Plan Review Summary
East Portland Action Plan: Economic Development Assessment

December 2011

For the Portland Development Commission and the East Portland Action Plan Economic Development Subcommittee
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Overview
The East Portland Review explores community change and infill development issues and their relationship to livability and viability. The study is intended to inform potential changes in land development policy/regulation, public services, and other community development-related activities. It study provides information on demographics and development in the East Portland area; identifies issues and concerns of community members and stakeholders; and identifies key planning and implementation projects that address issues.

Relevant Findings

Commercial Areas – Viability and Convenience

- **Underserved Areas.** Parts of the study area are underserved by commercial land and services; other areas may be underserved as population and demand increases. Much of the commercial services provided in the study area are concentrated in key areas: along 82nd Avenue; in Gateway and along Halsey Street; along SE Division Street; and along 122nd Avenue north of Division. Other smaller commercial corridors are scattered throughout: along Sandy Boulevard and Stark Street; with smaller nodes located along outer Powell, outer Foster, and Cully Boulevard. The nodal commercial pattern, combined with a lack of street connections, results in a situation where some neighborhoods cannot easily access local stores and must travel for shopping and services.
  - **Cully:** The Cully area is served by a small commercial node on Cully Boulevard and along Killingsworth Street, which features a full-service grocery store, drug store, and other retail. However, much of the commercial land in this area is oriented toward business services and non-retail uses.
  - **Powellhurst-Gilbert:** The Powellhurst-Gilbert area is underserved by commercial development. The Lents Town Center area is expected to serve much of the commercial need in this area. However, the Lents area is not well located to serve the substantial population expected in the Powellhurst area, as it is over 1.5 miles from Lents and substantially farther and more difficult to access on the road network or via transit.
o **Pleasant Valley**: The developing areas south of Foster Road are centers of substantial single-dwelling residential development. However little commercial land is available that will provide services for households in this area. The study area is adjacent to the developing Pleasant Valley town center area, which will provide future services for the area. However, most residents will likely rely on autos to access these services.

o **Wilkes**: The Wilkes area, located at the northeast portion of the study area, was developed as medium to large-scale residential subdivisions in the 1970s to 1990s, and does not include much opportunity for commercial development. Some commercially designated land along NE Sandy Boulevard provides limited neighborhood commercial services. Development of multi-dwelling residential uses in some of these areas limits future commercial development opportunity.

o **Brentwood-Darlington**: Like Powellhurst-Gilbert, much of Brentwood-Darlington’s commercial needs are envisioned to be met by the reemergence of the Lents town center, as well as commercial development on nearby SE 82nd Avenue and SE Woodstock Street. Small nodes of neighborhood commercial development exist on SE 52nd Avenue and SE 72nd Avenue. The ability of these to serve the area’s growing needs may need further exploration.

- **Vitality of Commercial Areas.** In some parts of the study area, relatively moderate incomes and modest residential densities may limit the ability of the local market to support health local-serving commercial districts. Examples of areas where these challenges currently exist include Sandy Boulevard, Powell Boulevard, Cully Boulevard and portions of SE Division Street. Moreover many of the districts’ commercially zoned sites show a low level of improvements relative the land value. Further, many established commercial areas serving the area were built many years ago. Some do not appear to have benefited from significant reinvestment in their site or buildings. These uses may not compete well for retail and service expenditures when compared to newer nearby centers (e.g., Gresham Station; Clackamas Town Center; Mall 205) outside the study area.

- **Nodal Pattern of Development.** The study area is generally built on a large-scale auto-oriented nodal commercial pattern, as opposed to a pedestrian oriented main street pattern. Thus, most commercial areas are auto-oriented and tend not to be places where neighbors congregate for social interaction. Some places in the study area such as Sandy Boulevard, Cully Boulevard, Lents Town center, and to some extent Halsey Street in Gateway, tend to have a finer-grain texture of development, with smaller storefront-style buildings and local shops that may be more conducive to revitalization of local “place-making” efforts.

- **Residential Development in Commercial Zones**: Residential Development in Commercial Zones. The study area has a constrained supply of commercial land. Residential development is allowed outright in commercial zones throughout Portland. However, when parcels zoned for commercial land in the study area are developed for non-commercial uses, the supply of commercial land is depleted. Overall, there may be a need to assess the supply of commercial land and consider avenues to promote commercial or commercial mixed-use development on commercial sites in order to serve a growing population.
Employment Opportunities

- The study area is generally composed of residential land uses with supporting commercial land. Outside of some key areas, relatively little land areas is available for industrial or employment uses.

- Approximately 15% of the study area’s land area is dedicated to employment and industrial zoned areas. Area employment opportunities are generally focused in three areas, which are also designated as Urban Renewal Areas: the Columbia South Shore/Airport Way, Gateway, and the Lents/Freeway Lands area. Commercial zones provide other employment opportunities throughout the study area.

- The study area experienced a modest amount of new job growth between 2000 and 2004. About 1,100 jobs were created in this time period.

- Employment areas at the north end of the study area – the Columbia South Shore/Airport Way employment area – are expected to experience the most significant job growth between 2005 and 2030.

- Many sites within the study area may be somewhat underutilized, based on level of improvements. For industrial sites, the reason for a low level of improvements may range from a need for open or outdoor storage area for business operations, to environmental contamination concerns or other issues that prevent full intensive utilization of lands. For sites in commercial or employment zones, the need for significant parking may preclude more intense utilization and development. Large amounts of surface parking limit the amount of site area used for retail or service employment. Underutilized sites may be opportunities for further intensification of uses or redevelopment.
East Portland Action Plan (2009)
Portland Development Commission

Overview
The East Portland Action Plan is designed to identify gaps in policies, services and improvements in the area and identify opportunities to address these gaps while complementing existing efforts. The Action Plan contains strategies and actions to provide guidance and direction to public agencies, non-profit organizations, businesses and individuals to address the broad array of opportunities and challenges facing East Portland. These strategies and actions are in support of the ultimate goal of the Action Plan, which is to improve the quality of life, help foster strong community connections, increase the area’s regional significance, and improve equity for East Portland residents.

Key Economic-Development Focused Strategies
The Plan identifies strategies for supporting healthy commercial and mixed use areas and a healthy economy in East Portland:

Commercial and Mixed Use Built Strategies (see p. 19)
- Provide commercial and mixed use development opportunities throughout East Portland.
- Promote vital and healthy multi-use commercial areas.

Economic Strategies (see pp. 32-34)
- Develop and implement a comprehensive economic development plan and policy agenda.
- Promote key opportunity sites for economic development.
- Promote and support small and independent Portland-based and -owned businesses.
- Increase and promote workforce training and employment opportunities for East Portland residents.
Key Findings

Demographics
- Between 2000 and 2008, Gateway’s population increased to over 7,20 residents, with an average annual growth rate of 0.6 percent.
- While Gateway has more lower-income than higher-income households, the percentage of higher income households, particularly among households earning $75,000 or more, increased between 2000 and 2008.
- Only 17 percent of Gateway residents have a bachelor’s degree, compared to nearly 35 percent of Portland residents.
- The Gateway area has more young people and older people than the rest of Portland. About 33 percent of Gateway residents are under 25 years of age, compared to 30 percent citywide. About 16 percent of Gateway residents are 65 or older, compared to about 11 percent citywide.
- Gateway has a higher representation of black, Asian, Hispanic and multiracial residents compared to the city as a whole.
- About 17% of Gateway’s jobs are in education and health services. However, the industry with the greatest proportion of employed residents is manufacturing. Since Gateway has very limited industrial uses, this indicates that many area residents commute outside the area for work.

Competitive Analysis
- In 2008, the Gateway area was home to just under 9,500 jobs.
- Relative to other employment centers in the region, including the Lloyd Center, Kruse Way, Clackamas and the 26 Corridor at Highway 217, Gateway had lower commercial lease rates in the 2nd Quarter of 2010, ranging from $15.69 to $18.60 per square foot.
- However, relative to the employment centers listed above, Gateway has the best combination of highway and transit access, with two interstate highways intersecting at Gateway and three light-rail MAZ lines and five bus lines serving the area.

SWOT Analysis
- Strengths
  - Transit and highway accessibility
  - Access to growing markets
  - Airport access
  - Affordable housing
  - High quality, accessible health care
- Weaknesses
  - Gateway area lacks well-defined geographic boundaries
  - Heavy congestion during commute hours
  - Very limited available land and office/flex/industrial/medical space
- Any substantial new development requires parcel aggregation and redevelopment
- Perception of relatively more crime
- Lack of a common vision for development

**Opportunities**
- Shortage of industrial space as small-scale industrial pushed out of industrial areas
- Large population of production and technical workers + unmet need for vocational-technical training
- Growing demand for high level medical care
- Aging households will turn-over to younger families driving demand for retail
- New parklands will attract new residents and visitors to Gateway

**Threats**
- Glut of office space in other markets and low rents in Gateway
- Other cities may become more aggressive with economic development activities
- Economic recovery may be slower than expected limited availability of credit
- Funds may not be available for necessary public investments

**Opportunity Sites**
The Gateway BDS identifies a combined 16 short-term (0 to 5 years), mid-range (5 to 10 years) and long-range (10+ years) opportunity sites. These sites are detailed in pages 84 to 89 of the BDS Appendices document.

**Draft Gateway Business Development Strategies**

1. **Develop And Implement A Gateway-Specific Business Attraction Campaign That Targets Specific Industries.**

   Industry targets include: medical services, supplies and equipment; educational services, supplies and equipment; food processing; clean-tech; outdoor gear and active-wear; professional services, including software development, design, telecommunications, engineering and architecture; financial, insurance and real estate services.

   a. Define the Gateway product and brand
   b. Promote the Gateway brand
   c. Use local cluster networks and business associations to promote opportunities for expansion in Gateway.
   d. Develop and implement a protocol for responding to business and developer inquiries regarding Gateway’s opportunities.
   e. Create a sense of community by clustering neighborhood retail and services along the Halsey-Weidler couplet corridor.
   f. Market business expansion and re-location opportunities to commercial brokers and commercial/industrial developers.
2. **Establish A Business Outreach And Expansion Program To Pro-Actively Support Existing Gateway Businesses.**
   
a. Develop and maintain on-going working relationships with Gateway businesses, real estate brokers and financing institutions. Conduct site visits with local businesses on a regular basis. Follow-up with requested technical assistance.

b. b. Build off of existing or build new website that serves to link existing businesses with technical assistance resources.

c. c. Building on the Eco-District concept, provide energy and resource efficiency technical assistance to local businesses.

3. **Facilitate Real Estate Development in Gateway**
   
a. Identify opportunity sites for both large-scale and small-scale development.

b. Work with property owners of opportunity sites to proactively plan for future development.

c. Organize a design competition for development of the largest, most visible and accessible site(s).

d. Encourage development with competitive incentive packages.

e. Evaluate the effect of Portland’s taxes and fees on desirable development.

f. Consider establishing a public-sector position with responsibility for fast-tracking Gateway projects through the permit-approval process.

g. Re-evaluate effectiveness of existing zoning and development regulations and consider revisions to allow more flexibility and smaller-scale development activity. Focus revisions on Floor Area Ratios (FAR), parking requirements and required off-site public improvement.

h. Consider developing separate development approaches for three different commercial areas of Gateway: North End; Adventist; and South of Burnside to Stark.
Market Assessment of Prospective Use Types in the Gateway Regional Center Study Area (2011)
Portland Development Commission

Overview
The Market Assessment of Prospective Use Types in the Gateway Regional Center Study conducted by Johnson Reid area examines recent provides an assessment of economic trends and conditions and an analysis of office, retail and rental apartment conditions and future demand.

Key Findings

Market Opportunities

- **Immediate Development Opportunities**
  - Medical Office Space
    - Achievable Rents Adequate
    - Ability to Finance Projects
  - Support/Amenity Retail
  - Gateway Education Center
  - Rental Apartments
  - Structured Parking Not Market Viable

- **Longer Term Opportunities**
  - Build-to-Suit Office
  - Condominiums
  - Townhomes
  - Theaters

- **Entitlements Remain an Impediment**
Central Gateway Redevelopment Strategy (2007)
Portland Development Commission

Overview
The Central Gateway Redevelopment Strategy was initiated by PDC to create a vision and implementation strategy to guide growth and development in Central Gateway for the next 15 years. Central Gateway is within the Gateway Urban Renewal Area (URA) and is roughly bounded by I-205 to the west, NE Glisan Street to the north, 102nd Avenue to the east, and SE Stark Street to the south. The strategy is intended to build on previous planning and analysis, refine and update that work, and to ultimately stimulate private investment in Central Gateway.

Key Findings

Constraints

- **Inadequate Streets and Infrastructure.**
  - No internal east-west streets north of Burnside.
  - South of Burnside lacks sufficient north-south connectors, some streets are unpaved, and others end mid-block.

- **Absence of Large and Vacant Land Parcels.**
  - Very few large, vacant land parcels in Central Gateway.
  - Developers have attempted to assemble properties, but high land prices and infrastructure costs, combined with modest potential rents, have meant that many projects don’t make financial sense.

- **Lacking Sense of Place.**
  - General perception that Central Gateway is unclean and unsafe.
  - Presence of large, dirty sites is seen as a drag on the area’s image.
  - In order to affect positive change and encourage redevelopment, it is imperative to change the public perception of Central Gateway.

Opportunities

- **Flexible Zoning.**
  - Zoning classifications in Central Gateway are some of the most flexible in Portland and allow for development densities similar to what is found in Downtown Portland and the Hollywood District.

- **Location and Access.**
  - Access to Central Gateway is excellent.
  - Central Gateway is adjacent to Interstate 205 and close to Interstate 84.
  - One existing MAX line bisects the area and another future MAX line will be adjacent to Interstate 205.
  - Glisan Street, 102nd Avenue, and Stark Street are major streets that provide access to the rest of the region.

- **102nd Avenue Street Improvement Project.**
  - General perception that Central Gateway is unclean and unsafe.
  - Presence of large, dirty sites is seen as a drag on the area’s image.
In order to affect positive change and encourage redevelopment, it is imperative to change the public perception of Central Gateway.

**Market Findings**

- **Residential.** There are good near-term opportunities for residential development. Gateway is an attractive place to build affordable rental housing and owner housing up to the $250,000 price point.

- **Office.** There are limited near-term opportunities for office development, specifically neighborhood and medical office space. The market for other office development will improve after other more attractive locations in East Portland become built out (such as Clackamas and Cascade Station). Given current conditions, the market for Class A office space in Gateway is 8 to 10 years out.

- **Retail.** There are limited near-term opportunities for retail development, particularly furniture stores, specialty stores, and other small retailers. As the residential market continues to produce housing, retail development opportunities will improve. Gateway will continue to be an attractive location for regional-serving retail (i.e., big box and urban/lifestyle oriented), but the supply of vacant land is very limited.
Portland Development Commission

Overview
The Portland Economic Development Strategy is a five-year strategy for promoting sustainable job creation and economic growth. The Strategy identifies key investments and actions that will be required to support the creation of 10,000 jobs in Portland in five years. It also identifies key parties responsible for implementation as well as a funding plan that estimates the financial requirements necessary to carry out the Strategy and potential funding sources.

The Strategy is guided by three principles:

- The economic benefits produced by our collective efforts must accrue to all Portland residents in the form of access to family wage jobs and opportunities at wealth creation through small business ownership;
- Portland’s competitive position depends on vigilant maintenance of a vibrant Central City and thriving neighborhoods, as well as the sustainable way of life that now defines Portland both locally and throughout the world; and
- Successful economic development is a collaborative effort encompassing not just business and the public sector, but organized labor, academia and the not-for-profit community.

Relevant Findings

Portland’s Economic Advantages

- An unrivaled position as the greenest city in the U.S. due to investments in transit, land use planning and energy efficiency;
- A growing concentration of firms in the clean technology and green building sectors;
- A diversified base of regional employers that serve both as stable sources of employment and leaders of key industrial sectors, including apparel and creative services, electronics and health care; and
- A universally lauded quality of life that will continue to attract creative class and entrepreneurial talent to maintain a dynamic local economy in the face of recessionary pressures.

Portland’s Economic Challenges

- While Portland regional economy grew by 12% between 1997 and 2007, the structure of Portland’s economy causes it to be more vulnerable to declines in consumer spending, business investment and international trade than the nation as whole, and lag behind peer cities such as Seattle and San Francisco in median family income.
- Even during periods of strong regional employment growth, the city consistently lags in job creation. Much of the region’s job growth has occurred outside of Downtown Portland.
- While Portland and the region have made significant investments in “quality of
life," these investments have not created new jobs. Job growth will require explicit investments in retaining and growing firms, training workers, funding innovation and developing catalytic projects.

**Strategy**

- **Competitive industry clusters.** Portland will invest in four industry clusters to promote sustained job growth and a competitive environment for local businesses: Clean Tech and Sustainable Industries, Activewear, Software and Advanced Manufacturing. To support growth in these industries, investments in higher education and workforce development programs tailored to target industries are identified as key objectives.

- **“Urban innovation.”** The Strategy calls for investments in green building and sustainable living, downtown arts, culture and retail, catalytic projects that will create a vibrant Central City, and other projects that support urban innovation.

- **Neighborhood business vitality.** Portland will assist small businesses in becoming more competitive by:
  - offering customized service targeted at businesses with particular promise to create jobs and expand into new markets;
  - improving access to information relevant to small business including technical assistance, financial services, permitting and other resources; and
  - giving neighborhood business districts the capacity building knowledge to start, maintain and grow the vibrancy of local serving retailers and services.

- Specific initiatives that will be undertaken to support neighborhood business development include:
  - Economic Gardening program
  - Portland Small Business Assistance Portal
  - Green “Main Street” program

**Implications for East Portland**

Economic development strategies identified in the Portland Economic Development Strategy have the potential to increase economic prosperity in East Portland by supporting initiatives that will promote business development and job growth in target industry clusters, strengthening neighborhood business vitality through investments in programs that support small businesses, and increasing residents’ access to higher education and target-industry workforce training programs.
The Portland Plan (Proposed Draft) (2011)
City of Portland Bureau of Planning and Sustainability

Overview
The Portland Plan is a strategic plan and policy document. The Plan provides extensive analysis of quantitative data and information about conditions in Portland’s diverse neighborhoods and sets numerical targets and suggests ways of measuring progress toward them. It includes both 25-year policies and a five-year action plan.

The Plan identifies three broader integrated strategies for promoting equity and opportunity:
1. Thriving Educated Youth
2. Economic Prosperity and Affordability
3. Healthy Connected City

Relevant Findings

East Portland Demographics and Planning Challenges
- During recent decades, eastern neighborhoods experienced rapid growth and now include almost a quarter of the City’s total population (about 50,000 households) and more than 40 percent of Portland’s households with children.
- By 2035, the Bureau of Planning and Sustainability projects East Portland will be home to as many as 80,000 households. This rapid growth has strained area schools and highlighted many infrastructure and service deficiencies in the area.
- Between 2000 and 2010, diversity rates in East Portland increased dramatically.
- Poverty has increased in many of East Portland’s neighborhoods.
- In 2010, East Portland had over 50 crimes per 1,000 people.
- Many of East Portland’s schools are overcrowded. For example, between 1998 and 2008, enrollment in the David Douglas school district grew by 34 percent. The influx of school aged children with different needs inside and outside the classroom is driving the need to expand and upgrade facilities and adjust services to meet the needs of its growing and changing student population.
- East Portlanders do not have convenient access to many of the features for which Portland is renowned, such walkable business districts, robust transportation options and easy access to healthy food. There is poor street connectivity in many areas of East Portland, with vehicles dependent on a small number of major streets for through connections. Services and amenities are congregated in automobile-oriented strip commercial areas located on wide multi-lane streets. Most residential streets, and some major streets, lack sidewalks.
- Many East Portland residents are concerned about retaining the area’s distinct character. While the eastern neighborhood sub-areas have a lot in common, they differ in significant ways. For example, the area around SE 122nd Avenue and Division is rapidly being developed with multi-family residential buildings and many young residents are moving in, while Pleasant Valley is a hilly semi-rural area with features and issues similar to some Western Portland Neighborhoods.
Implications for East Portland
The Five Year Action Plan includes actions specifically targeting East Portland. These include:

- **Action 32. Civic corridors:** Incorporate civic corridors concepts, including green infrastructure investment, active transportation improvements, transit service, environmental stewardship and strategic redevelopment in the following efforts to provide a model for future projects:
  - 122nd Avenue planning — to enhance transit service
  - Foster Lents Integration Partnership — to coordinate transportation investments, stormwater management improvements, open space, flood plain restoration and private development and investment.

- **Action 33. Civic corridors:** Through the Sidewalk Infill on Arterials Program, invest $16 million in building sidewalks on arterials in southwest and east Portland to address high priority gaps in the sidewalk network.

The Five Year Action Plan identifies citywide policies and actions intended to support economic prosperity and affordability. These policies and actions are categorized into the following themes:

- **Business Cluster Growth:** Achieve sustained job growth by providing a competitive business environment for traded sector industries.
- **Urban Innovation:** Maintain a leadership position in sustainability and support innovation, research, development and commercialization of new technologies. Strive to produce a “next generation” urban setting that fosters creativity and invention.
- **Growing Employment Districts:** Overcome growth constraints and strengthen location advantages to remain Oregon’s largest job center.
- **Neighborhood Business Vitality:** Strengthen capacity and partnerships to foster economic opportunity and neighborhood vitality throughout Portland.

East Portland will benefit from programs and activities that support business development and job growth through investments in target industries, leadership, education and workforce training programs. It will also benefit from programs that increase multimodal access and connectivity within area neighborhoods and between East Portland and employment and commercial centers in other parts of the City.
Neighborhood Economic Development Strategy (2011)  
Portland Development Commission

Overview
Portland is nationally recognized as a city with an exceptionally high quality of life, progressive land use planning, abundant transportation alternatives, and leading-edge green development expertise. Portland’s residents and neighborhood businesses are part of a regional economy with rising productivity and strong competitive advantages in industries such as advanced manufacturing, clean technology, athletic and outdoor and software. However, Portland’s economy has also produced job growth that is insufficient to meet Portland’s growing population, wages that have not kept up with the rising cost of living, a substantial percentage of people considered “working poor,” and an inequity in benefits that is borne by communities of color and certain family types.

The Neighborhood Economic Development (NED) Strategy articulates how community partners, business leadership and public partners can use focused neighborhood-level actions to collectively foster economic opportunity and neighborhood vitality throughout Portland. The Strategy adds significant depth and direction to the Neighborhood Business Vitality component of the City of Portland’s Five-Year Economic Development Strategy.

Key Findings

Role of Portland Neighborhoods in the Regional Economy

1. Neighborhoods develop, attract, and retain people – our regional workforce.  
   - In a knowledge-based economy, the competitiveness of a region’s workforce is the single most important driver of economic growth.
2. Neighborhood commercial districts contain businesses that meet local and citywide demand for goods and services.  
   - Nearly 64 percent of Portland’s 25,000 businesses are located in neighborhoods. Of these businesses, 49 percent primarily serve neighborhood and cultural markets.
3. Neighborhoods hold key regional business assets.  
   - 77 percent of the largest employers in neighborhoods are in the health and education sectors
4. Neighborhood commercial areas serve as regional employment centers.  
   - Portland’s neighborhoods contain 46 percent, or approximately 179,000, of the city’s jobs.
   - Of these jobs, approximately 43 percent are in retail and personal services; 44 percent are related to educational and health facilities; and approximately 13 percent are in industrial sectors.

Disparities and Regional Disconnections

1. Communities of color face disproportionately high levels of poverty.
2. Jobs are growing on the Westside; poverty is increasing on the Eastside.
   - Recently, the central city and the region’s western suburbs have witnessed strong job growth while east Portland and the region’s eastern suburbs have seen substantial population growth – especially of lower-income residents.
3. Neighborhoods are strained by rapid growth of low- to moderate-income population.
   - Portland neighborhoods offering affordable housing for low income families are often isolated from regional employment centers, bereft of commercial district activity, and lacking in adequate public infrastructure, including public schools and social services, to serve the growing population.
4. Development often accelerates gentrification and displacement pressures.

Insufficient Capacity and Investments to Address Challenges

- Portland lacks a strong network of organizations and non-profit developers active in neighborhood economic development and business district management.
- Portland’s Urban Renewal Areas (URAs) support physical improvements that advance neighborhood economic development. However tax increment financing (TIF), the primary tool for neighborhood revelation, has limitations:
  - TIF can only be used for capital improvements in designated URAS.
  - URAs cover only 15 percent of the city of Portland. Areas outside of URAs have very limited tools to support redevelopment.
  - As URAs redevelop, property values typically increase, which can create affordability issues for residents and businesses.
- At the neighborhood level, traditional planning processes have not led to data- or market driven business district competitiveness strategies.

Implications for East Portland

East Portland’s relatively affordable neighborhoods have attracted a growing number of low and moderate-income households, including many immigrant households and an increasingly diverse population.

Given that neighborhood commercial areas are a vital part of the local economy, supporting business growth and job creation while providing a range of retail and commercial services for local residents, policies and programs that support neighborhood commercial development and revitalization are likely to increase economic opportunities in East Portland.
Overview
The purpose of the Gateway Regional Center Urban Renewal Plan is to support strategic capital and infrastructure investments that will facilitate redevelopment objectives within the 653-acre Gateway Urban Renewal Area. The Plan will implement the Opportunity Gateway Concept Plan, which envisions an intensification of activity in the Regional Center, including increased employment, retail and housing opportunities. Improving multimodal accessibility and safety and creating more efficient and balanced land and transportation patterns are primary goals of the Plan.

Projects and Programs
In order to achieve the Area’s redevelopment goals and objectives, the Plan authorizes a variety of projects and programs, including but not limited to those outlined below. These projects will make the area a more attractive place for investment and will, over time, strengthen the Area’s economic outlook by facilitating new employment, housing and retail opportunities.
| Redevelopment through New Construction | Regional facilities, such as an education center, arts center, government center, Children’s Receiving Center and community facilities such as a multi-cultural center, intergenerational activity center, and childcare center; |
| Rehabilitation and Conservation | Special signage, landscaping, public art, and other improvements to help establish and promote the Regional Center’s identity; |
| Acquisition and Redevelopment of Land | Revitalization and adaptive reuse of land and properties in partnership with local school districts, the City of Portland, Multnomah County, Tri-Met, or the State of Oregon for capital projects which serve the goals and objectives of the Plan; |
| Land Disposition | Facilities that are supportive of the residential, business and cultural communities such as meeting, conference, educational and performance spaces; |
| Public Improvements, including: | Facilities to enhance the safety and education of children. |
| o Parks, public space and open space acquisition, development, and rehabilitation; | Owner Participation – Financial assistance to property owners for: |
| o Pedestrian improvements; | o Infrastructure projects authorized under the Plan |
| o Public facilities and public and private utility infrastructure; | o Projects supportive of the wealth creation, economic development and jobs creation and employment goals of the Plan. |
| o New or upgraded streets, boulevards, bikeways, pedestrian paths, recreational trails, or other public rights-of-way improvements; | o Housing development |
| o Landscape improvements; | |
| o Street furniture; | |
| o Signage and graphics for directional, informational and identity-enhancing purposes; | |
| o Improvements that will protect pedestrians and augment transit passenger facilities; | |
| o On- and off-street parking facilities and structures; | |
| o Transit and transit-related facilities; | |
| o Right-of-way improvements to enhance safe and convenient auto, pedestrian, transit, and bicycle access for arterial and local streets, including but not limited to 102nd and 99th avenues, Halsey-Weidler, NE Glisan, Burnside, and SE Stark-Washington streets; | |

**Implications for East Portland**

Improvements to the Gateway area authorized under the Gateway Regional Center Urban Renewal Plan have the potential to improve the area’s overall economic vitality and to support more intensive employment, commercial and housing development in the area.

Growth in jobs, affordable housing and retail opportunities in Gateway will benefit East Portland residents and the City and region as a whole. Improvements to the area’s transportation and transit system will provide East Portland residents with more convenient access to the area.
Lents Urban Renewal Plan (1998)
Portland Development Commission

Overview
The purpose of the Lents Town Center Urban Renewal Plan is to support strategic capital and infrastructure investments that will facilitate redevelopment objectives within Lents Town Center Urban Renewal Area. The Plan is intended to encourage a range of neighborhood revitalization initiatives, including the revitalization of commercial areas and the creation of new business opportunities.
Projects and Programs
In order to achieve the Area’s redevelopment goals and objectives, the Plan authorizes a range of projects and programs, including but not limited to the following:

Public Improvements
- SE Foster Road Street Improvements:
  - Intersection, pedestrian and bicycle improvements
  - Assist with implementation of Foster Road Transportation and Streetscape Plan (2003).
- SE 82nd Avenue Improvements
  - Intersection and pedestrian improvements
- SE 92nd Avenue Improvements
  - Street, pedestrian and bicycle improvements
- SE 122nd Avenue Improvements
  - Intersection, pedestrian and bicycle improvements
- SE 104th Avenue Improvements
  - Stormwater management and drainage
- Area-Wide Street Improvements – Annual Program
  - Street and pedestrian improvements
- Parking Facilities
- Public Facilities / Spaces
  - Community / Public Service Center
  - Workforce Training Center
  - Public Square / Plaza
  - Gateway Projects
  - School Infrastructure Improvements
  - Public Buildings Improvements
    - Wilkman Building
- Watershed/ Floodwater Management Projects
- Parks and Recreation

Rehabilitation, Development and Redevelopment Assistance
- Economic/Commercial Development
  - Business Finance
  - Storefront Improvement
  - Business Retention
  - Target Industry Development
  - Community Economic Development
- Housing Development
  - Homeowner Repair Program
  - Homebuyer Program
  - Housing New Development and Revitalization / Rehabilitation (Rental and Ownership) Program
    - Housing Replacement
- Commercial Development and Revitalization
  - Lents Town Center Revitalization
  - Station Area Redevelopment
  - Commercial Corridor Revitalization
- Johnson Creek Industrial Area Revitalization

Implications for East Portland
Improvements authorized under the Lents Town Center Urban Renewal Plan have the potential to improve the area’s overall economic vitality and to support more intensive employment, commercial and housing development in the area.

Growth in jobs, affordable housing and commercial opportunities in the Lents Town Center URA will benefit East Portland residents by providing neighborhood and community commercial services and jobs closer to home. Improvements to the area’s transportation and transit system will provide East Portland residents with more convenient access to the area.
Overview
The Portland Infrastructure Investment Pilot Study provides a methodology and approach for better understanding infrastructure conditions and infrastructure return on investment (ROI) potential in four East Portland focus areas: Lents Town Center, Outer Tabor, Powellhurst-Gilbert and the Outer Division Corridor. The study focuses on local neighborhood and community infrastructure facilities.

Key objectives of the study include:
- Document existing local infrastructure conditions;
- Document existing land use conditions and key demographic and socio-economic indicators;
- Review local redevelopment and growth assumptions for housing and employment;
- Summarize planned infrastructure improvements and related capital costs; and
- Document potential measures of public infrastructure return on investment (ROI), including potential property tax revenues and state shared tax revenues that could result following new public infrastructure investment.

Map of Redevelopment Potential and Development Capacity in Study Areas
Key Findings
The Infrastructure Investment Pilot Study analysis results in separate overall grades (or scores) given to each case study area for each of the following measures:

- Infrastructure capacity and condition;
- Development readiness;
- Infrastructure return on investment (relative indication of the number of years it would take for future fiscal revenues to equal the cost of providing basic infrastructure improvements);
- Growth forecast (combined number of jobs and housing units expected to occur next 25 years based on Metro’s growth forecast assumptions); and
- Build-out potential (Portland’s BPS estimate of potential development floor area that is allowed in comparison to the existing level of development floor area).

As shown in the table below, the overall results of the analysis indicate that each case study area has relative strengths and weaknesses. The highest overall grade (B) was given to the Lents Town Center/SE Foster Road Corridor case study area. The lowest overall grade (C+) was given to the Outer Division Corridor area.

### Summary of Overall Grades for Each Case Study Area

<table>
<thead>
<tr>
<th></th>
<th>1. Outer Tabor Area</th>
<th>2. Lents Town Center</th>
<th>3. Powerhurst-Gilbert</th>
<th>4. Outer Division Corridor</th>
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<tr>
<td>Infrastructure Capacity &amp; Condition</td>
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<td>C</td>
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<td>Overall Grade</td>
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<td>B</td>
<td>B-</td>
<td>C+</td>
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</tbody>
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### Outer Tabor Area

**SWOT Analysis Findings (see chart on p. 2 of Pilot Study)**

The Outer Tabor area has several strengths and opportunities that could outweigh local weaknesses over time. Potential public infrastructure investment that helps remove the threats in the area, such as the need to address high-accident locations and need to provide alternative mode pedestrian and bicycle facilities (to address the current weaknesses and threats caused by auto orientation), could make this a more attractive location to live and work.

As part of the Lents Town Center Urban Renewal Area, there is the opportunity to leverage tax increment financing (TIF) for public facilities, such as intersection crossing and pedestrian improvements. The potential reuse of Marshall High School campus presents an exciting new opportunity to address small business job creation and work force training, and could help fill the need for additional indoor recreation and
community meeting facilities that enhance “social infrastructure.”

Public Facilities Gaps and Priorities
Recommended infrastructure priorities for this area include:

- **Bicycle and Transit Network**: The bicycle and pedestrian improvements that have been identified as part of long-range capital plans in the area (see Table 15) do not have adequate cost estimates or budgets attached to them at this time. Additional work should be undertaken to identify preliminary design plans and cost estimates and potential funding, particularly for streetscape and pedestrian improvements along SE 92nd Avenue in vicinity of the MAX Greenline station area.

- **Road/Bus Corridors**: Efforts to convert substandard local streets to paved green streets could induce additional private investment. Long-term regional investment in east-west transit service improvements (e.g., Powell and Division Bus Rapid Transit) will help alleviate traffic on an at capacity Powell Boulevard as well as make short commutes easier in and out of the area.

- **Transportation Investments**: Continue to invest in the area’s transportation system, including improvements to the Division Street corridor.

Additional public investment in the Lents Tech Center at Marshall High School could help serve as a local business incubator for the city and help stimulate job growth in the area. PDC should work with the city and local stakeholders to make the Marshall High School campus a focal point for the community to help foster greater civic involvement and provide missing indoor community recreation and meeting facilities. The fact that current land/home values are well below the city average means that there is significant upside for future residents and businesses.

**Lents Town Center**

**SWOT Analysis Findings (see chart on p. 7 of Pilot Study)**
Similar to the Outer Tabor Area, the Lents Town Center Area has several strengths and opportunities that could outweigh local weaknesses overtime. Recent and ongoing public investment is helping to address the weaknesses and threats in the area, such as the need to address high-accident locations and provide alternative mode pedestrian and bicycle facilities. The Lents Town Center Urban Renewal Area has created the opportunity to leverage tax increment financing (TIF) for investment in public facilities, public/private mixed-use developments, and local business/storefront improvements.

**Public Facilities Gaps and Priorities**
The Lents Town Center Area is a former streetcar suburb with established neighborhoods, community shopping centers and a diverse mix of commercial businesses. With the recent addition of the MAX Greenline transit service (opened in 2009), further public investment is already beginning to establish and leverage private investment. The area includes substantial redevelopment opportunities with PDC assistance.

The list of project improvements in the Lents Town Center Area is considered to address
all known infrastructure deficiencies. However, some of the projects and their costs have yet to be defined.

Recommended infrastructure priorities for this area include:

- **Bicycle/pedestrian Networks**: Three pedestrian/bicycle/streetscape enhancements are planned to enhance safety and access to transit in near-term (2011 to 2017). These projects will improve circulation within the Lents Town Center.
- **Road/Bus Corridors**: Long-term plans include adding a turn lane on 82nd Avenue to address safety and capacity issues. Long-term regional investment in east-west transit service improvements (e.g., the Foster Road streetcar and the Powell and Division Bus Rapid Transit) could provide long-term benefits to the Lents Town Center area.
- **Stormwater**: Regional stormwater facilities and flood mitigation and restoration projects along Johnson Creek could provide indirect benefits to this area and reduce local flooding.

Continued efforts by PDC to encourage small business redevelopment in the Lents Town Center (i.e., Days Theater Project) and larger public/private housing developments in the area could serve as a catalyst for additional private investment. The fact that current land/home values are beginning to increase to the highest levels in Southeast Portland indicates that the attainable rents are beginning to reach levels needed to stimulate private redevelopment in the Lents Town Center area.

**Powellhurst-Gilbert**

**SWOT Analysis Findings** (see Chart on p. 12 of Pilot Study)
The Powellhurst-Gilbert Area also has several strengths and opportunities that could outweigh local weaknesses overtime. Primary strengths in this area include access to parks and regional trails (including the Springwater Corridor trail), good bus transit service, and plenty of residential infill and redevelopment opportunities.

**Public Facilities Gaps and Priorities**
The Powellhurst-Gilbert Area consists of a very low-density neighborhood with few commercial businesses. The area has a very weak pedestrian and street network with poor stormwater drainage at this time. There are no local indoor community recreation or library facilities and limited neighborhood commercial. Despite these limitations, the area is included in the existing Lents Town Center Urban Renewal Area and there are several part vacant infill sites in the area.

Recommended improvement priorities for this area include:

- **Bicycle/Pedestrian Network**: A long-term (2026 to 2035) sidewalk infill project directed at the stretch of 122nd Avenue in the Powellhurst-Gilbert area to help provide improved access to the existing commercial center near SE 122nd and Powell Boulevard. A 136th Avenue bicycle lane project slated for the same time...
period will also help improve multimodal circulation on the eastern edge of the neighborhood.

- **Roadway Networks**: Efforts should be made to bring streets to standard and complete a pedestrian and bicycle network. Improved streets would also help localized flooding (standing water) that occurs.
- **Transit**: Long-term regional investment in east-west transit service improvements (e.g., Powell and Division Bus Rapid Transit) could provide direct benefits to the area.
- **Stormwater**: Regional stormwater facilities and flood mitigation and restoration projects along Johnson Creek could provide indirect benefits to this area and reduce local flooding. However, additional storm drainage improvements, like swales or catch basins, are needed to address localized flooding in the area.
- **Public Community Facilities/Other**: To help create a sense of community, new indoor meeting and/or recreation and library facilities would be beneficial. Continued efforts by PDC to provide mixed-income housing and business investment in the area can help provide a more balanced and complete community over time.

**Outer Division Corridor**

**SWOT Analysis Findings (see char on p. 17 of Pilot Study)**
The Outer Division Corridor Area has several strengths and opportunities that could outweigh local weaknesses over time. Primary strengths in this area include access to parks, good bus transit service, and plenty of residential infill and redevelopment opportunities. The fact that this area is not located within an Urban Renewal Area may limit the level of public investment that is available to help construct infrastructure that leverages private development.

**Public Facilities Gaps and Priorities**
The Outer Division Corridor Area consists of a very low-density neighborhood and one community shopping center and a few scattered small businesses. The area has a very weak pedestrian and street network with poor stormwater drainage facilities. There are no local indoor community recreation or library facilities and limited neighborhood commercial. The area does have some vacant infill and redevelopment sites, and relatively high housing sales prices (relative to the other case study areas).

Recommended improvement priorities for this area include:

- **Bicycle/Pedestrian Network**: Planned improvements along Division Street, from I-205 eastward, include improvements to sidewalks, crossings and bus shelters. This will help increase foot traffic on Division Street, but no cost estimates have been provided at this time.
- **Street Network**: The existing street network is inadequate, with no formal street grid or block pattern. As the area develops in the future, it would benefit from a local street network plan that could include special sources of funding, such as SDC overlays and/or urban renewal district expansion areas. A more formalized street network would also help facilitate non-auto mobility for pedestrians and
bicycles and help address the localized flooding that currently occurs in this area.

- **Transit Service:** Long-term regional investment in east-west transit service improvements (e.g., Powell and Division Bus Rapid Transit) will make Division Street an important part of the transit mix going forward.

- **Stormwater:** Localized flooding (with standing water) occurs along the south side of Division Street today. There are no current projects identified by the city to address this issue. It is recommended that the Division Street project be planned as a green street improvement project to help mitigate local flooding.

- **Public Community Facilities/Other:** To help create a sense of community, new indoor meeting and/or recreation and library facilities would be beneficial. Without the benefit of an urban renewal district, this area may be dependent upon local public investment in new local library facilities.

Property values in the Outer Division Corridor are far lower than the rest of the city, which is favorable since a majority of the land is along Division Street, an area that has excellent exposure.
82nd Avenue Commercial Corridor Retail Market Analysis (2007)
City of Portland Bureau of Planning

Overview
The 82nd Avenue Commercial Corridor Retail Market Analysis provides a detailed market analysis of the 82nd Avenue Commercial Corridor, which extends from Glisan Street to Powell Boulevard, in the context of citywide baseline market trends. The report was conducted as part of Phase II of the Commercial Corridor Strategy, which provided detailed market assessments and business inventories of select commercial corridors in Portland located outside of urban renewal areas and the Central City. Phase I provided an inventory and assessment of the commercial land uses in 93 commercial segments found along Portland’s network arterial streets outside of the Central City.

Key Findings

Land Use
- Employment uses constitute 94 percent of the 260 taxlots along the Corridor, whereas non-employment uses constitute just 6 percent.
- The Retail Trade and Leisure and Hospitality land use categories comprise more than two-thirds of total employment uses and occupy 54 percent of total building square footage along the Corridor.
Although Institutional uses account for just three percent of total employment tax lots, this land use category constitutes nearly a quarter of total building square footage.

Industry Mix

- Motor Vehicle and Parts Dealers are the predominant retail use on the Corridor, accounting for 46 percent of all Retail Trade businesses. Car dealerships represent the majority of businesses in this industry subsector. Of the 29 dealerships in the Corridor, 28 specialize in used car sales. This critical mass of used car dealers offers prospective buyers significant opportunities to cross-shop and has made 82nd Avenue a regional destination for used car sales.
- The Corridor features a broad mix of Food and Beverage stores, including larger discount grocers such as Food4Less and ethnic grocers such as Oriental Market, Thoung XA Fubonn Super Market and Ril’s European Market.
- Accommodation and Food Services businesses account for 25 percent of the Corridor’s total businesses.
- Full Service Restaurants and Limited Service Eating Places (i.e. fast food) together comprise 88 percent of the Corridor’s Accommodation and Food Service employers (44 businesses). The Corridor features 19 Asian restaurants, seven coffee shops and 10 fast food restaurant chains such as Papa Murphy’s, Subway and Wendy’s.
- The Corridor features 14 hair, nail and beauty salons and a range of automotive repair and services businesses.

SWOT Analysis

A SWOT analysis contained within the report summarizes the 82nd Avenue corridor’s strengths, weaknesses, opportunities and threats.

Internal Strengths:

- Many low-density and redevelopable sites
- Low vacancy rates
- Ample on-street and off-street parking
- Overall retail strength and diversity (large retail surplus)
- The market performance of restaurants and car dealerships is especially strong
- Niche market for immigrant populations
- Agglomeration of used car dealerships
- Active business district association
- Presence of anchor developments
- High traffic volumes and visibility
- Freight access for large retailers

Internal Weaknesses:

- Lack of built form consistency
- Inadequate pedestrian and bicycle facilities, including streetscape facilities and lighting
- Crime and perception of high crime
- Perceived low level of cleanliness
- Lack of landscaping and street trees
- Poor building signage
- Traffic congestion and delays
- Retail leakage in the Electronics and Appliances and Building Materials, Garden Equipment and Supply Stores industry subsectors
- Current zoning doesn’t permit mixed-use development
- Car lots, a low-density land use, detract from the Corridor’s physical appearance and may increase vulnerability to crime due to relatively low employment density and foot traffic

**External Opportunities:**
- Regional draw
- Growth in businesses specializing in Asian and Eastern European goods and services could make the Corridor a regional retail destination
- Population and income growth

**External Threats:**
- Competition
- Limited business assistance resources
- 82nd Avenue is a State highway, subject to statewide rules and resource priorities

**Implications for East Portland**
The 82nd Avenue Corridor is one of the largest concentrations of commercial development and employment in East Portland. With a significant agglomeration of used car dealerships, restaurants, and businesses specializing in Asian and Eastern European goods and services, the Corridor currently draws shoppers from local neighborhoods and throughout the region. It has the potential to become a regional retail destination, to attract additional commercial development and job opportunities, and to continue to serve the growing local population in nearby neighborhoods, particularly if key investments are made in street, streetscape, bike and pedestrian improvements, landscaping, signage and other improvements that will increase the Corridor’s safety, multimodal accessibility and appearance.

With a significant number of car lots and 82nd Avenue’s designation as a State highway, the Corridor is auto oriented and has a relatively low employment density. Further, since the Corridor is not located in an urban renewal area, it has limited business assistance resources. Investments in organizations and activities that will support business activity along the Corridor will be critical to strengthening its economic position.
Division Street Corridor Retail Market Analysis (2008)
City of Portland Bureau of Planning

Overview
This report provides a detailed market analysis of the Division Street commercial corridor, from 110th Street to 162nd Street, in the context of citywide baseline market trends. The report is part of Phase II of the Commercial Corridor Strategy. Phase I provided an inventory and assessment of the commercial land uses in 93 commercial segments found along Portland’s network arterial streets outside of the Central City.

Key Findings

Land Use
- Retail Trade, the predominant employment use, represents 33 percent of total businesses, while Office, Leisure and Hospitality, Personal Services-related businesses constitute 22 percent, 21 percent, 17 percent, respectively. Institutional and Industrial-related businesses each constitute 4 percent of the employment uses.
- In terms of building square footage, Retail Trade uses the most space, constituting 49 percent of total employment-use square footage. Office use represents 19 percent of the total employment-related land uses, Institutional represents 12 percent, Leisure and Hospitality represents 11 percent, Personal Services represents 6 percent, and Industrial represents 3 percent. Business numbers do not necessarily reflect the building square footage organizations occupy. For instance, 30 Personal Services businesses use less than half the amount of space that the seven organizations in the Institutional category occupy.
- At the time of study, the Area featured 11 acres of vacant land and over 16,000 square feet of vacant buildings storefronts available for commercial/retail uses.

Industry Mix
- Miscellaneous Store Retailers constitute 24 percent of Retail Trade businesses along the Corridor. The types of miscellaneous store retailers at the corridor include pet shops, tobacco stores, and an assortment of gift and hobby retailers.
- Motor Vehicle and Parts Dealers and Food and Beverage Stores make-up another 34 percent of the Corridor’s retail businesses. There are nine motor
vehicle and parts dealers and 11 food and beverage stores, 10 of which are convenience stores. Accommodation and Food Services businesses account for 25 percent of the Corridor’s total businesses.

- Businesses specializing in Hair, Nail and Skin Care Services are well represented along the Corridor.

Retail Leakage
- According to the neighborhood (one-mile) and community (3-mile) trade area gap analyzes, industry sub sectors with retail leakage include Furniture and Home Furnishings Stores, Electronics and Appliance Stores, Building Materials, Garden Equipment and Supply Stores, Food and Beverage Stores, Gasoline Stations, Clothing and Clothing Accessories Stores, and Nonstore Retailers. The leakage factors for the Electronics and Appliance Stores, Clothing and Clothing Accessories Stores, and Nonstore Retailers sub sectors are significant. The Corridor may be able to accommodate one or more new businesses in these sub sectors.

SWOT Analysis
A SWOT analysis contained within the report summarizes the Division Street corridor’s strengths, weaknesses, opportunities and threats.

Internal Strengths:
- Several buildings and businesses remodeled
- New residential development i.e. Carlwood
- Redevelopment potential; vacant parcels and storefronts
- High traffic volume and visibility
- Commercial retail affordability
- Active business associations
- Variety of small businesses
- Small, minority-owned businesses
- Business owners are often local residents and leaders in the community
- Long-term independent businesses that know history of corridor
- Transportation options: multiple bus lines

Internal Weaknesses:
- Crime and perception of “seediness”
- Perceived low level of cleanliness
- Unattractive storefronts and vandalism
- Some vacant storefronts
- Underutilized parcels
- Incompatibility between some uses i.e. Portland Sand & Gravel Co. and Bike Gallery
- Aesthetically unappealing and no street trees
- Fast moving traffic
- Auto-oriented, uninviting pedestrian environment
- Dispersed commercial development
- Many diverse businesses, but not all thriving
- Transportation issues (pedestrian crossings)
- Poorly maintained roads
- Substandard residential housing
- Possible lack of family wage jobs
- Lacking entertainment options/culture
- No “sense of place, identity, uniqueness, or specialization”

**External Opportunities:**
- Employment growth
- Within a reasonable distance of major roadways including I-205
- Proximity to PCC SE Center, could serve as a partner in community economic revitalization
- Proximity to other corridors
- Nodal development
- Mixed-use redevelopment
- Marketing, branding
- Provide connection between residents from different social and economic background
- Sign and Façade Program

**External Threats:**
- Perception of disproportionate low-income population
- Lack of capital for redevelopment
- Real estate market slow down
- Competition from other nearby corridors
- Competition from big box retailers
- Limited business assistance resources
- Development community more focused on Central City
Overview
The SE 122nd Avenue Study explores opportunities to create a more convenient, healthy, walkable, and vibrant neighborhood in the study area along SE 122nd Avenue between SE Division Street and SE Foster Road. Beyond the study area, a larger area of influence was identified in order to study the broader demographics and market influences affecting the study area.

 Relevant Policies and Findings

Demographics
- The 122nd Avenue Corridor study area is an ethnically and racially diverse place. Over the last twenty years, the percentage of non-white residents has more than doubled (from roughly 12% to over 31%).
- The community is projected to continue to become more ethnically and racially diverse which may create opportunities for new retail and services geared to these communities, but also may drive a need for more non-profit community services to address the population’s changing needs.
  - Median incomes in the area are lower than Portland overall. This may translate to different levels and patterns of spending for the area and has implications for supportable retail uses and rent levels.
  - Lower educational attainment of the population correlates to lower earning power overall.

Land Use and Zoning
- The area has a history of piecemeal land development, which has resulted in an irregular lot and block pattern and a variety of lot sizes that do not easily conform to the Portland Zoning Code standards.
  - Much of the area was initially developed in unincorporated Multnomah County without fully developed urban infrastructure. This makes introduction of new and higher density development challenging from an infrastructure and services impact...
standpoint. New development must help fund missing infrastructure, such as sidewalks, which increases the cost of developing in this area.

- The study area, like much of East Portland, lacks a porous street grid and incomplete sidewalk network. As a result, there are fewer options for connectivity, on foot or by bike or car. This poses a special challenge to creating a 20-minute neighborhood where people’s daily needs can be met by using alternative transportation than the automobile such as walking, transit, and biking.
- The study area south of Powell has a limited amount of commercial zoning and land uses. Residents in this area must travel for shopping and services. As the area grows and develops, the demand for additional commercial uses may increase.
- A better mix of retail and commercial services provides opportunities for residents to meet more daily needs by walking or biking, and may promote more opportunity for social interaction.
- Increased opportunities for small-scale commercial development could support a mix of culturally appropriate goods and services in the area.
- The study area includes few sites zoned for industrial and employment uses.

Business and Market Conditions

- Most area businesses are located in the northern part of the study area. Many households in the southern part of the study area must travel more than one mile for many services. Given that significant retail leakage is occurring in the study area, there may be additional opportunity for businesses to meet demand – particularly in the southern end of the study area where few businesses exist.
- While the northern part of the study area is well served by grocery and other retail and services, the urban form and connections in the area may make these – and other – destinations inconvenient without a car, even to nearby residents. Individuals are more likely to choose pedestrian or bicycle transportation options for convenient, shorter trips. Creating more commercial opportunities in the southern study area and improving connections throughout may induce non-vehicle travel and have positive health impacts for the community.
- The area has several vacant and under-developed commercial parcels. Many of the developed sites have large parking areas, and some of the developments have vacant storefronts.
- Overall, the study area population has a higher than average household size, indicating that households, on average, have more children than in Portland as a whole. Combined with a modest household income, the area has less aggregate spending power than many other neighborhoods.
- With the exception of the grocery and food and beverage stores category, the area is under-served or exhibits significant leakage in all other retail and service categories. This creates significant opportunities for creating a “20-minute neighborhood” with nearby neighborhood services.
- The specialty food stores area exhibits leakage and may be an opportunity for growth, given the increasingly diverse mix of races and ethnicities in the area.
- Recent resident and market basket surveys indicate that nearby grocery options are more expensive than other more distant options; as a result, some residents indicate they leave the area to shop.
The majority of the area has been in an urban renewal area since 1998 and was expanded to include key nodes along SE 122nd Avenue in 2008. To date, many businesses have not accessed PDC financial resources. This may be the result of businesses not being aware of city resources and suggests that there is a need for additional outreach to small businesses in the corridor.
Outer Southeast Community Plan (1996)
City of Portland Bureau of Planning

Overview
The Outer Southeast Community Plan (OSCP) was a large-scale plan that focused on a large area of over 28 square miles generally south of NE Halsey Street. The OSCP addresses six policy areas – economic development, transportation, environment, housing, public safety, neighborhood livability, and urban design – and includes an implementing land use plan map and regulations designed to guide growth and development through 2015.

A major emphasis of the OSCP was developing a regulatory land use framework that managed growth in accordance with the then-underway Metro 2040 Growth Concept, and accommodated Portland’s share of expected regional growth. Another objective of the plan was to provide for a more orderly development pattern in an area where significant growth and development had been occurring.

Relevant Policies and Findings

Economic Development Policy
Improve the vitality of outer southeast business districts and employment centers. Ensure that they grow to serve the needs of outer southeast residents, attract customers from throughout the region, and generate family wage jobs for residents.

Objectives:
1. Foster the revitalization of older business districts including Foster Road, 82nd Avenue, and the former downtowns of Lents and Montavilla.
2. Promote the reuse and redevelopment of vacant, underused, or dilapidated commercial sites on arterials along both sides of I-205.
3. Create up to 6,000 new jobs in the outer southeast area by encouraging development of commercial and industrial areas.
   a. Increase the range of uses allowed in portions of commercial strips that are likely to redevelop. This would include more light industrial uses with fewer restrictions on size.
   b. Maintain a supply of land on which industrial uses can locate.
c. Provide certainty for medical and education institutions, encouraging them to grow and foster related businesses nearby.
d. Encourage the development of a regional center in the area from the Gateway Shopping Center to the Portland Adventist Medical Center.
e. Encourage the development of a regional center in the area from the Gateway Shopping Center to the Portland Adventist Medical Center.

4. Promote the retention and growth of existing businesses to increase the number of jobs they provide.
5. Recruit businesses that provide family-wage jobs.
6. Provide outer southeast residents with information and access to family-wage job opportunities.

**Implications for East Portland**

Examples of economic development activities that the Outer Southeast Community Plan has supported in East Portland include:

- Commercial façade and storefront improvement programs;
- Development of a regional center in the Gateway Shopping Center;
- Expansion of Portland Community’s Colleges 82nd Avenue facility to accommodate job training and educational needs of area residents;
- Development of the Lents Town Center;
- Creation of a network of community organizations to help connect outer southeast residents to jobs;
- Planning and technical assistance to local business associations to improve the area’s business district and employment centers;
- Creation and maintenance of an accessible inventory of vacant and redevelopable industrial sites; and
- Programs to provide educational and development assistance and investment capital for area businesses.
Region 2040 (1990s)

Metro

Overview
In the mid 1990s, Metro adopted the Region 2040 Growth Concept, Framework Plan, and Functional Plan. The Region 2040 Growth Concept establishes a policy direction for managing growth in the region through the year 2040. It outlines the preferred form of regional growth and development, what densities should apply to different areas, how to protect open spaces and natural resources, and how to maintain air and water quality. Its basic philosophy is: preserve access to nature, conserve valuable resource lands by minimizing expansion of the UGB, and build better communities in already urbanized areas for current and future residents. Fundamental to the Growth Concept is a transportation system that provides a range of travel mode options and ensures mobility of people and goods throughout the region.

Metro’s Regional Transportation Plan (RTP) works in conjunction with the Growth Concept to plan for the multimodal transportation needs of the designated areas for additional development. The 2040 Functional Plan and 2040 Framework Plan provide local governments with a comprehensive policy basis for growth management issues, and direct local governments to implement specific standards for achieving growth management objectives.

To accommodate future growth, Metro, along with the cities and counties in the region, jointly designated a number of mixed-use development areas that correspond to mapped region-wide ‘design types.’ The ‘design types’ include a hierarchy of places where growth and development will be focused: regional centers, town centers, station communities, main streets, and corridors.

Relevant Economic Development Policies
A fundamental goal of the Region 2040 Growth Concept is to encourage a strong local economy by providing an orderly and efficient use of land, balancing economic growth around the region and supporting high quality education.

Metro developed a variety of policies to support a healthy regional economy. Key policy themes include:

- **Land Availability.** Periodically assess (and amend if necessary) the urban growth boundary in order to maintain a supply of land for residential and employment uses in the Urban Growth Boundary. In addition maintain an adequate supply of mixed use land in centers and encourage investment in these areas to maximize the efficiency of the region’s existing infrastructure. Take steps to preserve or protect the quality and quantity of the regional industrial land, and access to the region’s industrial land. (Regional Framework Plan, Urban Growth Management Functional Plan)

- **Dispersion of Development.** Promote the distribution of jobs, wages, population, housing, goods and services and economic development, and provide the
opportunity for the entire region to share in the benefits and burdens of growth. (Regional Framework Plan)

- **Freight Movement.** Encourage trade by increasing the efficient movement of all modes of freight. (Regional Framework Plan, Urban Growth Management Functional Plan, Regional Transportation Plan)

**Implications for East Portland**
The 2040 Plan identifies several key locations for development in East Portland. Areas targeted for more intensive, mixed-use development, including a variety of retail, office and employment uses, include the Gateway Regional Center and Lents Town Center. The Plan also identifies several corridors intended to accommodate a range of neighborhood and community-serving commercial development in East Portland, including corridors along Halsey Boulevard, Foster Road, Burnside Street and Division Street. It also identifies several station-area communities along the I-205 MAX light rail line and the East-side MAX light rail line. Since the adoption of the 2040 Plan, a variety of projects supported by multiple plans, including the Gateway Regional Center Urban Renewal Area Plan and the Lents Town Center Plan have supported redevelopment efforts in East Portland.
Brookings Institute

Overview
The purpose of the Brookings Institute’s Export Nation report is to examine recent export trends in the 100 largest metropolitan areas in the United States and to provide new data at the metropolitan scale in terms of where exports are produced and in what industries. The study also describes the nation’s export landscape in detail, discussing why exports matter nationally and providing some national context for the metropolitan-centered discussion. The study also presents a summary of methods used to generate the export estimates and discusses polices that will be required to support increased exports.

Key Findings

National Findings
An analysis of the location of production of U.S. exports, particularly in the nation’s 100 largest metro area in 2008, and between 2003 and 2008 reveals that:

- **Increasing the nation’s exports holds out the potential of generating a significant number of good-paying jobs in the United States.** U.S. exports supported 11.8 million jobs nationally and 7.7 million jobs in the top 100 metro areas in 2008. These jobs amounted to 8.3 percent of the nation’s employment and 8.1 percent of all employment in the largest 100 metros in 2008.

- **Strong manufacturing and patent producing metropolitan areas generate the highest shares of exports from their output.** Manufacturing industries are the most export oriented; so metropolitan areas that specialize in manufacturing tend to export the largest shares of their GMP. Export-oriented metropolitan areas are also significantly more innovative, as defined by their rate of patent production. This may be explained by existing evidence that more innovative firms are more likely to export internationally and that activity reinforces innovation through competition.

- **Four metropolitan areas, including Portland, doubled the real value of their exports between 2003 and 2008.** Houston doubled exports largely through sales of chemicals, while Wichita, KS doubled exports based on its powerful aviation cluster. Computer and electronics led the doubling of Portland’s exports. New Orleans also doubled the value of its exports over the period, driven largely by oil refining.

- **Export intensive industries pay higher wages than domestic oriented industries in large metropolitan areas.** In an analysis of the 94 of the largest 100 metropolitan areas, for every $1 billion in exports of a metro area industry, workers in that industry earn roughly 1 to 2 percent higher wages. Even those exporting industry workers without high school diplomas earn a higher wage. This wage effect can be seen even adjusting for worker characteristics, occupation, or the characteristics of the metropolitan area.

- **Future export growth will come increasingly from large emerging markets.**
Though Canada and Mexico are the nation’s two largest trading partners, U.S. exports to Brazil, India, and China (the so-called BIC countries) have been increasing rapidly during the last decade, doubling in size between 2003 and 2008. The BIC countries are expected to account for about a fifth of the global gross domestic product in 2010, surpassing the United States for the first time. The metropolitan areas that produce the largest U.S. exports to the BICs are well positioned to take advantage of the growth of these countries.

Portland-Vancouver-Beaverton, OR-WA Metropolitan Area Findings

- Among the 100 largest metropolitan areas in the United States, the Portland metropolitan area was the 12th largest producer of exports in 2008. An estimated 21.95 billion dollars worth of exports were produced in the Portland metro area in 2008.
- In 2008, the Portland metro area ranked second in “export intensity,” with exports representing 20.6 percent of the GMP.
- In 2008, the Portland metro area exported $19,456 million in Computer and Electronic Products. The average annual wage for workers in Portland’s Computer and Electronic Products industry was $91,535 in 2008.
- In 2008, the Portland metro area exported $1,015 million of Computer and Electronics exports to China, more than any other U.S. metropolitan area. An estimated 9.2 percent of total U.S. computer exports to China originated in the Portland metro area.
- Computer and electronics manufacturing is hugely concentrated in Portland, OR’s “Silicon Forest,” which has sales 12 times larger than the size of its economy would predict.

Implications for East Portland

Currently, a high percentage of Computer and Electronics manufacturing/export activity is concentrated on the West Side. However, given East Portland’s growing and increasingly diverse population and the region’s growing export economy, the opportunity exists to promote business development in Computer and Electronics manufacturing and other export industries in East Portland. Further, increasing access to targeted education and workforce training programs is another potential strategy for improving the economic standing of East Portland residents.
Oregon’s land use planning system requires cities to provide adequate capacity for employment growth. Statewide Planning Goal 9 requires a city to prepare an “economic opportunities analysis” (EOA). The EOA, which must be adopted by the City Council as part of Portland’s new Comprehensive Plan, has four general parts:

- an analysis of community growth trends and opportunities;
- a forecast of 20-year demand for employment land in the city;
- an inventory of existing developable land supply and estimate of any unmet 20-year needs; and
- a summary of policy choices to provide adequate employment land capacity.

The EOA report, which was first released in November 2009 as a draft is currently being refined based on public comment and feedback, contains findings, policies and strategies that will shape short- mid- and long-range economic, land use and infrastructure investment decisions in the City of Portland the metro region.

**Key Findings: Task 1: Trends, Opportunities and Market Factors**

**Portland Employment Trends**

- As of 2006, there were about 394,000 covered jobs in Portland, equivalent to 39% of the 7-county PMSA’s nonfarm employment base.
- From 2000-06, in-city employment increased by about 0.2% per year compared with a statewide job growth rate averaging 0.3% and PMSA growth of 0.7%. Just over 4,700 jobs were added citywide over this period.
- From 2000-06, manufacturing jobs declined by about 3.5% per year, with all industrial employment dropping at the somewhat lower annual rate of 2.8%. In-city retail jobs also declined. By comparison, employment in education and health care increased by about 3.0% per year. A strong caveat associated with these numbers, however, is that shifts within employment sectors over time are difficult to quantify given classification changes that occurred in 2001, and which tended to move jobs away from the industrial sectors.
- Approximately 29% of in-city employment is located within the Central Commercial comprehensive plan zone, 22% within Industrial Sanctuary, and 12% with Central Employment designations. These Central City and industrial zones account for 63% of Portland’s job base. The most rapid employment growth has occurred within the Central Employment designation.
- When considered by geographic subareas rather than zoning, Portland’s Central City accounted for 34% of the City’s employment base; regional and town centers accounted for 4%; neighborhoods comprised another 28%; industrial districts (excluding the Central City industrial districts of Central Eastside and Lower Albina), 25%, and institutional areas, 9%.
Demand Analysis Issues – Focus Group Input

As part of the EOA planning process, six focus groups involving 58 participants were conducted to provide input on demand analysis topics: central city office, close in incubator, manufacturing and distribution, neighborhood commercial, transit oriented development / mixed use corridors, and campus institutional.

Findings by discussion topic include:

- Despite relatively slow employment growth, the last several years have generally been good for Portland’s major generators of employment activity – at least up to the point of the economic downturn starting in 2007-08.
- Emerging trends center on the overarching theme of “change,” with a promising long-term outlook provided that the pending economic recovery proves sustainable and that the City and region respond to shape this change in ways that keep Portland competitive for added investment and employment.
- Business space and location needs are relatively diverse, but with common themes included opportunities for more mixed use and density with commercial-related uses versus strong desire for protection of more traditional manufacturing and distribution activity.
- Density and redevelopment also elicit diverse responses, from extreme caution expressed by manufacturing and distribution focus group participants to bullish support from TOD/mixed use corridor participants.
- Economic prosperity and creative vitality is viewed as an opportunity for contribution from each of the demand groupings. A key challenge is to harness these diverse interests into a coherent whole.
- Economic development focus suggestions received related to needs for greater and more tailored regulatory flexibility, a transition from regulatory to partnership roles, active marketing but not “picking winners,” and need for improved business incentives.

Demand Analysis Issues – Data Assessment

Key observations are organized around:

- **High rise office development.** Focused on potential for added 4+ story development in the Central City and elsewhere. Mid-high rise development outside the Central City has been limited to date, primarily to a combination of adaptive reuse close-in and to medical/health care facilities in urban centers such as Gateway. Proximity to retail and nearby housing is viewed as increasingly important for future office development both in and outside the Central City.
- **Incubator and manufacturing districts.** Represent two varied prototypes for future export-oriented job growth in Portland. The Columbia Harbor area remains strongly oriented to manufacturing and distribution but service employment has been the dominant source of job growth in recent years. The Central City incubator districts of the Central Eastside and Lower Albina have a more diverse job base and have been experiencing job growth above the city-wide rate. Overall, employment within industrial areas declined slightly.
Key Findings: Tasks 2/3: Supply/Demand

Forecasted Employment Growth

- The draft EOA assumes a 1.7% average annual job growth rate in the seven-county PMSA from 2010 to 2035. This is consistent with Metro’s most recent forecast (2009). The draft also assumes that Portland will capture 27% of the regional growth during that same time period, a rate that is similar to the period from 1980 to 2000, but higher than the past decade.
- The EOA forecasts citywide job growth between 2010 and 2035 under three scenarios: low-, medium- and high-growth. The resulting forecast range of added in-city jobs anticipated over the 2010-2035 period is summarized as follows:
  - Low Scenario (+ 100,000 jobs)
  - Mid Scenario (+ 150,000 jobs)
  - High Scenario (+ 200,000 jobs)
- The mid-range demand forecast estimates that, between 2010 and 2035, the Gateway Regional Center area will generate 5,040 new jobs, and 1,852,000 additional building square feet with an average FAR of 80. In the short-term, Gateway Regional Center is forecasted to add 2,580 new jobs and 691,000 additional building square feet with an average FAR of 40.

Land Supply Inventory

- The inventory completed as part of the EOA supply/demand analysis found over 3,000 of vacant industrially and commercially designated land within the City. However, most of the vacant land is constrained in some way, limiting its availability for development.
- Gateway Regional Center encompasses an estimated 10 acres of vacant land. All of the vacant parcels are less than three acres in size and the majority range from one to three acres.
- Gateway Regional Center encompasses approximately 40 acres of redevelopable land supply. Most redevelopable sites are 3 acres or less in size and 16 acres of redevelopable acreage is on small parcels of 0.5 acres or less.
- Comparing forecasted 25-year land demand with current developable land capacity, the EOA found substantial shortfalls of industrial land, primarily in the Portland harbor and airport districts, and campus institutional land. The EOA identifies potential actions to overcome these shortfalls, such as incentives to encourage brownfield cleanup and redevelopment, or infrastructure investments to allow more efficient use of the existing land supply.