BURNSIDE AND COUCH TRANSPORTATION AND URBAN DESIGN PLAN PHASE II CATALYST DEVELOPMENT STUDY

Final Draft

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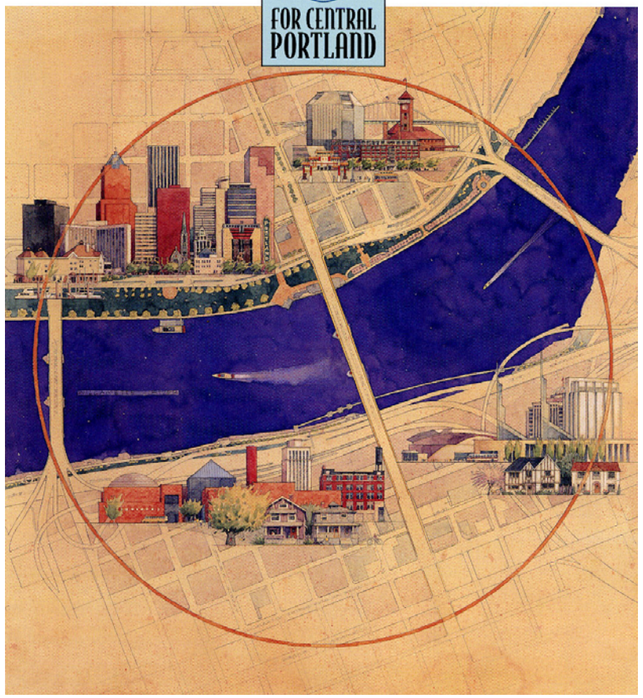
A 25 YEAR VISION FOR CENTRAL PORTLAND



"The central city is walkable now and will be so in the future. With growing urban intensity and more traffic, this means equitable access to our streets and public ways for all modes of transportation, while maintaining human scale and walkability. Additionally, we will build on Portland's remarkable design successes with improvements to Interstate-405, the east bank of the Willamette River, and Burnside Street, as well as other opportunities to upgrade the physical quality of central Portland."

~A 25-Year Vision for Central Portland
April 1999

EXECUTIVE SUMMARY

INTRODUCTION

In December 2002, the City Council adopted the *Burnside Transportation and Urban Design Plan*, which provides a vision and strategy for humanizing Burnside from E 14th Avenue to W 24th Place. In addition to outlining specific capital improvements, the plan also recommends that staff complete a market analysis to determine development potential and financial return given the plan's proposed investment of $45 million of transportation and streetscape enhancements.

The *Burnside and Couch Catalyst Development Study* implements this next step and demonstrates the economic impact of potential catalyst development and capital investment on Burnside and Couch over the next 20 years. The study is a companion document to the *Burnside Transportation and Urban Design Plan Technical Refinements*, which more exactly describes the transportation and urban design scheme outlined in the 2002 plan. Development study goals include:

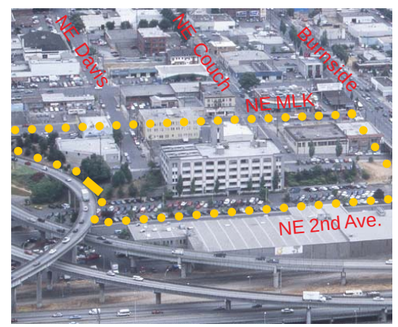
- Determine private development interest that might result from proposed capital improvements
- Analyze development potential of future catalyst sites and study area
- Calculate the economic impact of capital investment and catalyst development on assessed property value within the study area.

STUDY AREA

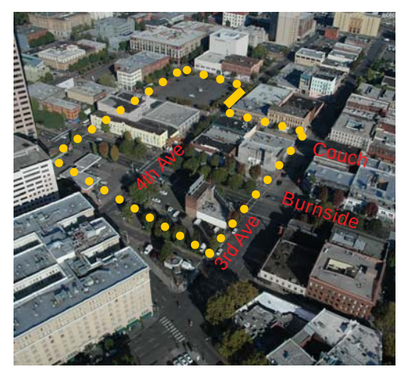
The study area for this report is generally bounded by Davis Street on the north, Ankeny and Ash Streets on the South, E 14th Avenue on the east, and W 24th Place on the west. Three catalyst development sites were selected for analysis based on the number of contiguous blocks available for redevelopment, connection to proposed street reconfiguration, and the properties' blighted character. These sites are:

- Site 1. E 12th/Sandy/Burnside/Couch
- Site 2. E 3rd/Burnside/Couch
- Site 3. W 4th/Burnside/Couch/Ankeny

Catalyst Development Site 1 at NE 12th, Sandy, Burnside and Couch.



Catalyst Development Site 2 at NE Burnside, Couch and 3rd Avenue.



Catalyst Development Site 3 at W Burnside between 3rd and 4th Avenues.

ECONOMIC IMPACT

The economic impact of catalyst development and construction of transportation and streetscape improvements was quantified by:

1) Determining feasible development programs for each catalyst site, and
2) Using a trending analysis to model the incremental increase in study area taxable property value (Maximum Assessed Value) and resultant property taxes given improvements and potential catalyst development over a 20-year period starting in 2005.

The incremental increase in taxable property value (MAV) was calculated as the difference between what the trended MAV would be if the project (including transportation and urban design improvements and catalyst development) moves forward as envisioned compared to a baseline trending without the project.

The MAV trending analysis divided the study area into three distinct segments:

- Lower East Burnside and Couch: from E 14th Avenue to the E Burnside bridgehead
- Lower/Central West Burnside and Couch: from the W Burnside bridgehead to W 15th Avenue
- Upper West Burnside: from W 15th Avenue to W 24th Place

The following table summarizes the public investment, economic return, and physical improvements required for and resulting from capital improvements and potential catalyst development in each segment of the study area.

INVESTMENT/COST	Flanders Bike Blvd.[1]	Lower East Burnside and Couch	Lower & Central West Burnside and Couch	Upper West Burnside	**STUDY AREA** **(as available)**
Transportation Improvements	$3.5	$16 M	$17 M	$8.5 M	**$45 Million**
Development Investment ("Gap Funding")	$0 M	$29 M	$10 M	$0 M	**$39 Million**
Total Project Investment/Cost	**$3.5 M**	**$45 M**	**$27 M**	**$8.5 M**	**$84 Million**

ECONOMIC RETURN	Lower East Burnside and Couch	Lower & Central West Burnside and Couch	Upper West Burnside	**STUDY AREA** **(as available)**
New Net Assessed Value	**$300 M**	**$425 M**	**$25 M**	**$750 Million**
New Net Taxes in Year 20[2]	**$7 M/year** *(7 year payback after Year 20)*	**$9 M/year** *(3 year payback after Year 20)*	**$.5 M/ year** *(17 year payback after Year 20)*	**$16.5 Million/ Year[3]** *(6 year payback after Year 20)*

NEW PHYSICAL IMPROVEMENTS	Lower East Burnside and Couch	Lower & Central West Burnside and Couch	**STUDY AREA** **(as available)**
Site Description	**Site 1** • New commercial and light industrial node at E Burnside and 14th • Create new multi-family housing to link residential neighborhoods of Buckman and Kerns • Improve neighborhood connection to adjacent public open space **Site 2** • Gateway development to serve as catalyst for other redevelopment in the area • Link the east side of the central city to Downtown Portland • Create new mixed-use development with housing, light industrial, retail, and other commercial uses	**Site 3** • Integrate new mixed-use development with rehabilitated historic buildings. • Improve connectivity across Burnside with high-density offices to the south and lower-density housing and retail to the north. • Active ground floor uses to provide better link to downtown development.	
Housing	710 units	350 units	1,060 units
Office	411,000 SF	395,000 SF	806,000 SF
Retail/Commercial	406,000 SF	87,800 SF	495,000 SF
Industrial	35,000 SF	0 SF	35,000 SF
Community Services	0 SF	10,300 SF	10,300 SF
Hotel	0 rooms	230 rooms	230 rooms
Parking	1,975 spaces	934 spaces	2,910 spaces
Jobs[4]	1,880 jobs	1,450 jobs	3,330 jobs

[1] *The Flanders Bike Boulevard is not within the Catalyst Development Study area, and, therefore, the improvements were not considered as part of the MAV trending analysis. The cost is included here to maintain a consistent project cost in all Phase II documents.*
[2] *Assumes constant property tax rate of 2.2% of Maximum Assessed Value.*
[3] *This figure reflects new net taxes in Year 20 only. In addition, there are new net taxes generated every year subsequent to catalyst development and streetscape improvements; therefore, this is a conservative payback period.*
[4] *Job estimates based on PDC Economic Development Department ratios.*

CATALYST DEVELOPMENT STUDY

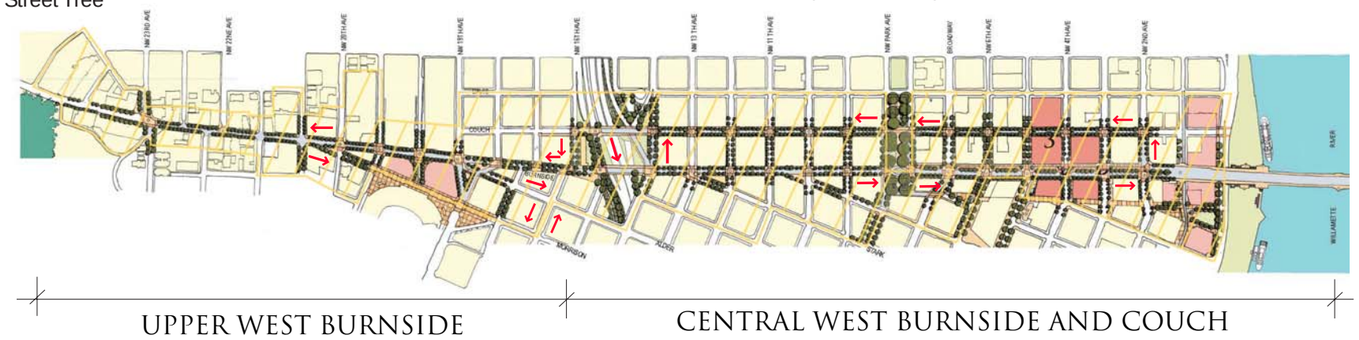
LEGEND

- Catalyst Development Areas
- Project Context
- Street
- Crosswalk
- Project Area
- Vehicular Traffic Flow
- Traffic Signal
- Street Tree

Site 3

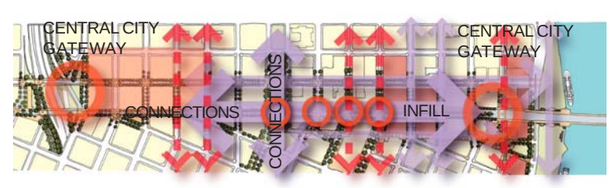
Development Program

Housing	350 Units
Office	395,000 SF
Retail	87,800 SF
Community Service	10,300 SF
Hotel	230 Rooms
Parking	934 Spaces
Jobs	1,450 Jobs
Development Cost	225 Million
Public Investment Requirement/"Gap"	10 Million



TRANSPORTATION AND URBAN DESIGN PLAN TECHNICAL REFINEMENTS

Upper West Burnside will continue to provide two-way vehicle travel. The traffic lanes, however, will be reduced to 10 feet enabling the sidewalks to expand from eight feet to 10 feet in width. The "triangles" will be reconfigured to allow on-street parking and provide better bus stops and stormwater management facilities.



Eastbound traffic will continue on Burnside while westbound traffic will travel on Couch. On Burnside from West 16th Avenue to the North Park Blocks, wider sidewalks, curb extensions, on-street parking and traffic signals at every intersection will provide improved access and a more balanced transportation system. Couch, while experiencing more vehicular traffic, will gain curb extensions, twin ornamental street lights, street trees and traffic signals at every intersection.

Westbound traffic from the Burnside Bridge transitions to Couch at West 2nd Avenue allowing Burnside to become a two lane, one-way eastbound street with on-street parking and wider sidewalks. From the Park Blocks to West 2nd Avenue, traffic will operate on the south side of the existing median. The 54 feet of right-of-way north of the existing median will provide flexible public space for parking and public event uses.

Site 2

Development Program

Housing	380 Units
Office	207,000 SF
Retail	246,000 SF
Parking	775 Spaces
Jobs	995 Jobs
Development Cost	147 Million
Public Investment "Gap"	8 Million

Site 1

Development Program

Housing	330 Units
Office	204,000 SF
Retail	160,000 SF
Industrial	35,000 SF
Parking	1,200 Spaces
Jobs	8855 Jobs
Development Cost	140 Million
Public Investment "Gap"	21 Million

LOWER EAST BURNSIDE AND COUCH

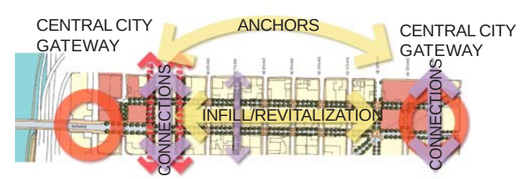
Reconfiguring the NE 12th /Sandy/Burnside/Couch intersection eliminates traffic and transportation conflicts, significantly improves bicycle and pedestrian connectivity, enhances transit access and assembles two new city blocks for potential development. These capital improvements provide a more understandable and safe intersection between Sandy and Burnside.

Development/Public Investment Cost

Site	Development Cost	Public Investment
Site 1	140 M	21 M
Site 2	147 M	8 M
Site 3	225 M	10 M
Total Public Investment		39 M

Transportation/Streetscape Costs

Upper West Burnside	8.5 M
Lower/Central	17 M
Lower East	16 M
Flanders Bike Improvements	3.5 M
Total	45 M



CONCLUSIONS

The *Burnside Transportation and Urban Design Plan* is a sound development investment. An estimated $45 million transportation and streetscape investment effectively creates a physical environment which, when coupled with about $39 million in gap development financing, could well lead to several major catalyst projects and infill which generates:

- New assessed value of $750 million
- Net new annual tax revenues, including $16.5 million/year additional tax revenues in Year 20 or a 6-year payback of total project costs
- Construction of 1,060 housing units
- Accommodation of 3,330 permanent jobs

Lower East Burnside and Couch

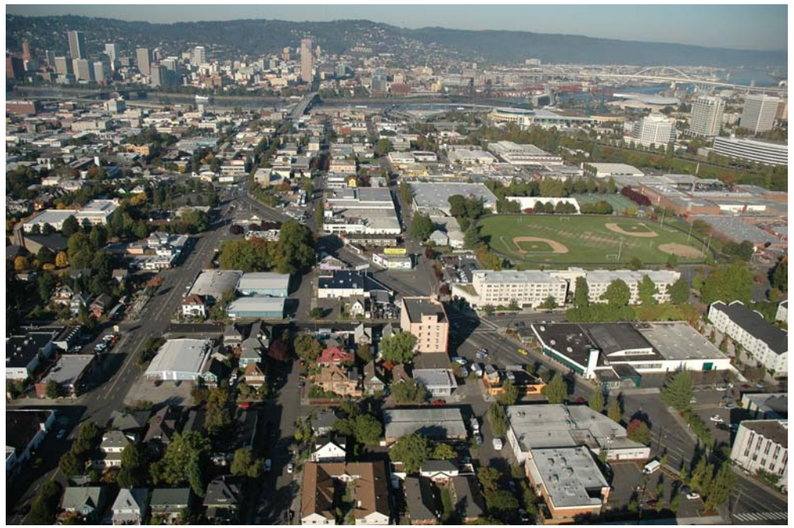
In general, it appears that the development issues are relatively straightforward in the Lower East Burnside and Couch segment. The development issues are different from those of downtown based on land use, zoning, land value and achievable rents.

Catalyst development sites on the eastside, especially Site 1, are clearly linked to the street reconfiguration as proposed in the 2002 plan and the *Burnside Transportation and Urban Design Plan Technical Refinements* providing new land for development. The improvements assist the development potential of Site 2, at the east Burnside Bridgehead, which gains improved access and circulation to existing redevelopable parcels.

Development potential is enhanced due to:

- Current property values that are relatively low (compared to Lower/Central West Burnside and Couch and downtown)
- More opportunities for infill development.
- Fewer impediments to development, with major parcels that are under single ownership facilitating development efforts.

Pressure for high-density development is lower compared to downtown. Therefore, while development is expected without the transportation improvements and public investment, it would likely be fairly modest.



Aerial looking west over NE 14th/Sandy/Burnside/Couch from above E 18th Avenue, showing opportunities for views from east to west, potential connections between neighborhoods, and Buckman Field.

East 13th Avenue concept showing pedestrian access and public plaza with development on two new full blocks between E 12th and 14th Avenues and Burnside and Couch.

Concept illustration showing street configuration at the east transition of 14th/Burnside/Sandy/Couch. The diagram also illustrates the development concept for newly assembled blocks between 12th and 13th and Burnside and Couch.

Lower/Central West Burnside and Couch

The Lower/Central West Burnside and Couch segment has greater pressure to develop and at higher densities. In addition, the proposed transportation and urban design improvements will certainly enhance the image of the area. The improvements include wider sidewalks for improved pedestrian access, increased auto access, and additional parking. This segment also has numerous challenges to catalyze surrounding development and provide balance within this area of the Central City. These challenges include:

- No major short-term interest in redevelopment from existing area property owners
- Numerous historic properties, many with possible seismic upgrade concerns
- Existing underdeveloped properties that are income generating (primarily surface parking lots)
- Problems assembling large parcels of land and diverse property ownership

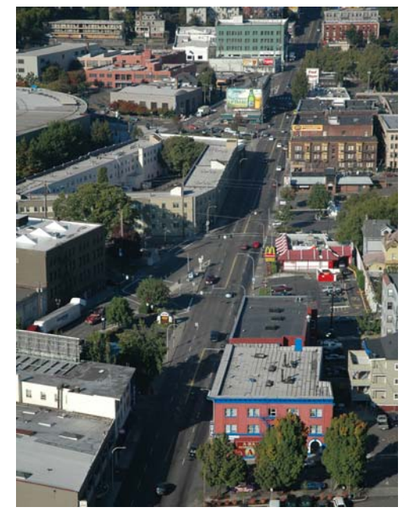
Given these development challenges and current lack of redevelopment interest, new development will likely occur in 10 to 15 years - a longer time frame compared to the east segment.

Lower West Burnside and Couch looking northeast from SW 2nd Avenue.

Concept illustration looking southeast over West 4th Avenue, Burnside and Couch showing redevelopment opportunities and proposed right-of-way improvements.

Upper West Burnside

Upper West Burnside is a dynamic segment poised for redevelopment due to its proximity to downtown as well as Portland Heights, Kings Heights, and Willamette Heights, all affluent urban neighborhoods. The adjacent Pearl District and NW Portland, to the east and north respectively, also place strong pressure for continual upgrade of property. Currently, however, there are few redevelopment sites; many underdeveloped businesses on these sites have recently changed hands or been renovated and are operating successfully.



Upper West Burnside, looking west from 15th Avenue with existing Civic Apartments site in the upper right.

SERA Architects

Proposed Civic Redevelopment looking south from NW 18th and Burnside with mixed housing and ground floor retail.

NEXT STEPS

The study's recommended next steps are contingent on actions taken on the *Burnside Transportation and Urban Design Plan Technical Refinements*. In addition, funding availability for the *Burnside Couch Transportation and Urban Design Plan*'s proposed improvements will help determine budget availability policy direction on catalyst development. Given those qualifications, the study's next steps include:

TASK	RESPONSIBLE PARTY
LOWER EAST BURNSIDE AND COUCH	
As part of the Central Eastside Urban Renewal Study, consider possible inclusion of some or all of catalyst development site at E Burnside/Couch/ Sandy/14th.	PDC
LOWER/CENTRAL WEST BURNSIDE AND COUCH	
Determine priority of implementing catalyst development at W Burnside/Couch/4th/5th given other Downtown Waterfront Urban Renewal Area projects.	PDC, OTCT and other neighborhood groups

If project is determined a priority, then:

Determine funding availability for catalyst development.	PDC, OTCT and other neighborhood groups
Pursue predevelopment work on catalyst development site at W Burnside/Couch/4th/5th to include: - Perform public outreach to help determine redevelopment priorities. - Work with property owners to redevelop properties on Blocks 1, 2, 4 and 5, with priority given to the Grove Hotel. - Coordinate with owners of Blocks 1 and 2 to develop long and short term redevelopment goals. - Research potential developers for private investment. - Study ways to provide for more active ground floor uses.	PDC
Work with the Old Town/Chinatown neighborhood to consider other efforts to revitalize the Burnside/Couch corridor—possibly through the development of housing, social services, or retail strategies.	PDC
Promote private sector development on catalyst development site.	Friends of Burnside/Couch

LEGEND

PDC Portland Development Commission
OTCT OldTown/China Town

CATALYST DEVELOPMENT STUDY

INTRODUCTION

BACKGROUND

The *Burnside Transportation and Urban Design Plan*, adopted in December 2002 by City Council, provides a vision and strategy for humanizing Burnside from E 14th Avenue to W 24th Place and transforming one of the city's most blighted areas into a vital urban pedestrian environment. The creation of the Burnside/Couch couplet together with street and sidewalk improvements are designed to make it more comfortable for pedestrians to cross Burnside, unite properties to the north and south of Burnside, generate more active ground floor uses, and stimulate development at key opportunity sites along the corridor. This will make the corridor a desirable place to walk, congregate, work, live, and play. Specific improvements include:

- Realignment of Burnside and Couch into a one-way couplet system between E 14th and W 16th Avenues. (Burnside Street eastbound and Couch Street westbound)
- Vehicular left turns at most intersections from W 14th to E 14th Avenues.
- Traffic signal and curb extensions at intersections.
- Narrowed pedestrian crossing distance across Burnside and wider sidewalks.
- An extensive parallel bike route on Flanders and increased bike lanes on W Burnside.
- New and increased full-time parking spaces on Burnside.
- A unique parking configuration in the Central City segment of Burnside that has the opportunity to be used for a flexible public space.

While completing right-of-way improvements would undoubtedly create a more pleasant environment, another purpose of the plan is to leverage public right-of-way improvements to stimulate redevelopment along the entire corridor and transform what is now perceived as a "barrier" into a thriving boulevard. With significantly improved access and qualitative improvements, the 2002 plan's recommended Burnside and Couch couplet anticipated leveraging approximately $500 million of potential new development. The plan's implementation strategy called for a subsequent market analysis to better gauge development potential and financial return.

Pursuant to this recommendation, the *Burnside and Couch Transportation and Urban Design Plan Phase II Catalyst Development Study* demonstrates the plan's market potential, economic return on capital investment, and value added to the local community over the next 20 years. The study is also a companion document to the *Burnside Transportation and Urban Design Plan Technical Refinements*, a more detailed update of the first phase urban design scheme.

GOALS

The goals of the study are to:

- Determine private development interest that might result from proposed capital improvements
- Analyze development potential of future catalyst sites and study area
- Calculate the economic impact of capital investment and catalyst development on property assessed value within the study area.

STUDY AREA

Building on the project area of the Burnside/Couch urban design plans, this study area is generally bounded by Davis Street on the north, Ankeny and Ash Streets on the south, E 14th Avenue on the east, and W 24th Place on the west (see accompanying study area map). Three catalyst development sites were selected for consideration within this area:

- Site 1. E 12th/Sandy/Burnside/Couch
- Site 2. E 3rd/Burnside/Couch
- Site 3. W 4th/Burnside/Couch/Ankeny

These sites were selected based on the following criteria:

- Potential from redevelopment on contiguous blocks to provide catalyst effect on underdeveloped surrounding blocks
- Street reconfiguration may contribute to increased developable land area
- Blighted area in need of improvements

METHODOLOGY

The potential development and economic return on capital investment in transportation and urban design improvements was calculated using the following methodology:

1. Determine and aggregate development and feasibility programs for the catalyst opportunity sites by preparing likely redevelopment programs, massing, cost, and financial feasibility.

The development potential of Site 2 at E 3rd/Burnside/Couch was previously examined as part of the *Lower East Burnside Mixed-Use Opportunity Development Study*; that analysis is incorporated in this study. A detailed development potential and feasibility analysis for Site 1 at E 12th/Sandy/Burnside/Couch, and Site 3 at W 4th/Burnside/Couch/Ankeny, was completed as part of this study.

2. Prepare a trend analysis to model the incremental increase in study area taxable property value (Maximum Assessed Value or MAV) and property taxes, assuming transportation, streetscape and urban design improvements with catalyst development over time.[1]

   The trending analysis used to estimate the incremental addition to taxable property value was completed by dividing the study area into three distinct segments:

   - Lower East Burnside and Couch: from E 14th Avenue to the E Burnside bridgehead
   - Lower/Central West Burnside and Couch: from the W Burnside bridgehead to W 15th Avenue
   - Upper West Burnside: from W 15th Avenue to W 24th Place

   The incremental increase in taxable property value over a 20-year analysis period was calculated as the difference between what the trended MAV would be if the project (including transportation and urban design improvements and catalyst development) moves forward as envisioned compared to a baseline trending of MAV without the project. In other words, catalyst development at Sites 1, 2, and 3 was included only in the "with project" trend.[2] Year 1 was assumed to occur in 2005. In addition, cost inflation was assumed at 3% and the assumed assessed value ratio was 60%.

[1] In Oregon, a property's Maximum Assessed Value (MAV) is limited by Tax Measures 5, 47 and 50 to a 3% growth per annum over the previous year's assessed value. However, a property's MAV can increase at a faster rate if capital additions are made.

[2] Two other projects, at W 1st/Burnside/Ash and W 19th/Burnside, were also considered to have significant impact on area development and were, therefore, incorporated into both the baseline and "with project" trends. The project at W 1st/Burnside/Ash is part of the PDC/City sponsored downtown waterfront redevelopment and is assumed to be completed in Year 10. The project at W 19th/Burnside is the Civic Apartments redevelopment by Gerding Edlen Development Co. and the Housing Authority of Portland, assumed to be completed in Year 1.

CATALYST DEVELOPMENT STUDY

LEGEND

- Catalyst Development Areas
- Project Context
- Street
- Crosswalk
- Project Area
- Vehicular Traffic Flow
- Traffic Signal
- Street Tree

Site 3

Development Program

Housing	350 Units
Office	395,000 SF
Retail	87,800 SF
Community Service	10,300 SF
Hotel	230 Rooms
Parking	934 Spaces
Jobs	1,450 Jobs
Development Cost	225 Million
Public Investment Requirement/"Gap"	10 Million

UPPER WEST BURNSIDE

CENTRAL WEST BURNSIDE AND COUCH

TRANSPORTATION AND URBAN DESIGN PLAN TECHNICAL REFINEMENTS

- Reconfigure two-way Burnside from 16th Avenue to 23rd Avenue with:
  - Four 10-foot travel lanes
  - Ten-foot wide sidewalks
  - Ornamental street lights and street trees
- Reconfigure 18th /19th /Burnside/Alder intersection
- Reconfigure 20th Place intersection and add parking
- Add new signals at 20th Place and 22nd Avenue

- Eastbound Burnside traffic on Burnside becomes one-way eastbound at 16th Avenue
- Transition westbound Couch to Burnside at 15th Avenue
- Close Couch between 15th Avenue and 16th Avenue:
  - Preserve bicycle and pedestrian access
  - Realign 16th Avenue north of Burnside to connect to 16th Avenue south of Burnside
  - Convert 16th Avenue south of Burnside to two-way operation
  - Rebuild curb extensions at all intersections
  - Infill street trees and ornamental street lights
- Convert Couch to two one-way westbound lanes at 2nd Avenue:
  - Traffic signals at every intersection
  - Preserve on-street parking, existing sidewalks, healthy existing street trees
- Convert West 2nd between Burnside and Couch to three one-way northbound lanes, remove on-street parking on the east side of the street.
- Provide angled parking on west side NW 2nd north of Couch
- Transition westbound Burnside bridge traffic to Couch at 2nd Avenue
- Convert eastbound on Burnside to:
  - Four lanes from West 4th Avenue to 2nd Avenue
  - Three through lanes from 3rd Avenue across the bridge to the east side
  - Add left-turn only lane from 3rd Avenue to 2nd Avenue providing left turn to 2nd Avenue
  - Full time on-street parking south side, full time north side parking in flexible plaza space
  - Striped bike lane (east of 4th Avenue) and wider sidewalks
  - Rebuild substandard sidewalks
- Provide traffic signals at every intersection from 1st Avenue to 16th Avenue
- Install signals at every intersection on Burnside and Couch

Site 2

Development Program

Housing	380 Units
Office	207,000 SF
Retail	246,000 SF
Parking	775 Spaces
Jobs	995 Jobs
Development Cost	147 Million
Public Investment "Gap"	8 Million

Site 1

Development Program

Housing	330 Units
Office	204,000 SF
Retail	160,000 SF
Industrial	35,000 SF
Parking	1,200 Spaces
Jobs	8855 Jobs
Development Cost	140 Million
Public Investment "Gap"	21 Million

Development/Public Investment Cost

Site	Development Cost	Public Investment
Site 1	140 M	21 M
Site 2	147 M	8 M
Site 3	225 M	10 M
Total Public Investment		39 M

LOWER EAST BURNSIDE AND COUCH

- Close Sandy between NE 14th and NE 12th Avenues
- Convert Burnside to three and four lanes, one-way eastbound with full time on-street parking, striped bike lane, wider sidewalks, preserve existing street trees and street lighting
- Convert Couch to two lanes, one-way westbound,
  - Preserve on-street parking, existing sidewalks and healthy existing street trees
  - Rebuild substandard sidewalks
  - Provide curb extensions at all intersections
  - Infill street trees and ornamental street lights
- Convert NE 14th to three lanes, one-way northbound, remove on-street parking
- Preserve the NE 13th right-of-way with two-way movement
- Realign NE 12th to include four lanes (two southbound, two north bound), two striped bike lanes and on-street parking on the east side of the right-of-way
- Install signals at every intersection on Burnside and Couch.
- Enlarge pedestrian island at 12th/Sandy/Burnside
- Install new signals on Burnside and Couch at NE 14th , NE 13th and NE 12th Avenues
- Install a new signal on NE 12th and NE Davis
- Provide diagonal parking on Couch east of NE 14th Avenue
- Transition west end of couplet at NE 3rd Avenue
- Maintain NE 3rd Avenue as a two-way street

Transportation/Streetscape Costs

Upper West Burnside	8.5 M
Lower/Central	17 M
Lower East	16 M
Flanders Bike Improvements	3.5 M
Total	45 M

NE 3rd Avenue looking south under the Burnside Bridge.

View looking west toward the 7-Up bottling company at 12th/Sandy/Burnside and Couch intersection.

East Burnside looking east from 12th/Sandy/Burnside.

EXISTING CONDITIONS

Burnside is at the center of Portland and the metropolitan region. It is the most prominent east/west street in the city in that it stretches continuously from the foothills of Mt. Hood to the valleys of Washington County. Burnside is historically, culturally and economically rich with industry, commerce, services and neighborhoods.

Aside from the recently completed Brewery Blocks and 8 NW 8th projects and a string of renovations along East Burnside; Burnside and Couch have many opportunities for new development on surface parking lots or redevelopment of smaller one- and two-story buildings.

While there are numerous late 19th and early 20th century commercial and residential buildings along both streets, much of the architecture is of the 1950s and 1960s.

LOWER EAST BURNSIDE AND COUCH

Lower East Burnside and Couch is a seam of commercial and residential properties between general industrial uses reaching from east 14th to I-5 and the Willamette River. To the north is Franz Bakery and a variety of wholesale and service businesses that supply the Central City and the region. To the south are additional service businesses as well as a large concentration of building supply companies ranging from furniture to raw construction materials. Much of the property is within the Central Eastside industrial sanctuary that protects industrial uses while restricting retail and prohibiting residential uses. In general, properties between Couch and Ankeny from 2nd to 12th Avenue are zoned Central Employment (EXd) which allows a broad range of commercial, retail and residential uses.

View looking north over 12th/Sandy/Burnside intersection to Buckman Field.

*The **e**xisting Burnside barrier is created by long pedestrian crossings, narrow sidewalks, and lack of left turns and on-street parking.*

Burnside looking north at SW 4th Avenue.

Burnside looking north at NE 3rd Avenue.

The Brewery Blocks at NE 10th and Couch.

Long pedestrian crossings, narrow sidewalks, lack of left turns and no on-street parking contribute to the "Burnside barrier". This view is of Burnside looking southeast from NE 4th Avenue.

Sidewalks are undersized for the scale of Burnside. Building owners have closed off windows and avoid on-street uses such as café tables and sidewalk sales.

LOWER/CENTRAL WEST BURNSIDE AND COUCH

Lower/Central West Burnside and Couch is located between dense commercial and retail uses. To the south is Portland's central core and the West End. The central core contains the highest density development in Oregon with building heights peaking at 460 feet with floor area ratios (FAR) as high as 15:1.

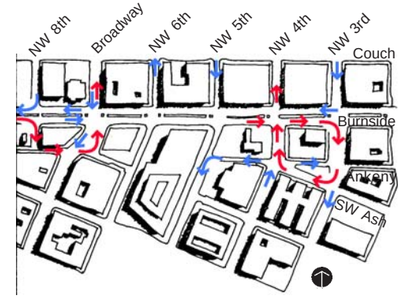
Some of the highest density development standards front Burnside and Couch. South of Burnside and east of Park Avenue is Portland's financial district and "hotel row" on Broadway. West of Park Avenue is the West End where newer developments are planned to infill among older brick and concrete buildings. There are numerous surface parking lots scattered throughout the area.

At the east end of Lower/Central West Burnside and Couch is the Old Town/ Chinatown neighborhood, where a mix of 19th and early 20th century buildings are within the designated New Chinatown/Japantown and Skidmore Fountain/Old Town Historic Districts. Many of the older buildings are contributing properties in the historic districts, and many are also individually listed in the National Register of Historic Places. Some contributing buildings are eligible for individual listing, but not currently designated as such. The historic buildings also provide single-room occupancy or affordable retirement housing.

Lower West Burnside and Couch looking northeast from SW 2nd Avenue.

This area has the highest concentration of social services and affordable housing providers in the metropolitan area. While street life on Burnside and Couch is out of balance with other parts of the Central City—homeless individuals sleeping in public places, drug dealing, prostitution and a small transient population—local service providers and businesses have made a significant effort to provide intervention and funding to abate these activities. Collectively, social service organizations are developing facilities that encourage internal queuing through self-contained services facilities, such as 8 NW 8th Avenue and the Pacific Tower, and provide holistic programs to help people to become self-sufficient.

Lower/Central West Burnside also features the most extensive and diverse entertainment and night life district in Oregon. There are over 100 restaurants, bars and night clubs within easy walking distance. These range from low-end burlesque and dance clubs to high-end dining. Five performance venues, including the Crystal Ball Room, Roseland Theater, Oregon Ballet Theater, and the Paris and Star Theaters, make Burnside and Couch a lively and diverse performing arts district. However, it is widely acknowledged that Burnside poses a significant barrier to drawing downtown business employees north into Oldtown/China Town for lunch and daytime activities. Narrowing and improving the public right-of-way and stimulating multiblock redevelopment would likely unlock business potential and revitalize this area of the Central City.



Today, eastbound traffic on Burnside has only two left turn opportunities within the Lower West Burnside segment. The first opportunity is at 8th Avenue via Ankeny and Broadway. The second is at 3rd Avenue via Ash and 4th Avenue. If these two turning opportunities are missed, then vehicles must cross the Burnside Bridge to east Portland and make a similar multiblock turning movement to recross the bridge to turn north into Old Town/Chinatown. This same required out of direction movement is found in the Lower East Burnside Couch segment where access to the Central Eastside District and I-84 is circuitous and confusing which compromises truck and automobile access.

From Downtown, Burnside poses a significant barrier to the many restaurants and entertainment venues in the Lower/Central Burnside and Couch area.

To the north and west of Park Avenue is the south edge of the Pearl District and the recently completed five-block Brewery Blocks redevelopment. The Brewery Blocks have catalyzed new renovation projects south of Burnside. While the Brewery Blocks offer a significant increase in high-end and market rate downtown housing, a number of affordable housing buildings are clustered along the Bill Roberts Transit Mall.

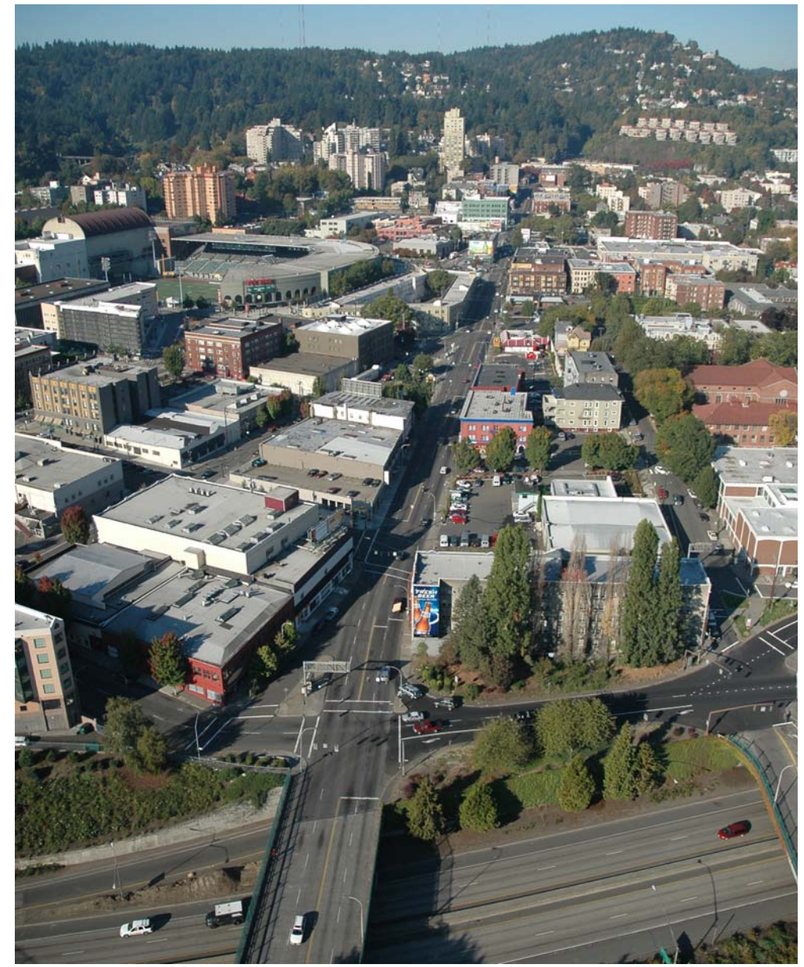
Central City Concern's 8 NW 8th development offers both housing and social services.

Brewery Blocks development at W Burnside and NW 10th Avenue.

EXISTING CONDITIONS

UPPER WEST BURNSIDE

The Upper West Burnside is bordered by primarily commercial and retail uses as well as high density historic apartment buildings built in the late 19th and early 20th centuries. To the north and south are some of Portland's most affluent neighborhoods, including Portland Heights, Kings Heights, and Willamette Heights.



View of Upper West Burnside looking west from West 15th Avenue and I-405.

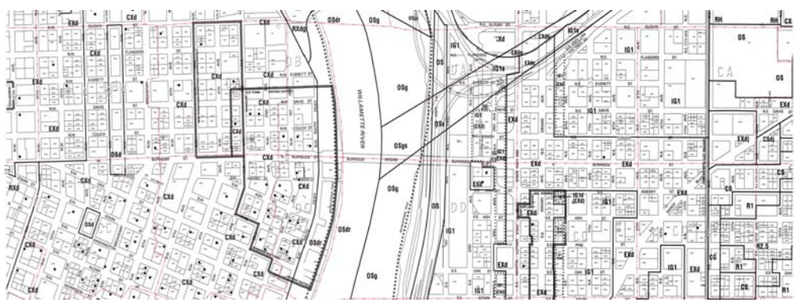
URBAN RENEWAL

The study area is within three urban renewal areas including the Central Eastside, Downtown Waterfront and River Districts. The study area abuts the South Park Blocks Urban Renewal Area along W Burnside from 9th to 15th Avenues. The portions of the study area that are outside urban renewal areas include the blocks between E 12th and E 14th Avenues and Upper West Burnside from I-405 to NW 24th Place.

Urban renewal has played a vital role along and near Burnside and Couch, including such projects as the Brewery Blocks and 8 NW 8th development projects, improvements to 3rd and 4th Avenues in Old Town/Chinatown, and the construction of the Chinese Classical Garden at NW Everett and 4th.

ZONING

Typically, the zoning within the study area and specifically within the catalyst development sites is Central Commercial (CXd) and Central Employment (EXd), the most flexible of anywhere in the city. This zoning allows a broad range of commercial, retail, industrial and residential uses mixed in a single project.



Current zoning map of Burnside from E 15th Avenue to W 12th Avenue.

Roseland Theater and transit mall on NW 6th Avenue.

One of Old Town/Chinatown's many neighborhood restaurants.

The North Park Blocks at the center of the Lower/Central Burnside and Couch segment.

DEVELOPMENT ADVANTAGES

Burnside and Couch are at the center of the transportation, financial, retail and residential heart of the metropolitan region. The following outlines the competitive advantages of catalyst development within the study area:

- Easy access to Interstate Highways 5, 84, 405 and 26, significantly improved access to I-84 and I-405 with the *Burnside Transportation and Urban Design Plan* urban design and streetscape improvements
- High concentration of public transit, including TriMet bus and MAX services, and the Portland Streetcar and plans to expand light rail service on the mall and streetcar on the eastside by the end of this decade.
- Diverse housing stock
- Plentiful restaurants, entertainment and shopping within walking distance
- Nearby wholesale sales and distribution companies
- Access to a variety of public open spaces including Waterfront Park, the Eastbank Esplanade, and the Springwater Corridor trail system
- Competitive land values
- Incentive programs for new development and redevelopment projects

DEVELOPMENT CHALLENGES

Today, a number of challenges are associated with all of the catalyst development areas. Below are the most significant challenges facing future catalyst development projects on Burnside and Couch.

- Poor access onto and off of Burnside—prohibited left turns frustrate access to surrounding businesses and properties.
- Burnside's barrier in the Lower/Central West Burnside and Couch area continues to turn away potential downtown shoppers, diners and business clientele from traveling north of Burnside.
- A larger than average indigent population, concentrated drug dealing, and higher than average crime rate.
- Large quantity of low income single-room occupancy (SRO) properties, some of which are not supported by social services.
- A large concentration of social service providers, although new projects and programs are changing the image and improving delivery of social services.
- Historic properties that require preservation and may limit redevelopment potential given seismic concerns and the City's currently adopted demolition review policy.
- Multiple small parcels in single ownership that potentially slow land assembly.

Such development challenges, especially in the Lower/Central West Burnside and Couch segment, suggest that while some development may occur at market rate and with an acceptable return, multi-block development at the catalyst sites will likely require some level of financial assistance. As with most catalyst projects in the Central City (Brewery Blocks, Hoyt Street Yards, South Waterfront, Pioneer Place, and RiverPlace), a strong public/private partnership will be a necessary component to planning and funding catalyst development along Burnside and Couch.

To determine financial assistance required and understand the impact of the capital improvements on study area MAV, a trend analysis was completed comparing the average growth in taxable property values over a 20 year period both with and without the proposed development and capital improvements. This analysis provides an estimate of financial return on public investment through taxable property value and tax growth.

Lines outside of social service agencies limit other uses. Some organizations that provide shelter, food and clinical services are creating indoor queuing and waiting areas.

Parts of Couch experience suffer from lack of balanced street activity.

Burnside is a barrier between the neighborhoods and districts on its north and south sides. Lack of parking, limited turns, 4 to 6 lanes of traffic and prohibited pedestrian crossing locations all contribute to the challenge of humanizing Burnside.

CATALYST DEVELOPMENT SITES

LOWER EAST BURNSIDE AND COUCH

E 14TH AVENUE TO THE E BURNSIDE BRIDGEHEAD

The Lower East Burnside and Couch project segment analysis is dependent on transportation and urban design improvements along E Burnside and Couch from E 14th Avenue to the east Burnside Bridge bridgehead, including the couplet redesign, additional bike lanes, and improved street signalization, as well as catalyst development at the following two sites:

SITE 1. E 12TH/SANDY/BURNSIDE

Concept illustration showing street configuration at the east transition of 14th/Burnside/Sandy/Couch. The diagram also illustrates the development concept for newly assembled blocks between 12th and 13th and Burnside and Couch.

Artist's rendering of the historic 7-Up bottling plant located at NE 12th and NE Couch.

Description

The development model on this site assumes a new identity for an area currently under utilized and plagued by traffic congestion at the intersection of E Burnside, 12th Avenue, and Sandy Boulevard. The urban design framework focuses on linking the Kerns and Buckman neighborhoods on the eastern and northern edges of the site by developing new residential uses along Burnside and Couch while also providing a mixed-industrial and commercial anchor at the eastern terminus of the proposed couplet. A mix of condominiums and rental apartments was assumed to take advantage of the open space adjacent to Benson Polytechnic High School and nearby City tennis courts. New commercial uses including entertainment, retail and light industrial showrooms are sited to take full advantage of the visibility of vehicular traffic and provide support uses to the neighborhoods. This mixture of uses is both compatible with the existing Central Eastside and the adjacent residential neighborhoods.

This site, located on approximately 5 city blocks, is envisioned as a major Central City gateway. As such, it is assumed that it would include signature architecture, gateway features and enhanced pedestrian streetscapes and paths connecting the various uses. The landmark Art Deco 7-Up building would be restored and redeveloped. To determine the economic impact of this catalyst development site, it is assumed this project will be complete in Year 5.

SITE 1	
Development Program	
Housing	330 units
Office	204,000 SF
Retail	160,000 SF
Industrial	35,000 SF
Parking	1,200 spaces
Development Cost	$140 M
Public Investment Requirement	$21.1 M

Full development of the site cannot occur without the assemblage of two properties and right-of-way created by the couplet conversion and subsequent vacation of Sandy Boulevard through the site.

The site area is not currently within an urban renewal area; therefore, no funding mechanism is in place to provide the public investment required for the project. Assuming no public investment, the market would most likely deliver a more modest development program than what is analyzed in this study.

Zoning

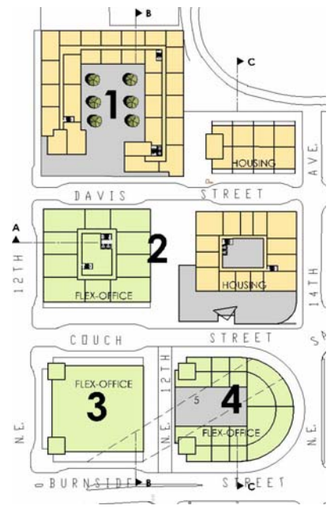
The following map and tables show zoning, allowed uses and development standards for the 12th/Sandy/Burnside future catalyst development site. Note that the proposed potential development for Blocks 1 and 3 include 100' buildings. This development would require an adjustment to the current zoning regulations which have a 65' height limit for EX zoned areas.

A-1 12TH /SANDY/BURNSIDE		
DEVELOPMENT STANDARD	**EXdj**	**CS [1]**
Maximum FAR	3 to 1	3 to 1 [2]
Maximum Height	65 ft.	45 ft.
Minimum Building Setbacks • Street lot line • Lot line abutting an OS, C, E or I zoned lot • Lot line abutting an R zoned lot	 0 0 0-14 ft. [2], [4]	 0 0 0 to 14 ft. [4], [9]
Maximum Building Setbacks • Transit Street or Pedestrian District	 10 ft.	 10 ft. [5] [6]
Maximum Building Coverage	100% of site area	Minimum of 50% of site area
Minimum Landscaped Area	None	None
Ground Floor Window Standards apply	No	Yes
Pedestrian Standards Apply	Yes	Yes
Minimum Landscaping Abutting an R zoned lot	5 ft. @ L3 [3]	5 ft @ L3 [7]

Exdj DEVELOPMENT STANDARDS NOTES:
[2] See Table 140-4.
[3] For building setbacks of 5 feet or less, landscaping is required for the entire depth of the setback. However, no landscaping is required when buildings abut a lot line.
[4] No setbacks are required from an internal lot line that is also a zoning line on sites with split zoning. See 33.140.215.B.3.b

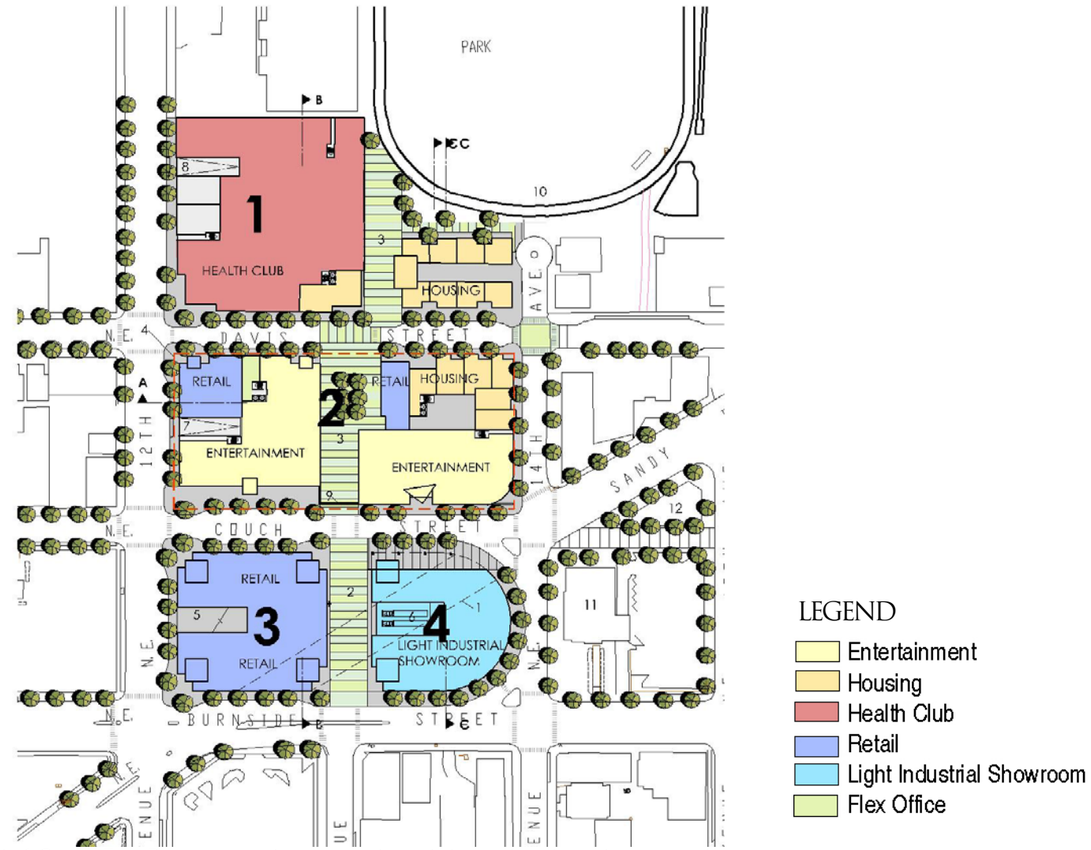
CS DEVELOPMENT STANDARDS NOTES:
[2] The FAR limits apply to nonresidential development. Additional floor area is allowed for residential development. See 33.130.250 and 33.130.253.
[4] See Table 130-4.
[5] At least 50 percent of the length of the ground level street-facing façade of buildings must be within 10 feet of the street lot line. If the site has three or more block frontages, this standard only applies to two frontages.
[6] For buildings where all of the floor area is in residential use, the street-facing façade of an open porch that meets the standards of 33.130.215.B.1.a (3) is included as part of the ground level, street-facing façade of the building.
[7] Does not apply to lot lines that abut a lot in the RX zone. Landscaping is not required where buildings abut a lot line.
[9] No setbacks are required from an internal lot line that is also a zoning line on sites with split zoning. See 33.130.215.B.2.b.

Note that the proposed potential development for Blocks 1 and 3 include 100' buildings. This development would require an adjustment to the current zoning regulations which have a 65' height limit for EX zoned areas. The difference between analysis and existing was not figured and would depend on lower gap and lower cost.



Typical Upper Floor Plan.

Typical Details Site 1: East 12th/Sandy/Burnside/Couch



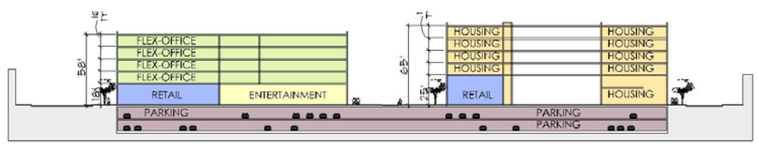
Site 1 Ground Floor Plan looking north showing retail, entertainment, light industrial and health club uses.

CATALYST DEVELOPMENT SITE 1

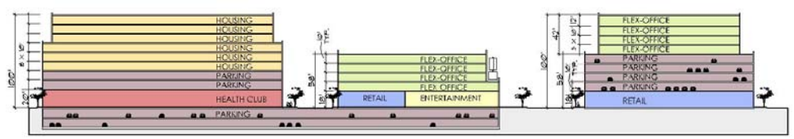
Block 1	Health Club/Housing/Above Grade Parking
Block 2	Entertainment & Retail/Flex-Office/Housing/Below Grade Parking
Block 3	Retail/Flex-Office/Above Grade Parking
Block 4	Light Industrial/Flex-Office

Typical Details Site 1: East 12th/Sandy/Burnside/Couch

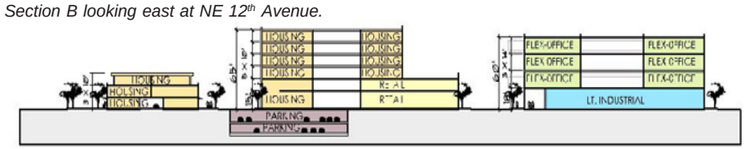
Aerial view looking west to NE 12th, Burnside, Couch and Sandy.



Section A looking north at NE Couch Street.



Section B looking east at NE 12th Avenue.



Section C looking east at NE 13th Avenue.

Site 2. East 3rd/Burnside/Couch

Description

This project, commonly called the Burnside Bridgehead Mixed Use Redevelopment Project, is sponsored by the Portland Development Commission (PDC) and has already gone through PDC's Request for Proposals process. At the time of this study, a developer had not yet been selected. The development program and financial analysis included here is derived from a previous PDC study entitled *Lower East Burnside Mixed-Use Opportunity Development* dated October 2003. The proposed development program requires *Burnside Transportation and Urban Design Plan* transportation improvements, including the couplet conversion, as necessary for proper access to the development site. To determine the economic impact of this catalyst development, it is assumed this project will be complete in Year 5.

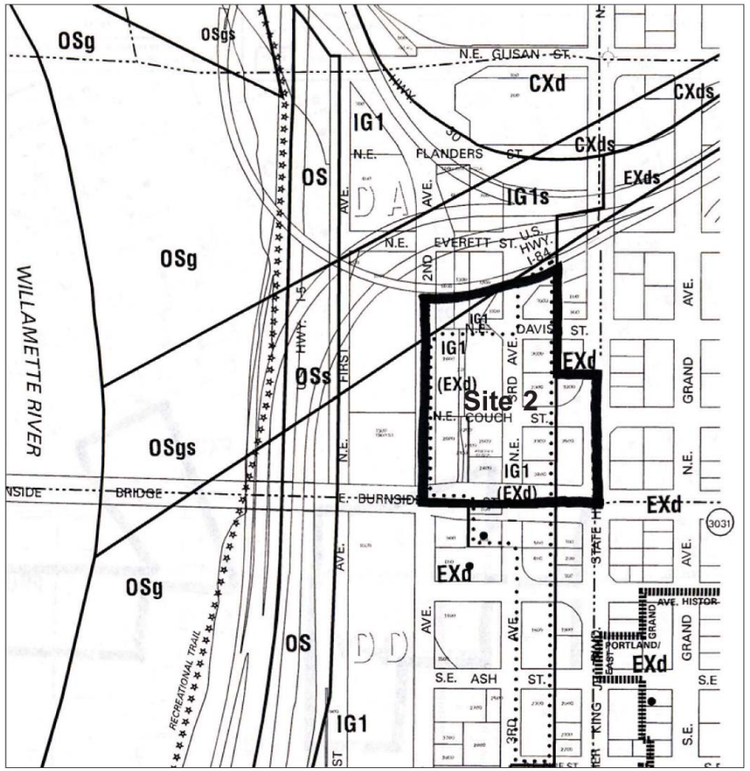
SITE 2	
Development Program	
Housing	380 units
Office	207,000 SF
Retail	246,000 SF
Parking	775 spaces
Development Cost	$146.9 M
Public Investment Requirement	$8.2 M

The site is located just east of the Willamette River and adjacent to the Burnside Bridge, and can provide a significant gateway to the Central City and the Central Eastside. New development takes advantage of views of the river, downtown and Mt. Hood. A redevelopment site of this size, including a 128,900 SF contiguous parcel, is rare in the Central City and offers a unique opportunity for new mixed-used development including retail, housing and other commercial uses. The site, although currently under utilized, has excellent opportunities to be a catalyst for new "spin off" development along East Burnside and Couch Streets. This project anchors the western terminus of the couplet on the eastside.

The site is within the Central Eastside Urban Renewal Area, which expires as an urban renewal area in 2006. It is assumed some public investment will be necessary to implement the project.

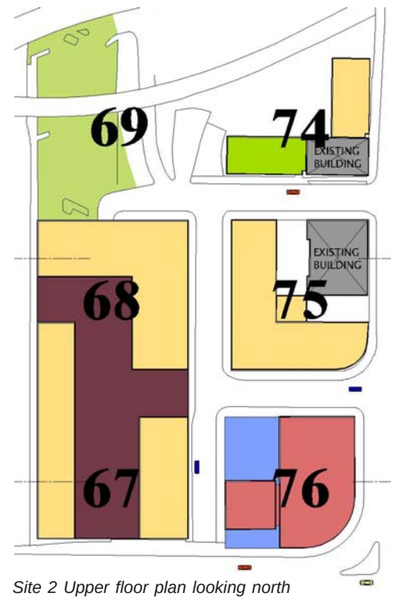
Zoning

The following map summarizes zoning for the east Burnside Bridgehead area.



Site 2 existing zoning map

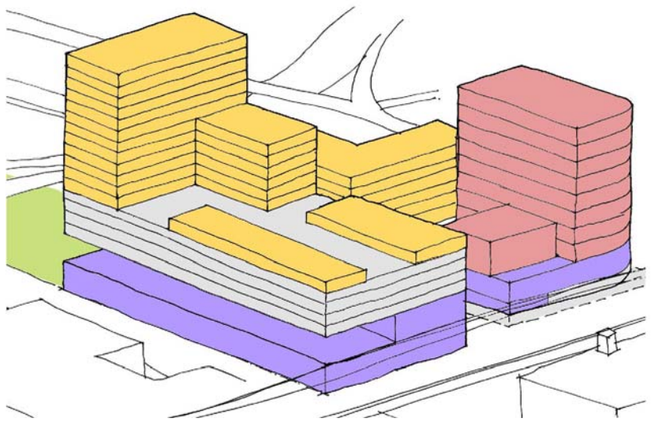
Typical Details: Site 2 East 3rd/Burnside/Couch



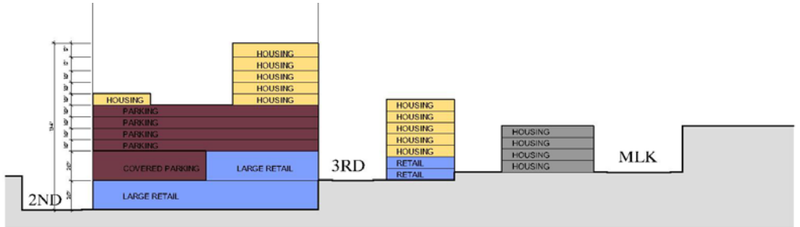
Site 2 Upper floor plan looking north

Site 2 Ground floor plan looking north

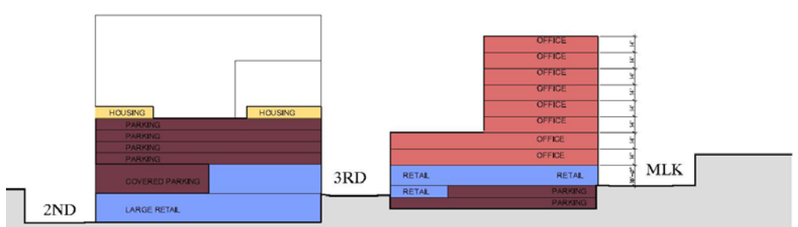
Typical Details: Site 2 East 3rd/Burnside/Couch



Perspective looking northeast from NE 2nd Avenue and East Burnside



Section A: Looking north at NE Davis



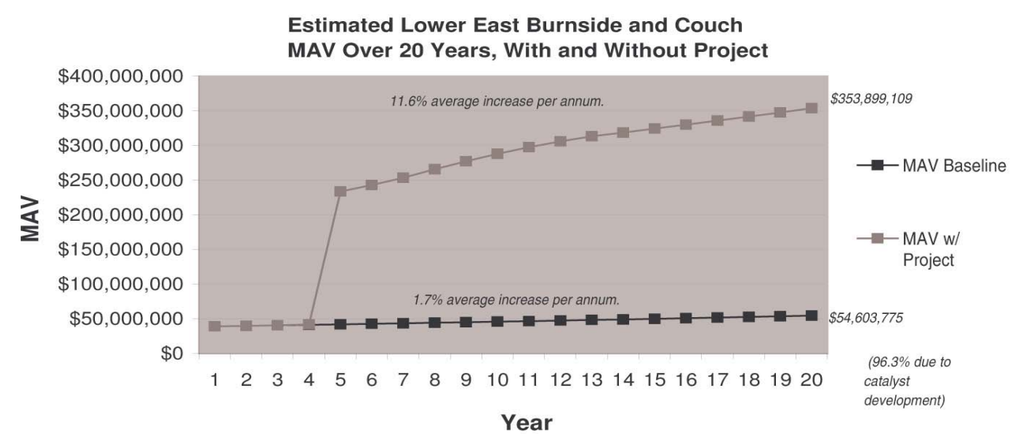
Section B: Looking north from Burnside

Lower East Burnside and Couch MAV Trending

The MAV incremental increase for the Lower East Burnside and Couch segment of the study area is $300 million (see chart below), which is almost entirely due to the impact of the two new catalyst developments on adjacent properties' assessed value. The "without project" baseline MAV is based on the compound increase in MAV over the past seven years and has a 1.7% average annual increase over 20 years." In comparison, the "with project" MAV, assuming transportation and urban design improvements as well as development at both catalyst sites in Year 5, has an 11.8% average annual increase.

The "with project" average is based on a rate of 1.75% average annual growth which is assumed to increase 0.5% per annum beginning in Year 3 and continuing for a period of six years. In Year 9, the rate is then assumed to decrease at 0.5% resulting from the face that extraordinary rates of appreciated (tied to catalyst development) are unlike to be sustained in the long-term."

Public investment required to realize this incremental increase is approximately $16 million in transportation and urban design improvements and $29 million in development investment.

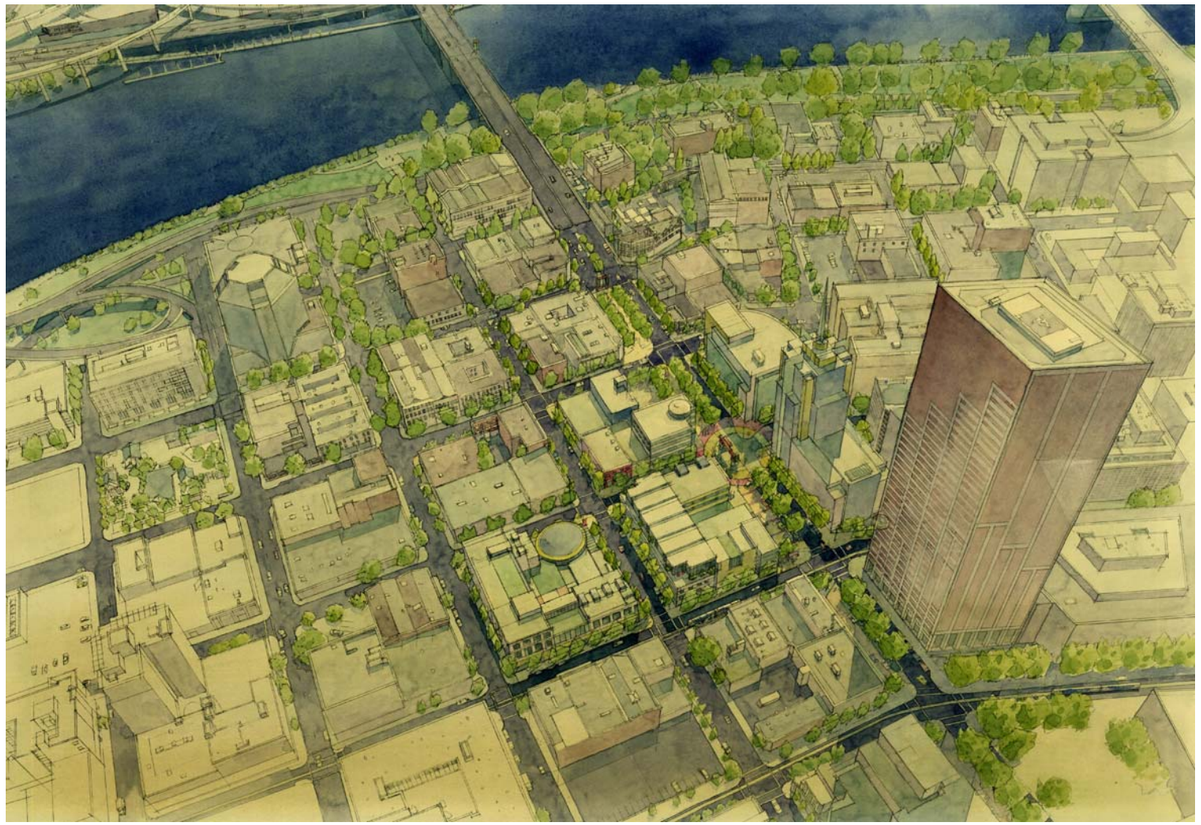


LOWER/CENTRAL WEST BURNSIDE AND COUCH

W BURNSIDE BRIDGEHEAD TO W 15TH AVENUE

The Lower/Central West Burnside and Couch project segment involves extensive transportation and urban design improvements including couplet conversion and expanded sidewalks, additional traffic signals, curb extensions, pedestrian crossings, and on-street parking. One new catalyst development at 4th Avenue/Burnside/Couch and Ankeny is proposed within this segment.

Site 3. W 4th/Burnside/Couch/Ankeny



Concept illustration looking southeast over West 4th Avenue, Burnside and Couch showing redevelopment opportunities and proposed right-of-way improvements.

This illustration shows initial improvements that would enable festival uses, special events and would encourage active ground floor activities.

This illustration shows initial improvements on the north side of Burnside that preserves the existing median tree canopy while providing a dynamic urban place that allows parking in a curbless plaza.

Future development could potentially encroach into the flexible public area on the north side of Burnside with exciting ground floor entertainment and retail uses. Architecture would complement the historic character and scale of OldTown/ Chinatown.

Description

This 5-block site is bisected by W Burnside (from 4th to 6th Avenues) and is located in the heart of Old Town/Chinatown (OTCT) and the Central City. The area is plagued by a lack of private investment, blighted properties and unsafe street activity. West Burnside has long been considered a barrier between the Central City to the south and the OTCT neighborhood to the north. A primary goal of the *Burnside Transportation and Urban Design Plan* is to "humanize" Burnside by making it more pedestrian friendly and therefore making the crossing of Burnside by pedestrians comfortable, easy and safe. By including properties on both sides of Burnside, this catalyst development site maximizes improved connectivity.

The site has a strong historic character and an extraordinary proximity to downtown and its amenities—including access to Ankeny Square, Tom McCall Waterfront Park, the bus mall and future and existing light rail. Such amenities make this site an attractive development opportunity.

The Burnside/Couch couplet improvements identified in the *Burnside Transportation and Urban Design Plan* along W Burnside from 2nd Avenue to W 8th Avenue will narrow Burnside to two lanes. As a result, 54 feet of right-of-way will be made available on the north side of Burnside from NW 2nd Avenue and NW 8th Avenue. This land has been identified in the *Burnside Transportation and Urban Design Plan Phase II* to become off-street parking designed to integrate with the adjacent sidewalk improvements and provide possible space for festivals or events. It is envisioned that this linear flexible public space would develop into a mixed pedestrian, entertainment and development project with an expanded pedestrian environment. This decision enhances the project streetscape by improving neighborhood and district gateways at the heart of the Central City. This distinct streetscape also provides an opportunity to link the Brewery Blocks, Midtown Blocks, North Park Blocks, Ankeny Plaza and Waterfront Park. Alternatively, the land was identified as potential area to be utilized by adjacent development. This study assumed that the additional 54' was integrated into the catalyst development program.

The analysis assumes development of new mixed-use buildings with underground parking, ground floor retail, and upper floor housing, hotel, or office use that activates adjacent streets and provides a better link to downtown development. To determine the economic impact of this catalyst development site, it is assumed the development will be complete in Year 15.

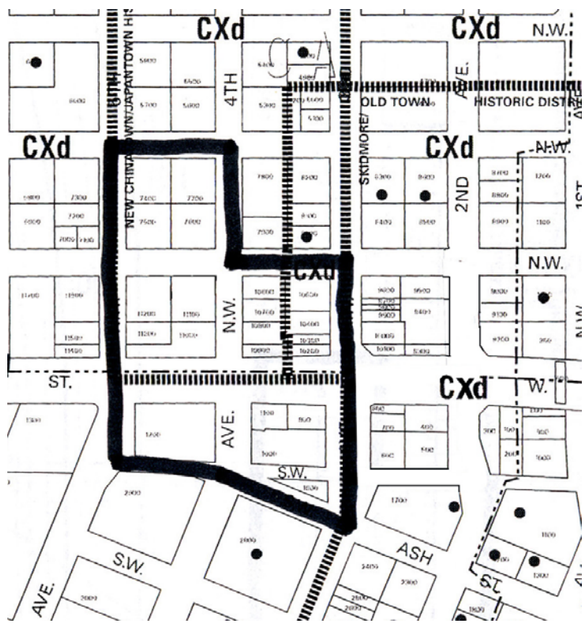
SITE 3	
Development Program	
Housing	350 units
Office	395,000 SF
Retail	87,800 SF
Community Svce	10,300 SF
Hotel	230 rooms
Parking	934 spaces
Development Cost	$225.0 M
Public Investment Requirement	$10.0M

The site is within the Downtown Waterfront Urban Renewal Area, which expires as an urban renewal area in 2008. It is assumed some public investment would be necessary to implement the project.

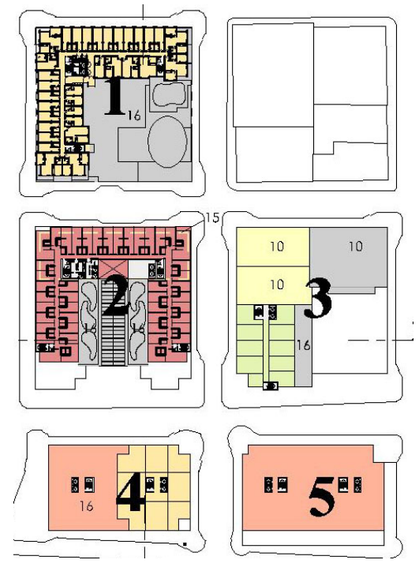
Zoning

The following map summarizes zoning standards for the Lower/Central West Burnside area.

The assumed potential development includes the removal of three National Register buildings—the Grove Hotel, the Goldsmith Company, and Cindy's—which are contributing properties in the New Chinatown/Japantown Historic District. Under current zoning regulations, the removal of these buildings would be subject to a demolition review process which could either approve or deny demolition of the building.

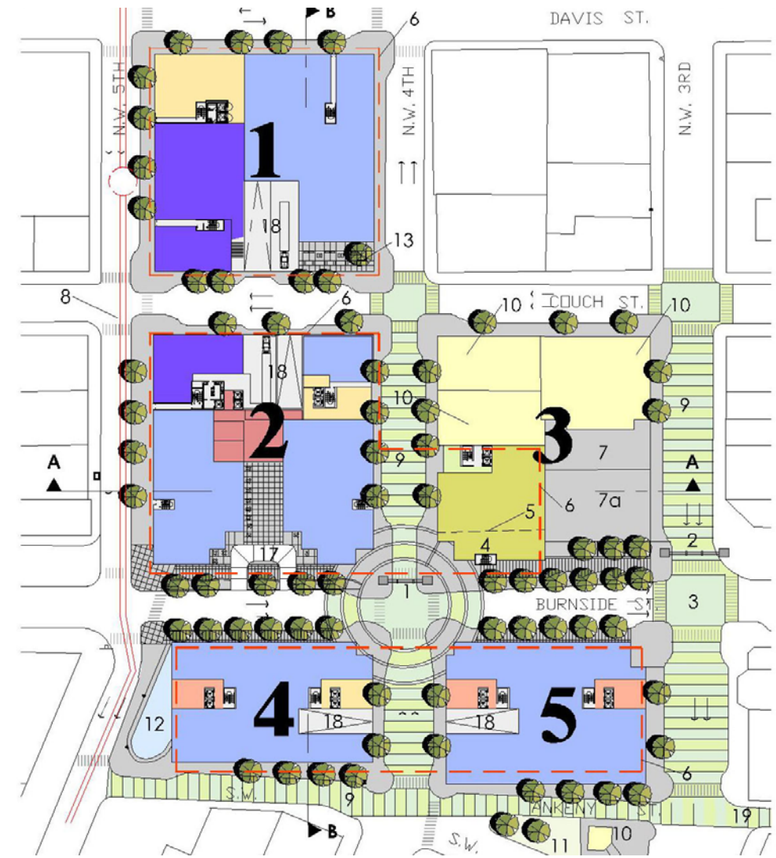


Zoning map showing commercial, employment and residential uses with a design overlay.



Site 3 Upper floor plan

Site 3: West 4th/Burnside/Couch/Ankeny



Site 3 Ground floor plan

CATALYST DEVELOPMENT SITE-3

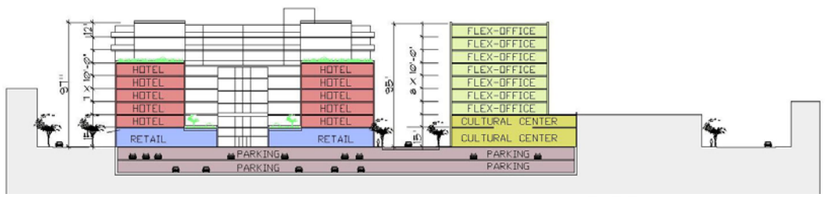
Block 1	Condominium/Retail/Below Grade Parking
Block 2	Hotel/Retail/Below Grade Parking
Block 3	Incubator Office/Community Space/Below Grade Parking
Block 4	Point Tower/Office/Retail/Below Grade Parking
Block 5	Office/Retail/Below Grade Parking

LEGEND

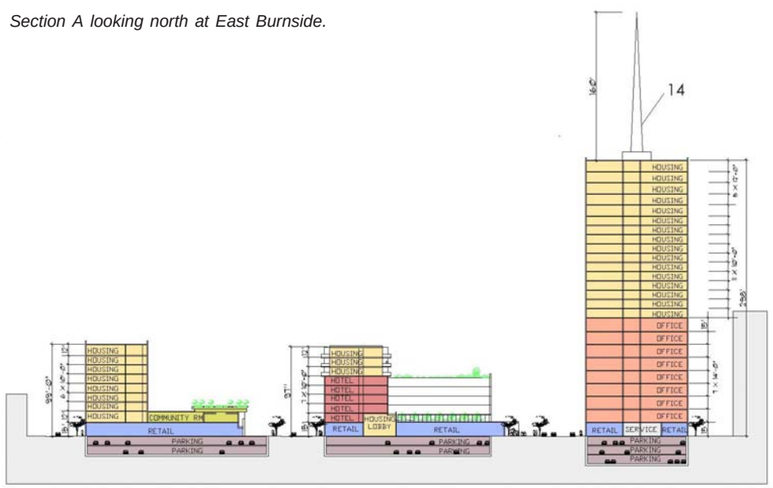
- Entertainment
- Housing
- Health Club
- Retail
- Light Industrial Showroom
- Flex Office

Site 3: West 4th/Burnside/Couch/Ankeny

Aerial view looking northwest to W Burnside and 4th Avenue.



Section A looking north at East Burnside.



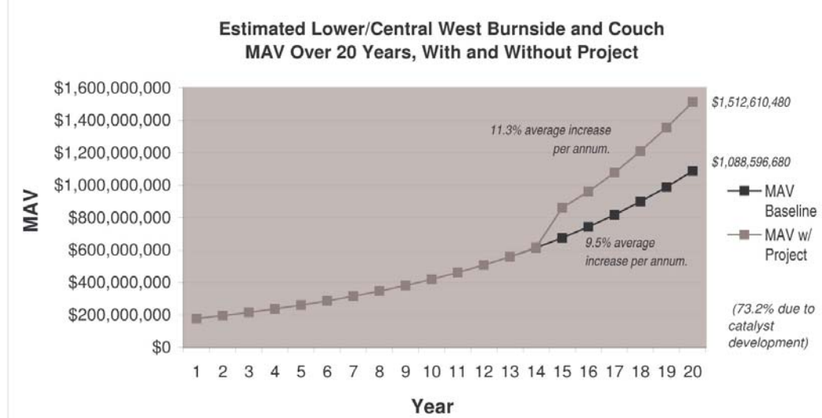
Section B looking east at SW 5th Avenue.

LOWER/CENTRAL WEST BURNSIDE AND COUCH MAV TRENDING

The taxable property value (MAV) incremental increase for the Lower/Central West Burnside segment of the study area is $424 million (see chart below), which is primarily due to the impact of new catalyst development on assessed property values. The baseline MAV has an estimated increase of 10.0% per annum (or 9.5% average), based on the compound increase in MAV over the past seven years. In comparison, the "with project" average increase is 11.3% per annum with catalyst development assumed in Year 15. Note that the proximate redevelopment project focused at Ankeny Plaza, part of the PDC/City sponsored Downtown Waterfront development opportunity strategy, is included in both the baseline and "with project" trend and is assumed to be completed in Year 10.

The "with project" average is based on a rate of 10.0% average annual growth which is assumed to increase 0.5% per annum beginning in Year 14 and continuing for a period of five years. In the sixth year, the baseline rate is decreased at 0.5% per annum. Lower/Central West Burnside has a much higher assumed baseline MAV rate of increase because of significant development pressure within this segment—including central city activity, the City's *Park Avenue Vision* and related new development along the Park Blocks, as well as the recent success of the Brewery Blocks at the segment's west end.

The public investment required to realize this increase in property assessed value is approximately $17 million in transportation and urban design improvements and $10 million in development investment.



UPPER WEST BURNSIDE
W 16TH AVENUE TO W 24TH PLACE

The Upper West Burnside project segment and taxable property value analysis includes basic transportation and urban design improvements as proposed in the *Burnside Transportation and Urban Design Plan*, such as expanded sidewalks and additional street trees. No new catalyst development is specified as part of this study.

SERA Architects

Proposed Civic Redevelopment looking south from NW 18th and Burnside with mixed housing

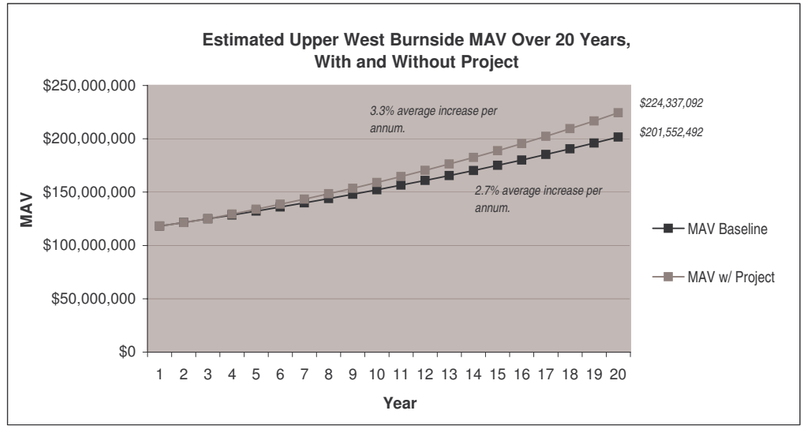
Upper West Burnside MAV Trending

The taxable property value or MAV trending analysis for this segment includes the current proposed Civic Apartments redevelopment at 635 SW 19th Avenue in both the with and without project scenarios. This development is considered to have an important role in supporting adjacent right-of-way improvements, and will include affordable housing, condominiums, and ground floor retail. It is assumed to be completed in Year 1.

The MAV incremental increase for the Upper West Burnside segment of the study area is approximately $23 million (see chart below), which is due to the impact of right-of-way improvements on stimulating new private development and increased assessed value. The baseline MAV has an estimated increase of 2.85% per annum (or 2.7% average), based on the compound increase in MAV over the past seven years. In comparison, the "with project" average increase is 3.3% per annum.

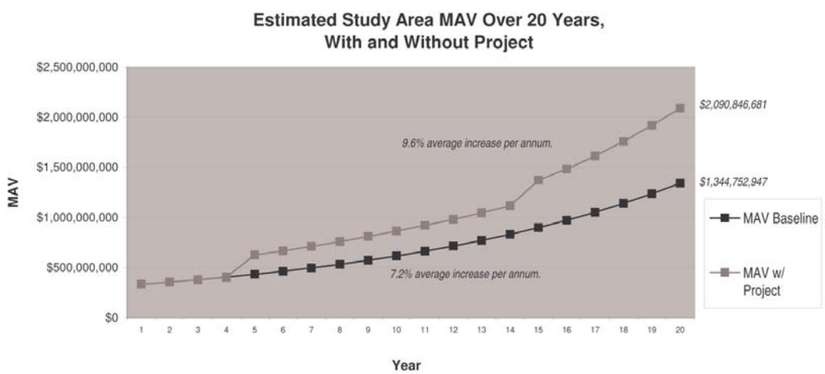
The "with project" average is based on a 2.85% average annual growth which is assumed to increase to 3.5% per annum beginning in Year 5 and continuing for the analysis period. The assumed increase per annum is higher than the eastside due to the fact that this segment is within a dynamic portion of West Burnside that is poised for redevelopment due to its proximity to the downtown core, affluent urban neighborhoods (Portland Heights/Kings Heights/Willamette Heights), the Pearl District and NW Portland.

The public investment required to realize this increase in property assessed value is approximately $8.5 million in transportation and streetscape improvements.



INVESTMENT AND RETURN

In total, the difference between a $2.1 billion MAV with capital improvement and development investment, and a $1.35 billion MAV without improvement or catalyst development translates into an incremental increase in taxable property value of approximately $750,000,000 over a 20-year time frame for all three segments of the study area. Otherwise understood, there is an estimated average MAV growth rate of 9.6% per annum with the project (see chart following). This is in comparison to an estimated average baseline MAV trend rate of 7.2% per annum if the transportation and development project does not occur.



A related incremental increase in property tax return results from an increased MAV:

- Using an assumed property tax rate constant of 2.2% of MAV, current property tax collections of about $5 million per year would increase to $30 million per year without the project versus tax collections of $46.5 million per year with the project
- This translates into an incremental increase of $16.5 million in property taxes per year in Year 20.
- In addition, there would be annual incremental taxes resulting each previous year from the positive impact of catalyst development and capital improvement on property assessed value.

Public investment required to realize the *Burnside Transportation and Urban Design Plan* improvements is $45 million, to be used for a broad range of right-of-way improvements and urban design, including making Burnside and Couch into a one-way couplet, the addition of on-street parking, increased access and an enhanced streetscape. Public subsidy to spur an acceleration of catalyst development relative to what would take place without the project is approximately $39 million. The following table summarizes the estimated impact of public capital and development investment and private development on the study area. It should be noted that these conclusions are based on current market conditions and could be substantively altered by increases in achievable lease rates and/or sales prices.

Table 1. New physical improvements summary

INVESTMENT/COST	Flanders Bike Blvd.[1]	Lower East Burnside and Couch	Lower & Central West Burnside and Couch	Upper West Burnside	**STUDY AREA (as available)**
Transportation Improvements	$3.5	$16 M	$17 M	$8.5 M	**$45 Million**
Development Investment ("Gap Funding")	$0 M	$29 M	$10 M	$0 M	**$39 Million**
Total Project Investment/Cost	**$3.5 M**	**$45 M**	**$27 M**	**$8.5 M**	**$84 Million**

ECONOMIC RETURN	Lower East Burnside and Couch	Lower & Central West Burnside and Couch	Upper West Burnside	**STUDY AREA (as available)**
New Net Assessed Value	**$300 M**	**$425 M**	**$25 M**	**$750 Million**
New Net Taxes in Year 20[2]	**$7 M/year** *(7 year payback after Year 20)*	**$9 M/year** *(3 year payback after Year 20)*	**$.5 M/ year** *(17 year payback after Year 20)*	**$16.5 Million/ Year[3]** *(6 year payback after Year 20)*

NEW PHYSICAL IMPROVEMENTS	Lower East Burnside and Couch	Lower & Central West Burnside and Couch	**STUDY AREA (as available)**
Site Description	**Site 1** • New commercial and light industrial node at E Burnside and 14th • Create new multi-family housing to link residential neighborhoods of Buckman and Kerns • Improve neighborhood connection to adjacent public open space **Site 2** • Gateway development to serve as catalyst for other redevelopment in the area • Link the east side of the central city to Downtown Portland • Create new mixed-use development with housing, light industrial, retail, and other commercial uses	**Site 3** • Integrate new mixed-use development with rehabilitated historic buildings. • Improve connectivity across Burnside with high-density offices to the south and lower-density housing and retail to the north. • Active ground floor uses to provide better link to downtown development.	
Housing	710 units	350 units	1,060 units
Office	411,000 SF	395,000 SF	806,000 SF
Retail/Commercial	406,000 SF	87,800 SF	495,000 SF
Industrial	35,000 SF	0 SF	35,000 SF
Community Services	0 SF	10,300 SF	10,300 SF
Hotel	0 rooms	230 rooms	230 rooms
Parking	1,975 spaces	934 spaces	2,910 spaces
Jobs[4]	1,880 jobs	1,450 jobs	3,330 jobs

[1] *The Flanders Bike Boulevard is not within the Catalyst Development Study area, and, therefore, the improvements were not considered as part of the MAV trending analysis. The cost is included here to maintain a consistent project cost in all Phase II documents.*
[2] *Assumes constant property tax rate of 2.2% of Maximum Assessed Value.*
[3] *This figure reflects new net taxes in Year 20 only. In addition, there are new net taxes generated every year subsequent to catalyst development and streetscape improvements; therefore, this is a conservative payback period.*
[4] *Job estimates based on PDC Economic Development Department ratios.*

CONCLUSIONS

The *Burnside Transportation and Urban Design Plan* is a sound development investment. An estimated $45 million transportation and streetscape investment effectively creates a physical environment which, when coupled with about $39 million in gap development financing, could well lead to several major catalyst projects and infill which generates:

- New assessed value of $750 million.
- Net new annual tax revenues, including $16.5 million/year additional tax revenues in Year 20 or a 6 year payback of total project costs.
- The construction of 1,060 housing units.
- Accommodation of 3,330 permanent jobs.

The following are study findings regarding development potential within each analysis segment. These findings were determined, in part, from interviews with catalyst site property owners.

Lower East Burnside and Couch

Catalyst development sites on the eastside, especially Site 1, are clearly linked to the street reconfiguration as proposed in the 2002 plan and the *Burnside Transportation and Urban Design Plan Technical Refinements* providing new land for development. The improvements assist the development potential of Site 2, at the east Burnside Bridgehead, which gains improved access and circulation to existing redevelopable parcels.

Development potential is enhanced due to:

- Current property values that are relatively low (compared to Lower/Central West Burnside and Couch and downtown)
- More opportunities for infill development.
- Fewer impediments to development, with major parcels that are under single ownership facilitating development efforts.

Pressure for high-density development is lower compared to downtown. Therefore, while development is expected without the transportation improvements and public investment, it would likely be fairly modest.

Lower/Central West Burnside and Couch

The Lower/Central West Burnside and Couch segment has greater pressure to develop and at higher densities. In addition, the proposed transportation and urban design improvements, including wider sidewalks for improved pedestrian access, increased auto access, and additional parking, will certainly improve the image of the area. This segment also has numerous challenges to catalyze surrounding development and provide balance within this area of the Central City. These challenges include:

- No major short-term interest in redevelopment from existing area property owners.
- Numerous historic properties, many with possible seismic upgrade concerns.
- Existing underdeveloped properties that are income generating (primarily surface parking lots).
- Problems assembling large parcels of land and diverse property ownership.

Given development challenges and current lack of redevelopment interest, new development will likely occur in 10 to 15 years - a longer time frame compared to the east segment.

Upper West Burnside

Upper West Burnside is a dynamic portion of Burnside poised for redevelopment due to its proximity to downtown as well as Portland Heights, Kings Heights, and Willamette Heights, all affluent urban neighborhoods. The adjacent Pearl District and NW Portland, to the east and north respectively, also place strong pressure for continual upgrade of property. Currently, however, there are few redevelopment sites; many underdeveloped businesses on these sites have recently changed hands or been renovated and continue to operate successfully.

NEXT STEPS

The study's recommended next steps are contingent on actions taken on the *Burnside Transportation and Urban Design Plan Technical Refinements*. In addition, funding availability for the *Burnside Couch Transportation and Urban Design Plan*'s proposed improvements will help determine budget availability and policy direction on catalyst development. Given those qualifications, next steps include:

TASK	RESPONSIBLE PARTY
LOWER EAST BURNSIDE AND COUCH	
As part of the Central Eastside Urban Renewal Study, consider possible inclusion of some or all of catalyst development site at E Burnside/Couch/ Sandy/14th.	PDC
LOWER/CENTRAL WEST BURNSIDE AND COUCH	
Determine priority of implementing catalyst development at W Burnside/Couch/4th/5th given other Downtown Waterfront Urban Renewal Area projects.	PDC, OTCT and other neighborhood groups

If project is determined a priority, then:

Determine funding availability for catalyst development.	PDC, OTCT and other neighborhood groups
Pursue predevelopment work on catalyst development site at W Burnside/Couch/4th/5th to include: - Perform public outreach to help determine redevelopment priorities. - Work with property owners to redevelop properties on Blocks 1, 2, 4 and 5, with priority given to the Grove Hotel. - Coordinate with owners of Blocks 1 and 2 to develop long and short term redevelopment goals. - Research potential developers for private investment. - Study ways to provide for more active ground floor uses.	PDC
Work with the Old Town/Chinatown neighborhood to consider other efforts to revitalize the Burnside/Couch corridor—possibly through the development of housing, social services, or retail strategies.	PDC
Promote private sector development on catalyst development site.	Friends of Burnside/Couch

APPENDIX

PUBLIC OUTREACH

The *Burnside and Couch Catalyst Development Study* was presented to a variety of stakeholder groups between February and May 2005, including:

- Buckman Neighborhood Association
- Burnside Transportation and Urban Design Plan, Stakeholder Advisory Committee
- Central Eastside Industrial Council, Land Use Committee
- Central Eastside Urban Renewal Advisory Committee
- East Burnside Business Association
- Friends of Burnside/Couch, Inc.
- Goosehollow Foothills League
- Kerns Neighborhood Association
- Old Town Chinatown Neighborhood Association, Visions Committee
- Pearl District Business Association
- Pearl District Neighborhood Association
- Portland Business Alliance:
    - Central City Committee
    - Marketing Committee
    - Transportation Committee
- Portland Freight Committee

Presentations and briefings were made in order to inform the public of study findings as well as collect input on modeled catalyst development sites. The following input was received on the development programs assumed in the study:

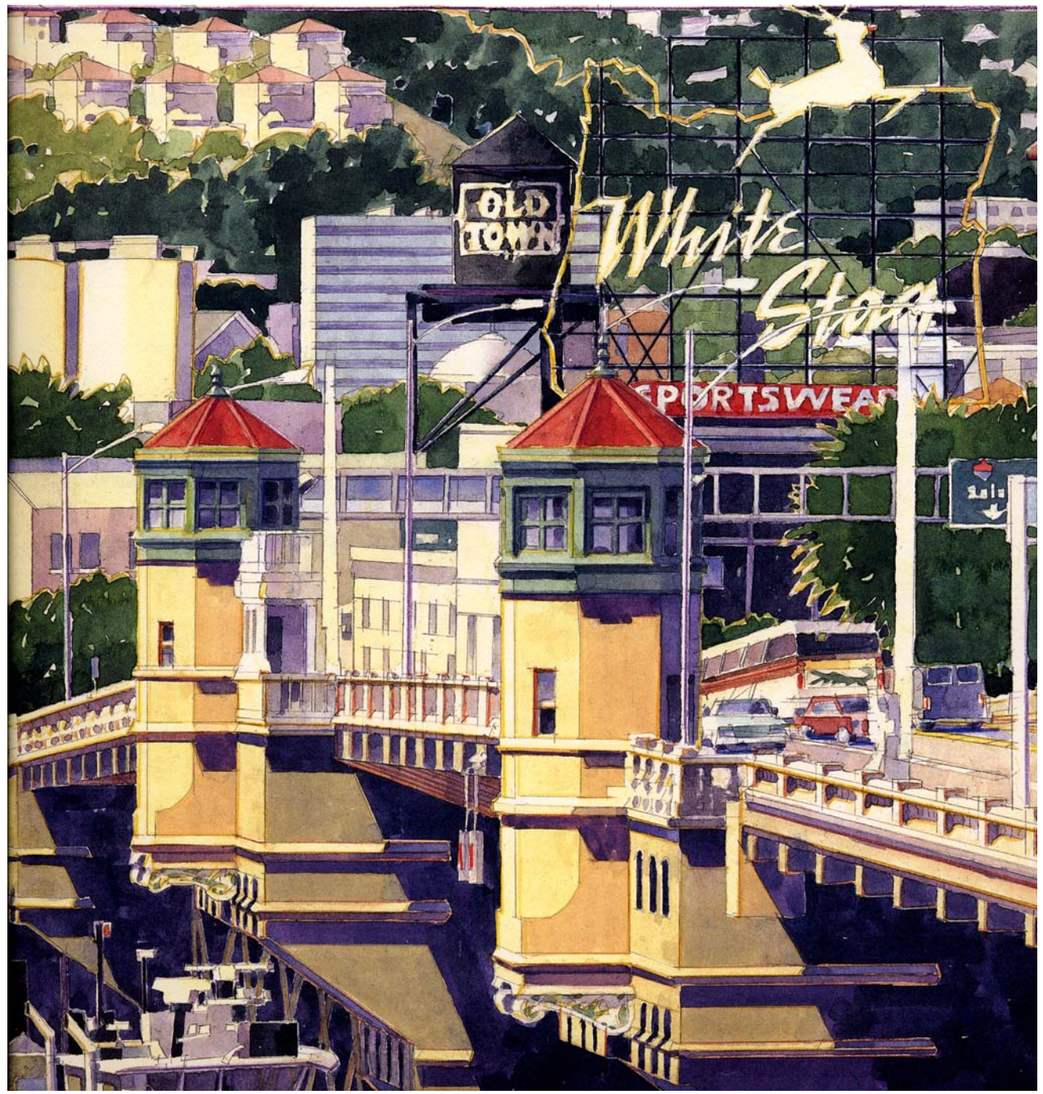
Site 1. East 12th/Sandy/Burnside/Couch

- High-rise development could create barriers, may not benefit long-term residents of the neighborhood due to gentrification issues (increased rents and decreased affordability), and is out of scale and character with the neighborhood.
- New development should benefit current residents.
- New development should maintain light industrial uses.
- The 13th Avenue green accessway is attractive, particularly because it precludes more then a 40,000 square foot development floor plate and the inclusion of a big box retailer.

Site 3. West 4th/Burnside/Couch/Ankeny

- Further research is needed to determine hotel use viability and potential absorption rates for various proposed uses given current market conditions in the Portland metropolitan region.
- Future development should be compatible with historic buildings in the New Chinatown/Japantown Historic District and Skidmore Fountain/Old Town Historic District.

In addition, various stakeholders expressed that neighborhood representatives should be included in the discussion if and when actual development at these sites occur.



CITY OF PORTLAND BUREAU OF TRANSPORTATION

PDC
PORTLAND DEVELOPMENT COMMISSION