

82nd Avenue Study **UNDERSTANDING BARRIERS TO DEVELOPMENT**





PLANNING & SUSTAINABILITY

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The appendices are posted online separately and/or available by request.

EXECUTIVE SUMMARY

BACKGROUND

Portland's 82nd Avenue is home to one of the most diverse populations in the region; the census tract around 82nd Avenue and Powell Boulevard is the most diverse in the state of Oregon. Neighborhood centers like the Jade District and Montavilla are making 82nd Avenue a destination with restaurants, shopping and services. Many public institutions, like Portland Community College (PCC) Southeast Campus, Madison High School, Vestal Elementary School and others, front along the corridor. The avenue is also a busy transportation corridor serving 20,000 to 30,000 vehicle trips each day, hosting one of the busiest bus routes in the region and providing a critical north-south connection.

The corridor has been the subject of many small and/or node-specific visioning projects, market studies, safety improvements and urban renewal over the past 10+ years. These community and government-led efforts should not be understated, as they have positively shaped key development sites and transportation improvements. But there is desire for further planning and investment assistance in the corridor.

Funding for developing a long-term vision for major improvements on 82nd Avenue is uncertain. For this reason, this report, lays the groundwork for additional planning on 82nd Avenue to guide the transformation of the street into a Civic Corridor as envisioned in the 2035 Comprehensive Plan. By articulating the challenges and opportunities for the corridor, institutional support can be built for further planning work and the necessary funding to implement larger enhancements.

The **82nd Avenue Study: Understanding Barriers to Development**, referred to as the "82nd Avenue Study," focuses on understanding the challenges of and exploring opportunities for new development in the corridor as we consider potential transportation improvements. The study was prepared in tandem with ODOT's 82nd Avenue of the Roses Implementation project. The *82nd Avenue Study* describes the development potential of properties along 82nd Avenue and identifies barriers that can be addressed in the near-term — with an eye towards long-term solutions.

PROJECT GOALS

The goals of this study are:

- Update our understanding of 82nd Avenue as a "Civic Corridor."
- Identify the most strategic locations for public action or investment support for **businesses and property development on 82nd Avenue**.
- Generate policy recommendations to address physical and social needs in the corridor; address barriers to development while managing equity and social issues.

The *82nd Avenue Study* is not intended to be comprehensive planning effort for the corridor. Rather, it will complement the many other projects also happening in the corridor and build on collaborative efforts. Following this study, City Council could direct staff to generate a more robust vision for 82nd Avenue, in partnership with community stakeholders.

KEY ACTION ITEMS

The 82nd Avenue Study recommends near-term actions and future planning and investment efforts:

BPS Near-Term Actions

- **Employment Zoning:** Zone a three- to four block stretch (from SE Bybee to SE Lambert) of employment-zoned properties along SE 82nd Avenue from General Employment 2 (EG2) to General Employment 1 (EG1). See Section 5: Map Amendments of this study.
- Eliminate or Modify Split-Zoned Sites: Eliminate or modify the split-zoned designation of properties and propose necessary adjustments. See Section 5: Map Amendments of this study.
- **Conduct an economic, equity and impact analysis specific to commercial displacement.** While the 82nd Avenue Study was tasked with analysis of commercial displacement tied to the above zoning proposals, residential displacement risk analysis should be integrated in future City efforts. See Section 6: Economic, Equity and Impact Analysis of Affected Employment and Commercial Properties of this study.
- Facilitate a connection between business and neighborhood association representatives and the Joint Office of Homeless Services (JOHS) that is inclusive of residents who are homeless.
- Overall proposed public investments need to align with the 82nd Avenue Civic Corridor policydirection. Investments should advance "livable and economically viable centers and complete neighborhoods," multimodal transportation, "well-designed places with transit-supportive densities of housing, businesses and jobs," and inclusive community development.
- Jade District and Montavilla should be highest priorities for placemaking investments. They have some market momentum for the development types envisioned in the Civic Corridor designation (recent and proposed development), including adaptive reuse projects. Publicly funded placemaking investments may come from a variety of government agencies.
- Review and track a list of anticipated funded, soon-to-be funded or opportunities for potential coordinated infrastructure spending in the corridor through various funding mechanisms.
- **Establish performance measures to track immediate outcomes** from the *82nd Avenue Study* and longer-term progress of change in the corridor.

PBOT Near-Term Actions

- 82nd Avenue Plan: Planning for a Future Civic Corridor: The purpose of this plan is to identify capital improvement projects, policies, design practices and other recommendations to support the incremental transformation of 82nd Avenue into a Civic Corridor, as envisioned in the 2035 Comprehensive Plan. This plan covers 82nd Avenue from NE Killingsworth to SE Clatsop (City limits). Key elements of the 82nd Avenue Plan:
 - Recommended safety, access and transit improvements along 82nd Avenue. The primary focus of these improvements is increasing safety and removing transportation barriers. Most of the recommended projects are enhanced pedestrian and bicycle crossings, increased lighting, signal changes to reduce conflicts and other minor improvements to existing signals. In addition, Enhanced Transit priority treatments and bus stop improvements are recommended along 82nd Avenue to improve the reliability, speed and capacity of TriMet bus line 72.
 - Propose changes to PBOT's current right-of-way dedication requirements for new development along 82nd Avenue. These will be made incrementally over time, as development occurs. The change would bring PBOT right-of-way dedication

requirements more in line with the existing Special Setback development requirements along 82nd Avenue (45 feet from each side of the centerline) in the Portland Zoning Code, Title 33.

- City of Portland to carry out already funded transportation projects and continue to develop additional opportunities for safety and connectivity improvements in and around the corridor. The already funded transportation projects include:
 - 82nd Ave Crossing Improvements Fixing our Streets project (2019-2020)
 - Division Multi-Modal Safety Project (2019-2020)
 - 70s Neighborhood Greenway Project (2020-21)
 - Halsey Safety Access to Transit Projects (2020-21)
 - Jade and Montavilla Connected Centers Project (2020-21)
 - Brentwood-Darlington Safe Routes to School (2020-21)
- City and Oregon Department of Transportation (ODOT) will develop a broad and successful partnership to secure funding to repair 82nd Ave and improve safety. This will support the future jurisdictional transfer of 82nd Avenue within the City of Portland limits and future planned improvements.
- City intends to seek increased design and engineering flexibility for improvements made under ODOT ownership.

Future planning and investment efforts

- **Develop a corridor-wide residential growth strategy** that identifies residential development opportunities, housing stabilization at all income levels and recommends program and policies to minimize displacement of low-income community members that may result from investment and redevelopment.
- **Develop a post-jurisdictional transfer vision and conceptual design plan,** including desired transportation improvements and/or cross sections to illustrate community safety improvements planned for the corridor following the jurisdictional transfer.
- Advance the Preliminary Urban Design and Placemaking Concept for the 82nd Avenue Corridor included in this study that builds on the 2035 Comprehensive Plan and highlights further planning and investment efforts.

Section 1: Introduction

The **82nd Avenue Study: Understanding Barriers to Development** is funded in part by Metro and led by the City of Portland's Bureau of Planning and Sustainability (BPS), with support from the Portland Bureau of Transportation (PBOT). Working in partnership with the Oregon Department of Transportation (ODOT) on their parallel project—<u>82nd Avenue of Roses Implementation Project</u>—the City-led project focuses on understanding the challenges of and exploring opportunities for new development in the corridor alongside potential transportation improvements. The 82nd Avenue Study is intended to offer an updated understanding of the development potential of properties along 82nd Avenue and identify barriers that can be addressed in the near-term, but also with an eye towards long-term solutions.

82nd Avenue is evolving. For years, it has been thought of as just a highway to get *through* Portland. It is still designated as State Highway 213. In more recent years, however, some segments of 82nd Avenue have gradually bloomed into places for people to *stay and linger*—places for people to go meet friends; enjoy restaurants or cafes; go to school or work; buy groceries; go watch a movie; or go to just be and be a part of the community.

Even so, 82nd Avenue remains one of Portland's major streets in terms of traffic and transit ridership. In Portland, it stretches about seven miles from Portland International Airport in the north to the county line with Clackamas County to the south. The diversity of uses along the street ranges from industrial, to single-family residential to institutional, commercial, and mixed-use commercial and multi-family residential. Long stretches of used-car dealerships still give it the "auto row" distinction.



Auto dealerships on 82nd Avenue, between the Jade District and Montavilla.

The 2035 Comprehensive Plan, adopted in 2016, designates 82nd Avenue as a "Civic Corridor." From the *Urban Design Direction*, a supporting piece to Portland's 2035 Comprehensive Plan, the definition of a Civic Corridor is as follows:

Civic Corridors are the City's busiest, widest, and most prominent streets. They connect centers, help unite the City and region, and have the potential to be distinctive civic places of community pride. Besides their key transportation functions for traffic, freight and transit, Civic Corridors offer unique opportunities for signature types of lights, signs and street trees, as well as new pedestrian spaces to improve safety, visibility and livability.

Figure 1. Corridors



Figure 2, on the below, shows the extent of the study area. It is entirely within the City of Portland, stretching from just south of the airport to the city limit on the southern end. While the focus of this analysis is on properties that have frontage on 82nd Avenue, the project also considers a larger buffer area that extends about ½-mile on either side of 82nd Ave. The study breaks the corridor into six sub-areas, or focus areas, within the corridor.

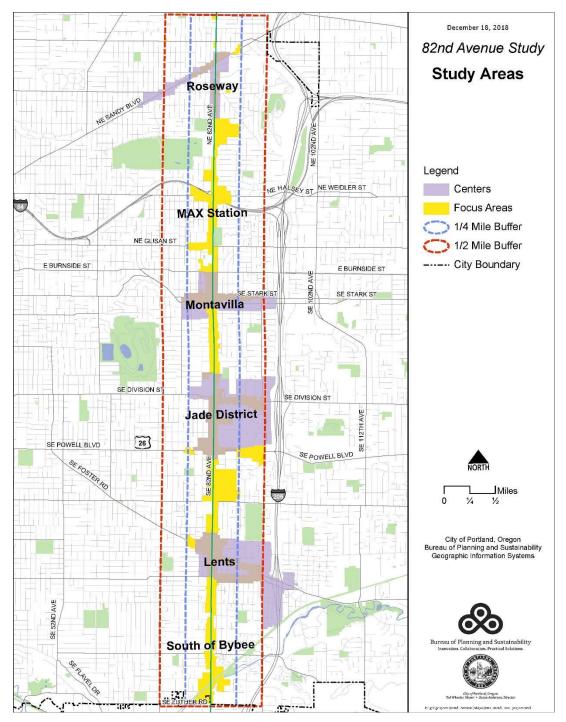


Figure 2. 82nd Avenue Study – Study Areas

⁸²nd Avenue Study: Understanding Barriers to Development – Adopted as Amended Report

Section 2: Brief History

For over 100 years, 82nd Avenue has served many different purposes. In the early 1900s, it was East 82nd *Street*—a dirt road that was located well beyond the then city limits. By the 1930s, 82nd Avenue marked the edge of the city and was paved to serve as a bypass road (State Highway 213). In the decades after the post-war development boom, automobile-oriented businesses increasingly shaped the character of 82nd Avenue. Long-time Portlanders remember it as a popular cruising street in the 1970s.

In the 1980s, Portland city limits expanded several miles east of 82nd Avenue, and construction of the I-205 freeway was completed. No longer the edge of the city, 82nd Avenue steadily evolved—physically and socially—into a more central commercial spine between the annexed lands in East Portland and the existing city west of the corridor.

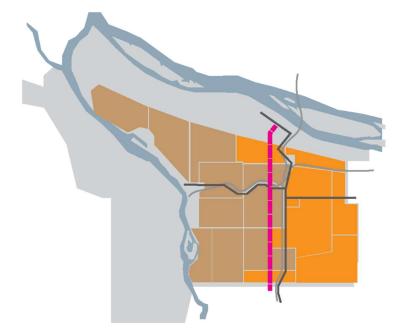


Figure 3. 82nd Avenue Between Inner and East Portland

Today, 82nd Avenue's diversity of uses and purposes is a result of the mashing together, over time, different development priorities in different eras and under different governance structures, and even the many different cultural and ethnic groups who live and work in the corridor. The corridor, figuratively and literally, represents the gateway to East Portland—where vulnerable populations are among the highest in the city.

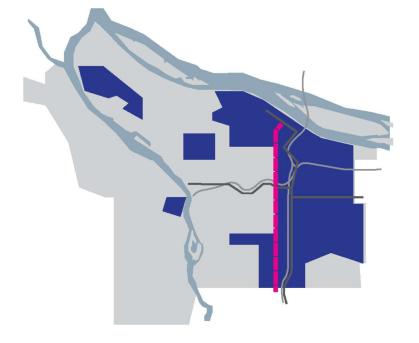


Figure 4. 82nd Avenue and Vulnerable Populations

While 82nd Avenue—the roadway—is still a state-owned facility, the City of Portland regulates land development adjacent to the right-of-way. The street is still known for its predominantly used-car sales businesses. In recent years, however, segments of the corridor have increasingly become neighborhood-serving commercial hubs— places predominantly for people—like the Jade and the Montavilla districts. Here, other businesses are thriving—grocery stores, ethnic markets, restaurants, coffee shops, and many locally-owned small shops.

Given a string of recent traffic fatalities on 82nd Avenue and similar high-crash streets, community members and city leaders have demanded that 82nd Avenue be made into a safer *place* for people. At the same time, city policies are in place to help existing and new businesses grow and thrive in the corridor—that equitable development principles remain paramount in the urban regeneration process.

Ultimately, how can a state highway evolve and coexist with emerging pedestrian-friendly places and anticipated change in the corridor?

Section 3: PURPOSE

The **82nd Avenue Study: Understanding Barriers to Development** aims to address this question, in part, through gaining a better understanding of barriers to development in the corridor. The project, at the same time, is collaborating with partner agencies to prioritize safety in the corridor. Altogether, this project analyzes the potential for employment and housing opportunity in the corridor, recommends actions to reduce barriers to development, while also considering placemaking opportunities in key segments of the corridor—recognizing the increasing demand and steady change to more pedestrian-friendly, main-street types of places.

The goals of this project are to:

- Gain an updated understanding of 82nd Avenue in the context of a new era of development and the avenue's classification as a "Civic Corridor" in the recently updated 2035 Comprehensive Plan.
- Raise the profile of opportunities for businesses and property development on 82nd Avenue, to identify the most strategic locations for public action or investment to support redevelopment, and to inform the concurrent ODOT implementation plan.
- **Generate policy recommendations to address physical and social needs** in the corridor; address barriers to development while at the same time managing equity and social issues:
 - o Physical
 - Improving sidewalks and pedestrian safety (public realm)
 - Phased (re)development
 - Parking needs
 - Emerging districts
 - o Social
 - Growing job opportunities
 - Mitigate homelessness
 - Avoid undue displacement

The list of goals is intentionally short; this is not intended to be comprehensive planning effort for the corridor. The *82nd Avenue Study* is intended to complement the many other projects also happening in the corridor and build on collaborative efforts. As follow-up to this study, the City Council could direct staff to generate a more robust, deeper-in-scope corridor plan with a land use and community development focus, in partnership with community stakeholders.

82nd Avenue Plan (PBOT)

The Portland Bureau of Transportation (PBOT) began development of the draft *82nd Avenue Plan* in December 2018 based on the barriers identified through the early phases of this *82nd Avenue Study*. The purpose of this PBOT plan is to identify capital improvement projects, policies, design practices and other recommendations to support the incremental transformation of 82nd Ave into a Civic Corridor, as envisioned in the 2035 Comprehensive Plan. This plan is also intended to service to a larger effort underway, the eventual transfer of ownership of 82nd Avenue (OR 213) from Oregon Department of Transportation (ODOT) to the City of Portland, under the stewardship of the Portland Bureau of Transportation (PBOT). This project coordinated with various other projects in and around the corridor.

Plans and Projects Coordinated with in and around the 82nd Avenue Corridor:

- 82nd Avenue of Roses Implementation Plan (ODOT)
- **Division Transit Project** (TriMet)
- **Powell-Division Transit and Development Project, Portland Local Action Plan** (City of Portland, Planning and Sustainability, partially funded by a Metro Community Planning and Development Grant)
- Building Healthy Connected Communities Along the Powell-Division Corridor (City of Portland, Planning and Sustainability, partially funded by a Metro Community Planning and Development Grant)
- Enhanced Transit Corridors (City of Portland, Bureau of Transportation)
- **Growing Transit Communities** (City of Portland, Bureau of Transportation)
- Better Housing by Design: An Update to Portland's Multi-Dwelling Zoning Code (City of Portland, Bureau of Planning and Sustainability)
- **Connected Centers: Jade and Rosewood** (City of Portland, Bureau of Transportation)
- **Greening the Jade** (Multnomah County and EPA)
- Safety Action Plan for Outer SE Division Street (City of Portland, Bureau of Transportation)

PUBLIC ENGAGEMENT

The public engagement opportunities for the *82nd Avenue Study* were combined with the "Building Healthy Communities Along the Powell-Division Corridor" (Powell-Division) project and ODOT's 82nd Ave of Roses Implementation Project processes.

On June 1, 2016, BPS staff met with Asian Pacific American Network of Oregon (APANO), Jade District and Division Midway Alliance Neighborhood Prosperity Initiatives (NPIs), which are affiliated with the Powell-Division corridor. Public engagement efforts were coordinated with these two NPIs prior to the project kick off in the fall of 2016, including discussions about 82nd Ave as part of the next phase of the Powell-Division project.

At every opportunity for public engagement, staff ensured that the *82nd Avenue Study* was intertwined with the Powell-Division efforts and vice-a-versa. For example, APANO/Jade hosted the University of Oregon Architecture School and its urban design class (which was focusing on the future of 82nd Ave) at the Jade/APANO Multi-Cultural Space (JAMS). APANO/Jade District also incorporated the 82nd Ave Study as part of their ongoing community outreach, sharing information about it at public events like the Jade District Night Market.

Additionally, the 82nd Avenue Study was incorporated into the 82nd Ave of Roses Implementation Project and its public engagement process. Staff from the City of Portland attended the Community Advisory Committee (CAC) meeting on May 16, 2016 and introduced the *82nd Ave Study* to the committee. Staff from both projects discussed and coordinated to take advantage of this already formed CAC for the ODOT project. The *82nd Avenue Study* then provided updates to the CAC, which provided general guidance throughout their process from Spring 2016 through Fall 2017.

The 82nd Avenue Study's public engagement plan (2016-19) involved regular meetings with the CAC (2016-17), community and neighborhood groups, and APANO/Jade District and Division Midway Alliance staff. To avoid "engagement fatigue" of community members participating in all these projects, project staff worked with partners to ensure there was overlapping discussion about all the projects concurrently in the corridor at each meeting. Together, these efforts created more coordinated, integrated land use and transportation planning.

During winter and spring 2017, the project consultant team (Leland Consulting Group, Cogan Owens Greene and DECA Architects) engaged community members and property owners. In <u>Appendix B:</u> <u>Barriers to Redevelopment, April 2017</u>, the project consultant team layered their feedback with real estate market conditions research. With this information, the project consultant team developed draft building and site prototypes and explored probable phasing of development at key opportunity sites with the project architect.

Project staff also collaborated on multilingual community walks in each of the focus areas with ODOT's 82nd Ave of Roses Implementation Plan. From the walks, staff compiled ideas about problems and potential solutions in each focus area. Additionally, the project consultant team canvassed businesses and helped connect the team to some property owners for one-on-one interviews. Other public outreach included City staff facilitating a community-led event sponsored by the 82nd Avenue Improvement Coalition at the Dharma Rain Zen Center.

In Summer 2017, the project staff tasked Cogan Owens Greene to interview all 82nd Avenue business and neighborhood associations, including the 82nd Avenue Improvement Coalition. Their goal was to explore the idea of creating a corridor wide community benefit strategy along 82nd Avenue to help coordinate and leverage related efforts. In <u>Appendix C: Business & Neighborhood Association Interviews</u> <u>and Final Recommendations, July 31, 2017</u>, this report summarizes the results from the interviews conducted for BPS in July 2017.

Project staff continued to lead or participate in walks in the project focus areas, including a recent "walk along and cross 82nd Ave with me" challenge led by the 82nd Ave Improvement Coalition. Former Commissioner Dan Saltzman joined this walk. Project staff also engaged business associations and neighborhood coalitions and associations, providing project updates. The big public event for the summer was the July 11, 2017, City Council Town Hall on 82nd Ave about 82nd Ave (held at the JAMS). Councilmembers were able to directly hear from the community and property owners about their issues and concerns about 82nd Ave.

In October 2017, a coordinated open house with ODOT's 82nd Ave of Roses Implementation Plan was held. In late 2017 to early 2018, the project team shared the findings in the "discussion draft" with business and neighborhood coalitions in the corridor. Public engagement continued through 2018.

During these months, the Discussion Draft was also shared with Jade District staff and other interested parties in the Division Transit corridor.

In November 2018, a briefing of the *82nd Avenue Study* was held before Portland's Planning and Sustainability Commission, which outlined the study's executive summary and next steps on near-term actions leading into the legislative process for 2019. In December 2018, the *82nd Avenue Study* was published for public review and comment.

In early 2019, BPS and PBOT staff coordinated on additional public outreach to engage residents, businesses and property owners following the release of the *82nd Avenue Study* and during the development of the draft PBOT *82nd Avenue Plan*. Staff shared draft recommendations and materials from the BPS-led 82nd Avenue Study and PBOT-led 82nd Avenue Plan. Feedback from the community helped shape both efforts.

BPS and PBOT staff presented and gathered feedback at the following community meetings in 2019:

- Brentwood-Darlington Neighborhood Association, January 3
- Southeast Uplift Land Use and Transportation Committee, January 8
- Lents Neighborhood Association, January 22
- 82nd Avenue Improvement Coalition, January 28
- Montavilla Land Use and Transportation Committee, April 24
- 82nd Avenue Improvement Coalition, April 29

BPS and PBOT staff hosted the following public events along 82nd Ave:

- Drop-in hours to talk with BPS and PBOT staff: Monday, February 25, 2019, 5 7 p.m. at the Holgate Library, 7905 SE Holgate Blvd. Staff answered questions one-on-one. This was a small event, primarily focused on outreach to property owners abutting 82nd Ave to discuss proposed zone changes and right-of-way dedication changes.
- 82nd Ave Public Open House: Tuesday, March 5, 2019, 6 8 p.m. at Portland Community College

Section 4: What are the Issues – Barriers to Development on 82nd Avenue

To better understand the issues—physical and social—in the corridor, the project staff and Cogan Owens Green engaged businesses, property owners and community members. Leland Consulting Group also conducted market research and analysis. With information from the community and property owners and findings from the market research, project staff and DECA Architecture explored potential redevelopment sites and concepts for phasing that redevelopment over time.

Through the public engagement process, the following summarizes what we heard about physical and social issues that are affecting potential development:

Lack of available capital, funding and/or development experience

- Many property owners consider themselves "mom-and-pop" operations; they have limited available capital to invest in large development projects.
- Many property owners or business owners in the corridor are often inexperienced with development. They are often reluctant to initiate or invest in new building projects.

Market conditions

• The market is not yet ready for multi-story mixed-use development on 82nd Avenue.

Development standards, parking, and property consolidation

- Clarity of development standards and transportation regulations: the street is owned and regulated by ODOT, but adjacent land is regulated by the City of Portland.
- For nonconforming development exceeding a \$168,550 threshold, requirements for landscape screening for parking lots and exterior display areas could affect car dealerships to lose parking and be required to screen their display of cars for sale.
- Some large lots along 82nd Avenue often have a split-zone designation, with commercial in front and residential in the rear of the property. These split-zone properties are often difficult to develop.
- The new Centers Main Street overlay requires that new development achieve a minimum of 0.5to-1 floor-area ratio (FAR). This could be difficult for larger sites. The Centers Main Street overlay applies primarily at major intersections.
- R1 and R2 zoning along SE 82nd Avenue impose minimum housing density for new development. Large parcels require large-scale development, which precludes small-scale phased development over time (to match market demands).
- Some sites are endowed with more entitlement than the market currently supports, leading to
 property values that may preclude smaller-scale development and leave the site underutilized.
 (Over zoning in other areas of the city has had a dampening effect on development and may
 have a similar effect in the 82nd Avenue corridor.)
- The 82nd Avenue corridor is home to many auto-oriented uses. However, much of the new zoning along the corridor prohibits vehicle areas between the building and the street.
- Fear of losing parking capacity.



Ample parking remains a high priority for many property owners. These could be potential sites, but property owners tend to prefer not to lose any parking.

Safety, connections (pedestrian and bike safety), roadway, and public realm Improvements

- 82nd Avenue is a high-crash corridor.
- Need to repave the whole length of 82nd Avenue.
- Need more safe crossings throughout the corridor.
- Curb-tight narrow sidewalks through most of 82nd Avenue make it unpleasant to walk on along the corridor.





Examples of people dashing across 82nd Avenue at different times of the day.

Safety, connections (pedestrian and bike safety), roadway, and public realm Improvements (continued)

- Some sidewalks on or adjacent to 82nd Avenue are crumbling or simply non-existent.
- Some sidewalks appear as one long curb cut for access to a business; it doesn't feel safe to walk along on these sidewalks.



Blacktop offers ambiguous pedestrian path and blends with the roadway. There is no noticeable separation of material and/or vertical plane between the pedestrian zone and vehicles lanes.



Long curb cut at the Washman Auto Spa. This is anticipated to be remedied at the same time with improvements to the property.

Safety, connections (pedestrian and bike safety), roadway, and public realm Improvements (continued)

- Limited connectivity—streets and sidewalks—to adjacent neighborhoods and through large sites; many streets dead-end or do not connect to major places in the corridor, i.e., limited connection to the Fubonn site.
- Lack of streets and sidewalks means new development often requires significant investments in public works and/or dedication of private property to the public right-of-way. This creates additional costs and uncertainty and reduces development feasibility.
- Lack of bike lane and speeding cars makes bicycling feel unsafe; many cyclists use the sidewalk instead.



Cyclists often use the sidewalk. It feels safer and more comfortable.

Homeless population increasing

- Homeless population issues visibly increasing all throughout the corridor. Residents and businesses are increasingly concerned about encampments growing in and around the Springwater Corridor (on the southern end of 82nd Avenue), along the I-205 multi-use path, and under the I-84 overpass.
- Area neighborhood associations and business district associations most pressing issue, among others, is to support and help those experiencing homelessness.
- Safety concerns about an increase in people experiencing homelessness living in their specific community and related impacts to livability and local businesses.

Source: Appendix C: *Business & Neighborhood Association Interviews and Final Recommendations*, July 31, 2017, Cogan Owens Greene

On March 8, 2019, testimony to the Planning and Sustainability Commission was received with concerns about the above language and perceptions. The testimony stated, "Homeless individuals are part of every street and every neighborhood in Portland. If economic development is happening in other areas but not on 82nd, what metric is it that leads us to the conclusion that these community members area a barrier to economic development here?"



Signs of homelessness visible along the corridor.

How the Issues Came Up in the Public Engagement Process

A variety of issues challenge development opportunities on 82nd Avenue. These issues were generated mostly through public engagement with business- and property-owner meetings, as well as business and neighborhood association interviews, summarized in the following Appendices:

- A. Employment/Light Industrial Evaluation, July 18, 2017, Leland Consulting Group
- B. *Barriers to Redevelopment*, April 2017, Leland Consulting Group, Cogan Owens Greene, DECA Architecture
- C. Business & Neighborhood Association Interviews and Final Recommendations, July 31, 2017, Cogan Owens Greene
- D. Development Barriers Summary, August 2, 2017, DECA Architecture

Business Canvass Conducted by Cogan Owens Greene

Between February and March 2017 Cogan Owens Greene hosted 30 conversations with various business owners (18 property owners / 12 business tenants) along the 82nd Ave corridor. Their conversations focused on area assets, challenges and obstacles. The most frequent subjects in each category are listed below:

- Assets: Low cost of land, low rent prices, diversity and community members
- Challenges: Drugs, homelessness, prostitution, crime
- **Obstacles:** Parking space regulations, high development costs

Thirty-nine (39) percent of the businesses interviewed suggested that they would like to or have thought about redeveloping their property to expand business, create mixed-use development or add parking spaces onsite. Respondents also expressed approval for higher wage-paying businesses along the corridor if they would support the current businesses there.

Business District Association and Neighborhood Association Engagement Conducted by Cogan Owens Green

The in-depth conversations Cogan Owens Greene had with residents, business and property owners from January through March 2017 helped frame questions asked during Phase Two of engagement. Cogan Owens Greene invited multiple neighborhood and business associations along 82nd Ave to answer six questions via email or phone interview. Of the 19 organizations invited to participate, eight offered responses – all in different capacities. It's important to note that four of the eight responses were from neighborhood association representatives.

The questions were aimed at highlighting geographically specific areas of focus as well as self-identified barriers to development.

Most respondents were concerned about general corridor safety. The idea of **safety** took many different forms; the list below highlights a couple of key areas of concern:

- Theft
- Drug use
- Cleanliness
- Sidewalk Improvement/Addition

- Crosswalks
- Crime reduction
- Bike Lanes

Many of these safety concerns appeared in multiple responses. While the concerns may not all be considered direct barriers to development, they all must be considered in conjunction with any proposed development strategies.

Cogan Owens Greene's questionnaire also proposed the idea of creating a corridor wide community benefit strategy along 82nd Ave to coordinate and leverage the goals of various organizations along the corridor. All respondents were in favor of supporting and defining such a strategy; however, there were concerns about funding necessary to implement the goals as well as the potential for "focus misalignment" across organizations.

When asked what their organization's most pressing initiatives were, all but one respondent included **housing** in some form or another, the majority focusing on houselessness, specifically.

Livability was also discussed in various responses throughout the questionnaire. Recognizing the ambiguity of the term, moving forward it would be important to ask for clarity as the standards of a livable community can vary significantly from one group to the next.

Following the report, COG suggested further discussion with organization leaders regarding the establishment of a "programmatic corridor wide community benefit association." They also recommended additional attempts to engage with groups that did not offer responses. And they suggested a public-private-academic partnership formed by self-defined charter to create a cohesive program between ODOT, City of Portland and Portland Community College (PCC) that unifies the community and public agencies formed for livability improvements.

Development Barriers Summary, DECA Architecture

On August 2, 2017, DECA Architecture submitted a memo summarizing general barriers to development that exist along the 82nd Ave corridor study area. They divided the barriers by the following categories: Regulatory, Infrastructural and Other.

Regulatory

- Zoning code requires certain aspects of nonconforming development to be addressed when projects exceed a construction cost of \$168,550. Items to be addressed include parking lot landscape buffers, bicycle parking, landscaped setbacks and other items. Most relevant to 82nd Ave is the requirement for landscape screening at parking lots and exterior display areas. This could cause car dealerships to lose parking and be required to screen their wares.
- 2. Large lots along 82nd Ave are often split-zoned, with commercial zoning in front and residential in the rear. Split zoned lots are difficult to develop.
- 3. Minimum FAR's imposed by the new Centers Main Street overlay requires that any new development achieve minimum 0.5:1 FAR. This could be difficult, especially for larger sites. The Centers Main Street overlay applies primarily at significant intersections.
- 4. R1 and R2 zoning along SE 82nd Ave imposes minimum housing densities that need to be met as part of any new development. Larger parcels require large-scale development as a first step to improving the site, precluding small-scale phased development.

- 5. The current buffer zone regulations (b overlay) limit the connections that can be made between commercial frontage sites and the residential development behind. This has the effect of reducing connectivity and access between both types of sites.
- 6. Some sites are endowed with more entitlement than the market supports, leader to property values that may preclude smaller scale development and leave the site underutilized. Over-zoning in other areas of the city has had a dampening effect on development and may be an issue for the 82nd Ave corridor as well.
- 7. The 82nd Ave corridor is home to many auto-oriented uses. However, much of the zoning along the corridor prohibits vehicle areas between the building and the street.

Infrastructure

- 1. Lack of streets and sidewalks limits connectivity in the neighborhood and through large sites. Many streets dead-end or do not connect.
- 2. Lack of streets and sidewalks means new development often requires significant investments in public works and/or dedication of private property to the public right-of-way. This creates additional costs and uncertainty and reduces development feasibility.
- 3. New driveway approaches from 82nd Ave are discouraged, since it is a state highway. The new Bus Rapid Transit on Division will affect access to opportunity sited and limit opportunities for vehicle access.

Other

1. Property and business owners in the corridor are often inexperienced with development, and reluctant to initiate or invest in new building projects.

As this section highlights there are multiple barriers to development along the 82nd Ave corridor, some that can be remedied more easily than others. It is also clear that more work needs to be done to ensure potential development is aligned with the goals of the community organizations along the corridor and that impacts of development do not negatively affect vulnerable communities along the corridor.

Further Analysis

The *82nd Avenue Study* 's BPS Near-Term Actions, bullets 1-3 (see below), were undertaken in late 2018 and expected to be completed and adopted by Portland City Council in the first half of 2019.

BPS Near-Term Actions

- **Employment Zoning Proposal:** Zone a three- to four block stretch (from SE Bybee to SE Lambert) of employment-zoned properties along SE 82nd Avenue from General Employment 2 (EG2) to General Employment 1 (EG1).
- Eliminate or Modify Split-zoned Sites Proposal: Eliminate or modify the split-zoned designation of properties and propose necessary adjustments.
- Conduct an economic, equity and impact analysis specific to commercial displacement (See Section 6: Economic, Equity and Impact Analysis of Affected Employment and Commercial Properties).

Project staff considered these community insights and ideas. They also analyzed the corridor and offered supplementary advice. The proposed recommendations are organized into several categories and in the following sections:

- Section 5: Map Amendments
- Section 6: Economic, Equity and Impact Analysis of Affected Employment and Commercial Properties
- Section 7: Proposed Corridor Recommendations
- Section 8: Mechanisms for Public Investment to Leverage Private Investments
- Section 9: Site-Specific Design Option Recommendations
- Section 10: Proposed Economic and Community Development Recommendations.
- Section 11: Performance Measures

Section 5: Map Amendments

This section discusses the proposed map amendments, which are shown in Appendix F Detailed Map Amendment Maps.

Overview

The 82nd Avenue Study recommends the following near-term Comprehensive Plan Map and/or Zoning Map changes:

- **Employment Zoning Proposal:** Zone a three- to four block stretch (from SE Bybee to SE Lambert) of employment-zoned properties along SE 82nd Avenue from General Employment 2 (EG2) to General Employment 1 (EG1).
- Eliminate or Modify Split-zoned Sites Proposal: Eliminate or modify the split-zoned designation of properties and propose necessary adjustments.

The related economic, equity and impact analysis specific to commercial displacement is included in Section 7 of this study.

The 82nd Avenue Study map amendments change the land designations on 21.5 net acres or 28.6 acres gross (including adjacent public right-of-way). The largest area of change is the three- to four block stretch (from SE Bybee to SE Lambert) of employment-zoned proposed along SE 82nd Avenue from General Employment 2 (EG2) to General Employment 1 (EG1), which accounts for 15.7 acres net or 21 acres gross and about 75% of the overall 82nd Avenue Study map amendments.

			<u>SQFT</u>
<u>ZONE</u>	PROP ZONE	<u>SQFT (net)</u>	<u>(gross)</u>
CM2	CE	8,993	15,423
R2.5	CE	31,137	31,138
R5	CE	24,039	28,672
R7	CE	30,818	35,027
EG2	EG1	687,530	943,169
R2	EG2	56,090	69,414
R3	EG2	32,373	37,684
CE	R1	5,500	6,711
CM2	R1	5,699	6,920
R2	R1	16,705	22,784
R5	R2	32,824	41,310
R2	R5	5,250	6,505
TOTAL SQFT		936,958	1,244,756
Total acres		21.5	28.6

Table: 82nd Avenue Study Map Amendment Change Areas

Employment Development Capacity

The City's acknowledged Economic Opportunity Analysis (EOA) analyzed and demonstrated adequate growth capacity for a diverse range of employment uses, which are organized into different geographies that represent a distinct mix of business sectors and business types.¹ In each of the geographies, the City analyzed the future growth and the developable land supply to accommodate that growth. The 82nd Avenue Study employment land currently has a Mixed Employment designation. The total increase in employment capacity as a result of the proposed changes would be 2 acres in the Dispersed Employment geography.

As mentioned in the Overview, the largest area of change is the three- to four block stretch (from SE Bybee to SE Lambert) of employment-zoned proposed along SE 82nd Avenue from General Employment 2 (EG2) to General Employment 1 (EG1). While this specific change does not increase the employment capacity, it does meet the intent of Policy 6.44 Industrial land use intensification, in that the EG2 zone has a 25-foot setback and the proposed EG1 zone has a 5-foot front setback. The rationale for this map change is to address the 18 buildings within the 25-foot front setback that are closer to the street than the EG2 zone allows. This zone change to EG1 will either bring the buildings into conformance or closer to conformance with the required 5-foot front setback.

Evaluation Methodology

An initial set of criteria was developed to evaluate these recommended map amendments. Evaluation criteria included, but was not limited to:

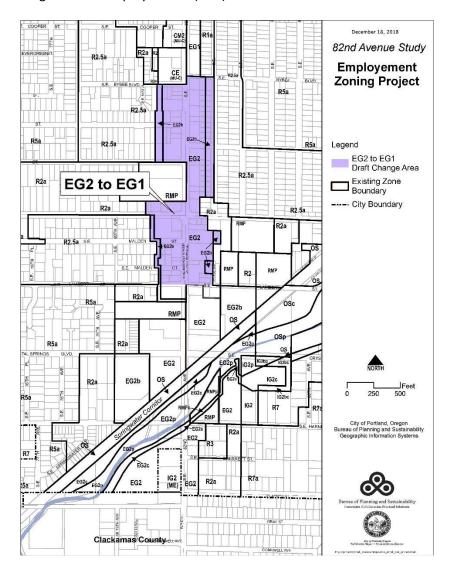
- **Consistency with 2035 Comprehensive Plan goals and policies:** The proposed changes support multiple goals and policies of the adopted 2035 Comprehensive Plan, particularly those in Chapter 3, Urban Form; Chapter 4, Design and Development; Chapter 5 Housing; Chapter 6, Economic Development; and Chapter 10, Land Use Designations and Zoning.
- Economic, equity and impact analysis: Staff considered Bureau of Development Services (BDS) permits, City of Portland GIS data, Multnomah County assessor data, Census Tract information and Quarterly Census of Employment and Wages (QCEW) data.
- **Proximity to amenities and services:** Proximity to centers and corridors, transit and freight routes, or other services and amenities was considered. Increasing future development capacity within a quarter mile of commercial services or other community amenities was considered favorable.
- Land use pattern: The prevailing land use pattern of similar zoning adjacent to and/or across the street was considered.
- Infrastructure availability: Existing infrastructure as well as infrastructure projects identified in the Transportation System Plan (TSP) and the Citywide Systems Plan (CSP) and otherwise were reviewed.

¹ City of Portland Opportunity Analysis, As Adopted (Ordinance 187831) and acknowledged by LCDC on April 25, 2017. https://www.portlandoregon.bps/article/543101

- Land use and building permit history: The existing condition of the site, land use reviews and/or building permits were reviewed for each map change area or site.
- Stakeholder responses: During the early phases of the 82nd Avenue Study, staff considered many factors raised by public feedback while continuing to evaluate proposed map change areas or sites for suitability and readiness for map changes. Through the public engagement process, City staff heard about economic, physical and social issues that are affecting potential development, especially from many property owners that consider themselves "mom-and-pop" operations, especially within historically inequitably burdened communities of color, underserved and under-represented communities, and other vulnerable populations. With targeted regulatory barriers removed, property owners and business owners can make investments to repair, improve and upgrade the physical conditions with a greater stability from their zoning situation.

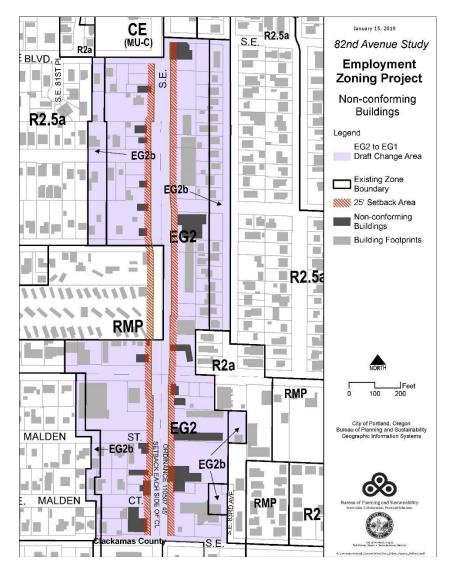
Zone a three- to four-block stretch of employment-zoned properties along SE 82nd Avenue from General Employment 2 (EG2) to General Employment 1 (EG1)

Existing Comprehensive Plan Designation: Mixed Employment (ME) Existing Zoning: General Employment 2 (EG2) Staff proposed Comprehensive Plan Designation: No change Staff proposed Zoning: General Employment 1 (EG1)



- **Consistency with Comprehensive Plan goals and policies:** This proposed map change supports multiple goals and policies including Policy 4.31. Land use transitions, Policy 6.27 Income self-sufficiency, Policy 6.28 East Portland job growth, Policy 6.30 Disparity reduction and Policy 6.43 Dispersed employment areas.
- **Proximity to amenities and services:** This area is located along SE 82nd Avenue, between SE Bybee and SE Lambert streets, with many services available within a quarter mile. The area has frequent transit service on Bus Line-72 Killingsworth/82nd.

- Infrastructure availability: There are no sewer, water or stormwater improvement constraints. The 82nd Avenue roadway is scheduled for the following ODOT Projects:
 - **82nd Avenue Signal Upgrades Project:** Signal upgrades at Foster, Woodstock and Flavel. Note that the Flavel intersection falls within the zoning change area. Completed in 2018.
 - **82nd Ave from SE Foster Rd to SE Lindy St:** Repave/rehab roadway, upgrade ADA ramps, and address drainage as needed. Goes to bid in 2020.
- Land use pattern: On either side of the existing employment zoned area, the surrounding land use pattern is single-dwelling, multi-dwelling and manufactured home park zoning and is developed with mainly single-dwelling, multi-family dwelling and manufactured home parks.



• Land use and building permit history: The area is developed with single-level commercial, employment and industrial service uses with a few single-family dwellings intermixed. Currently, there are 18 buildings with nonconforming development within the 25-foot front setback as required by the EG2 zone and as illustrated by the Non-Conforming Buildings Map above. This zone change to EG1 will either bring these buildings into conformance or closer to conformance with the required 5-foot front setback.

- **Recent development activity in the area:** In the immediate area, there has been minimal development activity.
- Stakeholder responses during the 2035 Comprehensive Plan process and/or the 82nd Avenue Study: Public comment focused on the concern of residents in an adjacent manufactured home park to an auto repair shop about noxious fumes from both interior and exterior work activities.

Eliminate or modify the split-zoned designation of approximately 16 properties and propose necessary adjustments

Split Zone Site #1 – 3828 NE 82nd Ave

Existing Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) and Residential 2,500 Existing Zoning: CEh and R2.5h Staff proposed Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) Staff proposed Zoning: CEh

Split Zone Site New (Recommended by PSC) – 8840 NE Skidmore St (just the portion of The Grotto's site with frontage on NE 82nd Ave that is mapped with the Comp Plan Designation of MU-C)

Existing Comprehensive Plan Designation: Mixed Use – Corridor (MU-C) Existing Zoning: R7h Staff proposed Comprehensive Plan Designation: no change Staff proposed Zoning: CEh

Split Zone Site New (Recommended by PSC) – 8249-8301 NE Beech St

Existing Comprehensive Plan Designation: Single Dwelling 5,000 Existing Zoning: R5h Staff proposed Comprehensive Plan Designation: Multi-Dwelling – 1,000 Staff proposed Zoning: R2h

Split Zone Site #2 – 8130 NE Milton St

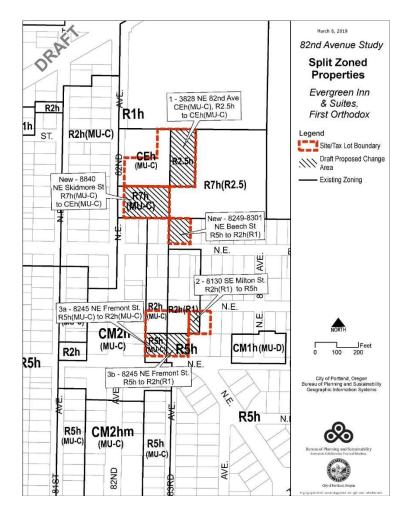
Existing Comprehensive Plan Designation: Residential 1,000 Existing Zoning: R2h and R5h Staff proposed Comprehensive Plan Designation: Residential 5,000 Staff proposed Zoning: R5h

Split Zone Site #3a – 8245 NE Fremont St

Existing Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) Existing Zoning: R5h Staff proposed Comprehensive Plan Designation: No change Staff proposed Zoning: R2h

Split Zone Site #3b – 8245 NE Fremont St

Existing Comprehensive Plan Designation: Residential 5,000 Existing Zoning: R5h Staff proposed Comprehensive Plan Designation: Residential 1,000 Staff proposed Zoning: R2h



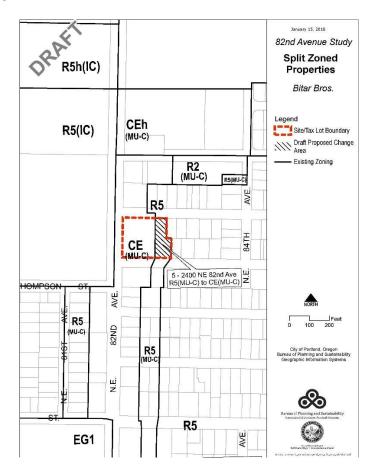
- Consistency with Comprehensive Plan goals and policies: This proposed map changes supports multiple goals and policies within Chapter 6: Economic Development specific to Sites #1 and New at 8840 NE Skidmore, Chapter 5: Housing specific to Site #3a and 3b, as well as Goal 10A: Land use designations and zoning.
- **Proximity to amenities and services:** These split-zoned sites are located along NE 82nd Avenue, between NE Sandy Blvd and NE Fremont Street, with many services available within a quarter mile. The area has frequent transit service on Bus Line-72 Killingsworth/82nd.
 - On March 12, 2019, the PSC recommended a zone change from R7h to CE in conformance with the Comprehensive Plan Map designation of Mixed Use Civic Corridor on an approximate 0.70-acre or 30,000-sq. ft. portion of The Grotto site at 8840 NE Skidmore St. This portion of the site also has an approximate 147-feet of frontage on NE 82nd Ave; again, zoned R7h but located between two properties with commercial zoning to the north (CE) and south (CM2).
 - This portion of The Grotto property is used as a western maintenance access to the southern portion of the site. In the Environmental Overlay Zoning Map Correction Project, analysis and a public process will include The Grotto property regarding a likely expansion of the Conservation 'c' overlay zone. This portion of this site does include

mature trees and related tree canopy that will be considered in the stated Environmental Overlay Zoning Map Correction Project but is relatively flat and does not contain any resource areas. Both the Environmental Overlay Zoning Map Correction Project and the Residential Infill Project (RIP) project staff were consulted due to the site's existing single-dwelling zoning and onsite conditions.

- This recommendation reflects a zoning proposal to support the incremental transformation of 82nd Avenue into a Civic Corridor, as envisioned in the 2035 Comprehensive Plan, balanced with the upcoming planning effort in the Environmental Overlay Zoning Map Correction Project.
- Additionally, the PSC also recommended a map change from R5h to R2h(R1) for the nonconforming multi-dwelling residential property at 8249-8301 NE Beech St and to continue the land use pattern adjacent to the 82nd Avenue corridor. The land use pattern to the immediate south is R2h(R1), which is proposed to be extended north to include just this nonconforming residential property.
- Infrastructure availability: There are no sewer, water or stormwater improvement constraints.
- Land use pattern: The area along NE 82nd Avenue in this area is developed with single-level commercial uses with a few single-family dwellings intermixed. To the east is developed with mainly single-dwelling development.
- Land use and building permit history: Site #1 (Red Roof Inn) is developed with a 52-room hotel. Site #2 is developed with a single-family dwelling. Site #3 is (First Orthodox Presbyterian Church) is developed with a church facility fronting NE Fremont with associated parking to the north.
- **Recent development activity in the area:** In the immediate area, there has been minimal development activity.
- Additional factors considered. For Split-Zoned Site #3a and #3b (First Orthodox Presbyterian Church), BPS has convened a project (funded by a grant from Metro) to help faith communities begin the process of developing affordable housing on their properties.
- Stakeholder responses during the 2035 Comprehensive Plan process and/or the 82nd Avenue Study: There was no public comment nor testimony received during this or previous planning projects.

Split Zone Site #5 – 2400 NE 82nd Ave (note there is no Split Zone Site #4)

Existing Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) Existing Zoning: CE and R5 Staff proposed Comprehensive Plan Designation: No change Staff proposed Zoning: CE



- **Consistency with Comprehensive Plan goals and policies:** This proposed map change supports multiple goals and policies within Chapter 6: Economic Development and Goal 10A: Land use designations and zoning.
- Proximity to amenities and services: This split-zoned site is located along NE 82nd Avenue, between NE Brazee and NE Sacramento streets, across the street from Madison High School and with many services available within a quarter mile. The area has frequent transit service on Bus Line-72 Killingsworth/82nd.
- Infrastructure availability: There are no sewer, water or stormwater improvement constraints. The 82nd Avenue roadway is scheduled for the following ODOT Projects:
 - 82nd Avenue at Madison High School: Replace signal, rebuild and restripe existing crosswalk, add crosswalks and close a driveway. Goes to bid 2021 if not sooner in the Madison High School Modernization Project.

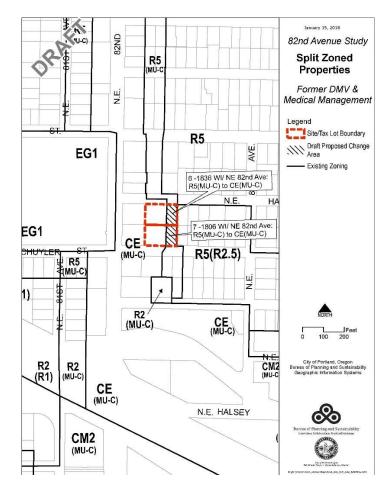
- Land use pattern: This area along NE 82nd Avenue is developed with Madison High School campus to the west and otherwise mainly single-level commercial uses with a few single-family dwellings intermixed. To the east of this split-zoned site is mainly developed with single-family development.
- Land use and building permit history: The site is developed with a single-level commercial building with an auto sales use that includes exterior display of vehicles. There is no recent land use history.
- **Recent development activity in the area:** In the immediate area, there has been minimal development activity, although the Madison High School Modernization Project begins construction in summer 2019.
- Additional factors considered. No additional factors were considered at the time of this staff report.
- Stakeholder responses during the 2035 Comprehensive Plan process and/or the 82nd Avenue Study: On March 1, 2019 written testimony was received from the property owners Bitar Bros. a limited partnership, JEMA Bitar Properties, LLC and William Frank Bitar Associates, LLC who have owned the property since 1974. The testimony to the Planning and Sustainability Commission was in support of the map change.

Split Zone Site #6 – 1836 WI/ NE 82nd Ave

Existing Comprehensive Plan Designation: Mixed Use – Corridor (MU-C) Existing Zoning: CE and R5 Staff proposed Comprehensive Plan Designation: No change Staff proposed Zoning: CE

Split Zone Site #7 – 1806 WI/ NE 82nd Ave

Existing Comprehensive Plan Designation: Mixed Use – Corridor (MU-C) Existing Zoning: CE and R5 Staff proposed Comprehensive Plan Designation: No change Staff proposed Zoning: CE



- **Consistency with Comprehensive Plan goals and policies:** These proposed map changes supports multiple goals and policies within Chapter 6: Economic Development and including Goal 10A: Land use designations and zoning.
- **Proximity to amenities and services:** These split-zoned sites are located along NE 82nd Avenue, between NE Hancock and NE Schuyler streets, across the street from the newly relocated University of Western States campus and with many services available within a quarter mile. The area has frequent transit service on Bus Line-72 Killingsworth/82nd.

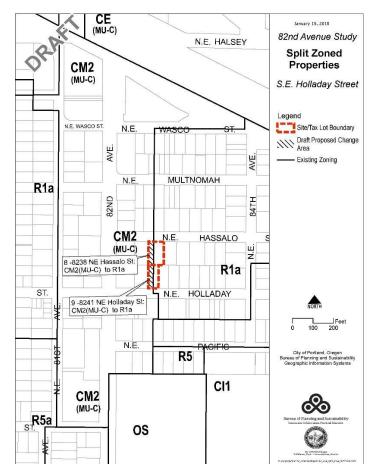
- Infrastructure availability: There are no sewer, water or stormwater improvement constraints.
- Land use pattern: This area along NE 82nd Avenue is developed with University of Western States campus (formerly the Banfield Hospital site) to the west and otherwise mainly single-level commercial uses with a few single-family dwellings intermixed. To the east of these split-zoned sites are mainly developed with single-family development.
- Land use and building permit history: The sites are developed with single-level commercial buildings. the former DMV office, which is now vacant, and a medical management office use. There is no recent land use history.
- **Recent development activity in the area:** In the immediate area, there has been minimal development activity, although the Madison High School Modernization Project begins construction in summer 2019.
- Additional factors considered. No additional factors were considered at the time of this staff report.
- Stakeholder responses during the 2035 Comprehensive Plan process and/or the 82nd Avenue Study: There was no public comment nor testimony received during this or previous planning projects.

Split Zone Site #8 – 8238 NE Hassalo St

Existing Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) and Residential 1,000 Existing Zoning: CM2 and R1a Staff proposed Comprehensive Plan Designation: Residential 1,000 Staff proposed Zoning: R1a

Split Zone Site #9 – 8241 NE Holladay St

Existing Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) and Residential 1,000 Existing Zoning: CM2 and R1a Staff proposed Comprehensive Plan Designation: Residential 1,000 Staff proposed Zoning: R1a



- **Consistency with Comprehensive Plan goals and policies:** These proposed map changes supports multiple goals and policies including Goal 10A: Land use designations and zoning.
- **Proximity to amenities and services:** These split-zoned sites are located on NE Hassalo St and NE Schuyler St. The area has frequent transit service on Bus Line-72 Killingsworth/82nd.
- Infrastructure availability: There are no sewer, water or stormwater improvement constraints.

- Land use pattern: This area along NE 82nd Avenue is developed with multi-family dwellings and single-level commercial uses with a few single-family dwellings intermixed. To the east of these split-zoned sites are mainly developed with single-family development.
- Land use and building permit history: The sites are each developed with single-family dwellings. There is no recent land use history.
- **Recent development activity in the area:** In the immediate area, there has been some residential infill over the last 15-years.
- Additional factors considered. No additional factors were considered at the time of this staff report.
- Stakeholder responses during the 2035 Comprehensive Plan process and/or the 82nd Avenue Study: There was no public comment nor testimony received during this or previous planning projects.

Split Zone Site #10 – 8040 SE Woodstock Blvd

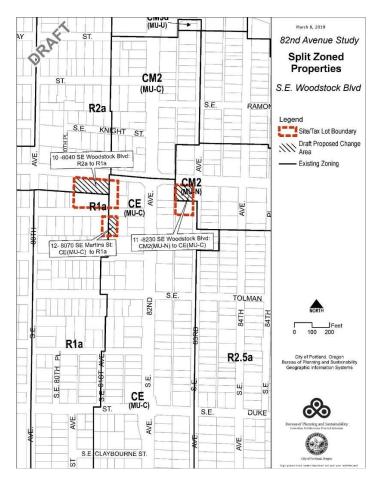
Existing Comprehensive Plan Designation: Mixed Use - Corridor (MU-C), Residential 1,000 and Residential 2,000 Existing Zoning: CE, R1a and R2a Staff proposed Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) and Residential 1,000 Staff proposed Zoning: CE and R1a

Split Zone Site #11 – 8230 SE Woodstock Blvd

Existing Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) and Mixed Use – Neighborhood (MU-N) Existing Zoning: CE and CM2 Staff proposed Comprehensive Plan Designation: Mixed Use – Corridor (MU-C) Staff proposed Zoning: CE

Split Zone Site #12 – 8070 SE Martins St

Existing Comprehensive Plan Designation: Mixed Use - Corridor (MU-C) and Residential 1,000 Existing Zoning: CE and R1a Staff proposed Comprehensive Plan Designation: Residential 1,000 Staff proposed Zoning: R1a



- **Consistency with Comprehensive Plan goals and policies:** These proposed map changes support multiple goals and policies within Chapter 5: Housing specific to Site #10 and within Chapter 6: Economic Development specific to Site #11, as well as including Goal 10A: Land use designations and zoning.
- **Proximity to amenities and services:** These split-zoned sites are off SE 82nd Avenue, between SE Woodstock Blvd and SE Martins Street, with many services available within a quarter mile. The area has frequent transit service on Bus Line-72 Killingsworth/82nd.
- Infrastructure availability: There are no sewer, water or stormwater improvement constraints.
- Land use pattern: The area along SE 82nd Avenue and SE Woodstock Blvd is developed with single-level commercial uses with a few single-family dwellings intermixed. To the east and west is developed with mainly single-dwelling development.
- Land use and building permit history: Site #10 (Calvary Lutheran Church) is developed with a church facility and associated parking to the east. Site #11 is occupied by an auto repair and service business as documented in Public Registry 00-196343 PR (NC_00178). Site #12 (Martins Condominium) is developed with a seven-unit multi-family dwelling.
- **Recent development activity in the area:** In the immediate area, there has been minimal development activity.
- Additional factors considered. For Split-Zoned Site #10 (Calvary Lutheran Church), BPS has convened a project (funded by a grant from Metro) to help faith communities begin the process of developing affordable housing on their properties.
- Stakeholder responses during the 2035 Comprehensive Plan process and/or the 82nd Avenue Study: There was no public comment nor testimony received during this or previous planning projects.

Split Zone Site #13 – Knepper Site

Existing Comprehensive Plan Designation: Mixed Employment (ME) and Residential 3,000 Existing Zoning: EG2 and R3 Staff proposed Comprehensive Plan Designation: Mixed Employment (ME) Staff proposed Zoning: EG2

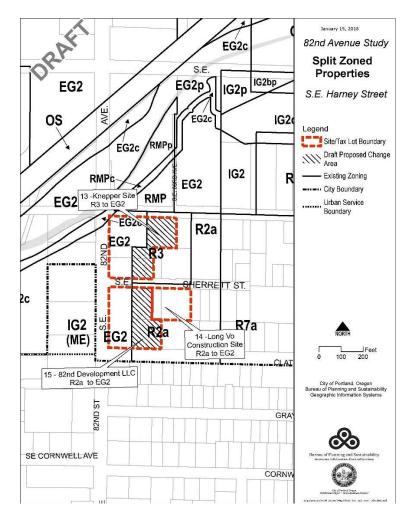
Split Zone Site #14 – Long Vo Construction Site

Existing Comprehensive Plan Designation: Mixed Employment (ME) and Residential 2,000 Existing Zoning: EG2 and R2a Staff proposed Comprehensive Plan Designation: Mixed Employment (ME Staff proposed Zoning: EG2

Split Zone Site #15 – 82ndDevelopment LLC

Existing Comprehensive Plan Designation: Mixed Employment (ME) and Residential 2,000 Existing Zoning: EG2 and R2a Staff proposed Comprehensive Plan Designation: Mixed Employment (ME)

Staff proposed Zoning: EG2



- **Consistency with Comprehensive Plan goals and policies:** These proposed map changes support multiple goals and policies within Chapter 6: Economic Development including Policy 6.13. Land supply and Goal 10A: Land use designations and zoning.
- **Proximity to amenities and services:** These split-zoned sites are along SE 82nd Avenue, between SE Harney and SE Clatsop streets, with many services available within a quarter mile. The area has frequent transit service on Bus Line-72 Killingsworth/82nd.
- Infrastructure availability: There are no sewer, water or stormwater improvement constraints.
- Land use pattern: The area along SE 82nd Avenue is developed with single- and two-level commercial and industrial service uses with a few single-family dwellings intermixed. To the east is developed with mainly single-dwelling development.
- Land use and building permit history: Site #13 is occupied by Mt. Scott Motors and Repairs, an auto repair, service and sales use. Site #14 is owned by a general contracting company. Site #15 is occupied by auto, truck and RV sales, as well as tire sales.
- **Recent development activity in the area:** In the immediate area, there has been minimal development activity.
- Additional factors considered. No additional factors were considered at the time of this staff report.
- Stakeholder responses during the 2035 Comprehensive Plan process and/or the 82nd Avenue Study: There was no public comment nor testimony received during this or previous planning projects.

Section 6: Economic, Equity and Impact Analysis of Affected Employment and Commercial Properties

City staff conducted an economic analysis on job growth and development trends in the EG zones, comparing city wide to 82nd and an equity and impact analysis in the area identified for rezone to determine vulnerable populations and business tenure.

The economic analysis found:

- 1. The EG zones on 82nd Ave have a higher mix of retail and industrial than the rest of the city, which includes 43% Retail related, 44% industrial. City wide EG zones mix includes 28% Retail related, 25% industrial
- 2. Extensive development has occurred in the EG zoned properties in the last decade affecting 34% of acreage citywide. Most development was in new buildings, affecting 21% citywide EG and growth in office jobs.
- 3. Average annual job growth in the EG zoned properties along 82 is strong at 5.1% compared to EG zones city wide at 0.7%. The strongest growth in the 82nd Ave EG zones are in the Industrial and Retail related sectors. There is a need for greater growth in office jobs on 82nd Ave.

The equity and impact analysis highlighted:

- 1. Demographics in study area are 36% identify as a person of color, compared to 29% citywide.
- 2. Higher percent of owner households at 60% compared to citywide 53%.
- 3. Slightly higher share of low-income households at 49% compared to 44% citywide.
- 4. Higher percent of less than 4-year degree at 65% compared to 52% citywide.
- 5. Economic vulnerability is measured across several variables, which indicate a reduced ability to withstand housing price increases caused by gentrification the city uses these parameters. These variables include:
 - Renters
 - Communities of color
 - Adults over 25 without a college degree
 - Low income below 80% median family income
- 6. Neighborhoods in study area are more likely to have a higher share of economically vulnerable households.
- 7. Business impact in the area identified for rezone, 42% (17) have been in location for over 15 years, while 15 businesses have been in location less than five years.
- 8. A large share of parcels in the area identified for rezone, 50% of the parcels are owned by entities that have maintained ownership for 30 years or longer.

ECONOMIC ANALYSIS

Development and job growth trends in EG zone geographies

About 14 blocks of EG General Employment zoning was added in the 2035 Comprehensive Plan on 82nd Ave in 2016. These map changes were supported by new policies to increase East Portland job growth (6.28), increase income self-sufficiency (6.27), reduce racial income disparities (6.30), and provide adequate land supply to meet forecast demand in Dispersed Employment Areas (6.13). The Dispersed

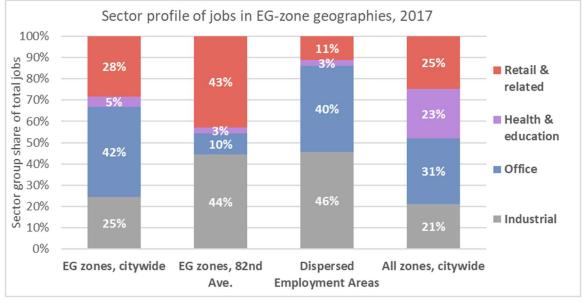
Employment Areas are primarily small areas with EG or IG Industrial zoning near freeway interchanges and parallel streets. Substantial development and job growth has occurred in EG-zone geographies elsewhere in the city in the last decade.

The following analysis reviews recent development and growth trends in three overlapping EG-zone geographies: EG zones citywide (1,444 acres, about 2% of the city), Dispersed Employment Areas (918 acres), and the EG zones along 82nd Ave. south of Columbia Blvd. (107 acres). These geographies are shown in the map below.

Sector profile of EG zone geographies

The building types in General Employment zones are typically small, 'back office' (low-density office), flex-space, and business park areas. The chart and table below compare the sector profiles of businesses in EG-zone geographies. Employment sectors are grouped by general land use categories:

- Office sectors professional and business services, finance, information, and government;
- Industrial manufacturing, transportation, wholesale, construction;
- Health care and education hospitals and clinics, colleges and other schools;



• Retail and related – retail, food service, personal service, entertainment, accommodations.

The largest share of jobs in EG zones citywide are in the 'office' sectors, accounting for 42% of EG-zone jobs in 2017. Large shares of EG employment are also in the 'retail and related' and 'industrial' sectors (28% and 25% respectively in 2017), which resulted substantially from the placement of EG zoning on shopping centers (Cascade Station and Hayden Meadows) and recently developed industrial areas in the Columbia Corridor industrial district. The sector mix of EG zones on 82nd Ave. similarly reflect where they were placed on already developed industrial and retail sites. The Dispersed Employment areas have predominantly industrial (46%) and office (40%) jobs, representing their mix of IG and EG zones. Over time, intensification and redevelopment at relatively higher densities is expected to result in a growing share of office jobs in EG zones and Dispersed Employment Areas.

Sector profile of jobs in EG-zone geographies, 2017								
					Dispe	ersed		
	EG zones,	Citywide	EG zones,	82nd Ave.	Employm	ent Areas	Citywide,	all zones
Sector groups	Jobs	Share	Jobs	Share	Jobs	Share	Jobs	Share
Industrial	5,606	25%	319	44%	6,744	46%	93,877	21%
Office	9,622	42%	73	10%	5,931	40%	136,181	31%
Health & education	1,128	5%	18	3%	428	3%	102,777	23%
Retail & related	6,469	28%	309	43%	1,630	11%	109,829	25%
Total	22,826	100%	719	100%	14,733	100%	442,664	100%
Source: BPS from QCEW data								

Development trends in EG zone geographies

Extensive development has occurred in the EG-zone geographies in the last decade, affecting 34% of EG zone acreage citywide. Most of that development was in new buildings, affecting 21% of citywide EG acres, 20% in Dispersed Employment Areas, and 19% in EG zones on 82nd Ave. The table above also reviews development trends by building expansion and other investments in existing buildings. The location of these development sites are shown in the map below.

New buildings, additiona	l building square fo	otage and other in	vestments			
in existing buildings, 200	7-2017					
	EG zones, citywide	Dispersed Employ- ment Areas	EG zones, 82nd Ave.			
New buildings, construct						
Number of taxlots	52	32	5			
Total taxlot acres	306	175	20			
% of geography acres	21%	19%	19%			
Total bldg sqft	3,723,985	896,985	148,099			
Avg building sqft	71,615	28,031	29,620			
Median building sqft	34,000	10,281	20,900			
Existing building expansion, 5% or more						
Number of taxlots	5	4	0			
Total taxlot acres	28	11	0			
% of geography acres	2%	1%	0%			
Total bldg sqft	43,686	37,275	0			
Avg building sqft	8,737	9,319	0			
Median building sqft	10,867	10,500	0			
Additional building investments, \$500,000 or more						
Number of taxlots	21	13	1			
Total taxlot acres	156	51	5			
% of geography acres	11%	6%	5%			
Total investment \$	\$41,850,830	\$45,166,552	\$550,000			
Avg. site investment	\$1,992,897	\$3,474,350	\$550,000			
Median site investment	\$1,300,000	\$1,650,000	\$550,000			
Source: Multnomah Count						

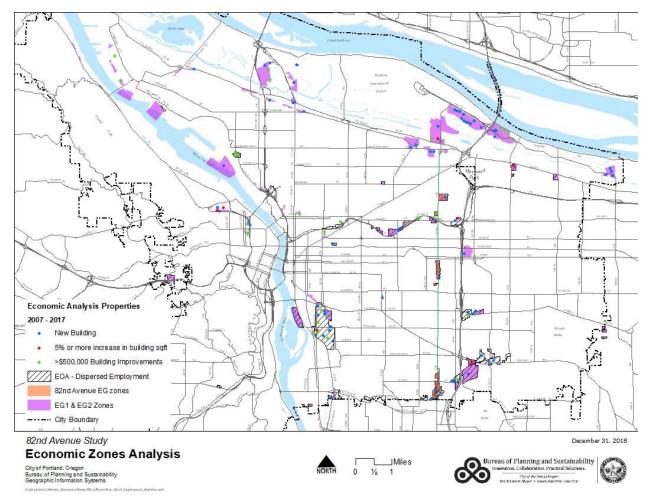
Job growth trends in EG zone geographies

Job growth trends are mixed across the EG zone geographies. Comparing job growth rates over the last business cycle from 2008 to 2017, average annual job growth was a very strong 5.1% in the EG zones on 82nd Ave., 0.7% in EG zones citywide, 1.1% in Dispersed Employment areas, and 1.3% in all zones citywide. That said, job growth trends in small geographies such as EG zones can fluctuate widely with changes by one or more large employers. For example, average annual job growth dropped in the Dispersed Employment Areas from 1.6% in the 2008-2016 period to 1.1% in the 2008-2017 period, due primarily to a loss of over 400 jobs in a particular office sector in 2017.

Office sectors generated nearly all of the net job growth in the Dispersed Employment Areas and the largest volume of job growth in EG zones citywide since 2008. The 'retail and related' sector (primarily retail) also generated strong job growth in the EG zones citywide, an example being development of the Cascade Station shopping area near PDX Airport. However, zoning code amendments in the 2035 Comprehensive Plan (effective in 2018) greatly reduced retail use allowances in EG zones from 60,000 to 20,000 square feet per site, intending to shift at least half of the forecast retail development after 2018 to mixed-use centers and corridors. Industrial sector jobs have significantly declined in the EG zones citywide since 2008, but industrial sectors had strong job growth in the EG zones on 82nd Ave.

Job-growth trends in	EG-zone geo	ographies, 2	008-2017					
					Dispe	ersed		
	EG zones, Citywide		EG zones, 82nd Ave.		Employment Areas		Citywide, all zones	
Sector groups	New jobs	AAGR	New jobs	AAGR	New jobs	AAGR	New jobs	AAGR
Industrial	-1,672	-2.9%	201	12%	28	0.0%	-1,791	-0.2%
Office	1,613	2.1%	12	2.1%	1,281	2.7%	16,146	1.4%
Health & education	162	1.7%	-76	-17%	23	0.6%	18,040	2.2%
Retail & related	1,308	2.5%	124	5.9%	-9	-0.1%	17,256	1.9%
Total	1,412	0.7%	261	5.1%	1,323	1.1%	49,651	1.3%
Source: BPS from QC	EW data							

Looking forward, projected office development of 1.1 million square feet is estimated to account for about 75% of the forecast job growth in the Dispersed Employment Areas from 2010 to 2035 (Portland's Economic Opportunities Analysis).



EQUITY AND IMPACT ANALYSIS

Demographic characteristics of 82nd Avenue Study Area

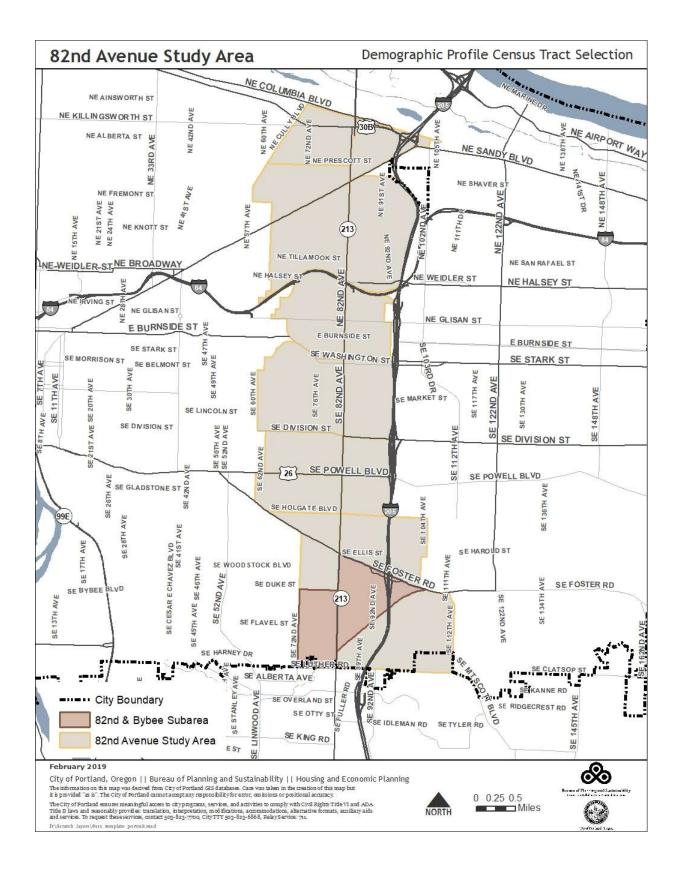
The following table summarizes a subset of household and population demographic characteristics for areas around the 82nd Avenue Study Area and the 82nd and Bybee sub-area for a more detailed drilldown. These demographic characteristics can be compared to Portland as a whole for a more detailed understanding of the who lives in and around the 82nd Avenue Study Area.

The 82nd Avenue Study Area accounts for around 13 percent of the population in the City of Portland. Across the study area, the population is more diverse than Portland as a whole. In the 82nd Avenue Study Area around 36% of the population identifies as a person of color, compared to 29% of Portlanders across the City who identify as a person color.

Households in the 82nd Avenue Study Area have a higher share of owner households, 60 percent, compared to the City of Portland as a whole, 53 percent. Additionally, the average household size in the study area is slightly higher at 2.55 people per household compared to the City of Portland as a whole that has an average household size of 2.41 people per household. The 82nd Avenue Study Area also has a slightly higher share of low-income households, 49 percent, compared to the City of Portland as a whole, 44 percent.

	82nd Avenue Study Area	82nd& SE Bybee Employment Zoning Area	City of Portland
Population Total	81,702	10,171	630,331
People of Color	29,096	4,671	182,843
% People of Color	36%	46%	29%
Number of Households	31,960	3,650	260,949
Number of Owner HHs	19,130	2,285	139,477
Number of Renter HHs	12,830	1,365	121,472
Share of Owner HHs	60%	63%	53%
Share of Renter HHs	40%	37%	47%
Share less than 4-Year Degree	65%	79%	52%
Low income HHs	15,442	2,188	112,840
Share Low Income HHs	49%	64%	44%

Source: U.S. Census Bureau, 2013-2017 ACS 5-year Estimates. Prepared February 7, 2018 by Portland Bureau of Planning and Sustainability.



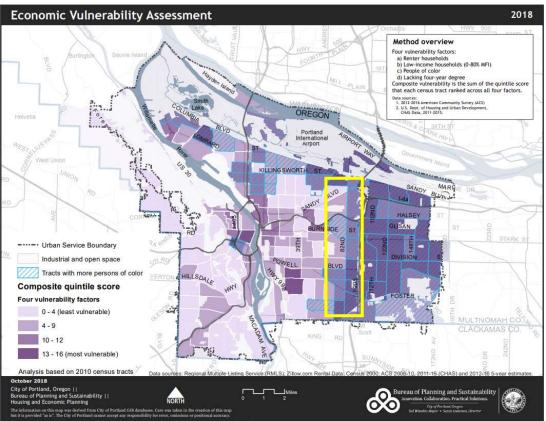
Economic Vulnerability

82nd Avenue Study: Understanding Barriers to Development – Adopted as Amended Report

Economic vulnerability is measured across four socioeconomic variables that indicate a reduced ability to withstand housing price increases caused by gentrification. As outlined in the 2018 Gentrification and Displacement Neighborhood Typology Assessment,² areas of economic vulnerability are defined as those that have, when compared to the citywide average, the following characteristics:

- A larger share of households that are **renters**
- A larger share of the population that are communities of color
- A larger share of adults (25 or older) without a four-year degree
- A larger share of households that are low-income (below 80% median family income)

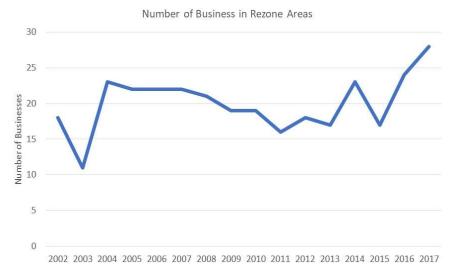
Neighborhoods in the 82nd Avenue Study Area are more likely to have a higher share of economically vulnerable households as identified in the map below. Within the study area, neighborhoods east of 82nd Avenue and south of Division Street have the highest share of vulnerable households. Additionally, households around the 82ndand SE Bybee Employment Zoning Area have higher shares of vulnerable households.



² <u>https://www.portlandoregon.gov/bps/article/700970</u>

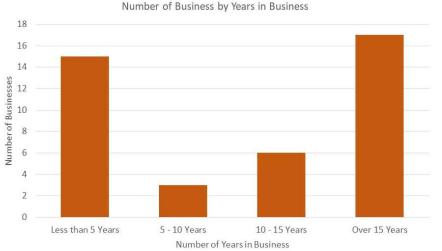
Business Impact Analysis in the Area Identified for Rezone

This section of the business impact analysis drills down specifically on the parcels where there are proposed rezones as part of this project. There are 28 businesses that currently are located on parcels that are proposed for zone changes in this project. Overall, there are more businesses located on these parcels in 2017 than in any year prior.



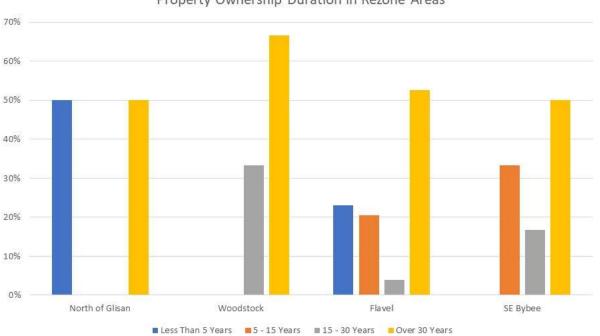
Source: State of Oregon Employment Department. Prepared February 7, 2019 by Portland Bureau of Planning and Sustainability.

This analysis also drills down on how long the business on these parcels have been in business in their current locations. 17 business, 42 percent of all business on zone change parcels, have been in business in these locations for over 15 years. The majority of the business that have been in these locations for longer than 15 years are located along 82nd Avenue near SE Flavel Street. Fifteen (15) business have been in business in these locations for five years or less. The sections of 82nd Avenue that have the highest shares of newer business, in these locations less than five years, are located north of NE Glisan Street and also around SE Flavel Street.



Source: State of Oregon Employment Department. Prepared February 7, 2019 by Portland Bureau of Planning and Sustainability.

This analysis also evaluated property ownership duration to identify how long current property owners have owner their property. A large share of parcels identified for potential rezone, 50 percent of all parcels, are owned by entities that have maintained ownership for 30 years or longer. The areas with the highest share of recent property acquisition and ownership are around 82nd Avenue and NE Glisan Street and 82nd Avenue and SE Flavel Street.



Property Ownership Duration in Rezone Areas

Source: Multnomah County Assessor. Prepared February 7, 2018 by Portland Bureau of Planning and Sustainability.

Section 7: Proposed Corridor Recommendations

82nd Avenue Plan (PBOT)

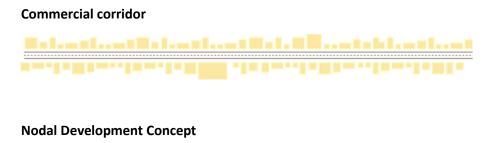
The Portland Bureau of Transportation (PBOT) began development of the draft *82nd Avenue Plan* in December 2018 based on the barriers identified through the early phases of this *82nd Avenue Study*. The purpose of this plan is to identify capital improvement projects, policies, design practices and other recommendations to support the incremental transformation of 82nd Ave into a Civic Corridor, as envisioned in the 2035 Comprehensive Plan. This plan is also intended to service to a larger effort underway, the eventual transfer of ownership of 82nd Avenue (OR 213) from Oregon Department of Transportation (ODOT) to the City of Portland, under the stewardship of the Portland Bureau of Transportation (PBOT). This project coordinated with various other projects in and around the corridor.

Prioritize roadway safety and street connectivity

- In partnership with Oregon Department of Transportation, the City of Portland will carry out already funded transportation projects and should also continue to develop additional opportunities that focus on safety and improve connectivity in and around the corridor. The already funded transportation projects include:
 - o 82nd Ave Crossing Improvements Fixing our Streets project (2019-2020)
 - Division Multi-Modal Safety Project (2019-2020)
 - 70s Neighborhood Greenway Project (2020-21)
 - Halsey Safety Access to Transit Projects (2020-21)
 - o Jade and Montavilla Connected Centers Project (2020-21)
 - o Brentwood-Darlington Safe Routes to School (2020-21)
- In addition, City staff should continue to work with community stakeholders to catalogue community priorities to add to the emerging urban design framework for the corridor. This is intended to frame and organize the ongoing discussion toward future jurisdictional transfer from ODOT to the City of Portland. It will also help to maintain a continuous understanding of 82nd Avenue as the corridor evolves. It should highlight the opportunity sites along the corridor, community-generated ideas for improvements, and ongoing strategies for managing parking capacity for businesses.

Transition from primarily commercial-only corridor to nodal development concept within the Civic Corridor designation

Figure 4. Commercial Corridor Compared to Nodal Development Approach.





Commercial corridors such as 82nd Avenue tend to be lined primarily by commercial-only properties. Most have only surface parking. Few properties are more than two-stories tall.

Because the corridor's defining feature is often its well-known and well-traveled roadway, it can be tempting to try to revitalize the entire corridor at once. However, there are considerable drawbacks with attempting to do so, including:

- Limited public financial resources, which would be required for significant improvements to the entire corridor;
- Market limitations, i.e., inadequate demand for new employment, commercial, or residential development throughout the entire corridor in the near-term;
- Minimal acknowledgement of the change in personalities of neighborhoods and nodes within a corridor, which can often vary every other mile or so;
- Does not recognize that pedestrian-friendly places are often small in size—several blocks long—particularly in early phases of development; and,
- Minimal framework through which to prioritize public investments.

Compared to a "nodal" development approach, corridors that follow this concept have achieved some success with redevelopment. New development is typically clustered or focused within a small area or center. They can also simply be located at interesting intersections or along adjacent main streets.

Two very different examples of nodal revitalization are Hollywood Town Center, which straddles NE Sandy Boulevard, and Orenco Station, which straddles Cornell Road in Hillsboro, Oregon. Hollywood is a historic neighborhood and town center with many buildings dating from the early 20th century, and Orenco Station is a new development that largely dates from the 1990s to present. Despite many differences, the two centers are both located along major, high traffic corridors; have grown incrementally; are limited in area and clustered around major intersections on the corridor; and feature some of their most pedestrian-friendly places near but not necessarily right on the main corridor.

Some advantages of this nodal development concept:

- Allows parties to acknowledge the differences in uses, intensity, activities, markets, and character that take place on the corridor;
- Recognizes that pedestrian-oriented, mixed-use places can be modest in size, especially in early phases;
- Enables the public sector to focus its investments where they are most likely to have impact and alter development decisions; and,
- Acknowledges limitations in market demand, and some developers' preference for investing in pedestrian-oriented, mixed-use places.

The following are typical principles that are used to establish pulse points of development:

- Identify locations where positive development, place making, or community building is already taking place—build off existing strengths;
- Identify major activity centers and destinations known by the local or regional community;
- Use major intersections to create walkable nodes. Look for opportunities on perpendicular streets (in this case, east-west) that intersect with the main corridor. Oftentimes, the best redevelopment opportunities may be oriented towards perpendicular streets, rather than directly on the main commercial corridor;
- Direct public investments to make higher-value private investments feasible; and,
- Achieve the type of mixed-use, pedestrian-oriented, transit-supportive, and inclusive development set forth in the Civic Corridor concept.

82nd Avenue is increasingly becoming a corridor with these emerging "nodal" areas.

- Roseway/Madison-South
- 82nd Avenue MAX station area
- Montavilla
- Jade District
- Lents
- Brentwood-Darlington/South of Bybee (or "Springwater")

Per members of the community and business organizations in the corridor, the City should work closely with existing business and neighborhood groups to help grow the identity of each defined area. Any identity-making process needs to highlight the uniqueness (differentiators) of these emerging segments.

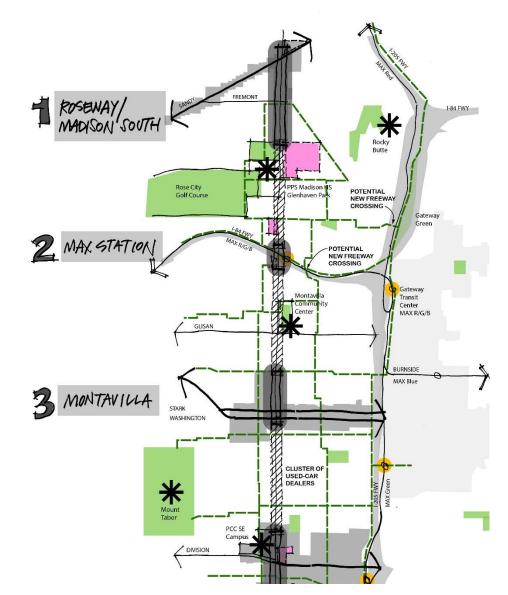
For parts of the corridor with a less developed identity, the City should collaborate with organizations representing these areas—Roseway/Madison-South (north end) and the Brentwood-Darlington/South of Bybee/Springwater (south end)—to develop a community-generated identity. Consider conducting a charrette approach to creating a unified framework for identity-making and improving safety.

NORTHERN SECTION

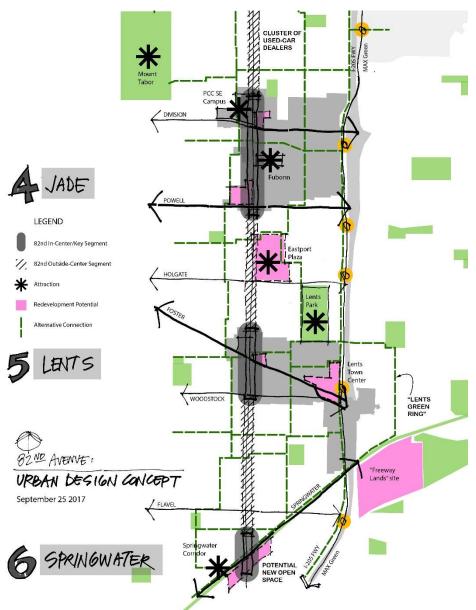
Preliminary Urban Design and Placemaking Concept for the 82nd Avenue Corridor

This framework shows the emerging centers in the corridor and how we might better connect them to MAX transit stations, nearby destinations, parks and other greenspaces with transportation improvements on and around 82nd Avenue. Ideas include greenways and green circuits (currently funded and planned alternative connections) just a few blocks off 82nd Avenue.

The northern section of the corridor stretches from Roseway/Madison South to the cluster of used-car dealerships just north the Jade District.



SOUTHERN SECTION



The southern section of the corridor stretches generally from the Jade District to the border with Clackamas County, near the Springwater Corridor.

This part of the corridor includes the Jade District, Lents, and a lessformed center, which for now we are calling "Springwater."

BPS anticipates doing a deeper-dive study of this southern section. Working closely with residents in the Brentwood-Darlington neighborhood and businesses in this part of the corridor, a more appropriate identity can be crafted for this area south of Woodstock to the city limits. The following are some preliminary criteria to guide place-making related investments:

- 1. The proposed public investment is aligned with the 82nd Avenue Civic Corridor designation. The investment should advance "livable and economically viable centers and complete neighborhoods," multimodal transportation, "well-designed places with transit-supportive densities of housing, businesses and jobs," inclusive community development, or some other aspect of the designation.
- 2. The site is within an emerging district. In the near term, Jade District and Montavilla should be highest priorities since they have some market momentum towards the development types envisioned in the Civic Corridor concept, recent and proposed development including adaptive reuse projects. The Jade District also has an adopted plan that is aligned with the Civic Corridor designation.
- 3. The property owners are known to the City and their goals are aligned with the Civic Corridor concept.
- 4. **Sites with frontage on 82nd Avenue, or within 200' of 82nd Avenue** should receive preference, though sites that are further away may also have merit.
- 5. **There is a local plan**—a plan developed by the NPI group, neighborhood or business association, or other group that represents the interests of the community or district—that is consistent with the Civic Corridor concept.
- 6. **It is an underutilized site near high value or high activity sites**. Underutilized sites with no or little building will be generally cheaper and be more feasible for development. Sites near high value or high activity sites will typically be able to achieve higher rents than more isolated sites.
- 7. Located at a major intersection. Such sites have the highest visibility and potential to catalyze other nearby redevelopment or reinvestment.
- 8. The development plan should be financially feasible or realistic, once the public investment is included in the development calculus. Some projects may require multiple forms of non-traditional financing, including multiple sources of public, non-profit, and private funding. Even if proponents do not yet have the funds to complete the project, they should have a business plan or pro forma that shows the conditions under which the project would be feasible.

Section 8: Mechanisms for Public Investment to Leverage Private Investment

To spur development and redevelopment in the corridor, generate tangible improvements, and help grow higher-paying wages here, public investment will need to play a major role in leveraging private investment. However, a dearth of funding exists for physical and social infrastructure spending on 82nd Avenue. Despite the odds, the following funding sources could potentially be tapped to leverage additional private investment:

- Fixing Our Streets (City of Portland)
- Housing Bond (City of Portland)
- Regional Flexible Funds (Metro)
- Statewide Transportation Improvement Program (STIP) (ODOT)
- Access Management Funds (ODOT)
- Transportation Bill (ODOT)

Transportation

Over the course of the planning process along 82nd Avenue, community members have advocated for transformation of 82nd Avenue more in line with the Civic Corridor designation envisioned in the 2035 Comprehensive Plan. They advocated for jurisdictional transfer of the roadway from ODOT to PBOT to help facilitate that transformation.

For example, in July 2017, the State Legislature passed a \$5.3 billion transportation package. It includes \$110 million to improve a 4-mile stretch of Powell Boulevard from SE 99th Avenue to city limits near SE 174th Avenue. ODOT will improve the street. In the coming years, as segments are completed, ODOT will transfer ownership to the City of Portland. This could be a model for 82nd Avenue: earmark funding, make improvements (by the State), then transfer ownership to the City.

Additionally, in June 2018, the City and ODOT have committed towards deeper discussions and taking initial necessary steps toward jurisdictional transfer, with an eye towards a strategic longer-term vision and plan for the 82nd Avenue corridor. The collaboration is intended to get a better understanding of the cost to bring 82nd Avenue to a state of good repair and safety, meet city standards and to adjust policy, if necessary, to allow for short-term improvements by ODOT and the City that makes progress towards a future transfer of ownership of 82nd Avenue. (Timing of transfer still to be negotiated.)

Jurisdictional transfer of 82nd Avenue will require extensive negotiations between the State and the City to reach agreeable terms to support a transfer of ownership, particularly around resources. Significant funding is needed to address deferred maintenance, increase safety and make improvements to begin the transformation of 82nd Avenue to a Civic Corridor. Meanwhile, the City intends to seek increased design and engineering flexibility for improvements made under ODOT ownership.

The City, ODOT and State Legislators have begun meeting to chart a path forward. This has resulted in a commitment between the City and ODOT to address feasible improvements in near-term while working towards a longer-term plan.

Specifically, in June 2018, PBOT and ODOT Region 1 leadership jointly documented the following priorities and next steps:

- 1. Work to ensure the best interim safety and maintenance improvements while 82nd Avenue is still under ODOT's jurisdiction. ODOT already has a number of STIP projects programmed in the corridor. PBOT and ODOT should work together to leverage STIP funding to decrease maintenance liabilities and make safety improvements to the greatest extent possible. PBOT will continue to identify local funding to leverage STIP funding.
- 2. Ensure that ODOT and PBOT develop a shared understanding of jurisdictional costs associated with a transfer. The first step of a jurisdictional transfer is developing a shared understanding of the cost of deferred maintenance. There is continued work for ODOT and PBOT to develop a shared estimate of the cost to bring 82nd to a state of good repair. ODOT and PBOT will work together to document our shared understanding of the costs of a jurisdictional transfer.
- 3. Ensure adequate funding to develop a conceptual plan that will be completed in time for potential funding opportunities. This planning work will include potential phasing of construction understanding any phase of construction would occur following a jurisdictional transfer agreement. The cost of a conceptual design plan is currently estimated to cost \$1 million. This work should be completed by the City in time for active funding conversations including the November 2020 regional investment measure.
- 4. Work together to develop a broad and successful partnership to secure future funding for the transfer and future planned improvements.

In addition to the above next steps, PBOT and ODOT will follow-up on Representative Keny-Guyer and Senator Dembrow's recommendations that staff explore opportunities in the 2019 Oregon Legislature to identify funding as well as legislative solutions that move the jurisdictional transfer discussion forward.

Proposed Work Plan for Developing Additional Mechanisms for Financing Public Infrastructure to Facilitate Private Development

Included is a **work plan for developing additional mechanisms for financing public infrastructure to facilitate private development** recommendations based on the June 2018 joint PBOT and ODOT Region 1 memorandum priorities and next steps. This work plan reiterates this PBOT and ODOT Region 1 leadership documented coordination efforts.

Action	Notes
Coordinate with PBOT and ODOT to determine extent to which jurisdictional transfer conversation can be increased, accelerated.	 In June 2018, PBOT and ODOT Region 1 leadership jointly documented the following priorities and next steps: Work to ensure the best interim safety and maintenance improvements while 82nd Avenue is still under ODOT's jurisdiction. Ensure that ODOT and PBOT develop a shared understanding of jurisdictional costs associated with a transfer. Ensure adequate funding to develop a conceptual plan that will be completed in time for potential funding opportunities. Work together to develop a broad and successful partnership to secure future funding for the transfer and future planned improvements.
Review list of anticipated funded or soon-to-be funded projects in the corridor through various funding mechanisms.	
Review regional flexible funds opportunities that can/will be spent in the corridor.	
Review opportunities for potential coordinated infrastructure spending through proposed new projects, i.e., Enhanced Transit Corridors.	

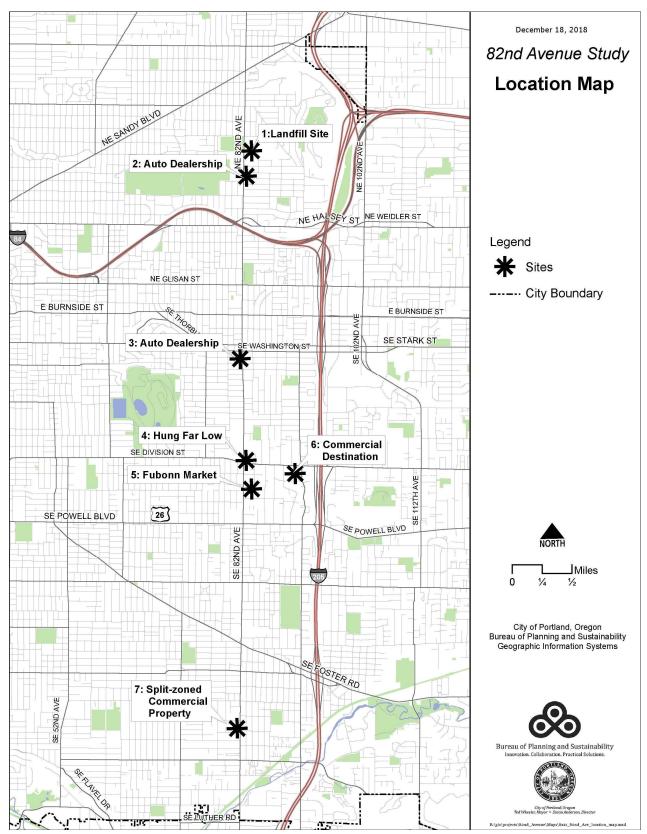
Section 9: Site-Specific Design Option Recommendations

At the individual property or site scale, we studied different property types along the corridor. The following concepts represent illustrative property type opportunities in different sections of the corridor. Note, the concepts emphasize several elements that can guide planning for development throughout corridor:

- **Phasing.** The concepts show redevelopment occurring in phases, which reflects realistic limitations in market demand (rent, absorption) and property-owner capital. In some cases, the first phase(s) are rehabilitation/adaptive reuse rather than new construction.
- Scale. Consistent with the recent, planned, and proposed development described above, achievable rents impose limitations on the scale and density that can be achieved in the near term. Commercial projects should be one or two stories, and residential project should be wood frame, between one and three stories. An exception to this is "public-private" projects that take advantage of significant Low-Income Housing Tax Credits (LIHTC), urban renewal, or other funds, and can therefore achieve greater density and scale, along with affordable housing, and other goals.

The following concepts are the result of preliminary assessments, made without knowing the precise type of complementary public investments in the corridor. In most cases, property owners were consulted to help generate development concepts collaboratively with them; in other cases that was not possible. The goal here is to **provide an illustrative, but certainly non-binding,** analysis of different property types in the corridor that the City, property owners, and others can use and refine as necessary.

Figure 5. 82nd Avenue Study – Location Map



⁸²nd Avenue Study: Understanding Barriers to Development – Adopted as Amended Report

Site 1. Extra-Large Vacant Property Type. The "landfill site" in the Madison South section of 82nd Avenue.

This 12.5-acre site was once a landfill and then a golf driving range. There are no other contiguous, undeveloped sites of this size on 82nd Avenue and, as such, the site presents both opportunities and challenges.



There are many amenities within walking distance that may benefit any future development on the site, including the MAX station half a mile to the south, and Glenhaven Park and Madison High School (generating foot traffic) to the immediate west. In addition, the site benefits from excellent views—encompassing a very surprising amount of green space—both of Rocky Butte to the east and rolling hills to the south. It is a rare site on 82nd Avenue to have such views.

In 2014, Metro identified the parcel as an employment area to be protected by limiting the type and scale of non-employment uses.

One concept for this site is for development by a major institution (healthcare, business, education, or other), which would have both the demand for a large site, and potentially the capital to take on the above-average development costs. However, no specific institution has been identified.

Overall, three concepts were developed: Option A, Flex Incubator; Option B, Institutional Campus; and Option C, Retail/Mixed-Use with some housing integrated at a later phase. These concepts develop over several phases, from near-term to longer-term probable investments.

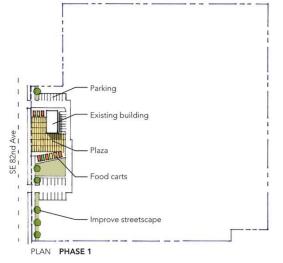
OPTION A FLEX INCUBATOR

PHASE 1

Activate site with a rehab of the existing building retail or food-related use

Provide an attractor (food carts) for pedestrians Develop a more pedestrian friendly streetscape





OPTION A FLEX INCUBATOR

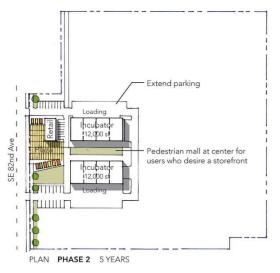
PHASE 2

Extend parking and pedestrian circulation to serve new 1-2 story incubator buildings for small retail, light industrial or manufacturing businesses

Simple economical buildings could provide flexible space at low rents

Food cart plaza serves as public face of development





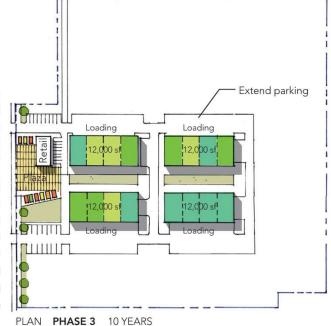
OPTION A FLEX INCUBATOR

PHASE 3

Extend incubator buildings and associated parking and circulation as needed

Incubator spaces could be modular to allow for expansion and contraction of fledgling business





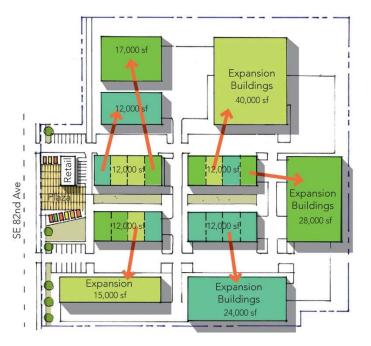
OPTION A FLEX INCUBATOR

PHASE 4

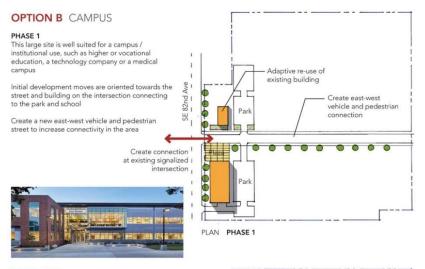
The large site provides opportunities to support growing businesses as needed, without forcing them out of the neighborhood

As businesses grow, they could move into larger and larger spaces

187,000 sf of building footprint shown (0.3:1 FAR at one story)



The "Flex Incubator" concept culminates into a fully built-out property after several initial phases of investment. All phases could be completed within 10-20 years, depending on market conditions and business expansion.



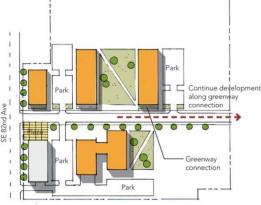
Initial development to activate a portion of the site.



PHASE 2

Additional development follows greenway connection through site

Parking areas, green spaces and other amenities create a campus-like environment



Subsequent development follows over time, potentially within 10 years after the initial phase.

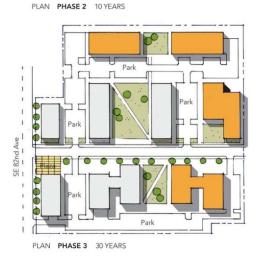


OPTION B CAMPUS

PHASE 3

Additional development expands to fill Parking areas, green spaces and other amenities create a campus-like environment

137,000 sf of building footprint shown (0.75:1 FAR with three story buildings)



Final phases fill in the remainder of the site; fullycompleted within a 20- to 30-year timeframe.

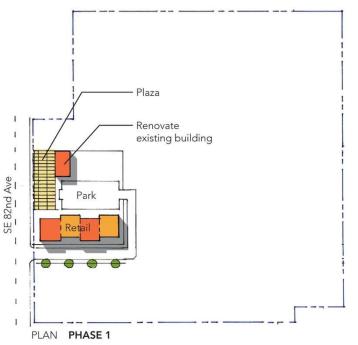
OPTION C RETAIL / MIXED-USE

PHASE 1

Redevelop existing building for retail. Add plaza with additional small scale retail spaces and parking

Activate outdoor space to enhance visibility and create identity





OPTION C RETAIL / MIXED-USE

PHASE 2

Develop additional retail around new pedestrian friendly extension of SE 83rd Ave and central retail plaza

Create a ped/bike friendly north-south alternative to using SE 82nd Ave.





OPTION C RETAIL / MIXED-USE

PHASE 3

Create destination retail promenade





PLAN PHASE 3 20 YEARS

L

I

OPTION C RETAIL / MIXED-USE

PHASE 4

Add residential development in quieter eastern portion of site

Create aonnections to additional north-south streets such as NE 84th Ave where possible





In this concept, the retail and commercial elements of the development program are established in the earlier phases. In the latter phase, as the market allows, the multi-family housing units are integrated into the site. The retail and housing components share a managed surface-parking area.

Site 2. Auto Dealership No. 1. An auto dealership in a mixed-use and residential split-zoned site, located in the in the Madison South section of 82nd Avenue.



Site Features:

- Existing car dealership and mechanic's shop somewhat distant from the heart of "auto row" (between Montavilla and the Jade District).
- Close to park and high school.
- May have more foot traffic potential than other parts of 82nd Avenue.
- Near several retail and restaurant uses (Oregon Plaza, Pho Oregon).
- Faces green space across the street (Madison High School sports fields).

OPTION A Retail Village

PHASE 1 Re-purpose front of existing building for retail Develop north outdoor space as a food truck plaza Operation of existing auto uses to continue





SITE PLAN New sidewalk, landscape & street trees



PHASE 2

Expand retail uses along 82nd Ave frontage

Convert existing auto shop into office space

Add new office building south of the existing building, create courtyard between two buildings with pedestrian entry on 82nd Ave

Retain east parking to support development



OPTION A Retail Village

PHASE 3 Develop eastern portion of site with "cottage cluster" style housing

Create north-south pedestrian pathway through housing







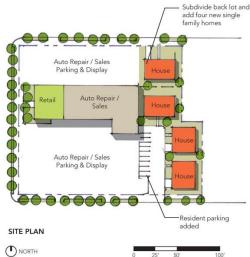
Redevelopment starts by re-purposing a portion of the existing building. The auto shop remains and is phased out gradually over time. Expansion of retail and housing units happen in later phases.

OPTION B Mixed Development

PHASE 1 Re-purpose front of existing building for retail. Existing car mechanic space and Southern lot to remain

Develop east lot with single family housing





OPTION B Mixed Development

PHASE 2 Complete adaptive re-use of existing building

Add new Office/Retail building south of existing building

Create office courtyard between new and existing buildings





(NORTH

NE 82nd Ave



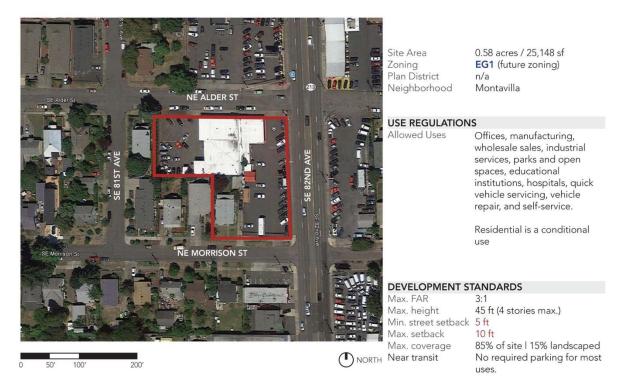
In this mixed-development concept, re-purposing of a portion of the existing building occurs in the first phase along with four single-family homes on the residential lot. Subsequent retail and office components fill out the site in latter stages of the project.

OPTION B Mixed Development

PHASE 3 Continue expansion of Office and Retail Uses on site

Maintain small retail uses on corners, office elsewhere

Site 3. Auto Dealership No. 2. An auto dealership in an employment zone, located in the in the heart of "auto row," between Montavilla and the Jade District.



Site Features:

- Existing car dealership in the heart of "auto row" (between Montavilla and the Jade District).
- Mechanic's shop also on site.
- Limited pedestrian connections across 82nd Avenue.
- Washington/Stark couplet is a few blocks away to the north.
- Classic "glass box" auto showroom on the corner.

OPTION A OFFICE INCUBATOR

PHASE 1

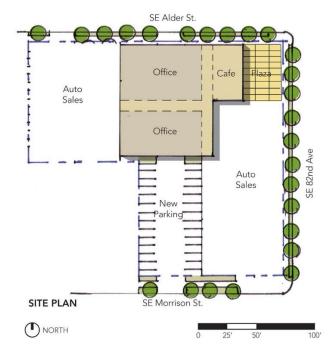
-Adaptive re-use of existing buildings for office and retail

-Auto showroom could be readily adapted to a cafe or small restaurant

-Parking lots still utilized by adjacent auto dealers

-Create new parking lot on the south end for office tenants





OPTION A OFFICE INCUBATOR

PHASE 2

Develop 82nd Ave frontage with Office / Retail Building

Consider flexible co-working office models

Remaining parking utilized by building tenants





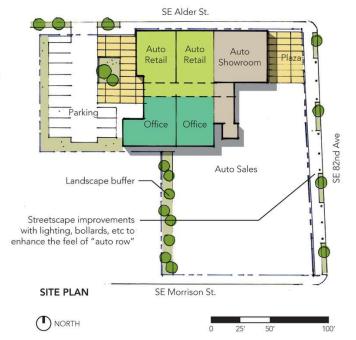
OPTION B URBAN AUTO CENTER

PHASE 1

-Re-purpose existing mechanic's shop for use as office and retail (6,800 sf)

-Develop parking area and entry to support office & retail

-Continue use of site as auto dealership with enhanced pedestrian access





OPTION B URBAN AUTO CENTER

PHASE 2

-Develop a more dense auto dealership with stacked vehicle display

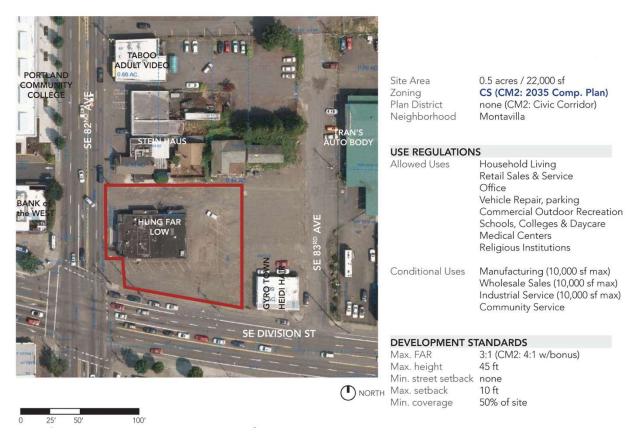
-Expand Auto Retail cluster oriented around a central outdoor space (10,400 sf total)



Adaptive re-use or repurposing the existing building will likely be the initial step towards redevelopment of this property type. In an employment zone, these property types could potentially evolve into modest-cost office spaces or flexible co-working spaces (option A). Alternatively, the

existing auto sales model evolves into a more urban auto center (option B).

Site 4. Commercial Strip at Busy Intersection. Site of the former "Hung Far Low" restaurant. The commercial property is at the intersection of 82nd Avenue and Division in the Jade District.



Site Features:

- In the Jade District, an emerging "center" in the corridor.
- Across the street from Portland Community College. Potential for extensive foot traffic from students and employees.
- High visibility corner.
- Three blocks from the Fubonn Shopping Center destination.
- New transit investment on Division St—Division Transit—will bring passengers to location.

OPTION A

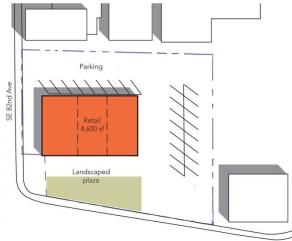
MIXED-USE DEVELOPMENT

PHASE 1

Renovate existing building for small scale retail and/or office uses

Relocate parking to back of building and activate exterior with landscaped plaza





Existing building could be repurposed or renovated to keep redevelopment costs to a minimum.

OPTION A

OPTION A

story mixed-use developr

stories of apartments above

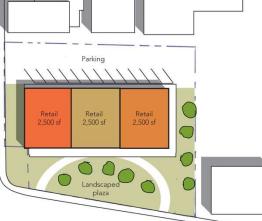
MIXED-USE DEVELOPMENT

PHASE 2

Add on to existing building and landscaped courtyard to extend to the east

Capitalize on nearby PCC student population by providing cheap restaurants and student-oriented retail





In line with the Division Transit project, adding on to the existing building better utilizes the site.

PLAN PHASE 2 3 YEARS

82nd Ave

SE



As the market warrants, a full redevelopment of the site into a 4-story mixed-use would complement new transportation investments on Division Street and 82nd Avenue.

Site 5. Major Commercial Destination. Fubonn Market is one of the major destinations on 82nd Avenue. Accessibility only from 82nd Avenue limits the property owner from potential future expansion on the site. The site contains a largely underutilized parking area at the back of the property adjacent to SE 85th Avenue.



Building Area	
Site Area	
Zoning	
FAR	

82,000 sf 326,700 sf CM2 (Future) 0.25:1 (existing)

USE REGULATIONS -per CM2 zoning Allowed Uses Household Living

Household Living Retail Sales & Service Office Vehicle Repair, Parking Commercial Outdoor Recreation Schools, Colleges & Daycare Medical Centers Religious Institutions

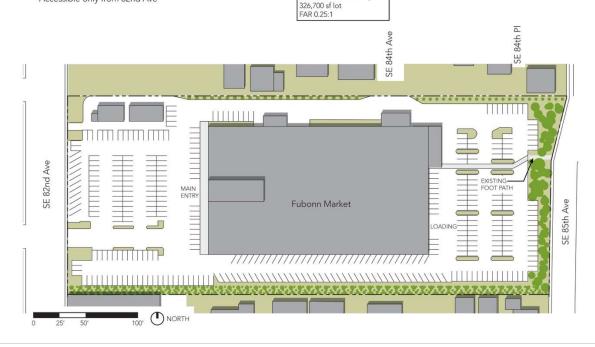
DEVELOPMENT STANDARDS -per CM2 zoning

Max. FAR Max. height Min. setback Max. setback -street lot line Max. coverage 2.5:1 (4:1 w/BONUS) 45' (55' w/BONUS) none 10' ft 100% of site

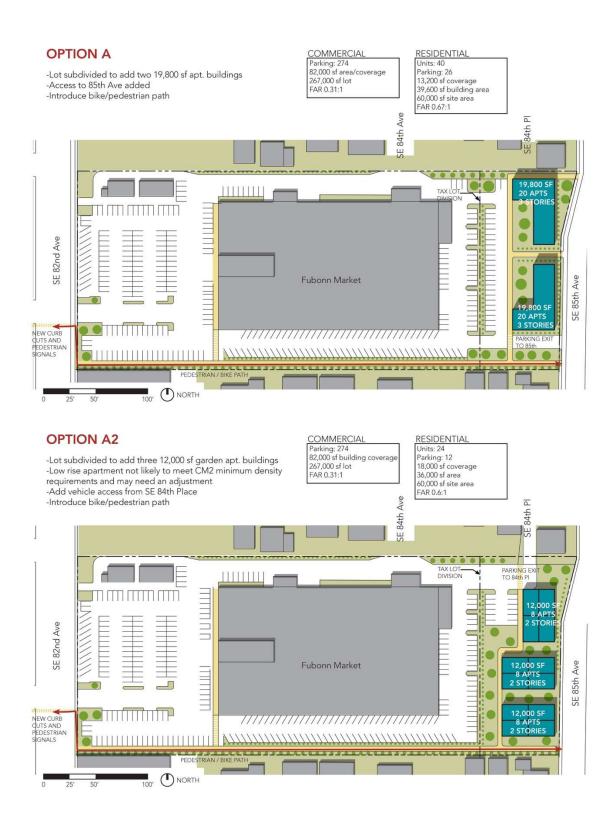


EXISTING

-Accessible only from 82nd Ave



COMMERCIAL Parking: 371 82,000 sf area/coverage



Future development on this site would need new access to the back portion of the property. City staff should work with the property owner and regulators to determine appropriate level of access to the property via SE 85th Ave or alternative access point.

Site 6. Commercial Destination. Large site within the corridor but not directly on 82nd Avenue.



Site Features:

- Major regional destination.
- A major destination within the corridor, although not directly on 82nd Avenue.
- Site is used currently as a nursery, but some of the property is zoned for residential uses.
- Close access to transit stations—MAX green line and the future Division Transit line.
- Parking in two different areas of the property.





Here are images of precedents, already constructed buildings that could be fit into a redevelopment program for this site.

82nd Avenue Study: Understanding Barriers to Development – Adopted as Amended Report

Site 7. Split-Zoned Commercial Property. Large split-zoned property—multi-family housing and mixed-use employment—on the southern end of 82nd Avenue.



EXISTING SITE

-Slated to be re-zoned to CE and R2 in January 2018

-Any new residential buildings with more than 20 units will trigger affordable housing requirements

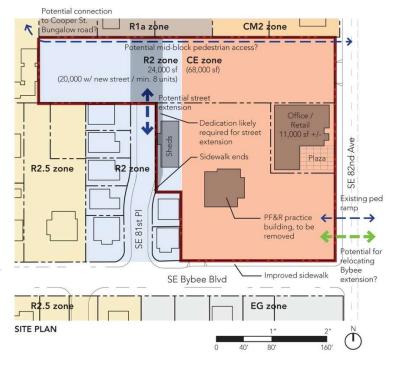
-Sidewalks on 82nd and Bybee frontages recently improved, although only provide two vehicle access points

-Existing ped ramp at 82nd Ave frontage provides minimal access across 82nd to Bybee with no crosswalk

-Minimum density standards require at least 10 units be built to develop R2 portion of site

-Extension of SE 81st Place and dedication of land to the public right-of-way likely required with any significant development. Site size after dedication is 89,700 sf.

-SE Bybee Blvd jogs at 82nd Ave, and is the only east-west connection for 900 ft between SE Cooper and SE Ogden St. Potential for land swap to align Bybee across 82nd, creating a more navigable intersection



OPTION A MIXED ROWHOUSES

Develop site with mixed uses: retail in front and residential in the rear

Two-story rowhouses on individual lots are a simple development model, but require land divisions

New east-west and north-south vehicle connections through the site provide parking and access to rowhouses from parking area

SUMMARY

Rowhouses: Retail: Existing Building:	30,500 sf / 19 units 5,500 sf 11,000 sf
Total:	47,000 sf / 0.52:1 FAR
Parking:	39 stalls

PHASING

(1) Retail, 4 rowhouses, parking

(2) 10 rowhouses, parking

(3) 5 rowhouses, parking, SE 81st extension

OPTION B MIXED COTTAGE CLUSTERS

Retail along 82nd Ave with "cottage cluster" style development in rear

Single large parking lot connecting 82nd and 81st and serving all users

1 story cottages clustered around outdoor spaces; could be condos or apartment:

Link retail plaza to outdoor amenity space for cottages and neighborhood

SUMMARY

Cottage clusters: Retail:	20,500 sf / 22 units+ 4,000 sf
Existing Building:	11,000 sf
Total:	35,500 sf / 0.40:1 FAR
Parking:	39 stalls

PHASING

1 Retail, 6 cottages

2 10 cottages, parking

(3)6 cottages, SE 81st extension

OPTION C APARTMENTS

Develop site with mixed uses: retail in front and apartments in the rea

Simple 3-story, light wood framed, non-elevator apartment buildings will minimize cost

Affordable housing required for buildings with more than 20 units

Create new auto access from 82nd at heart of retail, consider possibility for crosswalk and signalized intersection access

SUMMARY

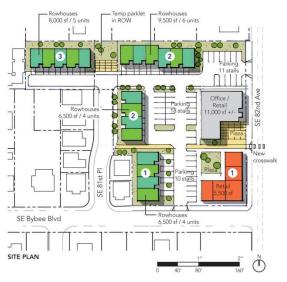
Apartments 55,800 sf / 57 units Retail: 9,000 sf Existing Building: 11.000 sf

Total: 75,800 sf / 0.85:1 FAR 50 stalls

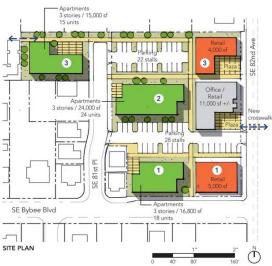
Parking:

PHASING

- 1 Retail, 18 apartments, parking
- 2 24 apartments, parking
- (3) Retail, 15 apartments, SE 81st extension







This property's split-zoning makes it a challenge to develop. Doubly challenging was a condition of approval (COA) from a previous zone change. One aspect of this study is for City staff to clarify any COA that may no longer apply when the zoning became effective in May 2018.

The COA for this property was clarified during this study and no will no longer apply when the new zoning takes effect.

Thus, redevelopment of this site may occur with fewer hurdles. While the market is still poses a challenge, a phased approach could build around a previously redeveloped building. A combination of commercial and few housing units could be built in an initial phase.

Housing units are a part of all three concepts. Whether rowhouses, cottage clusters, or apartments, they would likely be developed in the latter phases of build out in all cases.

The following is a sketch model of the full build out of Option B—commercial development and cottage clusters. Commercial development would precede housing development. (The market for housing right on 82nd Avenue is not quite ready.) A public plaza offers a public amenity to the surrounding housing units. It also offers a buffer to the cottage cluster housing that could be developed in later phases.



OPTION B RETAIL PLAZA WITH COTTAGE CLUSTER DEVELOPMENT BEHIND

Proposed Work Plan for Refining and Implementing Zoning and Development Recommendations

Included is a **work plan for refining and implementing zoning and development** recommendations based on consultant recommendations. This work plan emphasizes recommendations of DECA Architecture regarding zoning code, transportation review regulations, and voluntary design guidelines.

Action	Notes
 Implement zoning change for many of the general commercial sites on 82nd Avenue—from the General Commercial (CG) to the Commercial Mixed Use-2 (CM2) zoning designation. Completed: Zoning changes along 82nd Avenue were coordinated in the 2035 Comprehensive Plan, which became effective on May 24, 2018. 	 This will allow more clarity of the expected type of development in the corridor; transitioning from auto-oriented to more urban, pedestrian-friendly types of development in designated Neighborhood Centers (nodes).
 Explore proposal to potentially change the City's right-of-way dedication for new development along 82nd Avenue. Proposal for 2019: Make the private property dedication for public right-of-way the same as the current 90-ft Special Setback in the Zoning Code. This would make the dedication 45 feet from centerline of the road, for a total of 90 feet. 	 This 45-foot dedication would allow PBOT to acquire additional right-of-way as development occurs. Implementation would be incremental. This could create more space to create a pedestrian and bicycle friendly environment with future development. Future dedications along the full extent of 82nd Ave would become like the dedication required in Pedestrian Districts today. This would increase property dedications on 82nd Ave outside of existing Pedestrian Districts. However, it would also be more predictable during the permit process.
Conduct a zoning analysis of the employment lands on the southern end of the corridor for more efficient and urban development of employment land along the corridor. Proposal for 2019: Zone of EG2 properties to EG1 on the southern end of the corridor.	 Consider if an area-specific zoning code amendment is warranted to allow for flexibility in parking requirements.
Coordinate with Division Transit project and Outer SE Safety Plan to address and clarify vehicle access expectations.	 Ongoing coordination as part of the Division Transit process.
Review and clarify any additional conditions-of- approval on properties on 82nd Avenue.	• May need to meet with property owners to reconfirm their understanding of any COA.

Action	Notes
Review split-zoned properties. Propose necessary adjustments to remove any barriers to development. Proposal for 2019: Incorporate review of split- zoned properties. Eliminate or modify the split- zoned designation of properties and propose necessary adjustments.	 Also engage property owners of split-zoned sites to consider their development interests; split zoning may be perceived as appropriate for their site, especially if they own adjoining property or properties.
Apply FAR adjustments to R1 and R2 zones in the Jade District per Multi-Family Housing Zones update.	 In coordination with the Better Housing by Design project.
Prepare master plans for large sites to address potential phased development over time. Prepare guidance for future dedications and/or connectivity to these large sites.	 Include exploration of redevelopment of the Fred Meyer site at 82nd Avenue and Foster. (Fred Meyer closed in January 2018.)
Coordinate with PBOT on connectivity regulations between commercial and residential areas in the corridor.	 Fubonn Market property owner, specifically, interested in connection and access from SE 85th Avenue to commercial property.

Section 10: Economic and Community Development Recommendations

On July 18, 2017, Leland Consulting submitted the Employment / Light Industrial Evaluation included as Appendix A. The study includes specific strategies for employment-based development along 82nd Ave. This market analysis provided the 82nd Ave Study with a baseline assessment of demographic, economic and real estate conditions affecting the corridor within the City of Portland. Included below are key takeaways from the evaluation.

Demographics

- Small scale manufacturing can benefit from demographic trends, especially young professionals and empty nesters living in downtowns, which revive urban cores and provide new opportunities for entrepreneurial commerce.
- Major companies are choosing to relocate or open major offices in the urban core, rather than
 in the suburbs. Due to spatial limitations and the rising cost of downtown, 82nd Ave could
 potentially position itself to be an attractive compromise. However, office uses tend to cluster
 and office development is unlikely to come to 82nd Ave until closer-in areas are built out and/or
 become too expensive. Given the amount of office square footage entering Portland's market in
 the near future, this is unlikely.
- Growth in the self-employed economy is driving the demand for small, affordable office space. However, these property types will not support large-scale development and may be better suited to live-work buildings (such as Mile Post 5).
- Growing and aging populations drive demand for healthcare and social service positions, which typically generate middle-income wages.
- The maker movement is gaining momentum. More people are transforming their hobbies into businesses as consumers gravitate toward locally sourced or locally grown products.

Light industrial Uses on 82nd Avenue

- The new zoning on the 82nd Avenue corridor is flexible in allowing a range of employment and industrial uses (albeit with limitations).
- Despite the new zoning, the corridor has not seen industrial development occur like other corridors have, and light industrial jobs are currently not as prevalent in the corridor as they are in other industrial areas such as the Central Eastside and the Airport.
- 82nd Avenue's industrial mix is dominated by food and retail, generally reflective of the demographic diversity in the corridor. Education and healthcare also feature heavily, which is consistent with wider job growth trends in the city, and where further growth is anticipated.
- The 82nd Avenue corridor does not have the necessary amount of industrial land or jobs to be considered a light industrial "center".

Barriers to Light Industrial Development

• There are significant challenges to the development of industrial and many employment-based properties. 82nd Ave's smaller site sizes significantly limit the building types that can be developed in the corridor, and industry growth does not necessary indicate that there is a driving demand for many light industrial jobs in the city. That said, a constantly changing industry such as light industrial, paired with growing performance of flex space, indicates that smaller sites may fact be utilized for employment and light industrial uses.

- Rents remain the most significant barrier to light industrial development. More suburban areas, such as 82nd Ave are not currently commanding the industrial rents necessary to incentivize redevelopment. Leveraging some of the existing area draws and finding certain niches in the market, such as encouraging commercial kitchens to pair with existing food production and restaurant industry, may be a feasible option to counter the rent barriers.
- Low industrial rents tend to be driven by freestanding properties. As such, mixed-use development that incorporate light industrial components may help create a successful synergy. Mixed-use industrial developments have focused on a handful of industrial clusters.
 - The first cluster revolves around food production, and contains industries such as chocolate and pasta manufacturers, breweries, and confectionary wholesalers.
 - The second cluster is based in arts and crafts manufacturing and contains industries like pottery manufacturing and small-scale ornamental metalworking.
 - The third cluster is built around research and development in the hard sciences.

Increasing Employment on 82nd Ave - Recommendations

Per the Employment / Light Industrial Evaluation conducted by Leland Consulting in 2017 (Appendix A), the market does not currently support traditional industrial development on 82nd Avenue due to lower achievable rents, small site sizes, and stagnating industrial job growth. However, the very definition of industrial is constantly changing and 82nd Avenue is centrally located, currently affordable, and accessible, leaving it poised to capture demand for small- to medium-sized light industrial space.

The following are some recommendations to help prepare and grow employment opportunities in the corridor.

- 1. Connect 82nd Ave to Other Light Industrial Centers and Clusters
- 2. Leverage Existing Relationships/Organizations
- 3. Mixed-Use Industrial development
- 4. Employment Council and Business Association Coordination
- 5. 25-25 Jobs Strategy
- 6. Creative Development Districts
- 7. Design Competitions
- 8. Homelessness
- 9. Innovative Finance Approaches

Recommendation #1: Connect 82nd to Other Light Industrial Centers and Clusters

Title 4 of Metro's Urban Growth Management Functional Plan refers to industrial and other employment areas. It aims to provide and protect "a supply of sites for employment by limiting types and scale of non-industrial uses in regionally significant industrial areas, industrial and employment areas."

The Title 4 Map shows designated industrial and employment areas in the region. There are no industrially designated areas along 82nd, and only a few employment-designated areas in corridor.

Title 4 is unlikely to be a tool in which industrial land can be preserved and protected in the corridor. However, "regionally significant industrial areas" to the north and east could be better connected to the 82nd Avenue corridor. In doing so, light industrial hubs on 82nd may be encouraged to develop as satellite sites as industry grows and evolves.

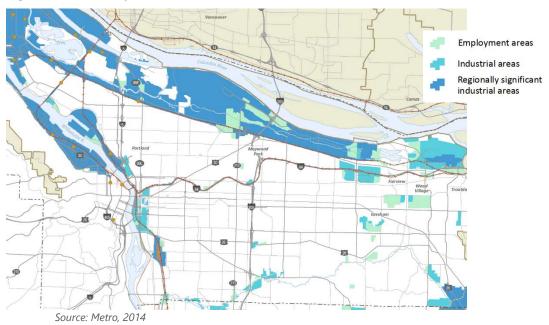


Figure 6: Title 4 Map of Industrial Areas

Recommendation #2: Leverage Existing Relationships/Organizations

Several organizations exist in the corridor that can be leveraged or built upon to encourage more employment-based uses.

SE Works

Mission: strengthen the economic health & well-being of our diverse community by facilitating successful connections between job seekers & employers.

• Director of Workforce Development: supports the Neighborhood Prosperity Initiative in the Jade District and the Division Midway Alliance.

- Provides a full range of services to businesses in the Tri-County area, including on-site recruitment, on-the-job training, and internship services, as well as education and training for prospective employees.
- Able to facilitate potential partnerships with prospective light industrial tenants.

East Portland Action Plan

While the East Portland Action Plan only incorporates the southeastern portion of the corridor (south of Division and the east side of 82nd), the plan is regionally significant. The Plan outline several specific components relating to economic development and workforce training for Portland's eastside.

Recommendation #3: Mixed Use Industrial Development

As the light industrial industry changes, new and unique opportunities may arise, such as integrating industrial development into mixed-use properties. Some of these opportunities were not previously feasible due to required building types (large, low-density, etc.), invasive activities (including noise, smells, and chemicals), or the market simply did not support it. As the industry has progressively changed and become more flexible in its environment, there are several recommendations that can be followed to capitalize on these new opportunities. Some of these recommendations are as follows:

- **Preserve and enhance urban industrial land.** Limit the conversion of strategically important industrial lands to other uses. In an industrial mixed-use district, protections might include: (1) limiting other land uses to a percentage of the total district square footage or (2) requiring 1 FAR of industrial development and allowing other uses to make up the balance of the permitted density.
- Target industries with site options in walkable town centers or with convenient access to transit. 82nd Avenue is poised to leverage its position as a food-oriented corridor in the manufacturing industry (food processing). Businesses like microbreweries are ideal for urban areas due to their strong retail component, low nuisance factor, and local customer base. Developing industry-specific smart growth strategies can improve 82nd Avenue's competitive advantage and quality of life.
- Microbreweries and distributers. To continue with the previous example, allowing
 microbreweries to diversify their distributors would increase market efficiency and improve the
 business environment. Permitting mixed-use development over a minimum amount of
 affordable light industrial and retail space would make it easier for microbreweries and other
 small food production businesses to serve urban neighborhoods, rather than chasing cheap
 space in automobile-dominated industrial areas. (Dan Cotter, 2012)

Recommendation #4: Employment Council and Business Association Coordination

One of the major goals of the City's Comp Plan is to steadily grow higher-paying employment opportunities along the 82nd Avenue corridor. Employment that fits into the "light industrial" categorization has seemed to be the answer. The project team initially considered the idea of creating a light industrial employment council in the corridor, modelled on the Central Eastside Industrial Council.

The corridor, however, does not have of a base of typical light industrial businesses from which to grow more opportunities. Thus, as initially envisioned, **a** "light industrial council" may not yet be ready for 82nd Avenue.

Based on meetings with members of the Central Eastside Industrial Council and consultation with various local economic and development experts (from City staff, developers, real-estate analysts and brokers), attracting (any kind of) employment should be a priority. Instead of focusing on "light industrial" as a higher-paying job to attract, it may be better to refer to desired employment as "mixed employment." These jobs could include medical services, commercial food preparation, and even construction-related businesses not typically captured as "light industrial."

In meeting with the various business groups and business associations in the corridor—from the 82nd Avenue Improvement Coalition to the 82nd Avenue of Roses Business Association, and the Montavilla East Tabor Business Association (METBA) to the Jade District Neighborhood Prosperity Initiative—before establishing a light industrial council, it may be more effective to better coordinate the disparate business groups that represent focused segments of the corridor. This coordinated coalition of business associations can work together to highlight advantages of locating in the emerging centers or clusters of employment along 82nd Avenue without outcompeting one another for business growth.

Additionally, a coordinated group of business associations can provide a unified voice for the whole corridor. This unified voice can help to address challenges and opportunities that affect the emerging segments or centers all along this designated civic corridor. For example, homelessness is a major issue for businesses all along the corridor. This coalition of business associations can have a stronger voice when advocating for a more comprehensive approach to address such issues.

Recommendation #5: 25-25 jobs strategy

Mayor Wheeler's 25-25 Jobs Strategy is intended to support the creation of 25,000 new jobs paying at least \$25 an hour by 2025. Some of the components could increase opportunities for employment on 82nd Avenue, and could be adapted to local needs. In particular, some of the training elements of the plan are especially relevant in light of PCC's presence on 82nd.

Recommendation #6: Creative Development Districts

An interim measure for the "light industrial" employment might be to encourage "creative development districts."

- "Mixed-employment" opportunities in the "auto row" area between the Jade District and Montavilla.
- Build on the strengths of existing businesses, collection of businesses in the Jade District and Montavilla as tier one opportunities.
- Consider "culinary corridor," drawing on the diversity of cuisine along 82nd Avenue.



Above: Culinary corridor opportunities on 82nd

Research opportunities in tier two districts, especially in the north and south ends of the corridor:

- 82nd Avenue and Bybee Street area: opportunity to spur a "center" on 82nd Avenue for the adjacent Brentwood-Darlington neighborhood; clarify issues related to conditions-of-approval that are barriers to development.
- Cluster of employment-zoned land around Cartlandia: research opportunities for integrating the Springwater Trail into future development along adjacent properties; clarify issues related to manufactured housing in the employment zone.

Proposed Work Plan for Fostering a Creative District

Action	Notes
Continue to engage business associations in the key centers of the corridor. Engage specifically with business and neighborhood associations to strengthen the identity of the southern and northern emerging centers in the corridor; begin outlining future planning needs.	 Current discussions with 82nd Avenue stakeholders suggest that a broader City-led vision and plan for 82nd Avenue needs to happen. An outcome of this continued engagement with the community may be a request to council for a more dedicated planning and development effort for 82nd Avenue, which in turn, could eventually lead to more clear funding options for public infrastructure.
Work closely with the 82nd Avenue Improvement Coalition to do deeper dive work on developing/fostering a creative development district in the northern end of the corridor.	• The 82nd Avenue IC has been a strong vocal booster for jurisdictional transfer (JT). Absent this, how can we evolve a stronger brand identity for the Madison South area? Do businesses here want to continue with that name or develop a different identity?
In coordination with proposed zone change of EG1 zones on the southern end, work closely with the 82nd Avenue Business Association, Cartlandia, and property owners to develop a brand identity for the southern end of 82nd Avenue.	 Continue to develop ideas for a "Springwater District." Or develop a co-branded "Brentwood- Darlington/Springwater District." Or "South of Foster"—SoFo.
Engage the Port of Portland to address how 82nd Avenue might evolve in the IG and EG2 zones around and north of Killingsworth St as 82nd Avenue approaches the airport.	• Can there be a better pedestrian experience for workers who take transit to the area between Killingworth St and Airport Way?
Collaborate with Design Week Portland to highlight potential development district opportunities in the corridor.	• Design Week Portland has reached out to the City of Portland for ideas on 82nd Avenue and in East Portland to showcase during a future Spring event.

Recommendation #7: Design Competitions

Design competitions for development, especially for publicly-owned properties, can help generate a variety of ideas that the community can help select and support to its completion. Not unlike the "Green Loop" competition, ideas not only for the type of improvements but how to implement them can emerge from these competitions. The process, if done right, can ignite community support and possibly new funding opportunities.

Recommendation #8: Homelessness

Homelessness is an issue throughout the city, including 82nd Avenue. It is a common and recurring issue affecting business in the corridor. Businesses and property owners spend a lot of time and money on a regular basis to clean up the impacts of homeless activities on or around their place of business or property. As raised previously in Section 4, this need to support and help those experiencing homelessness was one of the most pressing issues of 82nd Avenue business and neighborhood association feedback.³.

- The 82nd Avenue Study did not include concerns from people who are homeless. Follow up
 efforts by City and or County staff along 82nd Avenue on this issue could look to the work that
 was done in the Central Eastside Enhanced Services District⁴ as an example. Acknowledging that
 a future process needs to include feedback from and considerations for residents who are
 homeless. When working with business and neighborhood associations around homeless and
 livability issues; homeless perspectives need to be present, a part of the discussion and tied to
 any recommendations and/or implementation.
- The 82nd Avenue Study area is approximately 7-miles in length and may contain different existing conditions, placed-based experiences, etc. for residents who are homeless.
- Cleanups of homeless camps, which involve finding, identifying, prioritizing and cleanup efforts, along the Springwater Corridor and I-205 corridor need to be improved for both complaints and those experiencing homeless⁵.
- A future process could include locating land for a safe, legal place for people to sleep within the 82nd Avenue Study area.

To address concerns of businesses and property owners affected by this issue, on balance with those experiencing homelessness, City staff should facilitate a connection between business and neighborhood association representatives and the Joint Office of Homeless Services (JOHS) that is inclusive of residents who are homeless. In partnership with JOHS, business and neighborhood associations, and others can better determine how to tailor approaches to mitigating homelessness impacts, as well as, establishing or building a greater understanding of homelessness in their part of the corridor.

³ Business & Neighborhood Association Interviews and Final Recommendations, July 31, 2017, Cogan Owens Greene

⁴ Central Eastside Enhanced Services District: https://www.portlandoregon.gov/revenue/42217

⁵ Cleanup of Homeless Camps: Improved Communications and Data Needed, March 2019:

https://www.documentcloud.org/documents/5775903-Portland-Homeless-Camps-Cleanup-Audit.html

Recommendation #9: Innovative Financing Approaches

Private funding for development projects has often been limited to accredited investors, generally meaning investors with a lot of money and have lower need for financial protections. In the last few years, however, new ways of investing in the private real estate market are becoming more common that allow investments in much smaller dollar amounts. These crowdfunding campaigns, often generating 4-figure investments from a wider range of community members, could be one way to bridge gaps in a project's budget.

Additionally, communities in the 82nd Avenue corridor might be interested to learn about Mercy Corps Northwest's Community Investment Trust⁶ "financial inclusion tool" model. It is a way for low-income residents to potentially invest in a non-profit acquired property and build equity in that property over time. The intent if for the non-profit to cede all its equity to investors. This is a unique way to allow low-income households participate in the direct investment in their community, generate equity for themselves, and likely keep commercial space affordable.

⁶ Mercy Corps Northwest Community Investment Trust -https://www.mercycorpsnw.org/community/investment-trust/



Fred Meyer site on SE 82nd Avenue at SE Foster Road. Potential to engage the property owner and surrounding community to help shape the identity of place on the southern end of the corridor.



The Original Taco House site on NE 82nd Avenue at NE Klickitat Street. Improvements here can help to shape and evolve the identity of the Madison South/Roseway segment of the corridor.



People walking on 82nd Avenue/Highway 213, near the Killingsworth overpass, in the airport segment of the corridor. Pedestrian environment here is unsafe. Companion to this study, PBOT's 82nd Avenue Study includes safety improvements for people walking—often to access jobs—in this part of the corridor.

Section 11: Performance Measures

The following measures will be used to track immediate outcomes from the grant and longer-term progress of change in the corridor. The indicators are listed generally in order from near-term actions to longer-term activity.

Nearer-term

1. Ongoing community and property owner engagement

Continue to engage community members and property owners to ensure ongoing feedback from the people who will be most affected by investments in the corridor. This can also be an opportunity to better anticipate actions property owners might take in the near-term regarding potential redevelopment or sale of their property.

2. Safety improvements to the public realm

Amount of enhancements to streetscape—better sidewalks, safe crossings, and other related connectivity enhancements for people walking and biking—that improves safety in the corridor.

3. Emerging "centers" and "places"

Currently the Jade District and Montavilla are the most visible districts along the 82nd Avenue corridor. How many more segments along the corridor could emerge as distinct places? (Can measure by emergence of notably visible business district locations, i.e., Lents-Foster [at 82nd Avenue] or Madison-South/Roseway on the north end.)

4. Master plans for large property sites

Prepare master plan concepts for larger sites and discuss with property owners. Measure amount of engagement with these large property owners and gauge likelihood and/or needs for redevelopment.

Longer-term

5. Commercial Mixed-Use zoning code implementation

On May 24, 2018, the commercial mixed-use zoning code applied to many general commercial properties went into effect. In the short-term, see how much new development evolves into truly mixed-use development.

6. Parking lots to new development

Number of parking lots or primarily automobile storage that transition into new development.

7. Properties refurbished or redeveloped

Number of properties that are **refurbished or redeveloped** in a 1-, 5-, 10-, and 20-year time period from selected baseline year.

Subset

Number of identified **opportunity sites that redevelop** over a 1-, 5-, 10-, and 20-year time period from selected baseline year. And by type: Employment or Mixed-use development.

8. Employment Growth on 82nd Avenue

Employment growth in the corridor by specific segments and by 1-, 5-, 10-, and 20-year time period.

Subset

Number of new businesses that located to the area in part due to employment (light industrial) council or emerging development in the corridor.

Section 12: Appendices

- A. Employment/Light Industrial Evaluation, July 18, 2017, Leland Consulting Group
- B. *Barriers to Redevelopment*, April 2017, Leland Consulting Group, Cogan Owens Greene, DECA Architecture
- C. Business & Neighborhood Association Interviews and Final Recommendations, July 31, 2017, Cogan Owens Greene
- D. Development Barriers Summary, August 2, 2017, DECA Architecture
- E. *Memo dated July 18, 2018*, Chris Warner, PBOT Interim Director and Rian Windsheimer, ODOT Region 1 Manager
- F. 82nd Avenue Study Map Amendment Maps:
 - Exhibit C (Maps 1 and 2): Changes to the Comprehensive Plan Map
 - Exhibit D (Maps 1 4): Changes to the Official Zoning Map

The appendices are posted online separately and/or available by request.