

DOWNTOWN

# Portland Oregon



**RETAIL AND RESTAURANT RELOCATION GUIDE**  
A LIVABLE, VIBRANT & GROWING DOWNTOWN

## Portland Defined

Once known as Stumptown for its timber harvests in the 1800s, Portland is now a trend-setting city known for its sales-tax free, high-end shopping, innovative restaurants and well-planned transportation systems. A favorite of travel writers and a constant contender for national livability awards, Portland is a growing city and a desirable market for retailers looking to open a location in the Rose City's downtown.

Portland is indeed an urban paradise. The city's streets, which feature statues, fountains, and half-size city blocks, contribute to the vitality of the urban experience. When you consider Portland's hot urban-residential draw, the eclectic charm of Old Town/Chinatown, the West End academic and cultural area, and the Pioneer District signature retail district on Yamhill and Morrison streets—with prime retail and restaurant energy—a remarkably diverse yet well-composed downtown emerges.



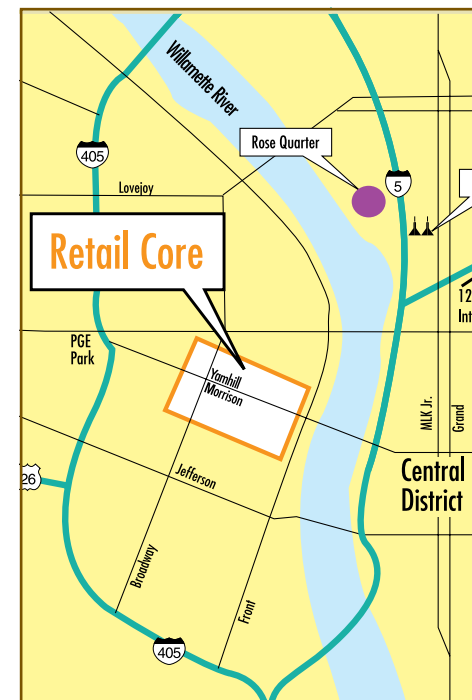
## Fast Facts about Portland

Once known as Stumptown for its timber harvests in the 1800s, Portland is now:

- Portland Metro population ranks 24th nationally.
- City of Portland population: 619,000; Portland Metro Area: 2.35 million
- More than 96,000 employees work in downtown Portland
- 140,000 residents live in a three-mile radius of downtown
- 33 percent of the area's adults have a college education or higher, compared to the national average of 24 percent
- 30,000 students attend Portland State University downtown

### VISITORS TO PORTLAND METRO AREA:

- Visitors made approximately 8.4 million trips in 2014
- Visitors stayed an average of 2.1 days
- Visitors spent \$4.6 billion in 2014, with \$390 million going to retail goods
- Average visitor age is 42 years
- 25 percent of tourists have an average income between \$50,000 and \$75,000 per year
- There are 13 four-star, luxury hotels in downtown Portland, with 5,000 hotel rooms



## Top 5 Reasons to Do Business in Portland

### 1. ROBUST CENTRAL CITY:

Downtown Portland is one of the most vibrant central cities in North America – a destination for people day and night, seven days a week. Local stores as well as national retailers such as Macy's and Nordstrom make it a magnet for shoppers. More than 96,000 people work downtown daily.

### 2. HUB FOR INNOVATION:

With condo and apartment developers adding to the number of downtown residences, more people are moving downtown. The flourishing Pearl District connected to the northern end of downtown and the burgeoning new development in the south waterfront area are drawing more full-time shoppers and diners to downtown Portland.

### 3. BUSINESS INCENTIVES:

The State of Oregon and local governments in the Portland region offer a variety of incentives and programs to attract businesses and industries. They include tax abatements and credits, site selection

services, gap financing, loan programs and workforce training programs. The Portland Development Commission provides financial support, business resources, and development assistance.

### 4. ACCESSIBILITY:

It's easy to get to and around downtown Portland. The addition of light rail, streetcars and an aerial tram to the public transit mix has resulted in a 65 percent increase in ridership over the past 10 years. The MAX light-rail system includes lines to Portland International Airport and area suburbs. Two lines connecting the northern and southern ends of downtown opened in 2009. A line connecting to Milwaukie opened in 2015.

### 5. SOPHISTICATED PALATE:

The city's close proximity to nature is evident in the organically-minded chefs that receive national and international recognition. Whether it is trend-setting restaurants such as Tasty n Alder or the comfort food served at Mother's Bistro, downtown Portland has a dynamic dining scene attracting residents and tourists alike.

## Tourism Improvement District

In 2012, the city of Portland enacted a Tourism Improvement District (TID), with a hotelier-recommended assessment of two percent per night on guest room revenues for all city of Portland hotels with more than 50 rooms. The TID provides a stable source of tourism funding to support sales, marketing and promotional efforts, including targeted advertising to promote Portland's tax-free shopping status, with an ultimate goal of increasing hotel occupancy and visitor spending.



The Society Hotel



Crafty Wonderland



VooDoo Doughnut



Director Park

## Retail Environment

Oregon is one of the few states without a sales tax; this attribute is one of the major drivers for Portland's luxury retail marketplace. Downtown Portland is anchored by two major department stores: **Nordstrom** and **Macy's**. Fashion powerhouses such as **Brooks Brothers** and **Banana Republic**, as well as homegrown brands **Columbia Sportswear** and **Nike**, satisfy the diverse needs of downtown workers, regional residents and tourists. Renowned locally-based retailers, **Mario's** and **Mercantile**, offer distinctive, world class clothing brands and create a well rounded retail mix in the central city.

Downtown's upscale urban shopping center, the exquisite Pioneer Place, a General Growth Platinum Property, is home to four blocks filled with shopping, dining and entertainment, including **Tiffany and Co.**, **Louis Vuitton**, **Kate Spade**, **Coach**, **J. Crew**, **H & M**, **Tory Burch**, **Apple**, **Microsoft**, **Yardhouse** and more. These stores continue to be a major draw, attracting shoppers to the hundreds of other national and local retailers throughout downtown.

Independent boutique retailers continue to flourish; Portland is a kaleidoscope of variety and many stores specialize in the sale of local designers' work. The newly coined "West End" includes stores such as **Radish Underground**, **Woonwinkel** and **Frances May** that offer unique and limited edition home and apparel items, which may not be found at any other location in Oregon.

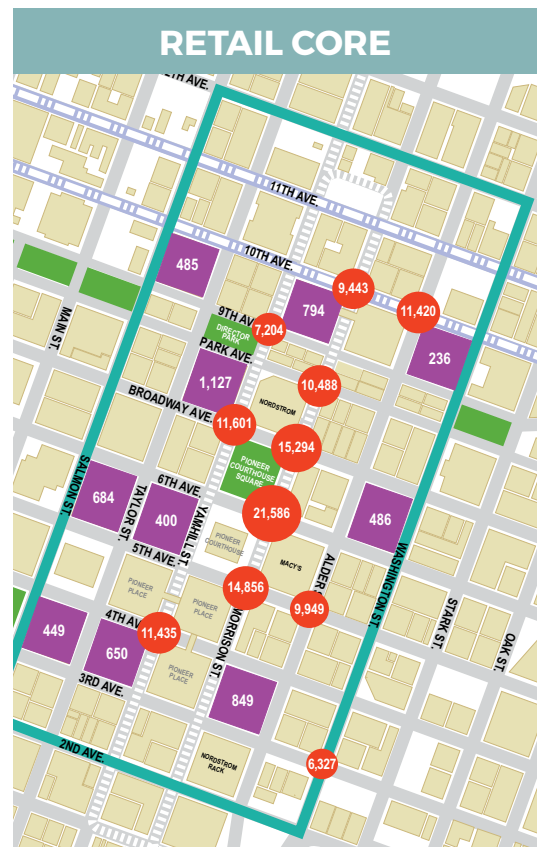
In addition to the variety of national and local retailers, downtown Portland shoppers are also lucky to have a large volume of parking spaces, making it easy to shop. There are nearly 50,000 parking spaces in downtown Portland, of which 36,000 are off-street spaces; 4,000 are residential or hotel spaces; and 8,500 are on-street metered spaces with times ranging from 30 minutes to five hours. The City of Portland operates seven **Smart Park Garages** with approximately **3,500 spaces of low-cost, short-term parking specifically for downtown shoppers**.

### Downtown Portland Retail Fast Facts

- 2.2 million square feet of retail
- 6 percent commercial vacancy rate at the end of 2015
- 24th largest retail market nationally
- 350 retail businesses



Woonwinkel



● PEDESTRIAN COUNTS

■ PARKING GARAGES



WildFang

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## Portland's Restaurants & Culture

### RESTAURANTS

Home to the father of American gastronomy, James Beard, it is no surprise that Portland was named one of the countries top 10 "Eating Towns" by the Huffington Post in 2012, and its restaurants are regularly written up in Food & Wine and Bon Appetit magazines. Portland's proximity to the lush Willamette Valley provides farm-fresh ingredients, allowing for an amazing array of locally grown, organic ingredients that chefs around the world can only dream about.

Portland's vibrant restaurant scene features everything from critically acclaimed **Tasty n Alder & Clyde Common** to long-time favorites such as **Jake's**, which serves fresh Pacific Northwest seafood, and **Huber's**, which is famous for its turkey dinners and signature Spanish coffees. Renowned pan-Asian cuisine pioneer, **Saucebox**, has remained stalwart amongst the city's multi-ethnic dining destinations, while **Kenny and Zuke's** has perfected the New York style delicatessen, earning a spot on Food & Wine's "America's Best Delis of 2016". Tourists and residents line up for the unique treats at **Voodoo Doughnut**.

Portland also has an abundance of **food carts**, which provide culture and diversity for locals and tourists alike. The food carts enhance the environment downtown, adding a feeling of vibrancy and excitement for shoppers.

The **96,000** downtown workers, as well as the **one million** patrons attending evening performances and activities at downtown venues each year, fill up downtown's restaurants.

### FAST FACTS:

- There are 500 eating places in downtown Portland
- Visitors spent \$921 million on food and beverage services in 2014

### ARTS AND CULTURE

Portland is home to a strong and growing creative class, which actively supports downtown's museums and galleries, music venues and theatres. Many local performance groups are resident companies of the **Portland 5 Center for the Arts**, a multi-block complex in the downtown cultural district that includes the **Arlene Schnitzer Concert Hall**, **Keller Auditorium**, the **Newmark Theater** and smaller showcase venues. **Portland 5** presents more than 900 performances a year, drawing more than a million patrons to downtown.

There are a number of other cultural attractions downtown including the **Portland Art Museum** and the **Oregon Historical Society**. In the summer months, downtown Portland plays host to large outdoor events and festivals such as the **Portland Rose Festival**, which has been a favorite for more than 100 years. Other large-scale events and festivals such as the **Portland Institute of Contemporary Art's Time-Based Art Festival**, **Feast Portland** and the **Waterfront Blues Festival** attract hundreds of thousands of people to downtown throughout the summer months.



Huber's



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## Transportation

### TRANSPORTATION: NATIONALLY RECOGNIZED, MULTI MODAL



Located on the Pacific Rim, Portland is a strategic West Coast hub for trade, commerce and travel throughout North America, Asia and Europe. As the transportation hub of the Pacific Northwest, the region's transportation network integrates highway, railroad, airport and river barge facilities to access international and domestic markets.

The region is connected by an extensive system of public transportation. Portland's Tri-County Metropolitan Transportation District (TriMet) leads the nation in providing transit service: more people use TriMet than any other transit system of its size in the country. Ridership has increased almost each of the past 21 years and now averages 325,000 rides per day or 101 million rides per year. Conventioneers ride public transit for free during their stay.

TriMet completed construction on the Interstate 205/Portland Mall Light Rail Project in September 2009, connecting Clackamas Town Center through Southeast Portland to Downtown/Portland State University. Within the city, the Portland Streetcar runs in a loop through Northwest Portland, the Pearl District, Portland State University's campus, Riverplace and the South Waterfront District, where it connects to the Portland Aerial Tram. The Eastside streetcar line opened in 2014. The streetcar services approximately 15,000 weekday passengers. The Portland-Milwaukie light rail transit line opened in 2015, and travels 7.3 miles between Portland State University, inner Southeast Portland, Milwaukie and Oak Grove in north Clackamas County.



Portland International Airport (PDX) is the region's largest airport, offering nonstop passenger service to more than 50 domestic destinations and several international flights available to Tokyo, Vancouver, BC; and Amsterdam. Airport workers celebrated PDX's receipt of the Condé Nast Traveler Magazine award for Best Domestic Airport five times in recent years.

Two major interstate highways, Interstate 5 and Interstate 84, intersect in Portland. Interstate 5 is the main north-south route from Canada to Mexico, connecting Seattle, Portland, Sacramento, Los Angeles and San Diego. Interstate 84 is the principal route from Portland to Salt Lake City, the Midwest and the East Coast.

## Development Projects

Portland has a national reputation as a sustainable, vibrant and trendy city with a legacy of investment in downtown; economic leaders are focused on job creation in growing sectors of clean tech, activewear, software, research and advanced manufacturing; this growing job market is fueling migration to Portland, pushing vacancy rates to record lows, and has resulted in increased development across housing and residential sectors. Tourism is booming in Portland as well, with the visitors association Travel Portland reporting that hotel occupancy rates are reaching the mid 80 percent range and average daily room rates are rising. Portland continues to rank as a leading tourist destination for domestic and international travelers. Over 15 hotels are under development in the Central City as of 2016. Notable downtown construction projects include:

### Park Avenue West (SW Park & Morrison St.)

TMT Development recently completed a 30 story mixed use tower project just west of Nordstrom. The building is 501 feet tall, the fourth largest in the city. The building includes 13 Class A office floors, 15 floors of luxury rental apartments, two floors of retail, and 325 underground parking stalls.

### Pine Street Market (126 SW 2nd Ave.)

Located in Old Town/Skidmore adjacent to the retail core, Pine Street Market will be housed in the United Carriage Building from 1875. The redevelopment features an open floor plan on the first floor housing ten culinary businesses in a food hall setting. Food vendors include Marukin Ramen, Salt & Straw, Barista, Olympia Provisions, and Trifecta Bakery.

### Cornelius Hotel (SW Park & Alder St.)

Arthur Mutal LLC is working with Provenance Hotels on a \$30 million rehabilitation of the long vacant 1907 Cornelius Hotel and adjacent Woodlark Building. The project will result in a 150 room hotel with space for retail and restaurants. Construction is anticipated to complete in 2016.

### AC by Marriott (820 SW Third Ave.)

Mortenson Development is building a 204 room, 13 story hotel on vacant quarter block. The AC Marriot brand targets younger business travelers and relies on a design that evokes local flavors. The \$35 million project will complete in 2016.

### Porter by Hilton (202 SW Jefferson St.)

Widewater Hotels is working to develop a 16 story, 299 room hotel on this half block redevelopment site. Porter is the Hilton's upscale nameplate. The project began in late 2015 and will compete in 2017.



## Portland in the Media

### PORTLAND: A MEDIA DARLING

Whether it is a national newspaper, magazine or travel show, Portland is a favorite. Its food, environmentally minded population, sales tax free shopping and natural attractions make it a favorite city to feature. Here are some of the city's most recent press hits:

Named the "food and drink capital of America" - The Telegraph (February 2016)

"Why Portland is the USA's coolest city right now" - International Traveler (January 2016)

No. 1 "The 10 Best Food Cities in America" - The Washington Post (December 2015)

No. 10 "Best Big Cities in the U.S." - Conde Nast Traveler (October 2015)

One of the "Best Cities for Millennials in 2015" - Forbes (October 2015)

Named the county's "best know bastion of good living and leisure" - The New York Times (September 2015)

Best U.S. Travel destination to visit in November - Business Insider (September 2015)

No. 1 "America's 20 Best Cities for Beer Lovers" - Travel + Leisure (August 2015)

One of America's "best food cities" - The Washington Post (June 2015)

Best U.S. Tourism Destination - U.S. Tourism Quality Performance Report (June 2015)

No. 1 "World's Best Airports - Domestic" - Travel + Leisure (June 2015)

No. 1 "America's Greenest Cities" - Travel + Leisure (May 2015)

"Best Food Town" - Sunset (May 2015)

No. 1 "Best Beer Cities in America" - Thrillist (May 2015)

"Travelers' Choice U.S. Destination" - TripAdvisor (March 2015)

No. 1 "America's Favorite City" for bookstores, coffee, beer and public transportation/pedestrian-friendliness - Travel + Leisure (October 2014)

One of the world's 25 most livable cities (the only U.S. city ranked), Quality of Life Survey 2015 - Monocle (July 2014)



VIII.

## A Community Approach to Downtown Vitality

Many groups and individuals are committed to a successful retail environment in downtown Portland. A number of initiatives and strategies have been developed, with the goal of continually ensuring downtown Portland is safe and vibrant and downtown businesses can flourish. Below is a quick look into some of the different types of support from which Portland businesses benefit.



### PORTLAND BUSINESS ALLIANCE AND THE DOWNTOWN RETAIL COUNCIL:

The Downtown Retail Council (DRC) is the voice for downtown Portland's consumer businesses. The DRC is a committee of the Portland Business Alliance, Greater Portland's Chamber of Commerce. The Alliance actively promotes a central city that is vibrant and attractive, operating one of the nation's oldest and most successful Business Improvement Districts (newly renamed the Clean & Safe District). A broad range of initiatives support the central city's vitality including: cleaning and security services, Sidewalk Ambassadors, holiday lighting and downtown and retail marketing.

The DRC is open to retailers, restaurateurs and hoteliers within the downtown Clean & Safe District. The committee develops and conducts cooperative retail promotions, oversees implementation of the Downtown Retail Strategy and represents the collective interests of the downtown retailers with regard to the public environment and public policy decisions.



### DOWNTOWN MARKETING PROGRAM:

Established in 2006, the Downtown Marketing Program is a city-funded program that promotes downtown Portland to the greater Portland metropolitan region. The city has earmarked a percentage of SmartPark revenue to the program.

Marketing programs include holiday promotional efforts, robust social media messaging, events and programming, seasonal cooperative retail and restaurant promotions, and public relations campaign to promote downtown businesses. Businesses may participate in the program at no charge.



### PORTLAND DEVELOPMENT COMMISSION:

The Portland Development Commission (PDC) is the city's economic development authority. PDC promotes commercial and economic development within the city's urban renewal districts. The commission brings together resources to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant central city, a strong regional economy and quality jobs and housing for all.



## A Community Approach to Downtown Vitality

### DOWNTOWN RETAIL ADVOCATE

The Downtown Retail Advocate (DRA) assists with the implementation of key retail strategies, in collaboration with the city of Portland, Portland Business Alliance and Portland Development Commission. The primary responsibilities of the DRA are: targeted retail recruitment; retention of retailers at risk of displacement due to redevelopment; exploration of possible financial incentives for property owners; and coordination of downtown Portland's communication strategy with other stakeholders.

### DOWNTOWN RETAIL STRATEGY

The former Mayor of Portland, Sam Adams, assembled a group of downtown stakeholders in the fall of 2008 to help create a Downtown Retail Strategy, and the strategy was adopted by Portland City Council. The Downtown Retail Strategy provides a targeted approach to ensure the long-term success of the retail core. Specifically, the strategy supports the growth of living-wage jobs. Growing living-wage jobs increases the tax base that funds quality services provided by the city and county. With services adequately funded, downtown can remain an increasingly attractive destination for prospective residents, tourists and private-sector investment.

Four implementation strategies direct the formation of a signature retail district within the central city:

- Designate Morrison and Yamhill streets as the signature streets within the retail core to create an iconic location and sense of place;
- Establish a Retail Overlay District to prioritize investments on the signature streets and in the downtown core;
- Create a unified identity and an effective marketing strategy for the district; and
- Employ a set of tactical tools that will help property owners improve and reinforce the retail spine.

These strategies and their associated action items direct resources within the retail core. In effect, the Downtown Retail Strategy guides private investment along the signature streets, creating ground floor active uses that contribute to a safe and vibrant streetscape.

The Pioneer District is home to Downtown Portland's signature retail streets. Located along the transit mall on Yamhill and Morrison, between 3rd and 10th Avenues, this vibrant area is home to many of the city's shopping, dining and gathering highlights including Pioneer Place, Pioneer Courthouse Square, Nordstrom, Director Park, Nike, the Nines and Macy's. The district features landscaped planters, identifying banner signage, special furnishings and additional on-street activities including live music, samplings and art.



PDX Pop Up Shops



Holiday Lighting Program

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## Demographic Report and Household Profiles



### TOP HOUSEHOLD TYPES IN 25 MINUTE TRADE AREA

#### SINGLES & STARTERS - 16%

Young singles starting out, and some starter families in diverse urban communities.

#### BOOMING WITH CONFIDENCE - 10%

Prosperous, established couples in their peak earning years, living in suburban homes.

#### YOUNG CITY SOLOS - 9%

Young and middle-aged singles living active energetic lifestyles in metropolitan areas

#### SIGNIFICANT SINGLES - 8.8%

Middle-aged singles earning mid-scale incomes supporting active city styles of living.

#### THRIVING BOOMERS - 8.5%

Upper middle class baby boomer-aged couples living comfortable lifestyles settled in towns.

#### POWER ELITE - 8%

The wealthiest households in the US living in the most exclusive neighborhoods and enjoying all life has to offer.

### TRADE AREA RESIDENTS

- 574,316 households
- 1,387,492 individuals

### AREA HOUSEHOLDS BY INCOME

- 19 percent of households fall within \$50,000 to \$74,999 range
- Average Household Income is \$78,808
- Median Household Income is \$56,293

### AREA POPULATION BY AGE

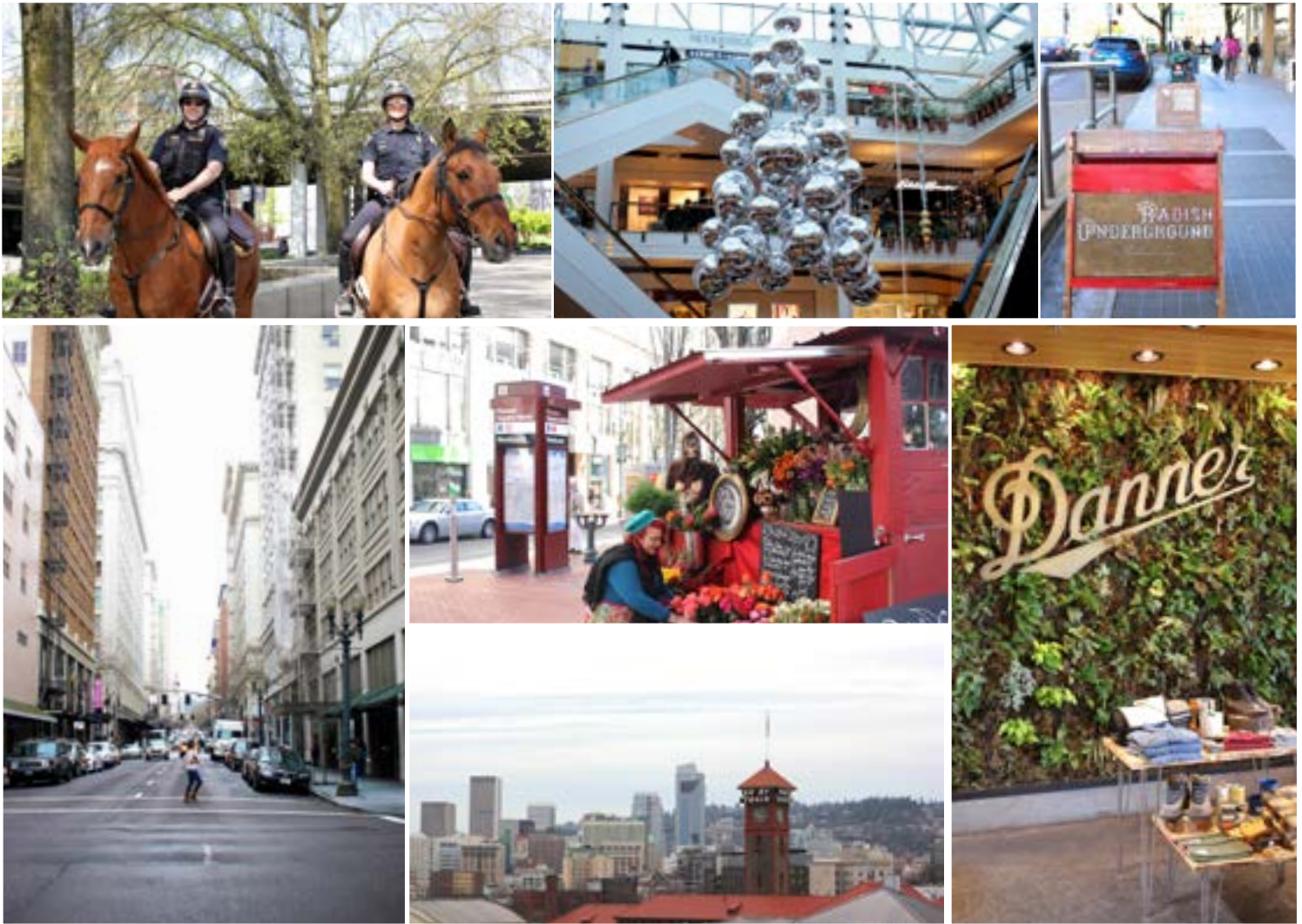
- 25 to 34 years - 17 percent
- 35 to 44 years - 15 percent
- 45 to 54 years - 13 percent

These categories represent 45 percent of the total population within a 25-minute trade area.

\*Information provided by Buxton Co./Experian



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Sources Used:

The data used throughout this document came from a number of sources including: Portland Development Commission's Portland Region Fact Book 2012; Travel Portland's Economic Impacts of Travel 2015 and; Portland Business Alliance's Downtown Business Census and Survey and other Alliance research.