties. The allowed FAR is generally 3:1 but on certain properties is as high as 6:1. Streetscape improvements were completed in this area and it is part of the Interstate Urban Renewal Area and eligible for storefront improvement grants. The barriers to redevelopment appear to be driven by the market as well as property owner willingness.

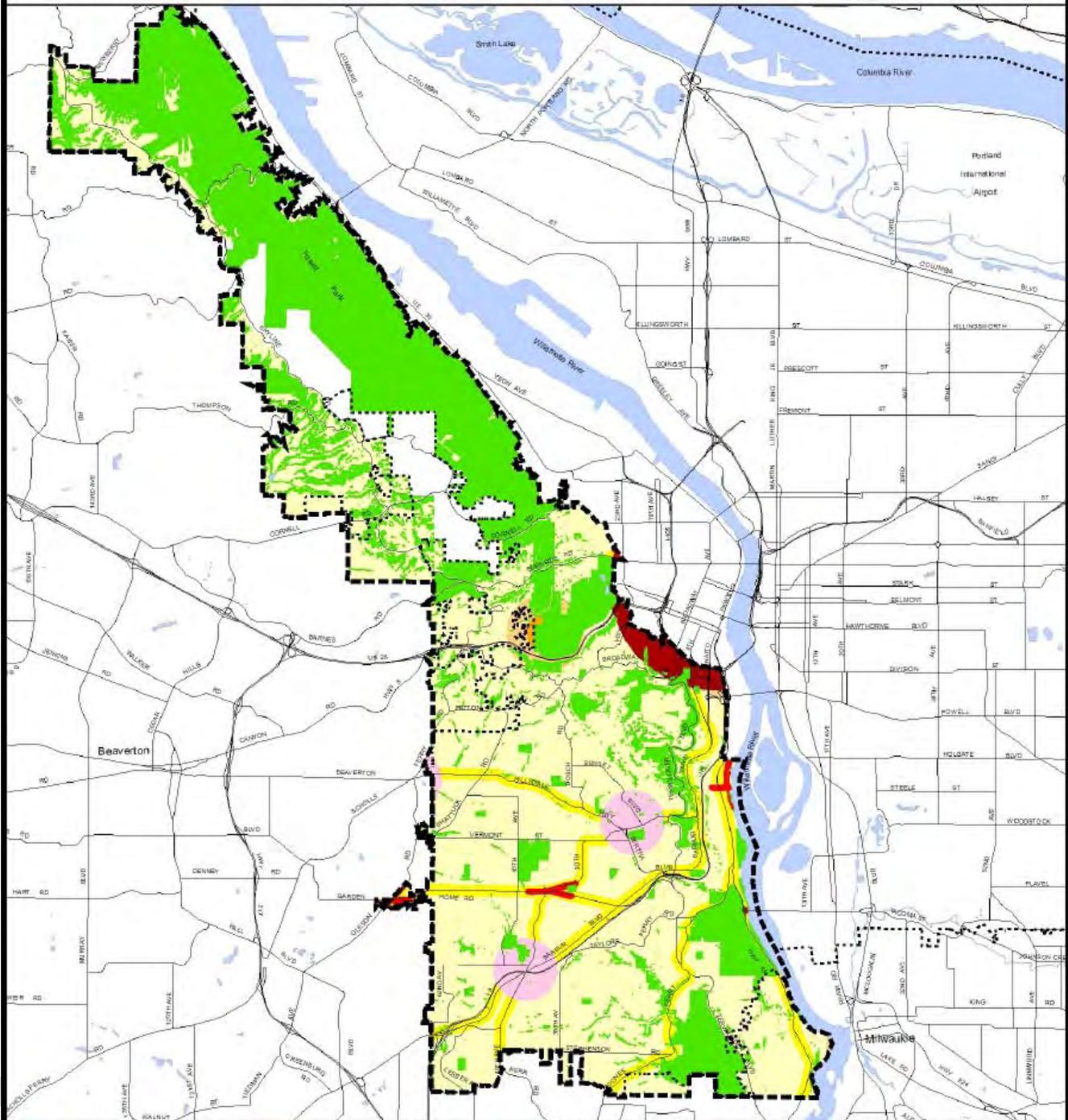
### **Interstate Corridor (LRT Corridor with 6 Stations)**

The North Interstate Corridor Plan, adopted in July 2008, refined the zoning pattern in six Metro 2040 designated station communities. With the MAX Yellow Line light rail in operation since 2004, the Interstate Corridor offers a tremendous opportunity for living, working, shopping, learning and recreating in a compact, accessible and attractive location. The North Interstate Corridor Plan seeks a high standard for design quality of buildings, streets and public spaces. The plan considers the qualities of this area that long-time residents value—such as the mid-20<sup>th</sup> century neon signs-- while at the same time responding to the changing needs of new individuals and families attracted to the area by its excellent location; easy access to jobs, nature and spectacular city views; and its potential for vibrancy and sustainable living.

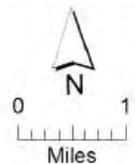
The new zoning pattern of the North Interstate Corridor Plan accommodates Metro's forecasted growth (an increase of 3,250 households and 1,220 jobs from 2005-2030) and established a development framework that supports increased activities at the light rail stations and ensures quality design of new buildings throughout the corridor. The plan also increases the variety and supply of residential households by providing the opportunity for high density developments along Interstate Avenue, Rosa Parks Way, and between Interstate Avenue and I-5 while retaining primarily single-dwelling and low density multi-dwelling zoning west of Interstate Avenue. In the short term, the ownership patterns of small sites, along with the build out character of the area, are barriers to larger high density development. Time is needed to consolidate those lots.

While there are no large redevelopment sites in the corridor, the city anticipates incremental change over a period of many years. The city expects that the pace will increase as the area transforms and the vision of a high density corridor is established. Assuming light rail is extended to Vancouver in the next 10-15 years that transit alignment and an additional station in or near the EXPO site would significantly influence both the amount and pace of future development.

# West Portland Planning District: 2040 Growth Concept



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|---|--|--|
|  Park and Open Space |  Station Core       |  Employment Areas           |
|  Main Streets        |  Station Areas      |  Industrial Areas           |
|  Regional Center     |  Station Community  |  Inner & Outer Neighborhood |
|  Town Center         |  Corridors (May 02) |  Liaison Boundary           |
|   |  City Boundary      |  |



March 5, 2009

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## West Portland Selected Growth Capacity Areas

### **Hillsdale Town Center** (town center)

Planning for the Hillsdale Town Center will be completed in March 2009. The Hillsdale Town Center Plan (November 1997) primarily addressed the area centered around the commercial area along SW Capitol Hwy. and envisions Hillsdale expanding to include higher-density housing and greater mixed-uses in the retail center. The Hillsdale Urban Design and Phased Development Strategy focuses on improvements such as new pocket plazas, new commercial and clustered residential development and improved pedestrian connectivity to create a strong pedestrian-oriented retail environment in the Sunset Triangle area. The strategy has been developed with an eye towards the future Red Electric Trail, primarily serving pedestrian and bicycle users, and a potentially new or significantly altered Rieke Elementary School featuring new community uses.

Implementation of the strategy may result in moderate changes to comprehensive plan designations in the upper portion of the triangle and significantly affect the planned capacity for growth in this area. Generally though, the plan district regulations already encourage intensification within the existing zoning in anticipation of and in response to future transportation infrastructure improvements. Expansion to an 18-hour activity spectrum, a la Sellwood (i.e., though much of Sellwood's current build out is lower intensity than what is ultimately intended for Hillsdale), is likely desired. The urban form generally allows heights of 45 feet and an FAR of 3:1.

### **West Portland Town Center** (town center and corridor)

A MURP student-led planning effort for the West Portland Town Center is underway and includes an analysis of the possibility of creating a 20 minute neighborhood with pedestrian-friendly retail and new mixed-use housing developments along or near Barbur Blvd. and SW Capitol Highway. No specific plan or planned district governs the area.

Changes to the comprehensive plan designations are likely necessary to increase the planned capacity for growth in the area, particularly if transportation improvements are made, such as light-rail or other high capacity transit along Barbur Blvd.. The existing planned capacity has not been reached and it is unlikely that within 20 years additional capacity will be needed. However, within 50 years it may be necessary to consider increasing planned capacity, again, with major infrastructure improvements such as light-rail.

The Hillsdale District is the closest model on the desired activity spectrum for West Portland, which generally allows FARs of 3:1 and heights of 30-45 feet.

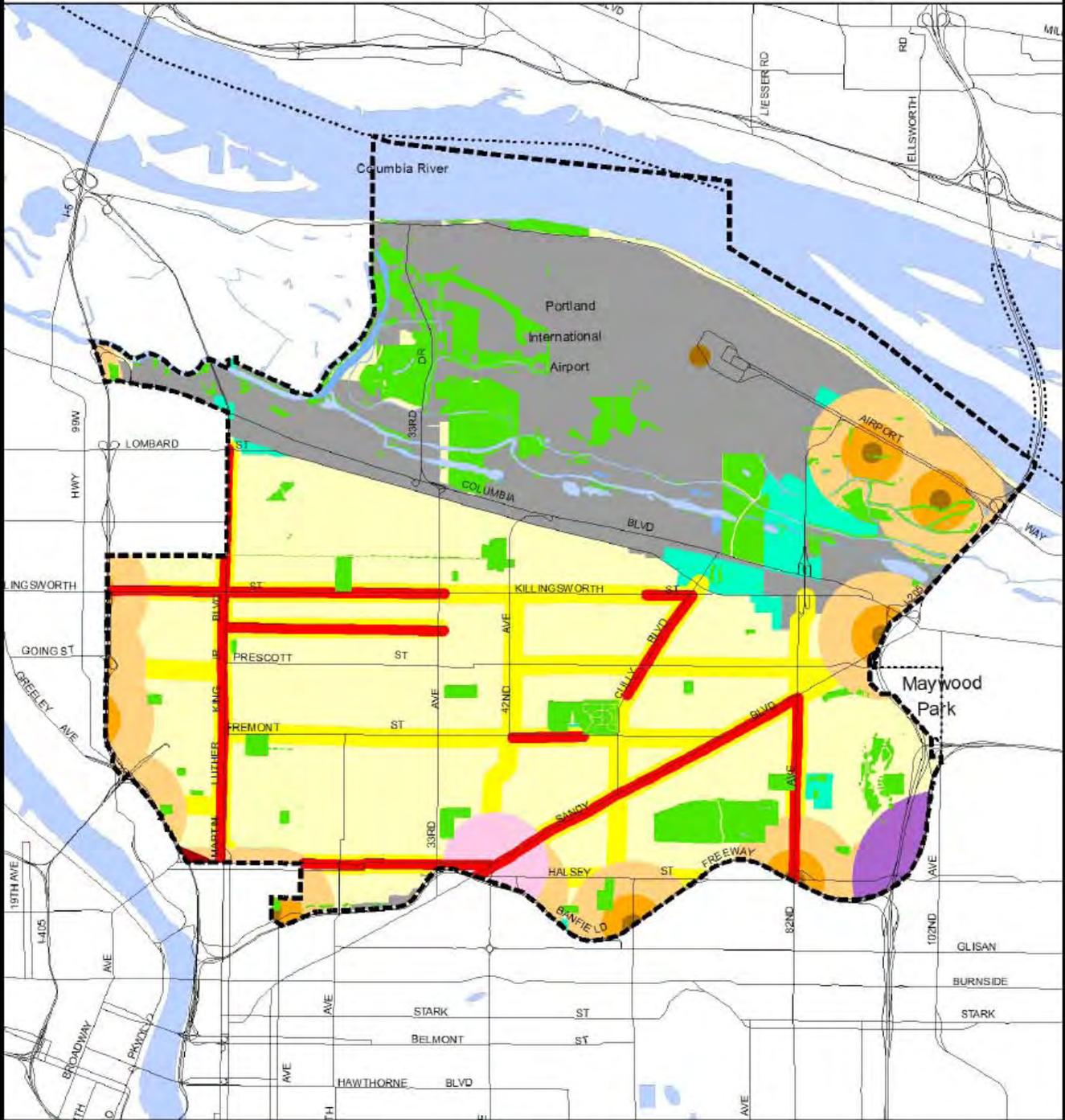
### **Con-Way 'Eco-District'** (Main Street/Near CPP River District Opportunity Site)

This site has about 12 vacant blocks and more than 15 city blocks at the edge of both Northwest Portland and the River District, The future of this area is just beginning to be re-examined but within the next 20 years, infrastructure improvements centered on the Con-way properties in Northwest Portland could provide more accessibility to a significant amount of new jobs and housing immediately adjacent to Downtown and the River/Pearl District.

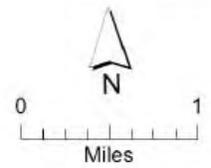
The Northwest District Plan (November 2003) encouraged housing and mixed-use redevelopment in the area and intensification within the existing zoning is desired. However, future comprehensive plan designation changes are contemplated along with significant new transportation and other civic/amenity infrastructure improvements. The area's growth may be constrained by the capacity of the nearby transportation infrastructure but significant improvements are likely necessary in the 20 and 50 year planning horizon. This area is zoned for commercial, office, employment, housing and industrial development so it doesn't fit into the activity spectrum but the goal of property owners might be considered as 'Pearl District light' on the activity spectrum.

There is no height limit for the employment and industrial land and no maximum FAR for the industrially-zoned land. Bonuses allow residential development up to 120 feet. The FAR for the employment and commercial areas is 3:1. FAR for the high-density residential and central employment areas is generally 3:1 or 4:1. Residential uses are limited in an area adjacent to the Guilds Lake Industrial Sanctuary.

# Northeast Portland Planning District: 2040 Growth Concept



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| <span style="color: green;">■</span> Park and Open Space | <span style="color: brown;">■</span> Station Core            | <span style="color: cyan;">■</span> Employment Areas              |
| <span style="color: red;">■</span> Main Streets          | <span style="color: orange;">■</span> Station Areas          | <span style="color: grey;">■</span> Industrial Areas              |
| <span style="color: purple;">■</span> Regional Center    | <span style="color: lightorange;">■</span> Station Community | <span style="color: yellow;">■</span> Inner & Outer Neighborhood  |
| <span style="color: pink;">■</span> Town Center          | <span style="color: yellow;">■</span> Corridors (May 02)     | <span style="border: 1px dashed black;">□</span> Liaison Boundary |
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March 5, 2009

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## Northeast Portland Growth Capacity for Selected Areas

### **Hollywood Town Center** (town center, station community, Main Street)

Planning for the Hollywood Town Center was completed in 2000. The plan focuses on encouraging more residential and mixed-use development at an urban scale of 3-4 story buildings to 10-12 story buildings near the Hollywood Transit Center. These changes allow up to three times the development capacity that previously existed. This capacity recognizes and anticipates the significance of the Transit Center providing both light rail service and frequent bus service.

Planned capacity has not been reached and it is unlikely in the next 20 years that additional capacity would be needed. Redevelopment has been gradually occurring since 2000 and if redevelopment continues generally at the current pace, additional planned capacity will not be needed as there will be very limited opportunities for redevelopment in 50 years. Hollywood is and will continue to accommodate a broad spectrum of activities from housing, employment, retail, services, and entertainment. Market conditions seem the biggest barrier to achieving planned capacity. Hollywood is also deficient in an urban park/plaza amenity for its existing population and will become more deficient in this regard as the population and employment base grows.

### **Sandy Boulevard** (Main Street)

Lower Sandy Boulevard (12<sup>th</sup> to 37<sup>th</sup>, the portion in Hollywood – 37<sup>th</sup> to 47<sup>th</sup> and 47<sup>th</sup> to 54<sup>th</sup> Avenues) was planned as part of the Hollywood and Sandy Plan, in 2000. There is a remaining segment of the Sandy Boulevard main street between 57<sup>th</sup> and 87<sup>th</sup> Avenues in the NE District has not been planned for in over 20 years. There is the potential along this segment of Sandy Boulevard for additional planned capacity in 20 years, similar to the approach implemented along lower Sandy. For lower Sandy, an additional 20 feet of building height and additional floor area ratio is allowed to encourage residential and mixed-use development.

The additional development potential could work along Sandy Boulevard at key nodal areas like around 72<sup>nd</sup> and 82<sup>nd</sup> Avenues. Future implementation of a streetcar line along Sandy Blvd. might further encourage additional planned capacity along the corridor, whether it would be within 20 years or beyond that is uncertain. The urban form adopted for lower Sandy may also be attractive in central Sandy with some key nodes focusing on neighborhood-serving retail and mixed-uses, and in between, housing, commercial and mixed-use developments occur.

Barriers to achieving additional development along the central Sandy main street include Sandy Boulevard needing to be improved for safe pedestrian access, market conditions, and the need to complete planning along this corridor to bring about greater development capacities.

### **NE 82<sup>nd</sup> Avenue of Roses** (Main Street)

82<sup>nd</sup> Avenue of Roses Main Street in the NE District is from Sandy Boulevard south to the 82<sup>nd</sup> Station Community at I-84. This portion of the main street has not been planned for in over 20 years.

There may be some opportunity for additional growth capacity for the next 20 years and beyond as a result of a planning effort with the community. Current build out along the 82<sup>nd</sup> Avenue of Roses is generally under the existing capacity of General Commercial at 3 to 4 story buildings. There is also a large opportunity site at 82<sup>nd</sup> and Siskiyou, a former landfill site, this site is known to community members as “Siskiyou Squar,” The 25 acre plus site with remediation, could achieve higher density/intensity development along 82<sup>nd</sup> Avenue, with the additional development potential off-setting the cost for remediation.

Also, a future streetcar line might have a positive impact on the corridor absorbing additional growth potential. With that said, there are barriers such as generally small lots fronting 82<sup>nd</sup> Avenue and single-family residential development close to 82<sup>nd</sup> Avenue that might limit how much additional development capacity could be located along this corridor. Additionally, 82<sup>nd</sup> Avenue is a barrier for safe access of non-motorized transportation along and across the corridor. ODOT/PBOT recently completed a pedestrian safety study of the larger 82<sup>nd</sup> Avenue corridor and there are recommendations for improving this corridor, which they anticipate to make improvements incrementally over time.

#### **Martin Luther King Jr. Boulevard (Main Street)**

MLK Jr. Boulevard is a designated main street from north of Central City, Broadway to N. Lombard Streets. This main street was planned as part of the Albina Community Plan in 1993 and has urban scale zoning designations along the corridor including Central Employment and High Density Residential. Multi-story mixed-use and single use development has been occurring especially in recent years with assistance from urban renewal area resources. This fairly long main street was planned to have mixed-use commercial nodes at key intersections/areas with other parts of the corridor anticipated for multi-story residential development. Current minimum dwelling requirements for new development in the RH zone is less than the base zone minimum density requirement and is meant to be an incentive for residential development to take place along what is a transitional corridor that is viewed by many as a barrier for pedestrian, bicyclists, and even residential units in terms of the noise created by this major thoroughfare. The planned capacity for MLK Jr. Blvd. may be appropriate for its context in the next 20 years. However, changes to the corridor, such as with implementation of a streetcar line, may prompt review and refinement of the zoning and might yield some more planned capacity in the long-term.

#### **N/NE Killingsworth Street (Main Street)**

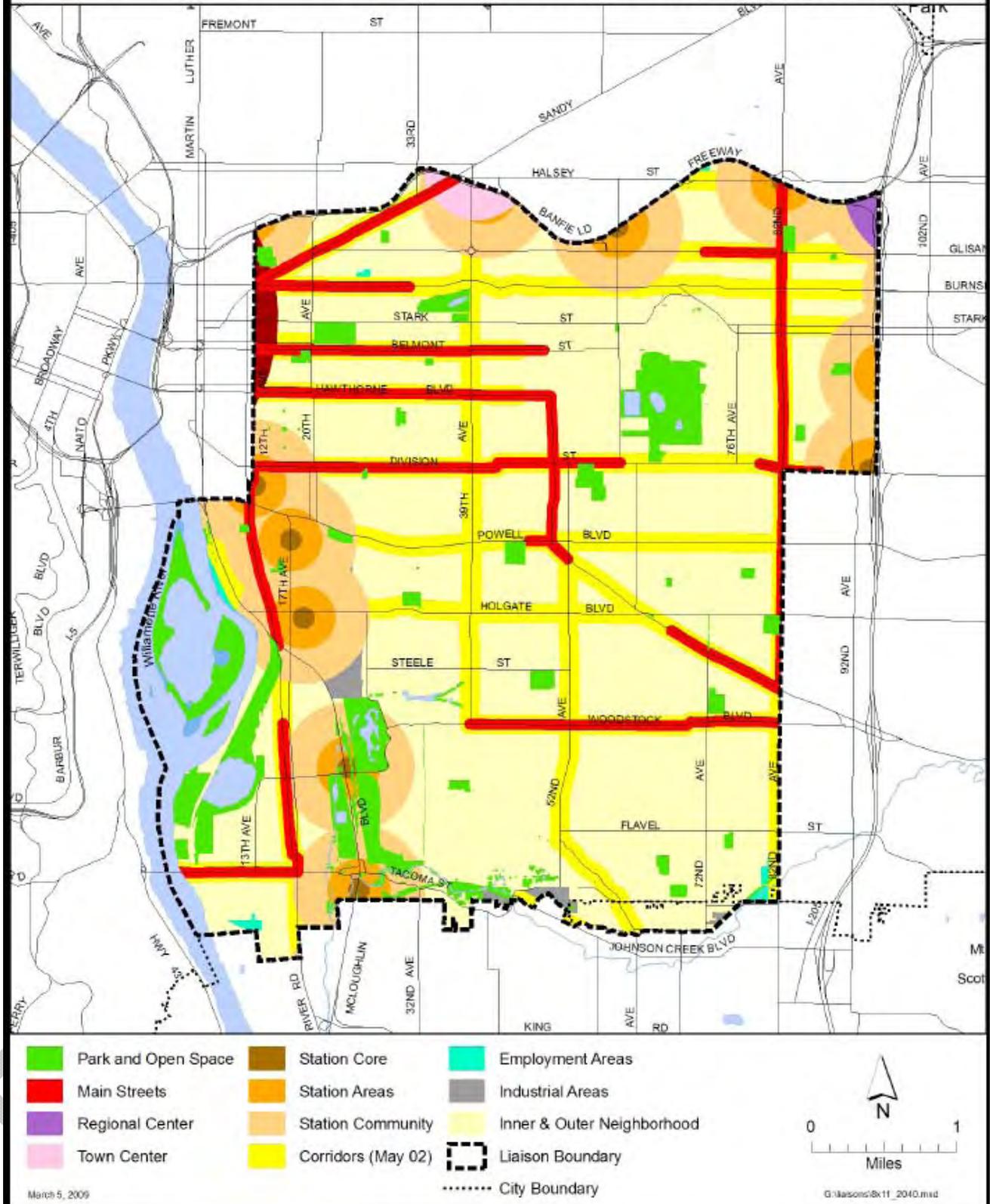
Killingsworth Street is a designated main street from I-5 to NE 33<sup>rd</sup> Avenue. The western half of the main street is zoned mixed-use commercial with most of the eastern half zoned residential except for a few intersections/small nodes at 14<sup>th</sup>-17<sup>th</sup>, 30<sup>th</sup> and 33<sup>rd</sup> Avenues. The western part of this main street, in the Humboldt neighborhood is home to Portland Community College-Cascade (PCC) campus, which is a “stone’s throw” from Interstate MAX light rail/Killingsworth station community. PCC has a special institutional master plan that guides its growth over time.

Changes are occurring along this part of the main street and there is a lot of publicly owned property, with Portland Public Schools, owning property as part of the Jefferson High School campus. Current planned capacity is not fully reached and the Humboldt community is interested in the future of this area. This may lead to discussions in the future about an updated vision for the Killingsworth main street based on future plans of PCC and PPS. There may be an opportunity in the next 20 years to review this main street area to see if additional development capacity adds to the vitality of the area. A future streetcar line along Killingsworth Street could also lead to such discussions. Recent streetscape improvements have minimized Killingsworth Street as a transportation barrier.

### **Cully Boulevard (Main Street)**

The Cully Boulevard main street is generally located south of Fremont Street to Killingsworth Street and over to 60<sup>th</sup> Avenue in the Cully neighborhood. Currently this main street is mostly zoned residential and the corridor does not meet the needs of Cully residents in central Cully, where there is a clear lack of local retail and other small business opportunities for this growing neighborhood. Planning and Sustainability staff would like to plan the Cully main street with the local community in the next year to provide more local-serving retail and small business opportunities in buildings with a mix of uses up to 3 stories tall. Cully Boulevard from Prescott to Killingsworth Street is planned for multi-modal transportation improvements (with construction in the next two years) that will benefit the main street and greater community. This will diminish the most of the existing transportation barrier along the corridor – lack of sidewalks, bicycle lanes, on-street parking. However, a larger transportation access barrier exists for Cully residents with a lack of standard streets connecting to Cully Blvd. and a lack of transit (bus) service along Cully Blvd. to serve this neighborhood that has a significant number of transit dependent lower income residents.

# Southeast Portland Planning District: 2040 Growth Concept



## **Southeast Planning District**

### **Sandy Boulevard** (future Streetcar line)

The Hollywood Town Center and Sandy Boulevard Plan laid the foundation for future growth along this corridor. The City of Portland's draft Streetcar Master Plan has identified Sandy Boulevard as a potential corridor, which would help realized the planned capacity. Also, the area between Sandy and I-84 and 12<sup>th</sup> to 21<sup>st</sup> is under consideration as part of the Central Portland Plan, which could increase the development capacity of this subarea. The Lloyd / Irvington District is the closest model on the activity spectrum and the urban form generally includes heights of 45 feet and an FAR of 3:1.

### **Belmont/Hawthorne/Division** (main streets)

Belmont, Hawthorne and Division are main streets running from SE 12<sup>th</sup> Ave to 52<sup>nd</sup> Ave. All of these corridors have seen new mixed use development that is prototypical of the type of development desired on main streets (ground floor retail with 2-4 stories of residential above). The 20-year aspiration is to realize the planned capacity to create fully functioning main streets. Belmont and Hawthorne corridors have been identified as future streetcar corridors which could help accelerate development near or at the maximum capacity allowed. The Nob Hill District is the closest model on the activity spectrum with more emphasis on housing and neighborhood commercial services and the urban form generally includes heights of 45 feet and an FAR of 3:1.

### **Powell Boulevard** (future High Capacity Transit line)

Powell Boulevard is being studied as a future High Capacity Transit line (LRT or BRT). The barrier to realizing the development capacity is balancing the placemaking with the state highway functions (speeds, volume on a 5-lane arterial). Current plan designations allow for an urban form with heights of 45 feet and an FAR of 3:1, but future investment in high capacity transit will be needed to trigger redevelopment along the corridor.

### **82<sup>nd</sup> Avenue of Roses** (station community, main street and future streetcar corridor)

82<sup>nd</sup> Avenue has a similar potential as Powell Boulevard with a number of existing nodes to build from, such as MAX station community, Washington/Stark main street, Division (PCC campus), Powell and Lents Town Center. Current plan designations allow for an urban form with heights of 45 feet and an FAR of 3:1, but future investment in high capacity transit and balancing the placemaking with the state highway functions (speeds, volume on a 5-lane arterial) will be needed to trigger redevelopment along the corridor.

### **Division Station** (Green line LRT station)

Division Street (at I-205) could have potential as a station community with an incremental increase in development capacity along Division (between 92<sup>nd</sup> Ave and 82<sup>nd</sup> Ave). Under the best of conditions, the station area might achieve densities/activity similar to the Hillsdale District.

### **Foster Road** (future streetcar line and main street)

Foster Road is a main street with general commercial zoning. The corridor has been recently been included in the Lents Town Center Urban Renewal Area, which could bring new tools to encourage investment and development in the area. The corridor also has been identified as a future streetcar corridor, which could help trigger redevelopment.

The closest fit on the activity spectrum would likely be Sellwood with the allowed heights are generally 45 feet with 3:1 FAR.

**Tacoma Main Street/Sellwood** (potential streetcar line and main street)

The Sellwood/Westmoreland district have three main streets that could be realized in the next 20 years. Tacoma will be impacted by the replacement of the Sellwood Bridge (pro – enhanced ped/bike access, con – re-open truck route). SE 13<sup>th</sup> Ave and SE 17<sup>th</sup>/Milwaukie Ave also have main street zoning (45 feet building heights and 3:1 FAR) and have seen recent development projects that are reaching those maximums.

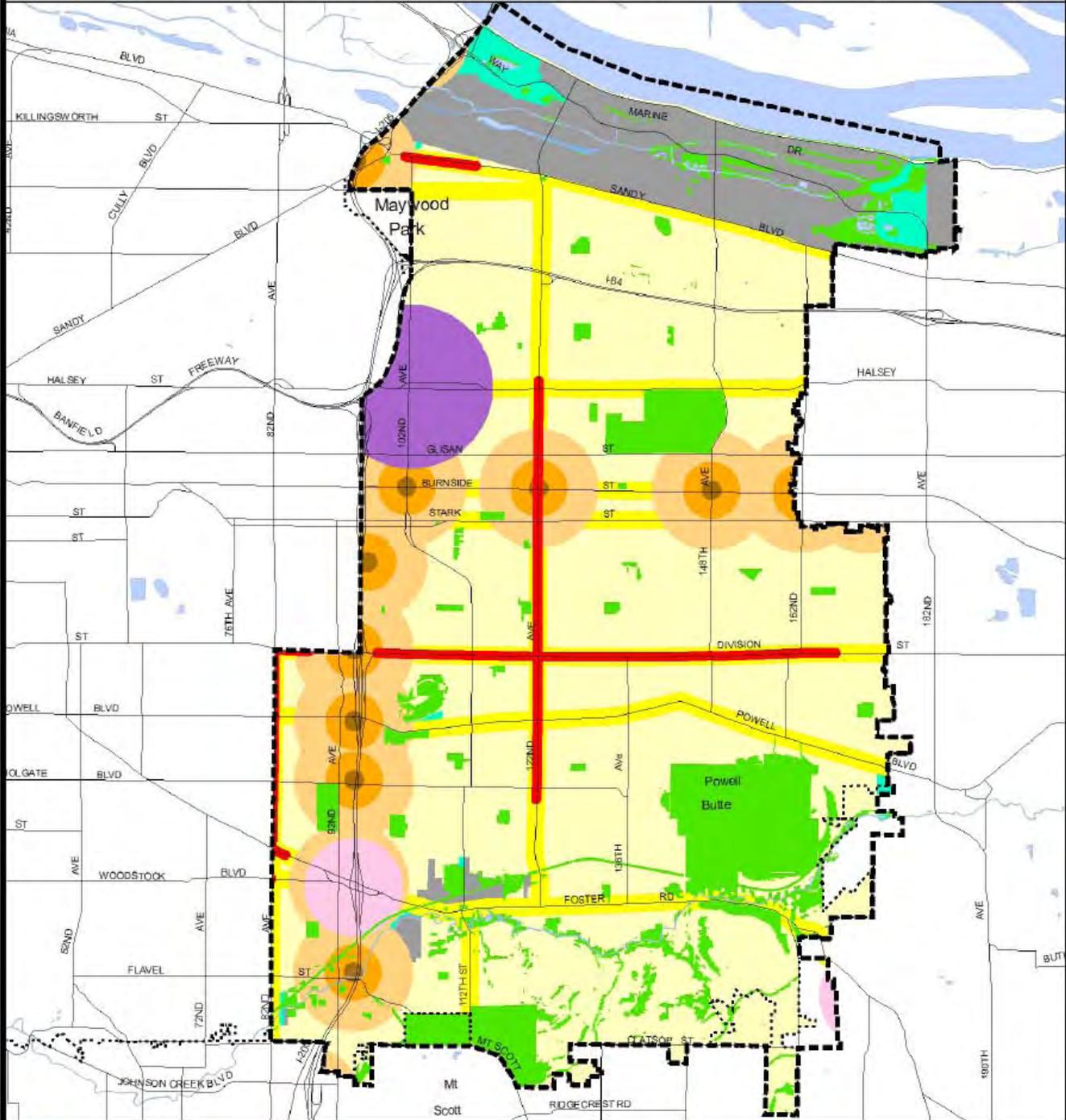
**Milwaukie Ave (Brooklyn)** (main street and future LRT station)

Milwaukie Avenue through the Brooklyn neighborhood (from Powell to Holgate) is a designated main street. Future LRT stations on SE 17<sup>th</sup> Ave will provide additional access to the regional transit system, but the neighborhood is already served by three bus lines. The north end of Milwaukie Ave has main street zoning (45 feet building heights and 3:1 FAR); but the south end (5 blocks between Center Street and Holgate) is currently zoned for medium density residential, but is expected to be rezoned for mixed use commercial. In terms of the activity spectrum, the Sellwood District is the closest match.

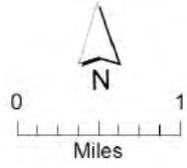
**Clinton Station** (future LRT station)

The Clinton Station community on the future Portland-Milwaukie LRT line is at the edge of the Central City and is under consideration for inclusion in the Central Portland Plan, which would significantly increase the development potential with aspirations to create a Lloyd District-type center with a mix of employment, residential and supportive retail.

# East Portland Planning District: 2040 Growth Concept



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## **East Portland Planning District**

The East Portland District encompasses approximately 30 square miles covering the area generally east of I-205 to the Gresham city limits. The East District (2000 population: 123,302) is one of the fastest growing areas of Portland, with a population increase of roughly 20,000 people between 1990 and 2000, and the development of roughly 10,000 new housing units between 1996 and 2006. Today, the east Portland district population approaches 150,000, larger than the second largest city in the metropolitan region. The district has received short term planning attention in the form of the recently adopted East Portland Action Plan (EPAP), and blue line and red line MAX station areas are the subject of the Eastside MAX Station Communities Project currently underway.

The district, which includes the Gateway Regional Center, Lents Town Center and several current and soon-to-open light rail station areas, remains as having both the greatest development and redevelopment potential but also some of the most significant challenges and barriers to overcome before realizing development activity anticipated by the Region 2040 Goals and Framework Plan. Examples of these challenges include: a significant lack of existing local street and pedestrian improvements needed to accommodate development; an infill redevelopment context with existing development, significant parcelization and difficult lot sizes; a marketplace with modest rents which make high quality transit-oriented development difficult to achieve, particularly when the cost of local infrastructure is borne by development; a perceived lack of a "sense of place" for many of the centers and station communities; and a lack of financial tools in some areas to further development.

### **Gateway Regional Center**

The Gateway Regional Center extends from roughly NE Halsey Street south to SE Main Street from I-205 east to roughly 102<sup>nd</sup>- 106<sup>th</sup> Avenue. Gateway is a designated Urban Renewal Area. The area has three light rail stations: Gateway Transit Center, 102<sup>nd</sup> Avenue, and Main Street. A streetcar loop is being considered. The Gateway regional center area is expected to grow substantially over time with residential, commercial retail, office, and employment uses. Zoning in Gateway currently accommodates significant floor area, with sites ranging from 3:1 FAR to over 8:1, and corresponding height limits ranging from 40 feet to over 200 feet. Much of this development potential is yet to be achieved, leaving Gateway as an area of substantial opportunity beyond 20 years. The desired urban form blends high quality architecture in an urban setting, with a greater emphasis on green infrastructure and green development. Gateway is poised to take advantage of proximity to PDX, and excellent freeway, street network, transit and bike access. It is located near a future regional biking resource – Gateway Green – which may provide catalyst opportunity. Overall, Gateway most closely matches Lloyd District to Pearl in expectations for future activity. Within Gateway is the Halsey main street, an example of a post-war main street environment, one with a developing character but more limited development potential. The Halsey Street area is most similar to Sellwood and Hillsdale in activity spectrum. Opportunity sites over 5 acres exist on 102nd Avenue and many smaller underdeveloped sites present themselves throughout the district.

Major challenges in Gateway are creating a “sense of place” to attract interest and development and overcome its image as an aging first-ring suburb, existing low-value development and parcelization, and a lack of existing local street infrastructure, which increases the cost of development in an area that does not have supportive rent levels.

### **Lents Town Center**

The Lents Town Center is focused on the area around SE Foster Road between SE 82<sup>nd</sup> Avenue and I-205 with a center at SE 92<sup>nd</sup> Avenue, the traditional “downtown” of the Lents community. Another adjunct to the “downtown” is the Foster Road employment area located east of I-205. The Lents Town Center is encompassed by an urban renewal area with much larger boundaries. The area will soon be served by a light rail station at Foster and just north at Holgate. Lents is expected to grow over time with residential, commercial retail, office, and employment uses, at a moderate transit-oriented scale. Previous planning for the area provides zoning in employment, commercial, and residential uses with FARs in the 3:1 range and with residential densities ranging from approximately 15 to 50 units per acre. Much of this development potential is yet to be achieved, leaving Lents as an area of opportunity in the 20 year horizon. The area is home to a host of early 20<sup>th</sup>-Century commercial and residential building, however many are modest and have been subject to insensitive remodels. The desired urban form blends high quality architecture in a small to medium-size town setting. Overall, the downtown Lents area most closely matches Sellwood and Nob Hill models for future activity levels. Major challenges in Lents include modest incomes, some substandard buildings and infrastructure, and the barriers and challenges of I-205.

### **Parkrose Station Community**

Parkrose Station is focused on the area around the MAX station on NE Sandy Boulevard. The station is currently served by a heavily used “park-and-ride” directly adjacent to the station on the east, and a vacant site held for future I-205 ROW on the west. Land uses around this station are currently zoned to allow general commercial uses and moderate density residential development ranging from 8 to 40 units per acre. A planning study is currently underway to explore opportunities for development near the station

### **122<sup>nd</sup> Avenue Station Community**

The 122<sup>nd</sup> Avenue Station is located at the intersection of East Burnside at 122<sup>nd</sup> Avenue. The station is currently served by a moderately used park-and-ride directly adjacent to the station on the southeast. Land uses along 122<sup>nd</sup> Avenue are largely in suburban retail shopping center and auto dealer uses, located on large sites. These sites are zoned for considerable mixed use development – with Central Commercial zoning, and allowable FAR of up to 6:1, and height limits of 100 feet. However market conditions and ownership patterns have precluded redevelopment of commercial areas, so capacity exists to meet 20-year aspirations. The area is surrounded by an emerging high-density neighborhood, through an infill redevelopment process. The area is zoned to allow 40 to 90 units per acre.

While much of this area is redeveloping, potential for the area is not being realized in terms of design quality or density due to factors such as lack of basic public street and pedestrian infrastructure, lack of public amenities, modest rent levels, safety concerns, and proximity to uses such as auto dealerships that do not serve local market. Aspirations for local activity may most closely match Lloyd District, but with less intense development and a smaller geography.

### **148<sup>th</sup> Avenue Station Community**

The 148th Avenue Station is located at the intersection of East Burnside at 148th Avenue. The station is primarily residential in character, with some mixed use opportunity near the station and commercial uses along Stark Street at the southern edge. Land uses in the area are transitioning from low-density dwellings on large lots to multidwelling on an infill redevelopment basis. The sites are zoned for considerable residential development at 40 to 90 units per acre – with allowable FAR of up to 4:1, and height limits of up to 100 feet. While much of this area is redeveloping, potential for the area is not being realized in terms of design quality or density due to factors such as existing development and parcelization, lack of basic public street and pedestrian infrastructure, lack of public amenities, modest rent levels, safety concerns, and lack of nearby shops and services. Capacity to meet 20-year aspiration through redevelopment likely exists. A planning study is currently underway to explore opportunities for development near the station.

### **162<sup>nd</sup> Avenue Station Community**

The 162nd Avenue Station is located at the intersection of East Burnside at 162nd Avenue. The station itself is located in Gresham, with western portions of the station area in Portland. The station is primarily residential in character, with some commercial/mixed use opportunity near the station and commercial uses along Stark Street at the southern edge. In Portland, land uses in the area are transitioning from low-density dwellings on large lots to multidwelling on an infill redevelopment basis. Some sites, primarily south of Burnside are zoned for considerable residential development at 40 to 90 units per acre – with allowable FAR of up to 4:1, and height limits of up to 100 feet. While much of this area is redeveloping, potential for the area is not being realized in terms of design quality or density due to factors such as lack of basic public street and pedestrian infrastructure, lack of public amenities, modest rent levels, lack of nearby shops and services, safety concerns, and presence of a methadone clinic at the station. A planning study is currently underway to explore opportunities for development near the station.

### **SE Powell Station Community**

The Powell Station will open in 2009 and is located north of the intersection of Powell Boulevard at I-205. The station is served by a 400-space park-and-ride adjacent to the station. Land uses in the area are a mix of general commercial uses and zoning with surrounding residential areas zoned for 20 to 40 units per acre. This station is in the north end of the Lents Urban Renewal Area. Capacity to meet 20-year aspiration through redevelopment likely exists. A future planning study may better define aspirations for Powell station.

### **SE Division Station Community**

The Division Station will open in 2009 and is located south of the intersection of Division Street at I-205. The station is a mix of general commercial uses and zoning with surrounding residential areas zoned for 20 to 40 units per acre. Capacity to meet 20-year aspiration through redevelopment likely exists, however, the area lack supportive urban street and pedestrian infrastructure. A future planning study may better define aspirations for Division station.

### **Sandy Boulevard Main Street**

Sandy Boulevard in Parkrose is a designated 2040 main street from NE 102nd to NE 112<sup>th</sup> Avenue. Sandy is ODOT Highway 30. The area is currently a mix of pre-war pedestrian-oriented commercial buildings mixed with post-war suburban auto-oriented commercial development. Zoning is General Commercial with 3:1 FAR allowed. The area is supported by residential areas to the south that are zoned for moderate density multidwelling (20-40 units per acre), however land uses in this area have not generally transitioned from existing single-dwelling uses. To the north, the main street is cut-off by a railroad line. Land uses further north are mostly industrial. Aspiration for this main street may most closely resemble Hillsdale. Challenges include modest rent levels, regional and freight traffic on Sandy, a constrained local market area, and lack of complete street infrastructure in residential areas.

### **SE Division Main Street**

Division Street is a designated 2040 main street from I-205 to roughly 162<sup>nd</sup> Avenue. The area is currently a mix of nodal post-war suburban auto-oriented commercial development interspersed with housing that ranges from older single and multi dwelling developments to newer multidwelling development. Zoning ranges from Neighborhood Commercial (.75:1 FAR) to General Commercial (3:1 FAR); and residential zoning that allows from 20 to 40 units per acre. Aspiration for this main street may most closely resemble Hillsdale. Capacity to meet 20-year aspiration through redevelopment likely exists. Challenges include a lack of sense of place, and lack of pedestrian infrastructure/amenities. A wide, high-volume street, Division offers opportunity for businesses that benefit from high traffic and visibility, but this asset is a potential challenge for creating smaller pedestrian-oriented or community-focused commercial clusters and residential areas.

### **SE 82<sup>nd</sup> Avenue Main Street (future streetcar)**

SE 82<sup>nd</sup> Avenue is a designated 2040 main street. The area is currently a mix of post-war suburban auto-oriented commercial development interspersed with housing that ranges from older single and multi dwelling developments to newer multidwelling development. Zoning ranges from General Commercial, to Commercial Storefront, to Central Employment, to General Employment – all allow FAR of 3:1 and all except General Employment allow housing by right. SE 82<sup>nd</sup> Avenue is supported by adjacent residential area zoned to allow a range from 8 to 40 units per acre. Capacity to meet 20-year aspiration through redevelopment likely exists.

Challenges include existing development and parcelization, a lack of sense of place, and lack of pedestrian infrastructure/amenities. A wide, high-volume street, SE 82<sup>nd</sup> Avenue offers opportunity for businesses that benefit from high traffic and visibility, but this asset is a potential challenge for creating smaller pedestrian-oriented or community-focused commercial clusters and residential areas. SE 82<sup>nd</sup> Avenue is within the Lents Urban Renewal Area. Aspiration for this main street may most closely resemble Hillsdale.

#### **NE/SE 122<sup>nd</sup> Avenue Main Street (future streetcar)**

122<sup>nd</sup> Avenue is a designated 2040 main street from NE Halsey to SE Holgate. The area is currently a mix of post-war suburban auto-oriented commercial development interspersed with housing that ranges from older single and multi dwelling developments to newer multidwelling development. Excluding the 122nd Station area which extends from NE Glisan to SE Stark, zoning along 122<sup>nd</sup> ranges from General Commercial and Commercial Storefront (3:1 FAR), to Office Commercial (2:1 FAR); all allow housing by right. Residential zoning on the main street allows from 8 to 40 units per acre. 122nd Avenue is supported by adjacent residential area zoned to allow a range from 8 to 40 units per acre. Challenges include a lack of sense of place, and lack of pedestrian infrastructure/amenities. A wide, high-volume street, 122<sup>nd</sup> Avenue offers opportunity for businesses that benefit from high traffic and visibility, but this asset is a potential challenge for creating smaller pedestrian-oriented or community-focused commercial clusters and residential areas. Aspiration for this main street may most closely resemble Hillsdale.

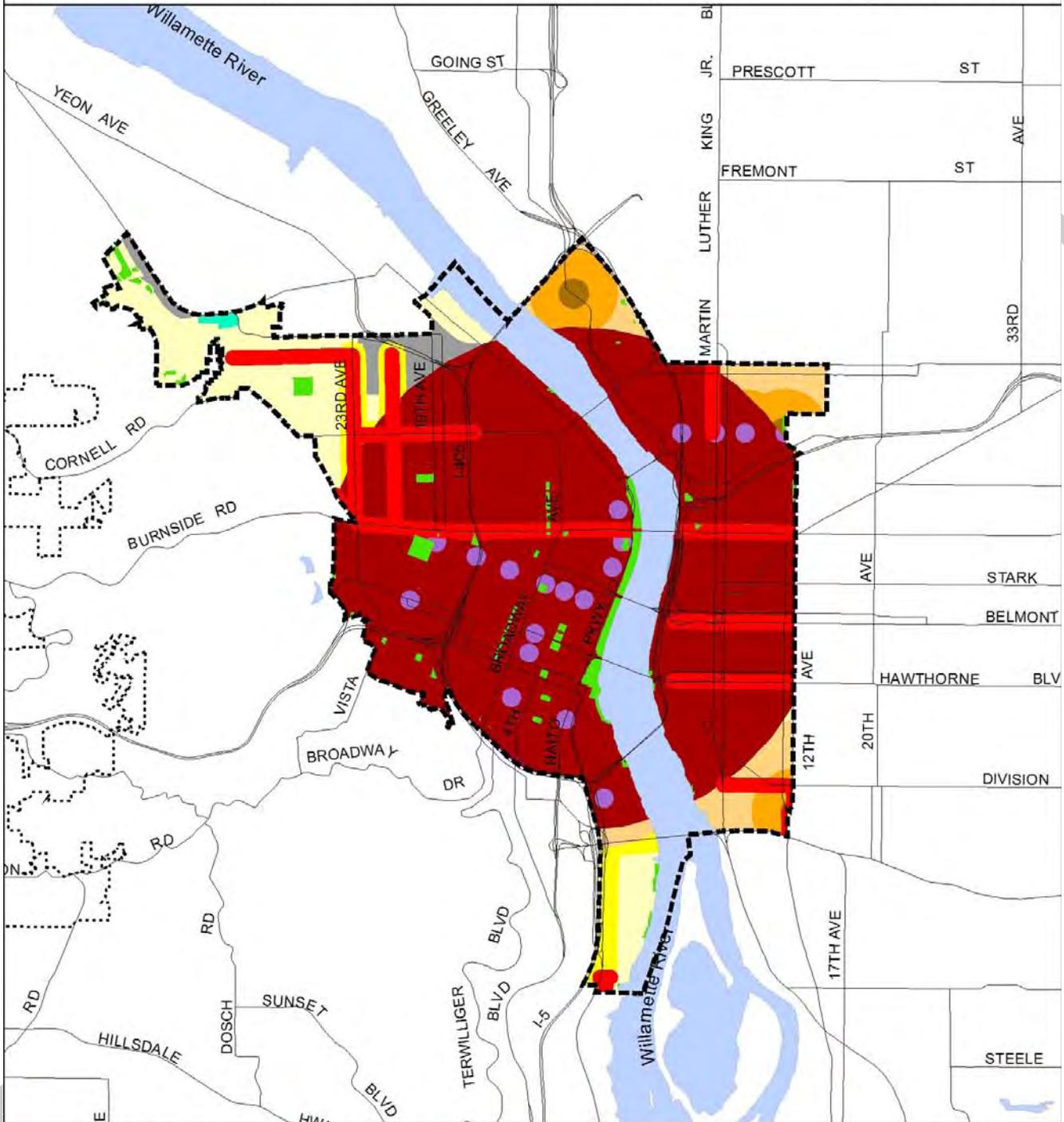
#### **SE Powell Boulevard Corridor**

Powell is a designated 2040 corridor from I-205 to Portland City Limits. The area is currently a mix of post-war suburban auto-oriented commercial development at major intersection nodes interspersed with housing that ranges from older single and multi dwelling developments to newer multidwelling development. Commercial zoning is generally Neighborhood Commercial (.75:1 FAR) and general Commercial (3:1 FAR), and allow housing by right. Residential zoning on the main street allows from 8 to 40 units per acre, however much of the street is zoned to allow 20 units per acre. Aspirations for Powell may be better defined through an upcoming planning process that will consider street configurations and role, as well as land use and design issues.

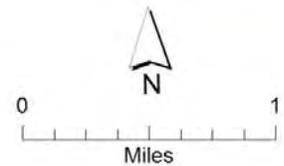
#### **SE 136<sup>th</sup> Avenue (no designation)**

SE 136<sup>th</sup> Avenue is not identified on the 2040 Concept, but is a rapidly developing residential corridor that stretches from SE Division Street to SE Foster Road. The area is largely zoned for medium density residential uses (20 units per acre). It is transitioning from large lot, low density detached residential uses. SE 136th Avenue should be considered in 2040 for its emerging role as a location for moderate-density multidwelling housing and its function as a key arterial street connection in this growing area. The 136<sup>th</sup> Avenue corridor faces challenges of a lack of public infrastructure (street, sidewalk, bike lane) to serve a growing population.

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## **Central City Planning District**

The City of Portland is embarking on a new effort to plan for the long-term future of the core of the city. This Central Portland Plan will build on the legacy of great plans laid out by citizens and city leaders in the form of the 1972 Downtown Plan and the 1988 Central City Plan.

### **PURPOSE**

This study provides answers to two basic questions regarding the availability of land for new development in central Portland:

What sites are potentially available for redevelopment?

How much of different development uses (housing, office, etc.) could be built on these potential redevelopment sites?

This study is not a projection of market demand for new construction. It only studies the development capacity of lands within the study area that could potentially become available for development/redevelopment if market demand existed.



## STUDY AREA

The study area encompasses the core and most intensively developed areas of the City of Portland and the Greater Portland/Vancouver Metropolitan Area. It includes the traditional office and retail core of the central business district, the campus of Portland State University, Old Town/Chinatown, Civic Stadium and Goose Hollow, the rapidly developing Pearl District and South Waterfront neighborhoods, the convention center, office uses and regional shopping center in the Lloyd District as well as the largely industrial Central Eastside and Lower Albina areas. This study uses the established boundaries of the current Central City Plan District. The total area within the plan district is just under 3,000 acres, bisected by the Willamette River. The River occupies about 450 acres, or 15% of the plan area, public right-of-way occupies another nearly 1,000 acres, or 33% of the plan area, while public parks and open spaces account for 70 acres, or 2% of the plan area. This leaves roughly half of the total study area, or 1500 acres, available for development. Zoning in the Central City Plan district generally allows the highest density and most flexibility of uses in anywhere in Portland.

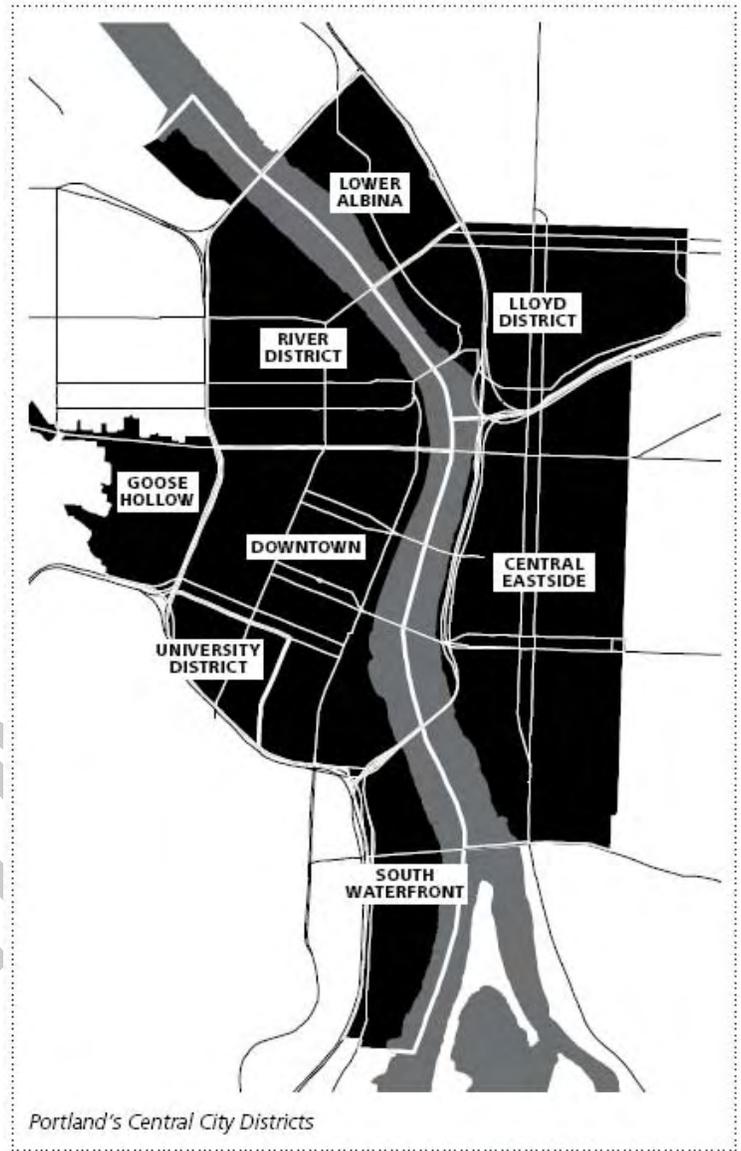


*Study Area: Portland's Central City Plan District*

The four primary types of zoning in the study area are commercial (CX) which accounts for 672 acres or 23% of the plan area, high density residential (RX, RH, R1) which accounts for 150 acres or 5% of the plan area, central (mixed-use) employment (EX, EG) which accounts for 250 acres or 8% of the plan area, and industrial (IG) which accounts for 340 acres or 11% of the plan area. Planning estimates the current inventory of developed square footage within the study area is approximately 103 million square feet.

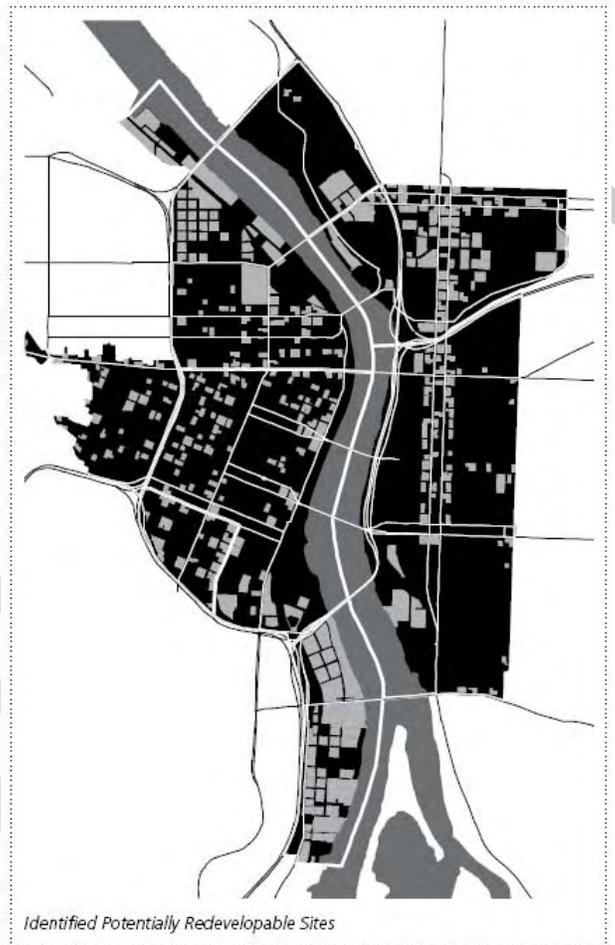


There are eight sub districts within the plan area and three additional planning sub areas within districts. This study considers both the Central City Plan District as a whole as well as the eight sub districts. The three planning sub areas within districts (West End, NW Triangle and Central Eastside Employment Opportunity) are not analyzed separately as part of this work. Of the eight sub districts, four are dominated by primarily mixed commercial uses: Downtown, the River District, South Waterfront and Lloyd District; two are largely industrial areas: Lower Albina and the Central Eastside; Goose Hollow is predominantly zoned to become a high density residential neighborhood and the University District is the home of Portland State University. The bulk of the redevelopment potential identified in this study is within the mixed commercial districts of River, Lloyd, South Waterfront and Downtown.





Planning staff estimates that roughly 400 acres of vacant or underutilized land either is now or could likely become available for development/redevelopment at some point in the next 20 years within the study area. The map at right illustrates the location of the land identified as potentially redevelopable by this study. Considering a combination of zoning regulations and entitlements as well as historic and current building trends, Planning estimates that redevelopment of identified sites could produce an approximate net increase of over 100 million square feet of new building area if it were all developed. Considering development trends since 1990, Planning estimates that approximately 25% to 30% (or 25 to 30 million square feet) of this new development would be commercial office development. 50% to 60% would be residential development and could represent between 50,000 and 60,000 new housing units. This level of development would represent an increase of more than 200% from the estimated 21,000 housing units currently in the study area. As stated previously, these capacity numbers do not estimate the market demand for development. They represent the potential capacity of identified redevelopable lands at current entitlements.



Identified Potentially Redevelopable Sites

They do not take into consideration the conversion of any significant industrial lands to mixed use/residential uses or any expansion of the current study area boundary. So how much development is this and how long might it take to reach build out? For context, the total square footage of new development in the study area since 1990 amounts to approximately 23 million square feet, an average of 1.3 million square feet per year. It is reasonable to assume that the market for development has increased in the past few years, and the next 18 years will see more projects and larger projects than the past 18. Assuming the Central City could see an average of 2 million square feet of new development per year in the future, it would take approximately 40 to 60 years to exhaust the identified development capacity.



**MAJOR STEPS TO DETERMINING POTENTIALLY REDEVELOPABLE LANDS:**

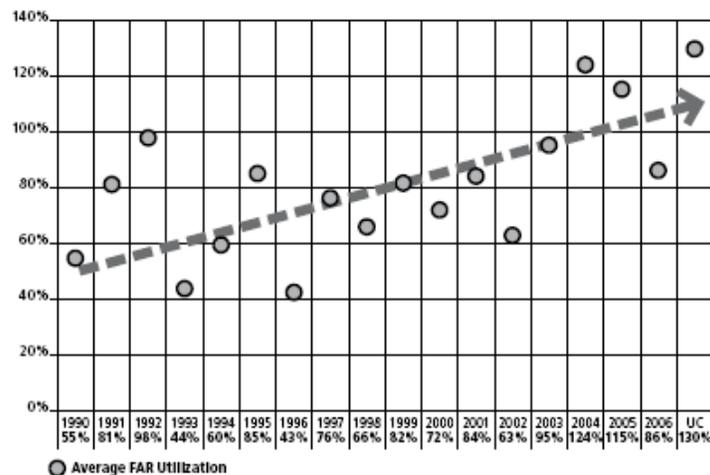
1. Start with all properties in the Central City.
2. Remove historic designated recognized historic properties.
3. Remove parks and designated open spaces.
4. Remove industrial lands.
5. Remove all parcels that utilize more than 20% of the available FAR AND/OR have improvements assessed at less than 50% of the value of the land.
6. Manually check everything that is left to verify it should be considered "potentially redevelopable."
7. Add in known significant redevelopment sites not captured by steps 2-5 above (example: US Main Post Office site).
8. Remove lots smaller than 10,000 square feet from calculations.



**MAJOR STEPS TO DETERMINING CAPACITY OF POTENTIALLY REDEVELOPABLE LANDS:**

1. Sort redevelopable properties by base zone.
2. Estimate likely utilization of FAR by base zone.
3. Apply FAR utilization estimate to potential redevelopment capacity to estimate total area of new development by base zone.
4. Apply assumed mix of development type (housing, retail, office) by base zone to determine estimate of new space by base zone.
5. (for housing only) Estimate number of additional residential units represented by new of residential space by base zone.
6. Subtract development currently on lots identified as potentially redevelopable to determine net increase (since this development would typically be replaced by new development).

**AVERAGE BASE FAR UTILIZATION BY YEAR 1990-2007**



Based on yearly average FAR utilization of 132 major projects built in the study area since 1990. Source: Bureau of Planning



How long could it take central Portland to see an addition of 118 million square feet of new development? This study does not attempt to analyze market demand for new space into the future; however, there are two sources of information that can help gauge the rate of development represented by over 100 million square feet of development. The first is the pace of development in the recent past. Over the past five years (one of the most active periods of central Portland development in recent history), the study area has seen the construction of 7.5 million square feet of new space. This represents an average of 1.5 million square feet of new space per year. If the current pace and scale of construction is maintained, it would take 75 years to absorb the identified redevelopment potential within existing zoning entitlements. Even if the current rate of construction should double, the results of this study suggest it could take 37 years to exhaust the capacity of identified redevelopment sites. Another source of information about the pace of construction in the future is found in Metro's growth projections. Metro's 2030 numbers indicate targeted numbers of jobs and households in the central city. While job numbers are not easily compared to square footage of new construction, projections of new housing units are. Metro estimates 24,225 new housing units will be added to central Portland by 2030.

METRO 2030 PROJECTIONS: CENTRAL CITY HOUSING

sub-district	2030 total households	2005 estimated households	new households 2006-2030
downtown/university combined	11,383	6,323	5,060
river district	12,576	2,661	9,915
goose hollow	4,456	3,427	1,029
south waterfront	4,667	8	4,659
central eastside	2,465	1,204	1,261
lloyd district	2,965	652	2,313
lower albina	67	79	-12
<b>totals</b>	<b>38,579</b>	<b>14,354</b>	<b>24,225</b>

Metro transportation analysis zone boundaries do not match Central City Plan boundaries. As a result, the Metro numbers above are for a slightly smaller geography than the study area. The City's estimate of current housing units in the study area is considerably higher than Metro's 2005 number. The Portland Development Commission's 2005 Central City Housing Inventory counted 20,016 housing units in the study area. Source: Metro.

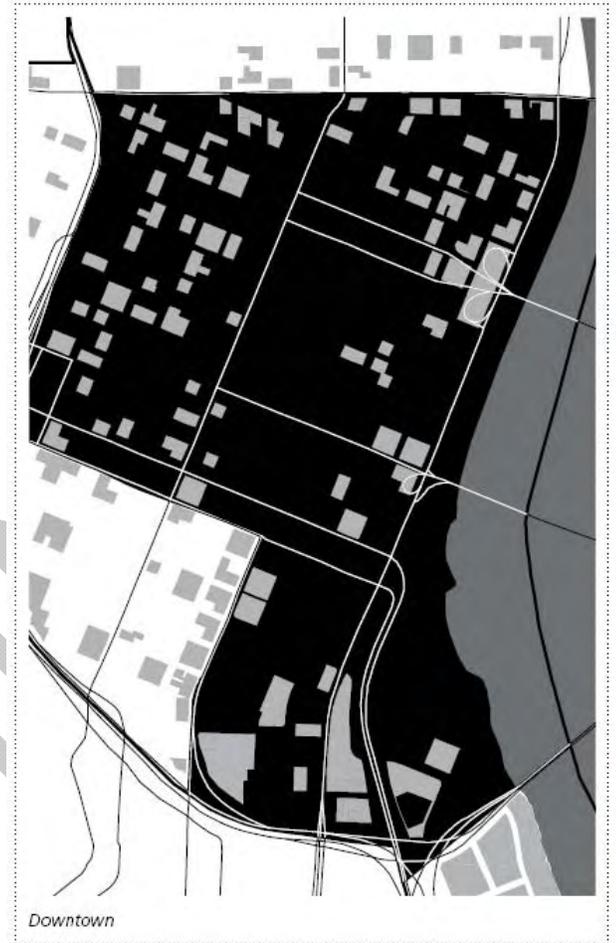
That's roughly 1,000 units per year every year between 2007 and 2030. 1,000 units represent slightly less than one million square feet of new residential construction per year. Since better than half of new space constructed since 1990 has been residential, Metro's projected residential growth rate appears to be slightly more than the actual rate of construction seen over the past 15 years. At Metro's projected growth rate for housing, the study area appears to have at least 50 years of available capacity for redevelopment. It is also worth noting that Metro's 2005 household estimates are somewhat lower than the City's estimates. If the City's 2005 estimate of 20,000 units is used as a baseline, the number of housing units that would have to be added annually to reach the 2030 targets drops to around 700—or somewhat less than the observed rate of construction over the past five years.



## DOWNTOWN

Major opportunity areas in Downtown include the Morrison and Hawthorne Bridgeheads, numerous surface parking lots and underdeveloped parcels in Old Town and the West End and a collection of larger opportunity sites at the southern end of the district (South Auditorium and River Place). Downtown is home to the highest existing entitlements (FAR s and maximum heights) in the study area and as a result, relatively small parcels actually represent quite significant development potential. One square block in the core area of 15:1 FAR can—with bonuses - accommodate over 700,000 square feet of new development.

Downtown also has the largest existing concentration of office space in the study area and may be one of the most likely places to see new large-scale commercial projects built in the near future. Recent residential development activity has been strong in the West End and River Place. Currently, new office and residential projects are proposed throughout the district. The downtown has seen the application of a narrow footprint on blocks as small as 10,000 square feet. Likewise the downtown has seen a new market prototype in the form of very small condominium units as small as 600 square feet, as in the Cyan near PSU.





Primarily a high-density residential area, with the busy commercial Burnside Corridor at the north edge of the district and PGE Park at its center, Goose Hollow possesses a variety of potential redevelopment sites including the two-block Oregonian complex at SW 17th Avenue and SW Taylor Street. Most other redevelopment opportunity sites in the district are less than a full block in size and are either surface parking lots or underdeveloped parcels. Zoning in Goose Hollow is a mix of Central Residential (RX) which places significant limitations on the non-residential uses allowed and Central Commercial (CX) which allows both commercial and residential development.

Recent residential development activity in the district has been strong with major projects nearing completion at W Burnside Street and NW 24th Avenue, W Burnside and SW 18th Avenue and SW 18th Avenue at Collins Circle. Two other major residential projects have are planned or recently proposed in the district. There has been little new non-residential development in the recent past.



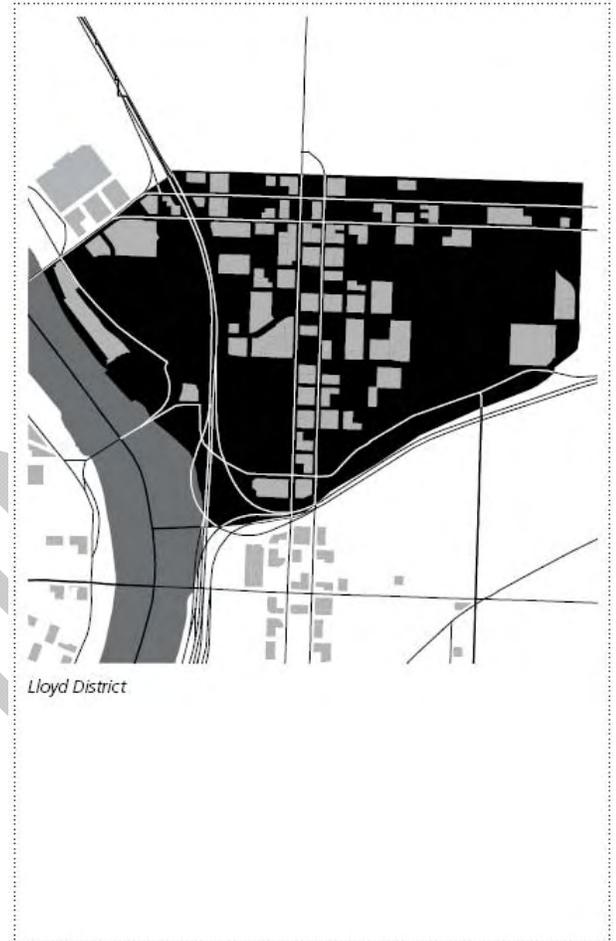
PRELIMINARY



## LLOYD DISTRICT

The Lloyd District has tremendous capacity to accommodate new development. Of the eight sub districts, only the largely vacant South Waterfront District has the potential to see as much new space built in the future. The 70 acres of identified redevelopable land in the Lloyd District have enough development potential under current entitlements to more than double (nearly triple) the amount of built space in the district. The identified redevelopment sites are comprised of both surface parking lots and significantly underdeveloped parcels. Over one-half of the identified redevelopment acres are sites that are larger than 40,000 square feet.

The Lloyd District has a strong retail presence in the Lloyd Center mall, the second greatest concentration of office space in the study area after Downtown, and zoning that could allow a significant amount of housing. Recent private development activity has included a few residential projects completed in the last five years and one office building completed in 2002. Current development activity has been limited, but could transform with catalyst projects such as the street car and further redevelopment at the Rose Quarter.





Over the past decade, the River District has seen the most rapid development of the districts in the study area. The former home of warehouses, light industrial uses and a large rail yard, the district has effectively been transformed into a vibrant mixed use neighborhood that nearly 10,000 people call home. Despite this rapid development, there remains significant redevelopment potential within the River District. Redevelopment of all the identified opportunities in this district at current development trends would result in a doubling of the amount of built space in the district and more than a doubling of the current number of residential units. Several blocks are identified as potential redevelopment sites in Old Town/ Chinatown and in the southern part of the Pearl District, but the largest opportunity area is found in the northwest part of the district, where more than 20 blocks appear as potential redevelopment sites. Significant potential also exists in the form of vacant or underdeveloped land along the river as well as in the 13 acre Main US Post Office site in the center of the district at NW Broadway and NW Lovejoy Street.

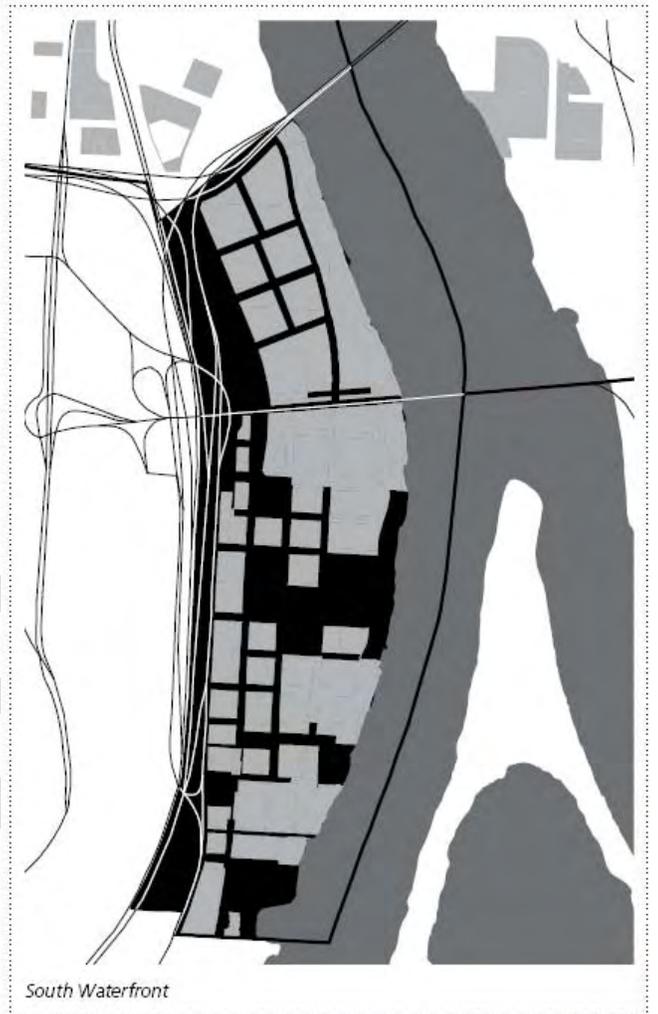


The Post Office has not announced any intention to relocate their facility in the River District, but redevelopment of the site has long been the subject of discussions and it is widely anticipated that at some point in the next 20 years, the facility will relocate to an area with more available land and better airport and truck access. Because the River District has seen the most rapid pace of development, it may actually reach substantial build-out in the not-too-distant future. Between 2001 and 2005, the district saw an average of slightly over one million square feet of new construction per year. If this rate of construction were to continue, the potential capacity would be consumed in just over 18 years. If the Post Office doesn't relocate, allowing its site to be redeveloped, build out could be reached 3 to 5 years sooner. An important aspiration for the district is to increase the percentage of households with school age children by adding family and children friendly neighborhood amenities and spaces. The district has gradually increased the number of school age children recently, a sign the planned neighborhood qualities are being introduced and the district's sense of place is maturing. The city, the neighborhood and the Portland Public School District are actively working to site a public school in the next 12-24 months.



South Waterfront is unique among study area districts in that it contains several high rises, but is otherwise largely vacant from a vacant land standpoint. Three high rises are open and occupied, with four other nearly completed.

As a result fully 90 of the 130 acres of buildable land in the district are identified as redevelopable. No other district in the study area has as much potential for transformation as South Waterfront. The central section of the district that is not identified as redevelopable is the location of the district's first significant new structures. Several large residential towers have recently been completed or are under construction here and OHSU's new Center for Health and Healing is located in the district. Even if construction continues at current rates, it will be many years before the district reaches the capacity reflected in the table at right. Because public parks and right of way haven't yet been constructed in parts of this district, the numbers in the table at right may be somewhat higher than the actual build out capacity.



It is also worth noting that the Willamette Greenway setback requires new construction to be set back from the bank of the river, but since the development capacity of the district includes that land area (meaning the entitlements of the greenway lands may be transferred to other parcels in the district) the map includes undeveloped lands within the greenway.

The South Waterfront Plan adopted in 2002, calls for a sustainable, urban scale development that balances commercial and institutional projects, and affordable market rate housing. The Plan also incorporates designs for public amenities, including public streets, and spectacular greenway, and a parks system. This new district will provide for 10,000 new jobs and up to 5,000 new housing units, including 788 affordable units.



## UNIVERSITY DISTRICT

The smallest of the sub districts in the study area, the University District is home to Portland State University and the university is the district's largest land owner. Some 16 acres of land in the district have been identified as potentially redevelopable with several large parcels within the campus and a collection of blocks and partial blocks stretching along SW 4th Avenue. The university has been gradually expanding and building new buildings in and adjacent to the district, and several private housing developments have been proposed at the edges of the district or just outside the boundaries.

PSU has already grown in enrollment to become Oregon's largest university. PSU expects to capitalize on the growth and development of the South Waterfront district by developing complimentary academic and research program. The future aspirations are to make this larger area a research and technology quarter focusing on medical and health research and development, bio-tech, the computer and engineering sciences and technology.



# **APPENDIX I**

## Community Economic Development Financial Tools

Development Finance Tools--Development and Redevelopment of Mixed Use Centers outside of Urban Renewal Areas*							
	Source/Administrator	Specific Resource	Description of Resource	Available Resource	Geography	Resource Restrictions/Eligibility	Contacts
<b>City Resources</b>							
	Bureau of Licenses	Business Improvement District	A Business Improvement District (BID) delivers supplemental services such as sanitation and maintenance, public safety and visitor services, marketing and promotional programs, capital improvements and beautification in a designated area. BIDs are funded by a special assessment paid by property owners within the district. Visit the following website for more information on BIDs: <a href="http://www.portlandonline.com/index.cfm?c=29320">http://www.portlandonline.com/index.cfm?c=29320</a>	Self assessment	City Wide	Needs to have the organizational capacity to administer the BID, including, but not limited to a board of directors, strategy plan, and financial accountability resources	Bureau of Licenses 503-
	Department of Transportation	Local Improvement District	The Local Improvement District (LID) is a method by which a group of property owners can share in the cost of transportation infrastructure improvements. Paved streets and sidewalks improve access for pedestrians, bicycles, cars and emergency vehicles. Visit the following website for more information on the LID: <a href="http://www.portlandonline.com/transportation/index.cfm?c=35715">http://www.portlandonline.com/transportation/index.cfm?c=35715</a>	Self assessment	City Wide	In most cases greater than 50% support of the property owners within the LID is necessary to form the LID	PDOT Andrew Aebi, Local Improvement District Administrator, (503) 823-5648
	Planning Bureau	Charitable-Non profit Low income housing tax exemption	Property tax exemption for non-profit entities to develop, rehabilitate housing for low income residents	varies	City Wide	income at or below 60 percent of the area median income	Contact Barbara Sack at 503-823-7853
	Portland Development Commission	Enterprise Zones/ E-Commerce Zones	N/NE Portland Enterprise and Electronic Commerce Zone offers a five-year property tax abatement on new investment, and in certain cases, a 25% state income/excise tax credit, in exchange for meeting job creation and other requirements aimed at business creation within N/NE Portland. Companies may benefit if they lease, as long as they are responsible for property tax payments. Eligible expanding businesses in N/NE Portland can qualify for up to a 100% property tax exemption of the new property taxes generated by their investment in facilities, equipment and machinery (land assessments are not exempted). The exemption period is five years.	\$ Tax Credits/property tax abatement	Selected areas of the City, refer to the Enterprise and E-Commerce Zone Map	Geographic restrictions	
		EDA--Real Estate Loan Fund	Federal Economic Development Administration/Real Estate (EDA/RE) loan fund	\$			Contact Fred Atiemo at PDC 503-823-3200
		New Market Tax Credits	The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.	\$100 million allocation through Portland Family of Funds; Banking institutions will also issue these credit, as well as the Enterprise for Social Investment	Qualifying Census tracts and block groups		Contact your local bank, the Enterprise Foundation/Enterprise Social Investment Corporation, or the Portland Family of Funds
		Sustainable Business Assistance Program	The Sustainable Business Assistance Program encourages innovative strategies to eliminate waste, reduce the use or generation of toxic chemicals, and evaluate water/energy efficiency strategies for building renovation and site development. The program is operated by the Zero Waste Alliance. Matching funds of up to \$7,000 are available. In-kind labor and equipment purchases may be used toward the match. Funding is dependent upon a project's location.				
		Economic Opportunity Fund	The Economic Opportunity Fund encourages quality job growth, high-density employment and investment in targeted industries in urban renewal areas. It serves a wide and diverse range of the business community, from small business to developers to large corporations. Rewarding investment in urban renewal areas is the cornerstone of the Economic Opportunity Fund (EOF). Its flexible incentive amounts are intended to cover a wide variety of needs related to company expansion or relocation, including infrastructure, permit fees, system development charges, sustainability investments, tenant improvements, site acquisition, and manufacturing improvements.				
		TOD Property Tax Exemptions	Transit Oriented Development Property Tax Exemption: property owners receive a 10 year property tax exemption for the residential portion of new construction or conversion of existing structure(s) in certain areas of the City of Portland.	Tax exemption for 10 years	Designated TOD areas of the City (Hollywood District qualifies)--visit the PDC website for details of the program. <a href="http://www.pdc.us/housing_serv/">www.pdc.us/housing_serv/</a>	the exemption does not include the value of the land.	Contact the TOD Program Manager at 503-823-3269
		Rental Rehabilitation Limited Property Tax exemption	Rental Rehabilitation Limited Property Tax Exemption is a 10 year tax exemption on the rehabilitation of existing rental housing or conversion of existing structures to rental housing. Some units must be available to low income residents for the duration of the exemption.	Tax exemption for 10 years	Not available	Some units must be designated affordable to low income residents for the duration of the exemption.	Contact
		System Development Fee Waivers	The city offers waivers of System Development Charges related to the construction or rehabilitation of affordable housing. The following Bureaus offer these SCD fee waivers: Transportation, Water, Parks, and the Bureau of Environmental Services.	varies	citywide	Intended to reduce the development costs for residential units that are made affordable to homeowners and low income renter households by exempting developers from paying SDC charges. Only those units will receive the exemption.	Contact the PDC Program Administrator at 503-823-3269

Development Finance Tools--Development and Redevelopment of Mixed Use Centers outside of Urban Renewal Areas*							
		<b>Housing Development Subordinate Loan</b>	subordinate loans with favorable terms that are used to fund projects that provide public benefits and demonstrate a financial need. May be used for new construction or rehabilitation of existing residential, rental and Mixed Use projects.	varies	citywide	Units must be made affordable for 60 years	Contact PDC at 503-823-3359
		<b>Predevelopment and Acquisition Loans for Non profits</b>	Loans that finance the acquisition of property, other activities necessary to take title of property, or to fund a portion of the cost of a contract purchase. The property must be intended for use in the development of housing serving low or moderate income households, mixed use or mixed income housing.	terms vary based on program used	citywide		Contact PDC at 503-823-3359 or the Enterprise Foundation at 503-223-4848
		<b>Non Profit Facility Loan</b>	loans with favorable terms that are used to fund costs of development associated with the acquisition, rehabilitation or construction of service facilities that provide space for delivery of services to a) low to moderate income residents, or b) designated low income neighborhoods within the City.	varies	citywide	eligible non profit agencies	PDC 503-823-3359
		<b>501-C(3) Bond Program</b>	The city has the authority to issue a bond to non profits to assist with financing of development projects that provide a public benefit. A detailed description of the bond program is available online at the PDC Housing Programs website.	Varies	Citywide	Seventy five percent of the units must be occupied by households with an annual income less than 80% of the area median income	Contact PDC at 503-823-3359
		<b>Equity Gap Contribution</b>	Public funding for rental or mixed use projects that provide public benefits and are owned by eligible non-profit organizations; provides construction or bridge financing.	varies	Citywide	please review the PDC housing website for details of the program	Contact
		<b>Section 108 Loan Program</b>	CDBG Section 108 Loan (in conjunction with the Federal Housing and Urban Development Economic Development Initiative (EDI)) offers CDBG backed loan guarantees	\$26 million	earmarked for Siltronic's	Must be used in conjunction with Federal Economic Development Initiative funds (BEDI)	Contact PDC
	<b>Bureau of Environmental Services</b>	<b>Federal Brownfield Economic Development Initiative (BEDI) funds</b>	Paired with Section 108 loan guarantee for brownfield redevelopment	\$2 million	earmarked for Siltronic's	Brownfield redevelopment	
	<b>Bureau of Housing and Community Development</b>	<b>PNDESC: Portland Neighborhood Development Support Collaborative</b>	Pays for staff developers to build affordable housing (Neighborhood Partnership Fund and Enterprise Foundation)	\$700,000	Multnomah County	affordable housing development--CHODO certified; rehab or acquisition, CBDO designation	
	<b>Office of Sustainable Development-Green Building Initiatives</b>	<b>The New Building Efficiency Program</b>	Provides services to help improve the design and energy performance of a new building or major renovation project. The program offers financial assistance, energy modeling and design assistance, and commissioning oversight assistance to new commercial or industrial building projects in PGE, Pacific Power, and NW Natural territories. Additions and major renovations to existing commercial or industrial buildings also qualify. The New Building Efficiency program provides standard and custom incentives for equipment upgrades such as lighting and controls, motors, drives, HVAC and natural gas equipment. Technical services and financial incentives are available for projects in the schematic, design and construction document phases to improve building performance. Technical assistance funding is available for energy modeling, design assistance and other energy services. Pre-approval for projects is required.				
		<b>Green Investment Fund</b>	The Green Investment Fund is a competitive grant program that awards highly innovative and comprehensive residential, commercial, and industrial green building projects within the Portland city limits.	\$500,000 is granted among multiple projects annually.	citywide		Contact OSD at 503-823-7222
<b>Regional Resources</b>							
	<b>Metro</b>	<b>Transit Oriented Development Right of Way Funds</b>	Property is acquired, planned and re-parceled. It is then sold with conditions to private developers for constructing transit-oriented development and/or dedicated to local governments for streets, plazas, and other public facilities where appropriate. In many cases the land value is written down to cover the extraordinary development costs required to construct a specific TOD project. In such cases, a "highest and best transit use" appraisal is used to establish the sale price.	\$	Regional	Transit oriented development	Contact Marc Guichard at 503-797-1944
<b>State Resources</b>							
	<b>Oregon Housing and Community Services (OCHS)</b>				Loan Guarantee Program		
		<b>Pass Through Revenue Bonds</b>	Pass-Through Revenue Bond Financing (Conduit) Program: funds to finance the construction, rehabilitation and acquisition of multi-unit affordable housing.	Varies	Statewide	Affordable housing income thresholds	Contact Becky Baxter at 503-986-2074
		<b>Predevelopment Loan Program</b>	Predevelopment Loan Program: below market financing and flexible terms for site acquisition and predevelopment costs. Eligible predevelopment costs include architectural design, site acquisition, legal fees, appraisal reports, soil or environmental reports, and constituent fees.	Minimum \$40K to \$1.5 million	Statewide	Preference given to affordable housing developments and consistent with Oregon's Quality Development Objectives	Contact Becky Baxter at 503-986-2074
		<b>Risk Sharing Loan Program</b>	provides below market interest rate permanent mortgage loans by issuing pooled tax exempt bond financing for affordable multifamily rental housing projects	varies	Statewide		Contact Becky Baxter at 503-986-2074

Development Finance Tools--Development and Redevelopment of Mixed Use Centers outside of Urban Renewal Areas*							
		<b>Multifamily Accelerated Processing (MAP)</b>	MAP lender; FHA backed loans for new construction, substantial rehabilitation, purchase or refinance of apartment buildings and health care facilities	varies	Statewide		Contact Becky Baxter at 503-986-2074
		<b>Oregon Affordable Housing Tax Credit (OAHTC)</b>	OCHS has the authority to issue tax credits for projects that serve low income households, through the use of tax credits, lending institutions are able to lower the cost of financing by as much as four percent for housing projects or community rehabilitation programs serving low income households.	varies	Statewide	the savings generated by the reduced interest rate must be passed directly to the tenant in the form of reduced rents.	Contact Betty Dominguez at 503.963.2289
		<b>Low Income Housing Tax Credit (LIHTC)</b>	The program offers credits on federal tax liabilities for 10 years. Individuals, corporations, partnerships and other legal entities may benefit from tax credits, subject to applicable restrictions. Tax credits offer direct federal income tax savings to owners of rental housing developments who are willing to set-aside a minimum portion of the development's units for households earning 60 percent or less of gross area median income. Developers of tax credit developments typically sell the credits to investors who are willing to provide equity capital in return for the economic benefits (including tax credits) generated by the development.	varies	Statewide	Consolidated Funding Cycle (2x a year)	Contact Betty Dominguez at 503.963.2289
		<b>Housing Development Grant ("Trust Fund")</b>	New construction, rehabilitation, and/or acquisition of low- and very low-income housing units; and Pre-development costs, such as pre-construction or pre-rehabilitation, planning, engineering or feasibility studies, appraisals, architectural plans, site acquisition, etc. that are incurred no more than six months prior to application.	Maximum of \$100,000	Statewide	The Program must allocate at least 75 percent of the funding to housing for very low-income households, which are households with incomes at or below 50 percent of area median income as determined by the U.S. Department of Housing and Urban Development (HUD). The remainder of the grant funds may be	Contact Betty Dominguez at 503.963.2289
		<b>Vertical Housing Development Zones</b>	This exemption is designed to subsidize Mixed-use projects and to encourage denser urban style development or redevelopment. The new structure or incremental change in property value of the building(s) that comprise the project can be exempted from property taxes.	varies	Designated Vertical Housing Development Zone; city or county seeks approval of a specific area		Contact OECD at 503-986-0123
	<b>Oregon Office of Economic and Community Development (OECD)</b>						
		<b>Strategic Investment Program</b>	Exemption on project property taxes for 15 years for very large investments (\$100 Million).	Varies	statewide		Contact OECD at 503-986-0126
		<b>Capital Access Program</b>	The Oregon Capital Access Program helps lenders make more commercial loans to small businesses. The program is flexible, easy-to-use, and helps them to better serve their small business customers. The Oregon Capital Access Program has been successful in facilitating nearly 1,500 loans, totaling \$56.3 million, since it began in 1991.		Statewide	Most of Oregon's for-profit or non-profit businesses in the retail, manufacturing and service industries.	Capital Access Program: 503-986-0172
		<b>Credit Enhancement Fund</b>	The Oregon Credit Enhancement Fund is an important loan insurance tool that lenders can use to help businesses needing extra security to obtain financing. Since 1994, the program has guaranteed over 118 loans totaling more than \$27 million. The average credit enhancement loan is for \$230,000.	Low down payments, with up to 90 percent total project financing	Statewide	Ineligible: Retail businesses, shopping centers, food services, construction firms, motels, (except in economically distressed areas and for brownfield remediation).	Credit Enhancement Program: 503-986-0172
		<b>Brownfield's redevelopment Fund</b>	The Brownfields Redevelopment Fund is a direct loan and grant program to conduct environmental actions on brownfields. The program's primary purpose is to assist private persons and local governments to evaluate, cleanup, and therefore redevelop brownfields	Maximum \$250K for 20 years	statewide		
		<b>Special Public Works Fund</b>	Provides funding for the infrastructure that supports job creation in Oregon. Loans and grants are made to eligible public entities for the purpose of studying, designing and building public infrastructure that leads to job creation or retention.	The total loan amount per project cannot exceed \$15 million. For infrastructure projects, grants are offered to projects creating or retaining jobs based on \$5,000 per job created or retained. If a grant is offered it cannot exceed 85 percent of the project cost or \$500,000, whichever is less. Additional grants may be awarded if there is a gap between the grant for jobs plus the loan and the total project costs.	Statewide		OECD, 503-986-0123
	<b>State Historic Preservation Office</b>						
		<b>Historic Tax Credits</b>	Under the Special Assessment of Historic Property tax incentive program a property owner				
	<b>Oregon Energy Department</b>						

Development Finance Tools--Development and Redevelopment of Mixed Use Centers outside of Urban Renewal Areas*							
		<b>Small Scale Energy Loan Program</b>					
		<b>Business Energy Tax Credits</b>	35% of eligible project costs, distributed over five years Oregon's Business Energy Tax Credit (BETC) is for investments in energy conservation, recycling, renewable energy resources, or less-polluting transportation fuels. Any Oregon business may qualify. As examples, projects may be in manufacturing plants, stores, offices, apartment buildings, farms, and transportation.			Maximum Incentive: \$3.5 million; Carryover provisions include Credit taken as 10% in first and second years, 5% in each year thereafter; excess credit may be carried forward eight years; those with eligible project costs of \$20,000 or less may take credit in one year.	Suzanne Dillard at 503-373-7565
<b>Federal Resources</b>							
		<b>Renewable Energy Systems Exemption</b>	Oregon's property tax exemption states that the added value to any property from the installation of a qualifying renewable energy system not be included in the assessment of the property's value for property tax purposes. Qualifying renewables include solar, geothermal, wind, water, fuel cell or methane gas systems for the purpose of heating, cooling or generating electricity. This exemption is intended for end users and does not apply to property owned by anyone directly or indirectly involved in the energy industry.	100%	Statewide	Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Fuel Cells, Geothermal Heat Pumps, Methane Gas, Solar Pool Heating	Information Specialist at the Office of Energy, (503) 378-4040
	<b>Environmental Protection Agency</b>	<b>The FY06 Brownfields Assessment, Revolving Loan Fund, and Cleanup Grants</b>	Visit EPA's brownfields website at <a href="http://www.epa.gov/brownfields/applicat.htm">http://www.epa.gov/brownfields/applicat.htm</a> The proposal deadline is December 14, 2005 for funding in the Summer of 2006.				
		<b>Targeted Brownfield Assessment</b>	A Targeted Brownfields Assessment (TBA) is a study conducted by EPA to determine the nature and extent of contamination. If requested, the assessment may also include an analyses of options and cost estimates associated with these options. This assessment work will be conducted by environmental consultants already under contract with EPA.	\$50,000 maximum grant amount		These environmental site assessments are available to public, quasi-public or non-profit entities (such as, municipalities, tribal governments and community development organizations) interested in redeveloping abandoned or underutilized properties. To qualify for an assessment, there must be a potential release of hazardous substances at the site.	Joanne LaBaw (206)553-2594
	<b>Small Business Administration (SBA)</b>						
		<b>Small Business Administration 504 Loan Program</b>	The U.S. Small Business Administration (SBA) 504 Loan Program offers small businesses fixed interest rate loans below market rate. Loan proceeds can be used for construction, acquisition, rehabilitation and leasehold improvement of real estate, and for machinery and equipment. Not more than 40 percent of the total project can be financed with 504 loan funds, and, in most cases, the loan amount may not exceed \$750,000. The business must provide a minimum 10 percent equity contribution into the assets being financed. A private financing source, usually a bank, provides the remaining funds.			The Small Business Administration's size criteria for a small business is broad; any business qualifies if its net worth is less than \$6 million and its after-tax profit for the previous two years is under \$2 million. A three-year track record is desirable but not mandatory. The 504 program is limited to owners or users. Developers do <b>not</b> qualify for loans under this program.	For 504 loan information contact 503-326-2682
		<b>Small Business Administration 7(a) Program</b>	The Small Business Administration (SBA) 7(a) Loan Guaranty Program is available to assist small businesses (approximately 98 percent of all businesses in Oregon) obtain financing for a variety of business purposes. This program guarantees up to 75 percent of a loan made by a participating commercial lending institution to a small business. The Small Business Administration's liability exposure cannot exceed \$750,000. Exceptions to the exposure limit are made for export businesses (\$1.25 million) and for environmental cleanup projects (\$1 million).			The Small Business Administration has no minimum loan size and offers special financial incentives to participating lenders for loans to small business of \$50,000 or less. Loan proceeds may be used to finance working capital, fixed asset acquisition, leasehold improvements, debt consolidation/re-finance and transfer of ownership.	For 7(a) loan information contact 503-326-5122
	<b>Economic Development Administration</b>	<b>EDA--EDI Grant</b>	Federal Economic Development Administration Economic Development Initiative (EDI)	\$			Contact Mike Rasmussen at PDC 503-823-3200
	<b>Housing and Urban Development</b>	<b>EDI--Economic Development Initiative</b>	EDI provides grants to local governments to enhance both the security of loans guaranteed through the Section 108 Loan Program and the feasibility of the economic development and revitalization projects they finance.				
		<b>BEDI--Brownfields EDI</b>	The Brownfields Economic Development Initiative (BEDI) is a key competitive grant program that HUD administers to stimulate and promote economic and community development. BEDI is designed to assist cities with the redevelopment of abandoned, idled and underused industrial and commercial facilities where expansion and redevelopment is burdened by real or potential environmental contamination.				

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<b>Private Support</b>							
	National Trust for Historic Preservation	Inner-City Ventures Fund	The Inner City Ventures Fund (ICVF) finances the rehabilitation of historic buildings that serve the economic and community development needs of low, moderate			Eligible applicants are tax-exempt nonprofit organizations, for-profit entities and local governments. Eligible organizations may enter into a partnership or joint venture with another nonprofit or for-profit entity, provided the applicant is pivotal to project execution. Eligible properties are: certified local, state or nationally designated historic resources; contributing resources in a certified local, state or national historic district; or resources eligible for listing in a local, state or national register	Sarah M. Greenberg, Program Coordinator, Community Revitalization Department Phone: 202.588.6360
		National Preservation Loan Fund	The National Preservation Loan Fund (NPLF) is the National Trust's most flexible lending program. It offers financial assistance to nonprofit organizations and public agencies working to preserve historic resources and revitalize commercial and industrial centers, residential neighborhoods and rural communities.	Maximum loan amounts range from \$100,000 for a predevelopment loan to \$350,000 for an acquisition or construction loan or line of credit. Loan to value ratios range from 70% for an acquisition loan or line of credit to a 100% guaranty for a predevelopment loan		Eligible applicants are tax-exempt nonprofit organizations, for-profit entities and local governments. Eligible organizations may enter into a partnership or joint venture with another nonprofit or for-profit entity, provided the applicant is pivotal to project execution. Eligible properties are: certified local, state or nationally designated historic resources; contributing resources in a certified local, state or national historic district; or resources eligible for listing in a local, state or national register	Sarah M. Greenberg, Program Coordinator, Community Revitalization Department Phone: 202.588.6360
<b>Foundation Resources/Community Development Intermediaries</b>							
	Enterprise Foundation/ESIC	Various Non-Profit Housing Loans					
		Green Communities Developer Incentives	grants to assist with planning, designing, and building Green Communities projects	\$5 million available		Competitive process	
			low interest loans for predevelopment, site acquisition, and to start construction	\$50 million available		Competitive process	
			Equity investments for rehabilitation and construction	\$500 million available		Competitive process	
		Green Grants for Non-profits	grants to help cover the costs of planning and implementing green components of affordable housing developments, as well as tracking their costs and benefits.	\$4.5 million available		Competitive process; open to 501(c)(3) nonprofits, public housing authorities, tribally designated housing entities; for-profit entities; and for-profit entities participating through joint ventures with qualified organizations. Affordable housing income threshold	
<b>Development Finance Tools--Development and Redevelopment of Mixed Use Centers outside of Urban Renewal Areas*</b>							
Technical Assistance/ Small Business Development	Please refer to the Portland Technical Assistance Matrix available through the Portland Development Commission						
* The financial tools mentioned are subject to available funds and program requirements. In some instances there is an extensive review process that will prolong the project. These financial tools should be viewed as a guide to available resources, not an indication of a streamlined process for program funds.							