

July 1, 2004

Dear Downtown Property Owner:

The revitalization of Portland's Transit Mall is critical to keeping downtown Portland a successful business and retail center. When the Transit Mall was built 25 years ago, Portland earned a national reputation for transportation planning, livability and a vital downtown where people come to work, live and play. Over the years, the Mall lived up to its promise, by successfully mixing mass transit, pedestrian use, retail, office space and urban design. It has become one of our proudest achievements.

Over time, the Mall has grown tired. Its infrastructure, including the bus shelters, brick sidewalks, street and intersection paving, and street furniture have deteriorated and are in need of repair or replacement. Safety and security on the Mall has been an issue, and the business environment is not as strong as it could be.

We now have the opportunity as a community to give new life to the Mall, to repair past problems and to set the future direction for a dynamic downtown that will benefit Portland for generations to come.

TriMet and the City of Portland are preparing to submit a project application to the Federal Transit Administration to redevelop and revitalize the Mall as part of a larger effort to extend light rail service in the I-205 corridor to Clackamas Town Center and through downtown Portland. This \$494 million project would be paid with 40 percent local funds and 60 percent federal funds—well above the average federal matching funds for transportation projects around the country.

Many business and civic leaders, the City, TriMet and other citizens have been working over the past year to design a Mall that meets the needs of future growth, business concerns, urban vitality and the development of downtown Portland.

Last month, the Portland City Council approved the conceptual design for the project. Some of the highlights of the approved conceptual design include:

- Light rail that runs the length of the Mall, from Union Station to PSU on Fifth and Sixth avenues.
- A continuous auto lane along the entire Mall to improve accessibility to both office and retail locations.
- Additional “pull-outs” along the Mall for more timely business delivery services and customer access.
- A proposal to create a new Mall management entity that will take charge of Mall cleanliness, oversee capital maintenance and curb criminal activity.
- The trimming or replacement of trees along the Mall to improve lighting and storefront visibility.
- Improvements to the Burnside intersections at Fifth and Sixth avenues to allow direct access across Burnside.

A fact sheet summarizing the project is attached. You can read the entire Conceptual Design Report at [www.portlandmall.org](http://www.portlandmall.org).

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As you can see, there are incredible changes planned for the Mall that will greatly improve the business climate and downtown livability. Most importantly, the improvements will be financed to a large degree through a federal grant, limiting the amount of local dollars that must be raised. It is never easy to raise local dollars for a project like this, and certainly, a very high threshold must be reached before we would support increasing assessments on properties and local businesses. In this case, that threshold clearly has been reached because of the critical need for fundamental Mall revitalization.

As a result, we support the creation of a Local Improvement District (LID) that would contribute \$17 million to help fund the 40 percent local match required for this \$494 million project. The LID assessment would be based on the assessed value of your property, and would be paid over 20 years. For example, the Wells Fargo Tower, valued at \$88.5 million, would be assessed about \$465,000. This amount can be financed by the City and paid over 20 years, which equates to about \$40,000 a year, or 6 cents a square foot per year on the leasable square footage of the building.

We hope you will join us in supporting the development of this vital infrastructure for our city. An information packet on the LID and your property's assessment will be mailed to you in early July. For more LID information, please contact the Portland Mall Project at 503-962-2133 or at [revitalize@portlandmall.org](mailto:revitalize@portlandmall.org).

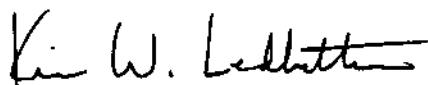
Sincerely,



Mark Dodson, CEO  
Northwest Natural



George Passadore  
Former Chairman  
Wells Fargo Bank




Kim Ledbetter  
Senior Vice President  
Standard Insurance Company



John Russell  
Russell Development Co.



Scott Andrews, CEO  
Melvin Mark Properties



Phil Kalberer, President  
Kalberer Company