

## The Portland Business Journal

### PDC prepares to buy key Central Eastside blocks, non-industrial uses in play

*By Andy Giegerich*

*November 8, 2016*

Portland officials are close to procuring four-plus acres of highly desirable land in an undeveloped swatch of the Central Eastside Industrial District.

The Portland Development Commission, at its Wednesday meeting, will formally consider a purchase and lease agreement with the Oregon Department of Transportation for six parcels.

The ODOT blocks are zoned for "general industrial" uses. However, PDC Executive Director Kimberly Branam said in an analysis that proposed changes to development standards and allowable uses in areas zoned as "general industrial" could "encourage new building types, such as multi-story industrial and industrial mixed with office on upper floors."

PDC would, using funds from the area's urban renewal district, pay \$2.8 million for three parcels, at Southeast Water Avenue between Taylor and Madison streets.

It would pay \$1.74 per square foot, or about \$165,000 a year, to lease three adjacent parcels from ODOT. That money would come from public parking on those sites. The leases would initially last 20 years.

If PDC's board approves the arrangement, approved, it will "control three full city blocks of real estate in a strategic central city location and enable PDC to deliver on goals to increase affordable industrial space and district parking."

The blocks sit near an increasingly busy part of the Central Eastside District that includes such food establishments as Boke Bowl, ClarkLewis, the Hair of the Dog brewery and Water Avenue Coffee.

In her report to PDC's board, Branam told the economic development agency's leaders the parcels will help create jobs that help Portland meet goals established for the changing district. The city has estimated that the district could add 9,000 jobs over the next 20 years, however, "there is less land available than is required to meet this projected demand — a shortfall of about 20 acres."

The district currently hosts 1,100 businesses that employ 18,000 workers. Whereas the neighborhood continues to count an array of industrial businesses, it's increasingly added more restaurants, creative services firms and maker enterprises.

PDC and ODOT began discussing the deal four years ago.

Boora Architects presented a splashy option, called Water Avenue Yards, for the site in 2015. The idea would have included a series of low-rise industrial studios with 400,000 square feet of flexible space for such endeavors as fabrication shops and craft food operations.