

The Oregonian

James Beard Public Market scraps plan for downtown location

*By Brad Schmidt
October 28, 2016*

Long-held plans to build a public market at the west end of the Morrison Bridge have been discarded in favor of a new but undetermined central city location, the project's chief proponent said Thursday.

The decision is the latest obstacle for the James Beard Public Market and represents a wholesale switch from the development proposal approved by Multnomah County leaders five years ago. The market had been a showpiece in the pitch but that public amenity will now slip away, even as the private developer moves forward with plans for a high-rise tower.

Leaders for the public market are hoping to find a new location on Central Eastside property owned by the Oregon Museum of Science and Industry or on land in the South Waterfront owned by the Zidell family, said Fred Granum, executive director for the food project. Building at the bridgehead site proved too difficult, he said.

A new location might not be selected until May. But Granum is undeterred, saying fundraising efforts for the \$25 million to \$30 million project are strong while also emphasizing it still can be built by 2020.

"There has never been a brighter moment," said Granum, declining to say how much private money has been raised. "There has never been more traction."

The public market has been an elusive vision for more than a decade but seemed to gain serious momentum in 2011. That's when Multnomah County's Board of Commissioners decided to sell 3.12 acres on the west side of the Morrison Bridge, picking a proposal by Melvin Mark Development Company and the public market over another pitch from Gerding Edlen and Downtown Development Group.

Although Melvin Mark planned to build a 17-story tower, the public market had been billed as the centerpiece. Multnomah County Chairwoman Deborah Kafoury, a commissioner in 2011, said the market was "uniquely Portland."

"As owners of this land, and as a government agency, we really have an extra level of responsibility to make sure that this property is developed in a way that is uniquely Portland, and is special, and brings a benefit to citizens of our community," Kafoury said at the time.

But when county leaders approved a formal development deal in 2012, it didn't explicitly require completion of the public market. County officials sold the property last December for \$10.4 million. Kafoury didn't respond to a request for comment Thursday.

County officials had been clear as early as 2011 that the property had limitations, most notably circular on- and off-ramps for the Morrison Bridge. And officials had been clear that would-be builders needed a "development strategy that assumes the loop ramps remain."

But Melvin Mark and public market officials began pressing the city of Portland in 2014 about removing the ramps to make the site easier to develop.

Earlier this summer, lacking the concessions they wanted, public market officials decided to move on.

"We just saw it was going to take too much time and too much money to do it there," Granum said.

Granum declined to address why market leaders pushed for ramp removal when Multnomah County set clear expectations at the outset. Granum inherited the project from Ron Paul, who spearheaded the market effort until his death last December.

"It's easy to do the Monday morning quarterbacking, and I don't want to get into it," Granum said.

Granum said market leadership never made a public announcement about the location change because officials were trying to pin down a new site. The Oregonian/OregonLive began asking city and market officials about the location change Wednesday. On Thursday, the move was reported on the Portland Architecture blog.

The last publicly available schedule for the project called for fundraising to wrap up in September. Granum said that schedule, presented to Multnomah County last year, was "unrealistic" because of ramp issues.

Granum said he now expects fundraising numbers won't be announced for another year.

"On schedule or off schedule, certainly schedules have changed," he said.

That's not the only thing to change.

The high-rise project and market proposal had originally been pitched by Melvin Mark Development Company. But in December, just as the county land deal became final, the company's long-time development leader, Dan Petrusich, bought out the development division and created his own business, called MMDC Company.

Petrusich now owns the property through a limited liability company called Morrison Bridgehead. Melvin Mark has no stake in the land or business, said Jim Mark, the company's chief executive.

Petrusich said he would still like to see the market move forward on his land.

"Their leadership changed and, with it, the vision for the project at the site changed," he said. "It's beyond our control if they decide to do something else."

Petrusich said he believes he would have won control of the county's land even without the public market concept. Records of the county's evaluation process weren't immediately available Thursday.

But in 2011, when county officials selected the market-and-tower proposal, it scored 249 points compared to 223 for the other project, according to meeting records.

Granum remains bullish about the market's completion in a new location.

He expects to privately raise half of the project's cost and secure the other half through a combination of public contributions, tax credits and debt.

The Portland Development Commission, the city's urban renewal agency, hasn't been approached so far.

"We have no active conversations about funding the public market," spokesman Shawn Uhlman said. Asked about the future, Uhlman wasn't willing to preclude it.

Granum said market leaders have never considered giving up.

"We've got substantial support from the public, from government officials," he said. "This is something the city deserves. It'll be a great attribute for the city."

The Portland Tribune

Terminal 1 may get for-sale sign

By Jim Redden

November 1, 2016

This Wednesday, the City Council will consider putting Terminal 1 up for sale for the second time. The hearing is a victory for Commissioner Nick Fish, who is in charge of the Bureau of Environmental Service, which owns the 18-acre piece of industrial property in Northwest Portland.

The original sale had been put on hold when the council voted 3-to-2 to lease the site to the Portland Housing Bureau for a temporary homeless shelter and potential permanent homeless multiservice center.

But Fish did not stop the shelter or center from being opened. Commissioner Dan Saltzman, who is in charge of the Portland Housing Bureau, pulled the plug on the project last week.

Fish had approved the lease between the two bureaus that would have let the two projects — originally proposed by developer Homer Williams — go forward. In an unexpected move, Saltzman refused to authorize the sub-lease to Williams' project operating group, called the Oregon Harbor of Hope.

Saltzman made the decision last Tuesday, Oct. 25, after Williams presented him with a detailed proposal for opening the temporary shelter by the end of the year. It said the shelter would be operated by his organization and managed by Ibrahim Mubarak, a well-known homeless advocate and founder of the Dignity Village and Right 2 DreamToo homeless camps.

The proposal called for the shelter initially to be opened in a quarter of a warehouse at the site to accommodate 100 people and then expanded over the next 12 to 18 months to house up to 400 people. And it included an operating budget that started at around \$1 million a year and increased to about \$2.4 million a year when the shelter was complete.

Williams said he already had raised the \$300,000 needed for start-up costs and was well on his way to raising all operating costs except for the lease payments, which the council had authorized the housing bureau to pay.

The council authorized the lease on Aug. 10. Mayor Charlie Hales and Commissioner Steve Novick joined Saltzman to vote "yes." Fish and Commissioner Amanda Fritz voted "no." The vote stopped the surplus sale process for the property that produced seven bids ranging from \$6 million to \$10 million.

But the housing bureau ultimately objected to Williams' management plan for the first phase of the project. In a memo delivered to Saltzman shortly before he made his decision, director Kurt Creager complained that Williams' organization has no experience operating such a shelter.

"The proposed leadership have insufficient demonstrated capacity to oversee and manage day-to-day operations of an emergency shelter, including administrative functions, management and scheduling of shelter volunteer and staff, establishing and implementing low-barrier eligibility guidelines, policies and operations supporting low-barrier shelter in compliance with federal, state and local requirements and legal obligations," the memo reads, in part.

In fact, Williams naively had agreed to open a "low-barrier" shelter in the warehouse. That is the hardest kind of shelter to operate because it means everyone except children must be admitted.

The plan Williams submitted to Saltzman reveals that those working there must be prepared to handle potentially volatile clients. Among other things, Williams said the staff and volunteers would be trained or have experience in verbal/trauma de-escalation, assertive engagement, mental health basics, crisis intervention, health record privacy policies, cultural responsiveness and principles of nondiscrimination.

Although Central City Concern and the Union Gospel Mission offered to provide services, no experienced low-barrier shelter operator in the area stepped forward to operate it.

Saltzman gave Williams his decision after an Oct. 25 meeting that included both men, Harbor of Hope director Don Mazziotti, incoming mayor Ted Wheeler's chief of staff Maurice Henderson and others.

Williams said he was "surprised and disappointed" by Saltzman's decision, but is prepared to continue working with the public, nonprofit and business communities on the issue.

"Portland is in the midst of a homelessness crisis that will only become more significant in the coming weeks and months due to an explosion in population and the lack of affordable housing. Homelessness is a heartbreaking crisis in every respect," Williams said.

Following Saltzman's decision, Fish submitted the resolution to start the bidding process on Terminal 1 again. He believes several potential buyers dropped out after the council signaled its support for the lease, lowering the potential sales price that can be used to reduce future environmental services bureau rate increases.

Daily Journal of Commerce

Portland wrestles with inclusionary zoning loophole

*By Chuck Slothower
October 31, 2016*

The new Oregon law that allows for local inclusionary zoning policies has a potential loophole that could let developers evade the law's purpose by building significant multifamily projects with no affordable units.

The law, enacted by the Legislature in March, allows municipalities to require developers of buildings with 20 or more units to provide affordable units. The city of Portland is the first municipality in the state to move forward with plans to establish affordable housing requirements.

The law states that any affordable housing requirement “may apply only to multifamily structures containing at least 20 housing units.”

“Structures” turns out to be a key word there. Notice that the law doesn’t say “building sites.”

Savvy developers have already asked city planners what prevents them from building multiple 19-unit structures at one site with no affordable units. The answer, for now, seems to be nothing.

The potential loophole was discussed at a Portland Design Commission meeting on Oct. 20.

“One of the things we’re hearing from folks is: ‘Why don’t I build two 19-unit buildings in a site?’ ” said Tyler Bump, senior economic planner for Portland’s Bureau of Planning and Sustainability.

“So you don’t expect a bunch of 19-unit buildings spread across the city, do you?” Design Commission Chairman David Wark asked Bump.

His answer was ominous: “I don’t know.”

Bump said the loophole may need to be closed with state legislation or city-level density requirements, which raise their own set of unintended consequences.

City officials are aware of the issue, but say there’s little they can do given the limited flexibility built into the state law.

“What we can do is what the parameters of the state law give us,” said Shannon Callahan, policy director for Commissioner Dan Saltzman. “That is one of the exemptions that (the affordable housing requirement) doesn’t apply.”

Separating a multifamily development into distinct buildings could make sense for some developments, particularly those with lower density, Callahan said.

“Obviously you’re not going to get a point tower in downtown Portland that would do that, but I think there’s a possibility on smaller sites that that could happen,” she said.

Bump said planners were surprised when they looked at the law.

“It was a little bit of a surprise to people that it was building but not site, and what the implications would be,” he said.

City officials fear a response similar to one in 2013 when new parking standards required developers to provide parking for buildings with more than 30 multifamily units. The result was an initial rush of 30-unit buildings. That faded as developers became accustomed to working with the 30-unit parking requirement, Bump said.

“We will be tracking the permits that come in and the proposals and see if there’s a trend in the 19-unit building thing,” he said.

Bump is sifting through the inclusionary zoning policy for other unintended consequences. If developers choose to separate relatively small multifamily developments into two buildings, it

could result in a type of development known in design circles as auto courtyard, with two buildings split by a parking lot.

“If you’re going to have to separate them, there’s more value in the market to create parking,” Bump said.

A proliferation of auto courtyard projects would conflict with a number of the city’s goals, including encouraging pedestrian-friendly design and transit use.

“It’s not really conducive to a pedestrian environment when you have curb cuts getting added, and I’m sure there are additional transportation impacts,” Bump said. “We’d have concerns from an urban design perspective.”

Portland developer Vic Remmers’ company, Everett Custom Homes, builds urban multifamily projects. The policy could result in lower-density construction, he said.

“My concern is you’re going to get more under-building, which is what you’re getting right now (with the 30-unit parking requirements),” he said.

About 80,000 multifamily units will be built in Portland through 2035, including 30,000 in the Central City and 50,000 in mixed-use zones, according to city projections. In a best-case scenario, according to Bump, 10 percent to 20 percent of those – or 8,000 to 16,000 – will be built as affordable units.

Portland’s inclusionary zoning policy is on an aggressive track toward adoption. The City Council is set to consider adopting the policy by Feb. 1, 2017. The Planning and Sustainability Commission heard testimony on the policy Tuesday.

City officials hope incentives built into the inclusionary zoning policy prove attractive to developers.

“Hopefully we have an inclusionary housing policy that works to achieve our density goals, our urban design goals and our affordable housing goals without unintended consequences,” Bump said.

Temporary homeless shelter, then renovation

*By Sam Tenney
October 28, 2016*

A downtown Portland building will serve as a temporary homeless shelter through the upcoming cold months before undergoing an adaptive reuse to become a mixed-use office building. Officials with the City of Portland, Multnomah County, housing nonprofit Transition Projects, and building owner project^ announced Friday that the shelter, which will house about 100 people for around six months, will open in mid-November.

The four-story office building, at 333 S.W. Park Ave., was built in 1907 and sold last month to project^ for \$2.95 million, according to city records. It formerly housed a nightclub on the ground floor and artist spaces on the upper three floors. Rather than allow it to remain empty while renovation plans are finalized and permitted, project^ managing partner Tom Cody decided to make the building available as a temporary shelter to help with the city’s ongoing

homeless problem. The move is similar to one that Menashe Properties did early this year with one of its vacant buildings.

“If you are a participant in civics in our city, you can’t help but be exposed to this issue,” Cody said. “And we own a lot of property in and around downtown, and so I think it’s incumbent on everybody, to the extent you can, to play a role to try and figure it out.”

Cody was an opponent of the now-defunct Terminal 1 homeless shelter plan, which was proposed for a Northwest Portland industrial property near the site of Field Office, a \$100 million project[^] development that began construction this past summer. In speaking with homeless experts about solutions to the issue, Cody became convinced that smaller and geographically distributed homeless shelters are most effective. With a newly purchased building that was code-compliant and safe, he decided to make it available as a shelter.

“There are a lot of people a lot smarter than I am figuring out long-term solutions, but in the interim we need temporary emergency shelter,” Cody said. “Because it’s going to take years until we have the housing stock we need to solve the problem on a long-term basis.”

Contractor Yorke & Curtis has begun interior demolition on the building, removing demising walls and stripping it down to its shell, in preparation for shelter and subsequent renovation work. The shelter will be operated by the nonprofit organization Transition Projects and will be restricted to the building’s ground floor. A full renovation will begin on the building when the shelter closes next spring. Project[^] has enlisted Beebe Skidmore Architects to design the improvements.

The building has been known as both the Bushong & Company Building and the Modish Building. Project[^] plans to convert the upper three floors to office space, possibly adding another floor, and build a restaurant space on the ground floor. According to Cody, the renovation work is expected to last six to eight months.

City Council gives approval to add permitting staff at BDS

*By Garrett Andrews
October 28, 2016*

The Portland City Council on Wednesday passed its fall supplemental budget – an \$18 million infusion that included funding for 16 new positions at the Bureau of Development Services and one position to support the Equitable Contracting and Purchasing Commission.

Staffing at BDS tends to ebb and flow with development activity, and the bureau was cut in half during the last recession, from about 330 staffers in 2008 to 160 three years later. The 2016 fall supplemental budget, or “bump,” calls for reinstating positions across the board, from administrative specialists to senior engineers.

Also, an allotment of \$42,170 will go to the Office of Equity and Human Rights to hire a full-time staffer dedicated to assisting the ECPC.

The ECPC has had a rocky 12 months of existence since its first meeting last October, including a bureau relocation and front-page stories publicizing a no-confidence vote in the city council.

Members have criticized Mayor Charlie Hales for appearing distant and not giving the commission the tools it needs to be successful.

ECPC member Maurice Rahming said the staff person would likely be involved in data collection, fine tuning reports to council and inter-bureau communication.

“That’s one of the things that Charlie promised, and it looks like he’s going to deliver,” Rahming said.

The new staff positions will grow total city staff to 6,175.38 FTE.

Other bump funding includes \$1 million for “Vision Zero” traffic planning efforts to reduce fatalities in East Portland, and \$120,000 to replace 10 overhead doors at five Fire Bureau stations.

Commissioner Nick Fish said three bump-funded positions in the Water Bureau will aid with the added burden of lead testing, which has been a hot-button subject since lead was found in the drinking water of Portland Public Schools facilities.

In other business:

The council ratified an agreement between the Portland Bureau of Transportation and the Laborers International Union of North America Local 483 upping pay for dangerous sewer work.

The \$2 per hour premium will apply to confined space work (CSET) and work with hazardous materials from sewers (CHMS). It will be applied retroactively through July 1, 2015.

Forecasters expect the premiums to cost the city approximately \$16,500 per year.

The council agreed to proceed with construction of the \$3.7 million Woodlawn-King Alleys Sewer Rehabilitation project.

About 15,000 feet – or 11.5 miles – of 90-year-old sewer pipe in North Portland will be replaced as part of the Bureau of Environmental Service’s much larger Large Sewer Rehabilitation Program.

The work is expected to heavily impact the Woodlawn and King neighborhoods. The city has sent informational mailers to approximately 6,000 residents and businesses.

The Portland Business Journal

With the public market gone, what's next for the Morrison Bridgehead property?

By Jon Bell

November 1, 2016

Word that the James Beard Public Market will not be locating at the Morrison Bridgehead site is a blow to those who have envisioned the market there for years.

But it's not the end of the line for the property, which sits at a seemingly prime location at the west end of the Morrison Bridge.

"You know, we're disappointed, but we're still very bullish on the site," said Dan Petrusich, president of MMDC Company, the development firm that owns the bridgehead property. "It seemed like an ideal site for the market, and we've worked long and hard to make it happen there. Now that it's not part of the program, we just need to re-think the site and re-vision it."

Though there's nothing concrete in the works, Petrusich said he envisions a mixed-use project for the site, with a blend of commercial, office and residential space. There will also likely be some sort of public amenity as well. MMDC will likely work with SERA Architects to craft new possibilities for the property.

However, any project that goes up at the bridgehead faces access issues that make it difficult to connect the downtown to the waterfront in the area. At present, two ramps for the bridge, as well as a difficult crossing of Naito Parkway, make it hard for pedestrians to move through the site and safely reach the waterfront from downtown.

While reconfiguring the ramps would be ideal for any future development, Petrusich said that's not likely to happen. After working on the issue with several different stakeholders over the years, including the city and Multnomah County, it's unlikely that the north ramp can be modified much, if at all. There are, however, some "possibilities" for the south ramp, Petrusich said.

This isn't the first time the James Beard Public Market has switched possible sites. Back in 2007, the market contended for the federal 511 Building in Old Town Chinatown. At the time, Melvin Mark Development Co., which Petrusich purchased last year, proposed renovating the 122,000-square-foot building and leasing the ground floor to the market. The upper floors would likely have been housing.

Instead, the Pacific Northwest College of Art landed in that building, opening its new center for art and design in the space in 2015.

"We regrouped after that," Petrusich said, "and we'll do that now, too."

How tiny houses could provide one solution to Portland's homeless crisis

By Andy Giegerich

October 31, 2016

A new program that trains homeless people in the art of homebuilding could add quarters for at least 30 Portlanders.

Portland Mayor Charlie Hales and Blanchet House of Hospitality Executive Director Greg Baker detailed the Homeless "Build a Home" program last week. The two sides said they've landed a \$300,000 grant to train workers who'll build as many as 30 tiny houses.

The program is part of the national Community WINS program, developed by Wells Fargo and the U.S. Conference of Mayors.

Essentially, homeless men working to recover from addiction will be trained at Blanchet House's farm, in Carlton, to build tiny houses. The homes will be moved to a site in Portland

and "provide temporary, decent, safe, and sanitary living space for the homeless population as transitional living quarters until permanent quarters are identified."

The program "will help create new training jobs for currently unemployed homeless individuals, providing valuable skill development to help them land permanent jobs, and the ability to leave poverty and find housing."

Approximately 30 men will receive training from the Carpenters Union and others. The wood shop at Blanchet House's farm will design molds for houses ranging between 120 and 250 square feet.

Those building the homes will be eligible to live in one of the structures they built.