

## The Oregonian

### Portland Business Alliance wants to steer urban renewal money to Old Town Chinatown

*By Brad Schmidt  
August 28, 2014*

Portland's business lobby wants to ensure that property owned by some of the city's biggest real estate names is eligible for up to \$187 million in public redevelopment money.

Last week, the Portland Business Alliance proposed redrawing the city's River District urban renewal boundaries to add about 12 acres in the Old Town Chinatown neighborhood.

The inclusion would enable public subsidies for property owned by some of the city's movers and shakers, including the Goodman family, John Russell, David Gold and John Beardsley.

The business proposal comes as the Portland Development Commission considers changes to several urban renewal districts ordered by Mayor Charlie Hales.

The River District is Portland's most successful urban renewal area, and city officials still have about \$187 million worth of debt that can be issued to pay for development efforts.

In May, the City Council tentatively blessed a plan that would remove about 12 acres from the 351-acre River District, a move meant to put money back on the tax rolls to feed city, county and schools' annual budgets.

But now the Portland Business Alliance wants to keep the River District at 351 acres by taking out successful land in the Pearl (perhaps the former rail yards developed by Hoyt Street Properties) and replacing it with property in Old Town Chinatown.

Much of the targeted Old Town Chinatown land is currently used for surface parking.

Marion Haynes, the alliance's vice president for government affairs and economic development, said more analysis is needed to determine how the proposal would impact Hales' plan to return money to the tax rolls.

But the proposal wouldn't increase the River District's \$489.5 million debt limit nor extend borrowing past the existing 2021 deadline.

Haynes said it's time for the city, which recently adopted a 5-year action plan for Old Town Chinatown, to invest more public dollars in the area. Haynes said she did not know how much of the 12 acres – all within the Skidmore historic district – is owned by members of the Portland Business Alliance.

"Our goal is to provide opportunities to benefit the district," she said.

One of the obvious beneficiaries would be Portland's Goodman family, which owns the land beneath dozens of parking lots downtown.

The Goodmans own about 2 acres that could be added into the River District, Greg Goodman said.

Goodman serves on the city's advisory committee that is weighing boundary proposals. His brother, Mark, is on the board of the Portland Business Alliance.

If the city is serious about its recently adopted action plan for hardscrabble Old Town Chinatown, Goodman said, then officials should ensure that property owners at least have the option to strike deals that tap into urban renewal money.

The 12 acres in question are currently in a separate urban renewal district, called the Downtown Waterfront area. That district, formed in 1984, has only about \$8 million of public money remaining, or, as Goodman put it, "a pimple on a rhino's hiney."

Asked if Goodman would be more likely to redevelop his family's parking lots if the city could bring some of its \$187 million to the table toward a deal, he said, "absolutely, because it makes it more financially viable."

Members of the Portland Business Alliance task force that recommended the plan also include Beardsley, Russell and Gold, who own property or buildings that would be added to the River District. Gold owns a full city block, used as a parking lot, that once was envisioned for an Asian grocery store.

The task force, in a report shared with the City Council this summer, recommended dedicating all unallocated River District money to the Old Town area to renovate historic properties, promote "catalytic" development projects and to pay for structured parking when surface lots are developed.

A spokesman for the Portland Development Commission said staff will provide the urban renewal advisory committee with more information about the business group's proposal, although timing isn't clear.

The Portland Development Commission is expected to finalize boundary proposals by the end of October for City Council approval in November.

A spokesman for Hales didn't immediately respond to a request for comment.

## **Natural Grocers is new anchor tenant at NE Portland site Trader Joe's abandoned**

*By Andrew Theen  
August 28, 2014*

UPDATED: This story has been updated with more reaction from the city, grocer and neighborhood.

Natural Grocers, a Colorado-based grocery chain that's expanding in Oregon, plans to open its newest store on the long vacant city-owned property in Northeast Portland once slated for a Trader Joe's.

The store, which co-president Kemper Isely said specializes in natural healthy food and organic produce at "everyday affordable prices," will fill the void of the 1.79-acre site on Northeast Alberta Street and Northeast Martin Luther King Jr. Boulevard.

"We think Portland is really under-served," Isely said, saying the store will complement other grocery stores nearby while adding services such as free nutritional coaching for customers and cooking classes. The chain's current metro area locations are Beaverton, Gresham, Clackamas and Vancouver.

Mohamed Yousuf, owner of the Horn of Africa restaurant in the nearby Vanport Square retail center, said the news is welcome for his business. "Any grocery store close to our plaza would be wonderful."

Thursday's announcement is the latest turn in a story that started last November after the Portland Development Commission's board approved a \$502,160 sale agreement with California developer Majestic Realty to bring a Trader Joe's to Northeast Portland.

Many neighbors rejoiced at the popular food chain's planned arrival in the changing neighborhood.

But the highly subsidized deal, which included a \$2.4 million discount on the property's value according to a recent appraisal, also prompted criticism from the Portland African American Leadership Forum. The organization argued that the city needed to bring more affordable housing to Northeast Portland to help displaced residents return to the neighborhood.

On Feb. 3, Trader Joe's abruptly announced it wouldn't open a store on the property, citing "negative reactions" from the community. PAALF and other community groups held listening sessions earlier this year to discuss the property, gentrification and affordable housing. In March, Portland Mayor Charlie Hales convened a summit of local leaders, and pledged to spend an additional \$20 million on affordable housing projects in the neighborhood during the next five years.

In a news release, Hales acknowledged the "challenges" of the Trader Joe's proposal.

"But thanks to the determination of the public and private partners involved, we're now able to present a development that will benefit the residents of Northeast Portland, support neighboring businesses, introduce Portlanders to a high-quality, affordable grocer and revitalize a parcel of land that has sat dormant for 15 years."

### City's plans

Patrick Quinton, PDC's executive director, said the urban renewal agency worked for months with Majestic to find an alternative after Trader Joe's pulled out. He said the bones of the original plan for a grocery store development remain the same. The project includes a 15,000-square-foot store, with an adjacent building to accommodate an additional 4-10 retailers.

Majestic will retain as its general contractor Colas Construction, a minority-owned building firm that Majestic had engaged for the Trader Joe's project.

The Natural Grocers deal isn't finalized. Quinton said he planned to return to the PDC board next month with an update on the project.

Quinton said PDC hasn't told the neighborhood or adjacent Vanport Square businesses about Natural Grocers.

Quinton said he informed the King Neighborhood Association earlier this summer that PDC was still at the table and hoped to report back.

PDC and Majestic will work through a community benefits agreement later this year.

"We're not going to change tenants as a result of the process but we certainly want people to be involved," Quinton said.

Officials with Majestic didn't immediately respond to a request for comment. Cyreena Boston Ashby, PAALF's director, declined to comment for this story.

The PAALF and North/Northeast Business Association moderated meetings earlier this summer reaffirmed the need for something to happen on the site, Quinton said.

Tenants at Vanport Square clamored for development on the vacant parcel for years. Quinton said while PDC had worked closely with tenants at Vanport and the neighborhood, the discussion on a Trader hadn't been revisited for a few years.

Quinton said PDC learned that it needed to talk more broadly about community issues when working on high-profile projects.

"That was probably missing the first time," he said.

### Company's expansion

Andrew Colas, president of the construction company, said he's thrilled about the potential for Natural Grocers and the neighborhood.

"It's actually affordable," he said of Natural Grocers.

Colas, a native Portlander who is African-American, Colas said he expects to create 250 jobs during the construction process.

If design work and the community dialogue goes as planned, Colas said, the project could break ground early in 2015 with the goal of opening the store that same year. Colas said the developers had to overcome some "hurdles" but ultimately he said the result would be "an example of true social sustainability in the construction industry."

Isely, the co-president of Natural Grocers, says he was aware of the community debate surrounding the Trader Joe's proposal.

"Trader Joe's is a nice store," he said, "But I don't think you can do all of your grocery shopping there, where in our store you can."

He said the store would offer up healthy foods, with no additives or preservatives. The store will include produce, meat, everyday household products and local goods "priced substantially below everybody else's."

Natural Grocers has 85 locations in 13 states, and Isely said Portland is a key place in the company's growth plans. The company has four locations in the metro area, and hopes to add 8 more in the next few years.

The chain enters a competitive marketplace served by New Seasons, Whole Foods and other natural food stores.

"Most people are not familiar with them as of yet," said Tom Gillpatrick, executive director of the Center for Retail Leadership at Portland State University.

But Gillpatrick said Portland is in the midst of a proverbial food fight with grocer's investing and expanding rapidly. "If you can prove yourself here," he said, "it shows you've got some mojo going."

## The Portland Tribune

### Cha-ching! City sees green in EMS role

*By Steve Law  
August 28, 2014*

When an ambulance responding to a local 911 call drives someone to a hospital emergency room, the company sends a bill for up to \$900.

But when Portland firefighters respond to the same call, even if they arrive first and perform vital lifesaving duties, the city charges nothing.

Now the city of Portland is exploring whether it can earn money by charging for its emergency medical services.

There's a pipeline of new money flowing into the local health care system due to the Affordable Care Act and the increase in insured patients, says Alan Ferschweiler, president of the Portland Firefighters Association. "Everybody knows there's money that's going to be coming in, and everybody wants some of that."

In this case, the Portland City Council approved a little-discussed budget note when it adopted the 2014-15 city budget in June. The two-sentence note directs the city to "reconsider the city's role and potential reimbursement in regards to emergency medical response, including medical response services operating under a city supervising physician."

It appears there are differing political agendas and motivations driving the simple budget note. As Ferschweiler observes, sometimes the smaller the budget note, the bigger the deal and the bigger the controversy.

Some ambulance paramedics and others fear the city could try to supplant American Medical Response by taking over its emergency transport duties — thus collecting those \$900 payments.

In 1993, Multnomah County commissioners voted to have the city fire bureau do just that, supported by a young Portland city commissioner overseeing the fire bureau: Charlie Hales.

But the plan blew up when ambulance paramedics forced a 1994 ballot referendum, and voters rejected the fire bureau takeover — causing bad blood between firefighters and paramedics who work closely together on the scene of medical emergencies.

"There is interest in this building in taking a fresh look" at that transport role for firefighters, says city Commissioner Dan Saltzman, who oversees the fire bureau. But it's not coming from him.

"Clearly, I think, the mayor's office is interested in this issue, and I think the fire bureau," Saltzman says.

Josh Alpert, Mayor Charlie Hales' policy director, says the mayor has no "predetermined conclusions" on whether the fire bureau should again seek to handle emergency transport duties. "I think he is open to the entire spectrum of what's possible," Alpert says.

The idea grew out of city staff work on the budget, Alpert says, when it was an "eye opener" to see the significant role played by the fire bureau in emergency medical responses.

Randy Lauer, general manager of American Medical Response in Oregon, says the genesis of the budget note was the city's desire to retain 26 firefighters whose positions were eliminated in the 2013-14 budget — but retained when the city landed a \$2.3 million-a-year federal grant that expires next year. "I believe the message to the fire chief was to find \$2.5 million to fund those positions from somewhere or you're going to lose those positions," Lauer says.

The spokesman for Fire Chief Erin Janssens didn't respond to interview requests.

City commissioners, by adding the reference to a city medical officer for emergency medical services, also may be trying to put pressure on Multnomah County and its medical officer, Dr. Jon Jui. Jui sets the medical protocols that guide staffing of ambulances and dispatching of fire and ambulance crews on 911 calls. Saltzman says Jui is too cautious and winds up requiring too many personnel be deployed to medical calls, driving up costs.

"He's, in my opinion, been the main obstacle to the deployment of more effective solutions," Saltzman told the Portland Tribune editorial board during his spring re-election campaign.

Officials at Multnomah County Emergency Medical Services declined comment for this story.

Ferschweiler, who handles paramedic duties on fire bureau calls, says Jui is cautious, but that has resulted in a higher "save rate" for people suffering cardiac arrests in the county. "He is having people walk out of the hospital that never should have been 15 years ago, and that is due to him."

Ferschweiler likes the idea of having an independent county medical officer, who can function much like a "special counsel," rather than having someone subject to control by the fire chief or politicians on the City Council.

Ferschweiler and Lauer also say Jui has been more accommodating in recent months, including supporting Saltzman's initiative to deploy more two-person crews in SUVs on lower-level 911 medical calls instead of four-person fire engine crews.

City Commissioner Steve Novick, who oversees the Bureau of Emergency Communications — which runs the 911 dispatch center — says he'd like to see if there are some ways the fire bureau can be reimbursed by the medical system for the work it does. However, Novick sees no need to take over the ambulance transport system.

Novick and others want to change what some call "perverse incentives," whereby firefighters get no reimbursement and ambulances are only paid if they take someone to costly hospital emergency rooms.

The city is working on a pilot project with Health Share of Oregon, the new Coordinated Care Organization for the tricity area's Oregon Health Plan recipients. People who call 911 for lower-level health issues are being transported to clinics instead of emergency rooms, with transport by a cab instead of an ambulance. A \$50 cab ride instead of a \$900 ambulance journey "seems like a no-brainer," Alpert says.

Fire Chief Janssens now is preparing a report to review various money-raising ideas for the bureau. Saltzman says he'll meet in coming weeks with county leaders and others, in preparation for a City Council work session on the issues by year-end.

## **Gateway Green gives East Portland an off-road park**

*By Jennifer Anderson  
August 28, 2014*

Park lovers in East Portland got a big win this week when the city announced plans for a new off-road bike facility at Gateway Green.

Portland City Council on Wednesday unanimously authorized a land transfer for Gateway Green — the 25-acre island of unused land at the confluence of Interstate 205 and Interstate 84 — to the city from the Oregon Department of Transportation.

The acquisition comes from \$19,300 in system development charges, paid by developers to support the increased infrastructure required when homes and businesses are built. Tax dollars were not used.

City leaders and park advocates had long been imagining Gateway Green as a city park and recreation area.

"The location between I-205 and I-84 will boost Portland's visibility as a world-class bike-friendly city, and is a tremendous use of the underutilized land," Parks Commissioner Amanda Fritz says.

She notes the efforts of neighbors and cyclists, who have been pushing the project for several years.

East Portland neighbors Linda Robinson and Ted Gilbert have been spearheading the vision for the project, along with ODOT; Portland Parks & Recreation; Oregon State Parks; Metro; the city of Maywood Park; Gov. John Kitzhaber's office; and bike, environmental and neighborhood groups.

"'Patient persistence' — that's my personal motto," Robinson says. "And this is a perfect example of how patient persistence can pay off."

The site will also enhance wildlife habitat and be a recreation spot for children, families and seniors.

Adds Parks Director Mike Abbate: "Developing this site will strengthen our platinum bike city status and extend our reputation as a city that wisely converts 20th century transportation space into 21st century gathering spots that provide and promote health and recreation opportunities."

Park leaders say two out of every five households in East Portland don't have easy access to a city park; in the rest of Portland four out of five households live within a half mile of a park or natural area.

The nonprofit Friends of Gateway Green project will now look to raise about \$1.6 million by the end of 2015 to validate a Metro "Nature in Neighborhoods" grant.

## **Natural Grocers to build on PDC property on MLK**

*By Pamplin Media Group  
August 28, 2014*

This fall, work will begin on a new grocery store to be located in Northeast Portland.

Mayor Charlie Hales and Kemper Isely, co-president of Natural Grocers, announced today that property owned by the Portland Development Commission at Northeast Martin Luther King Jr. Boulevard and Alberta Street will be the site for a new community-centric grocery store that focuses on free nutrition education and healthy food.

Three months ago, Mayor Hales and PDC staff urged the project developer, Majestic Realty Co., to remain committed to the project and to find another anchor tenant for the 1.79-acre property, following the decision by Trader Joe's not to locate a store on the site.

"The challenges this development has faced have been well documented," Mayor Hales said. "But thanks to the determination of the public and private partners involved, we're now able to present a development that will benefit the residents of Northeast Portland, support neighboring businesses, introduce Portlanders to a high quality, affordable grocer and revitalize a parcel of land that has sat dormant for 15 years."

In March, the mayor committed an additional \$20 million in urban renewal funds to affordable housing in North and Northeast Portland to complement commercial development efforts on Martin Luther King Jr. Boulevard. The Portland Housing Bureau, led by Commissioner Dan Saltzman, is conducting a community involvement process to develop a North/Northeast Neighborhood Housing Strategy to help direct that investment.

Natural Grocers is a Colorado-based chain with stores in 14 states. The company currently has seven locations in Oregon, including four in the Portland area, as well as a new store set to open in Eugene on Sept. 23.

"We have felt instantly at home in Oregon and the Portland area and are very excited to partner on this new development and start building a lasting and beneficial relationship with the community on Portland's Northeast side," Isely said. "The values Portlanders embrace around fresh, local food; resource conservation; and community involvement are perfectly aligned with the business model we've had in place since my parents founded the company nearly 60 years ago."

Preliminary design work will start in early September. In addition to Natural Grocers, the development, when complete, will include commercial and retail space to house between four and 10 businesses. A community benefits agreement and elements of the project design will be developed by a project working group. The group will include representatives from nearby neighborhood, business and community associations and will be formed in the next few weeks. Their work will inform the overall project design and development.

Colas Construction of Portland was selected in January as project general contractor.

## The Willamette Week

### Mayor Charlie Hales Announces Natural Grocers Will Anchor MLK Boulevard Site Abandoned by Trader Joe's

*By Aaron Mesh  
August 28, 2014*

Mayor Charlie Hales this morning announced Colorado-based grocer Natural Grocers will anchor a development on Martin Luther King Jr. Boulevard that Trader Joe's abandoned after backlash this spring. "The challenges this development has faced have been well documented," Hales said in a statement. "But thanks to the determination of the public and private partners involved, we're now able to present a development that will benefit the residents of Northeast Portland, support neighboring businesses, introduce Portlanders to a high-quality, affordable grocer and revitalize a parcel of land that has sat dormant for 15 years."

The Portland Development Commission had completed a deal last November to sell a city-owned property at Northeast Alberta Street and Martin Luther King Jr. Boulevard to California-based developer Majestic Realty as the site of a Trader Joe's.

The sale came at a \$2.4 million discount, and the deal sparked backlash about the PDC's role in gentrifying historically African-American neighborhoods.

Hales attempted to revive the Trader Joe's deal this spring, but couldn't woo back the California grocer.

Natural Grocers has stores in 14 states. Its locations include stores in Beaverton and Gresham.

## The Daily Journal of Commerce

### Natural Grocers signs on to Northeast Portland project

*By Jeff McDonald  
August 28, 2014*

Lakewood, Colo.-based Natural Grocers has signed a letter of intent to fill the space previously reserved for Trader Joe's in a key commercial development that city leaders are hoping will revitalize a neighborhood in Northeast Portland.

Mayor Charlie Hales announced the agreement reached between the grocer, Los Angeles developer Majestic Realty, the Portland Development Commission and minority contracting firm Colas Construction, which will build the store and an adjacent commercial building.

Colas Construction had been tapped to build the Trader Joe's store for Majestic, and will remain as general contractor under the new agreement, according to the city.

Community leaders previously expressed concerns about the lack of transparency in the Portland Development Commission's sale of the 1.79-acre lot to Majestic in November. Trader Joe's was identified as a key tenant in a commercial project, but it later pulled out amid resistance from neighborhood stakeholders.

"Northeast leaders were very excited about (the agreement)," said Dana Haynes, Hales' spokesman. "They believe it will promote jobs in the area and are excited that it's Colas Construction that will be doing the work."

The design process will include development of a community benefits agreement, which will guide minority contracting goals and how they are met through the development process, Haynes said.

The Portland Housing Bureau also announced a series of workshops featuring discussions about how to create an affordable housing strategy for the area. The city plans to invest \$20 million in affordable housing in North and Northeast Portland over the next five years. The first workshop will be held Sept. 18 at 6:30 p.m. at the Highland Christian Center in Northeast Portland.

Construction of the Natural Grocers-anchored development could begin by late fall.

## The Skanner

### City Inks Alberta Street Grocery Deal with Natural Grocers

By Lisa Loving  
August 28, 2014

It looks as if peace will reign at the corner of Alberta Street and Martin Luther King Jr. Boulevard after all.

Mayor Charlie Hales announced this morning that the street corner lot that tore communities apart over a proposed Trader Joe's store will be the home of Golden, Colo.-based Natural Grocers, an affordably-priced national chain known for "free nutrition education and healthy food."

Kemper Isely, co-president of Natural Grocers, is in town today to stand with the Portland Development Commission in making the announcement about the empty lot – where large signs announcing the new store are already being erected by Colas Construction, the prime contractor for the development.

"I grew up and now reside in North Portland and I am honored to have Colas Construction lead a project that will deliver real jobs, real amenities and real opportunities for neighborhood residents," said Andrew Colas, president of Colas Construction, in a statement this morning. "I want to thank Majestic Realty for the commitment to us, to this neighborhood and to this project. I am so excited to break ground."

Earlier this year a handful of community organizations as well as small groceries already operating in the neighborhood protested a proposed Trader Joe's store on the site because, in part, the groups were not at the table when negotiations were made between the City, the corporation, and California-based Majestic realty Company, which actually owns the land.

However after a flurry of outreach by Hales' office, new relationships were struck with the Portland African American Leadership Forum and other grassroots organizations. At a press conference last spring, the Portland NAACP held a press conference on the lot to offer support to the Mayor's future plans.

"The challenges this development has faced have been well documented," Mayor Hales said in a statement this morning. "But thanks to the determination of the public and private partners involved, we're now able to present a development that will benefit the residents of Northeast Portland, support neighboring businesses, introduce Portlanders to a high-quality, affordable grocer and revitalize a parcel of land that has sat dormant for 15 years."

In the statement announcing the new store the Mayor's office said:

*In March, the mayor committed an additional \$20 million in urban renewal funds to affordable housing in North and Northeast Portland to complement commercial development efforts on Martin Luther King Jr. Boulevard.*

*The Portland Housing Bureau, led by Commissioner Dan Saltzman, is conducting a community involvement process to develop a North/Northeast Neighborhood Housing Strategy to help direct that investment. Natural Grocers is a Colorado-based chain with stores in 14 states. The company currently has seven locations in Oregon, including four in the Portland area, as well as a new store set to open in Eugene on Sept. 23.*

*"We have felt instantly at home in Oregon and the Portland area and are very excited to partner on this new development and start building a lasting and beneficial relationship with the community on Portland's Northeast side," Isely said. "The values Portlanders embrace around fresh, local food; resource conservation; and community involvement are perfectly aligned with the business model we've had in place since my parents founded the company nearly 60 years ago."*

*Beyond a place to buy healthy food, the new store brings many additional benefits to the Northeast Portland community, including; an on-site credentialed nutritional health coach, provided at no charge, to answer questions, help with meal planning and provide one-on-one nutrition counseling, along with other free nutrition education options like cooking classes and demonstrations, and lectures on topics of interest to the community. "We work hard to make*



*healthy options affordable so that customers feel empowered in our stores,” Isely added. “We are deeply committed our neighbors and we look forward to being part of the Portland community for years to come.”*

*Preliminary design work will start in early September. In addition to Natural Grocers, the development, when complete, will include commercial and retail space to house between four and 10 businesses.*

*A community benefits agreement and elements of the project design will be developed by a project working group. The group will include representatives from nearby neighborhood, business and community associations and will be formed in the next few weeks. Their work will inform the overall project design and development.*