

OLD TOWN / CHINATOWN FIVE-YEAR ACTION PLAN EXTENSION (2019-2024)

Background and Extension Summary

Background

In 2014 the City of Portland and Prosper Portland adopted the Old Town / Chinatown Five-Year Action Plan after extensive engagement with the Old Town/ Chinatown community. Since adoption of the Action Plan, Prosper Portland, City agencies, and community partners have made significant progress and met numerous measures of success within the plan.

The Action Plan focused on four key challenges in Old Town / Chinatown:

1. Imbalance of uses and identity;
2. Crime and perceptions of safety;
3. Stagnant development;
4. Lack of district connectivity (to and within).

To respond to these challenges, the Action Plan identified several actions under the following three objectives:

1. Neighborhood Investment;
2. Business Vitality;
3. District Livability.

To achieve these goals, Prosper Portland dedicated \$57 million in combined River District and Downtown Waterfront TIF Funds to the Action Plan implementation. The Plan also received City General Fund commitments of \$90,000 over three years as a matching grant to the Old Town Community Association to support neighborhood promotion. Finally, an SDC Waiver pilot program encouraged middle income housing, with a cap of 500 units and an expiration date of June 30, 2019.

The Plan resulted in collaborative efforts that furthered development priorities, cultural preservation and employment objectives. Exceeding the Action Plan goals, eight buildings were successfully rehabilitated, ten new retail stores opened, nine new businesses opened or expanded, and 950 jobs were added to the area, with a strong growth in wages. In keeping with the plan goals, four annual neighborhood events have taken place, a district brand and identity were established, and more than \$600,000 has gone to 11 community-based organizations. And, progress was made toward the goal of 500 new moderate-income housing units with 250 new units of housing built or under construction.

Furthermore, Prosper Portland has a continued commitment to partnerships with city and county bureaus involved in services and public safety, including the Joint Office on Homeless Services, Portland Police, Office of Community and Civic Life, and Portland Parks.

Current Context

Old Town/Chinatown has evolved in the past five years and has the capacity to continue to do so with an extended Action Plan in place. Significant projects have been completed recently, are under construction or are soon to be underway. Both the strengths and weaknesses of the current area environment are important considerations in addressing/achieving the ongoing goals of the original Plan.

Strengths

- Job growth; more than 500 living wage jobs created in past five years
- Strong cultural attractions in Lan Su Garden, Portland Chinatown History Museum, Oregon Nikkei Endowment's purchase of the Old Town Lofts condo at NW 4th and Flanders
- Hoxton Hotel complements new energy in the district
- Young entrepreneurs of color are investing in Old Town, adding to retail vibrancy
- Community organization is in place to support goals and activities
- Low office vacancy rate in the Central City (13.2% according to PBA Clean and Safe 2019 Report)
- Low retail vacancy rate in Downtown (4.4%) supports continued proliferation of less formal venues, including farmers markets, food carts and pop-up retailers
- Demographic & income changes (population increased from 3,982 in 2012 to 4,520 in 2018; median income increase during the same period from \$16,201 to \$24,668)

Weaknesses

- Crime
- Localized retail vacancy
- Continued lack of community services – neighborhood-serving retail
- Old Town continues to substantially lag investment in all other parts of the Central City, and much remains to be done. Of 18 under-construction projects on the Westside as of May 2014, just 3 are in the OTCT area. And those three are on the periphery – close to stronger areas. The core is suffering in comparison.

Opportunities

- CC2035 planning framework in place
- Allocated resources still available (\$52.3 million)
- Vacant retail presents opportunity to attract new neighborhood-serving businesses
- RFPs
 - o With the Central City 2035 Plan now adopted by City Council, and Requests for Proposals recently released for the redevelopment of two key sites - 4th & Burnside (the former Right 2 Dream Too site) and Block 25 (4th & Flanders) - interest in accessing the unspent funds is imminent.
- One Pacific Square building owner is investing to attract new tenants

- Lan Su Garden's impressive expansion plans for a cultural center and hotel are making extraordinary progress
- Initiation of a task force to strongly encourage seismic upgrades for smaller buildings that is targeting long term property owners, many of whom are of color
- Collaboration with PBOT on Flanders bikeway - connectivity

Threats

- Cost to redevelop URM buildings
- No replacement parking without costly public investment
- Proposed closing of the MAX train stop at Second Ave & Skidmore Fountain

Lessons Learned

- An unexpected element of the completed projects to date was that in large part private developers were able to proceed without considerable public subsidy, leaving much of the Plan budget unspent. Some projects didn't need Prosper Portland resources – either because the project didn't include public parking, or the project was located in proximity to stronger areas of OTCT.
- Future projects present a different scenario: need for public parking, locations in the heart of the district without the advantage of proximity to neighboring, more successful blocks such as edge of the Pearl or Central Business District, e.g. Block 33, Block 25, 4th & Burnside
- Potential projects also have goals for cultural amenities and community benefits that are likely to require greater public subsidy
- The original Action Plan was not designed to solve the larger societal issues visible in Old Town as well as many other parts of town – whether that's people experiencing homelessness, mental health crises or substance abuse.
- Recognition of need to solve larger issues led to creation of collaborative effort: Pearl District / Old Town Joint Homeless Task Force, composed of representatives from the residential and business communities, the Mayor's Office, the Police Bureau, the District Attorney's Office, the Joint Office of Homeless Services, Multnomah County, Oregon Harbor of Hope, and social services agencies, convened in 2018/19 as a response to City discussions regarding a homeless shelter location in Old Town and, eventually, the siting of the Navigation Center in the neighboring Pearl District. The Joint Task Force has developed specific recommendations related to livability and safety issues, facility operations and good neighbor agreements, and the need for city, county and police bureau support in the community.

The Action Plan Extension maintains the original focus on neighborhood Investment, business vitality, and district livability, while seeking to capitalize on the progress made since 2014, the ongoing challenges and the opportunities still ahead. It prioritizes public safety and livability (specifically related to homeless issues and sanitation), housing, parking replacement, and seismic upgrades.

The goals cited in the recently released Requests for Proposals also align with those established in the original Action Plan as vital to redevelopment, including honoring the area’s multicultural history, activating the neighborhood, enhancing real and perceived safety, and addressing community priorities that include ground floor commercial/retail spaces, mixed-income housing/market rate housing, consideration of parking needs, cultural and community uses and culturally relevant design and art work.

The proposed Extension Plan considers the remaining allocation in each tax increment district (\$17.7 million in River District and \$35.5 million in Downtown Waterfront) and prioritizes: i) facilitating development on surface parking lots, privately owned property, Prosper Portland-owned properties with an emphasis on market rate housing, unreinforced masonry buildings, supporting cultural organizations, and district parking solutions as well as potential reconfiguration of Steel Bridge ramps; ii) support for entrepreneurship, neighborhood business and retail, initiatives that support cluster industry and traded sector businesses, partnership with multicultural institutions; and iii) sanitation and cleanliness, stronger coordination among social services and stronger coordination among public, quasi-public and private security efforts.

Action Plan Overview and Accomplishments, 2014 to 2019

What follows is a detailed summary of performance on the Five-Year Action Plan as well as recommended steps and resources to address outstanding goals of the original Five-Year Action Plan as well as updated community objectives.

Nearing the end of the original plan, the majority of the Action Plan Measures of Success have been achieved.

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

Measure of Success	Progress to Date
<ul style="list-style-type: none"> ➤ 500 new moderate-income housing units 	<ul style="list-style-type: none"> ➤ 260 new units of housing have been built at 38 Davis, 108 SW 3rd, and Erickson-Fritz ➤ Of these units, 115 are market-restricted or affordable housing units – at 38 Davis and 108 SW 3rd via the use of the SDC waiver pilot program and

	52 units at the Erickson-Fritz through Portland Housing Bureau investment
➤ Five buildings rehabilitated	<ul style="list-style-type: none"> ➤ Overland Warehouse, Society Hotel, Erickson-Fritz, PNCA, Pine St. Market, and the Hoxton Hotel with Prosper Portland and/or Portland Housing Bureau investments ➤ Merchant Hotel, Mason-Ehrman Building Annex, and Customs House through private investment
➤ District Parking Strategy	➤ Remains an outstanding district priority

2. Promote business vitality by increasing employment and retail activity

Measure of Success	Progress to Date
➤ Five new retail stores	<ul style="list-style-type: none"> ➤ Mi Mero Mole, Charlie’s Deli, Deadstock Coffee, Bridgetown Barber Society, Starbucks, Hello from Portland, Dogwood Pdx, Tryst, Fortune Bar, Pine Street Market (multiple retailers)
➤ Business openings/expansions	<ul style="list-style-type: none"> ➤ Open Sesame, AirBnB, ThinkShout, Moovel, Netop, Society Hotel, CloudEngage, Portland City Boxing ➤ International company WeWork opened co-working space at the long-vacant Customs House
➤ 500 new living-wage jobs	<ul style="list-style-type: none"> ➤ Over the past five years the area has added 614 new jobs (Oregon Employment Department’s Quarterly Census of Employment and Wages) ➤ The Multnomah County Health Department headquarters opened in spring 2019 with TIF financial assistance and houses an additional 300-350 employees ➤ Over that same period, the area has experienced 10% job growth, 28% wage growth, and a strong growth in business headquarters (average salary of \$72,000) and software businesses (average salary of \$83,000)

3. Align resources and build local capacity for improving district livability

Measure of Success	Progress to Date
➤ Four annual neighborhood events	<ul style="list-style-type: none"> ➤ June 2018 – Yoga at the Waterfront ➤ Sept 2018 - Autumn Moon Festival ➤ Aug 2018 - Iconoclast Multicultural Street Festival ➤ April 2018 - Earth Day Neighborhood Clean Up
➤ District promotion	<ul style="list-style-type: none"> ➤ District manager hired to oversee development of district communications and outreach strategy ➤ District brand and identity established

➤ District livability	➤ \$625,000 in grant awards went to community-based nonprofits for community livability projects, including Ankeny Alley, the Portland Chinatown History Museum, the Lan Su Chinese Garden, and Central City Concern’s Employment Access Center
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Resources remain that can address/promote continued investment in Old Town/Chinatown, and actions yet to be achieved point to the need to continue this work.

Action Plan Extension Objectives & Actions 2019-2024

Prosper Portland recommends an extension of the Action Plan by an additional five years; ongoing reservation of \$53.2 million remaining of the original Action Plan TIF commitment; and refined and updated implementation objectives and actions reflective of accomplishments and work achieved over the past five years and updated priorities from the Old Town/Chinatown community.

Focus Area

1.1. Support neighborhood, business vitality and district livability improvements within the Action Plan Focus Area. While investments can be made throughout the entire Focus Area, priority for TIF resources will be given to the neighborhood core east of NW Broadway, south of NW Glisan and north of West Burnside. (See **Action Plan Focus Area Map, page 8**)

2. Neighborhood Investment (Action Item 1.1)

2.1. **Private Property:** Facilitate development on surface parking lots and rehabilitation of privately owned property with an emphasis on:

2.1.1. Market rate housing that complies with the City’s Inclusionary Zoning Policy by placing affordable units on-site.

2.1.2. Unreinforced masonry buildings (URMs) in historic districts, particularly those owned by long-term property owners and People of Color.

2.1.3. Enhancements to the cultural integrity of the district including support of the Lan Su Garden and Oregon Nikkei Endowment.

2.2. **Prosper Portland Owned Properties (Action Item 1.2):** Develop 4th & Burnside and Block 25 with an emphasis on adding mixed-income housing and neighborhood-supporting retail and coordinating with private development in proximity.

2.2.1. Limit support of Fire Station #2 due to building condition and other River District URA priorities.

2.3. **Strategic infrastructure and connectivity improvements (Action Item 1.3):**

2.3.1. In coordination with PBOT, invest in district parking solutions to address both loss of surface lots and increased capacity to serve retail, office, residential and cultural institutions.

- 2.3.2. In coordination with PBOT investments in Central City in Motion improvements, include possible reconfiguration of Steel Bridge ramps to facilitate access to waterfront and improved use of the grounds at the bridge ramp.

3. Business Vitality

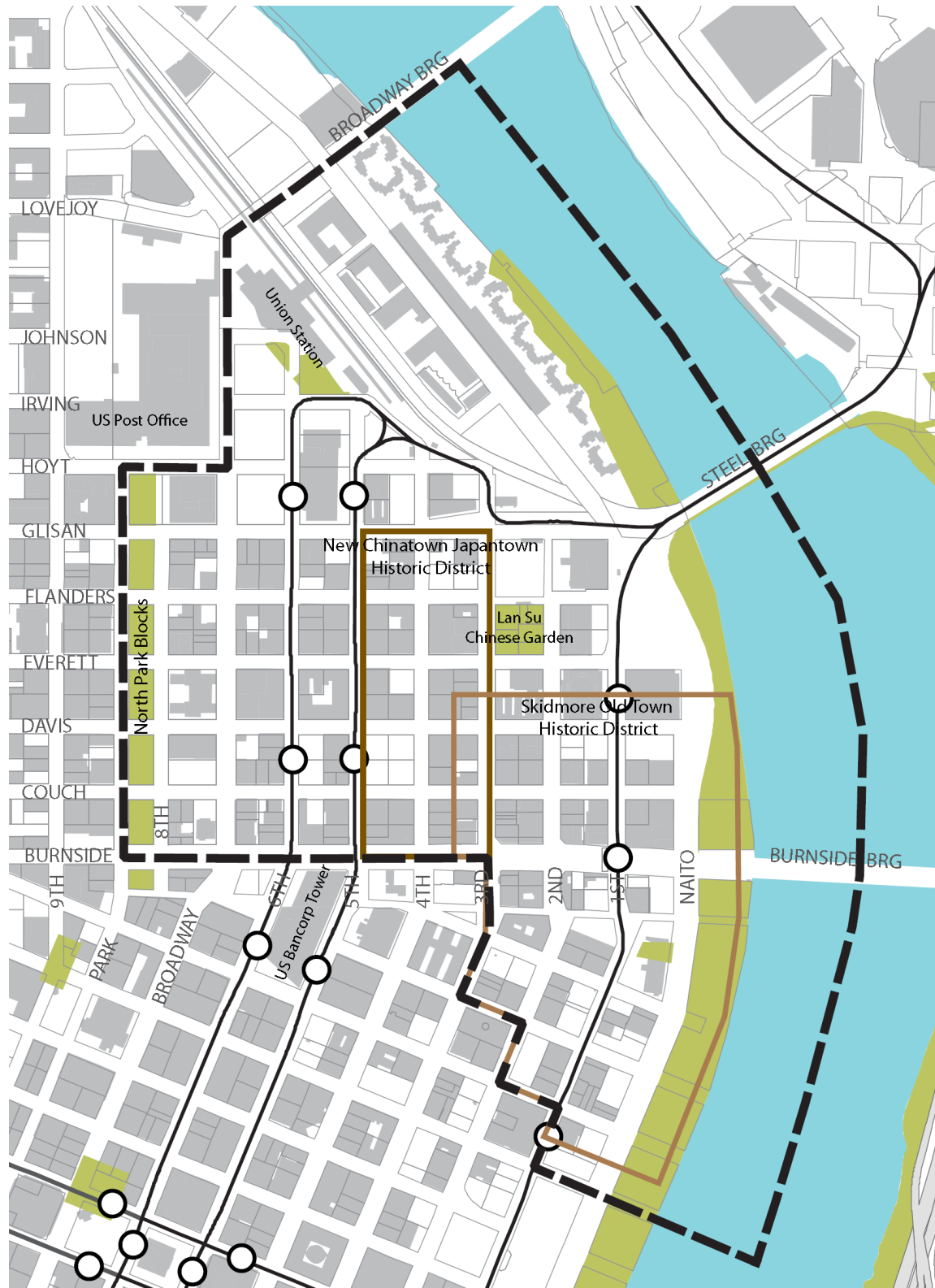
- 3.1. **Neighborhood Business & Retail (Action Item 2.1):** Expand and enhance retail with emphasis on neighborhood-supporting services by supporting current neighborhood businesses and investing in new businesses.
- 3.2. **Entrepreneurship (Action Item 2.2):** Foster a supportive environment for startup business and expansion, especially for owners who are people of color.
- 3.3. **Cluster Industry (Action Item 2.3):** Invest in initiatives that support cluster industry and traded sector
- 3.4. **Honor and enhance the district's multiethnic history and coordination with institutions (Action Items 2.4, 2.5 and 2.6):** including support for the Lan Su Garden Cultural Center expansion and continued engagement with educational institutions in opportunities for partnership, program support and expansion. Furthermore, support the Oregon Nikkei Endowment in establishing a permanent home within the District.

4. District Livability

- 4.1. **Strategic Safety and Livability Initiatives (Action Item 3.1):** Identify strategic safety initiatives:
 - 4.1.1. **Sanitation and Cleanliness:** Invest in projects and/or programs that enhance district sanitation and cleanliness such as additional Portland Loos.
 - 4.1.2. **Reinforce public/private partnerships, City and County Services consistent with the recommendations of the Old Town/Pearl District Task Force** such as stronger coordination among social services and stronger coordination among public, quasi-public and private security entities. Support One Point of Contact, invest in street outreach in ways that reduce calls to police for service involving people experiencing homelessness, and increase services to those with experiencing addiction and/or behavioral health issues.

Action Plan Focus Area Map

Note: While investments can be made throughout the entire Focus Area, priority will be given to the area east of NW Broadway, south of NW Glisan and north of West Burnside.



Measures of Success 2019-2024

Category	Measures of Success	(Gap) Funding
1.0 Neighborhood Investment	Redevelopment of 3 public and/or privately owned sites currently vacant; comprehensive district parking strategy identified; 250 market rate housing units; 50 units meeting inclusionary zoning requirements; redevelopment of 3 un-reinforced masonry buildings.	Prosper Portland TIF
2.0 Business Vitality	Five new retail stores; 250 living wage jobs.	Prosper Portland TIF
3.0 District Livability	TBD (sanitation/public safety)	TBD

Tools & Resources

Resource	Amount FY 19-20 to FY 23-24	Comment
Prosper Portland TIF	\$17.7 million River District URA + \$35.5 million Downtown Waterfront URA = \$53.2 million	Includes any remaining funds not spent from FY 2018-19 budget. Total commitment to Old Town from FY 2014-5 through FY 2023-24 totals \$57 million
General Fund	\$30,000	Support of Old Town Community Association's District Manager position for FY 2019-20 only.
Old Town Community Association	\$30,000 FY 2019-20 then \$60,000 each year for next 4 years totaling \$270,000	Support of Old Town Community Association's District Manager
TBD (Outside bureau/general fund?)	TBD	Support One Point of Contact, invest in street outreach in ways that reduce calls to police for service involving people experiencing homelessness