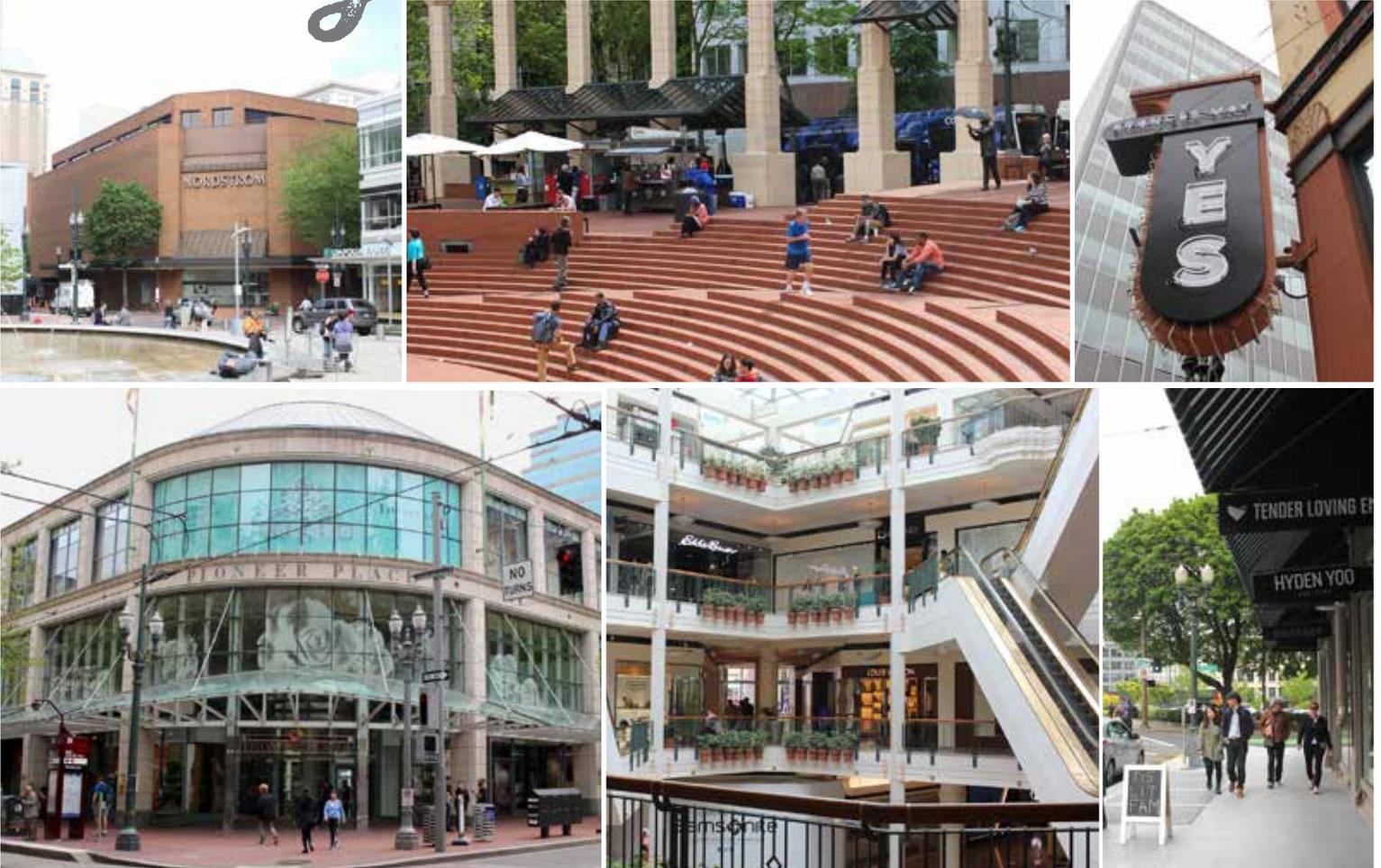


DOWNTOWN

Portland Oregon



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

Portland Defined

Portland is a trend-setting city known for its sales-tax free, high-end shopping, independent boutiques, innovative restaurants and well-planned transportation systems. A favorite of travel writers and a constant contender for national livability awards, Portland is a growing metropolitan 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 walkable 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 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.



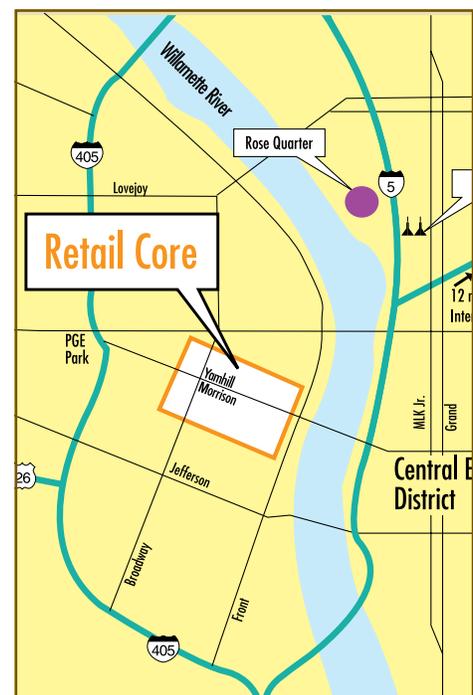
Fast Facts about Portland

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

- Portland Metro population ranks 25th nationally.
- City of Portland population: 639,863; Portland Metro Area: 2.4 million
- More than 100,000 employees work in downtown Portland
- 140,000 residents live in a three-mile radius of downtown
- 47 percent of the city's adults have a college education or higher
- 28,000 students attend Portland State University downtown

VISITORS TO PORTLAND METRO AREA:

- Visitors made approximately 9.1 million trips in 2017
- Visitors stayed an average of 2.1 days (in 2017)
- Visitors spent \$5.2 billion in 2017 with \$580 million going to retail goods and \$883 million going to food and beverage
- Visitors can stay at 17 four-star hotels in downtown Portland with 5,800 hotel rooms available



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 and national retailers including Nordstrom make it a magnet for shoppers. More than 100,000 people work downtown daily.

2. HUB FOR INNOVATION:

With condo and apartment developers adding to the number of residences in the central city, 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 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 city's economic development agency, Prosper Portland, provides financial support, business resource 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 gives visitors a range of sustainable transportation options. The MAX light-rail system includes lines to Portland International Airport, area suburbs, and lines connecting the northern and southern ends of downtown, as well as Milwaukie.

5. SOPHISTICATED PALATE:

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

Tourism Improvement District

In 2012, Portland enacted a Tourism Improvement District (TID), a hotelier-recommended assessment of 2 percent per night is placed 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.



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 a major driver for Portland's luxury retail marketplace. Downtown Portland is anchored by two major department stores: **Nordstrom** and **Target**. Fashion powerhouses such as **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 **Zara** coming in 2018. These stores continue to be a major draw, attracting shoppers to the hundreds of other national and local retailers throughout downtown.

Independent boutique retailers flourish downtown. Portland is a kaleidoscope of variety and many stores specialize in the sale of local designers' work. The West End includes stores such as **WildFang**, **Tender Loving Empire**, **Woonwinkel** and **Frances May**. They offer unique and limited edition home and apparel items, which can 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. Portland operates six **SmartPark 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 projected for 2018
- 25th largest retail market nationally
- 350 retail businesses



● PEDESTRIAN COUNTS

■ PARKING GARAGES



Portland Restaurants & Culture

RESTAURANTS

Home to the father of American gastronomy, James Beard, it is no surprise that Portland was named one of the country's best food cities by the Washington Post in 2015, 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 new and noteworthy chef-driven restaurants **Headwaters**, **Imperial & Departure**, 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**.

Renowned Food Hall **Pine Street Market** has added even more critically acclaimed dining options for workers and visitors downtown

Portland also has a strong **food cart culture**, which provides diverse food choices for locals and tourists alike. The food carts enhance the environment downtown, adding a feeling of vibrancy and excitement for shoppers.

The **100,000** 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:

- More than 500 eating places in downtown Portland
- Visitors spent \$883 million on food and beverage services in 2017

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.



Transportation

NATIONALLY RECOGNIZED, MULTI MODAL TRANSPORTATION



Located on the Pacific Rim, Portland is a strategic West Coast hub for trade, commerce and travel throughout North America, Asia and Europe. 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 public transportation system. Portland's Tri-County Metropolitan Transportation District (TriMet) leads the nation in providing transit service, with more people using TriMet than any other transit system of its size in the country. Ridership now averages 315,000 rides per day or 77 million rides per year. Convention-goers ride public transit for free during their stay.

The Portland Streetcar runs in a loop through Northwest Portland, the Pearl District, Downtown Retail District, Portland State University's campus, Riverplace and the South Waterfront District, where it connects to the Portland Aerial Tram and across the river to the Central Eastside. 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, Mexico City, London, Amsterdam and other international destinations. PDX has received the Condé Nast Traveler Magazine award for Best Domestic Airport many 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 innovative 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 constantly in 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. More than 15 hotels are under development in the central city as of 2018. Notable downtown development projects include:

10th and Yamhill SmartPark Garage (SW 10th & Morrison)

The SmartPark garage at 10th and Yamhill is undergoing renovation to modernize the structure and transform the ground floor into a hub for independent retailers. The project is anticipated to be complete in fall 2019.

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, ground floor 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 is housed in the United Carriage Building from 1875. The redevelopment features an open floor plan on the first floor housing 10 culinary businesses in a food hall setting. Food vendors include Marukin Ramen, Salt & Straw, Barista, Olympia Provisions and other local favorites.

Woodlark House (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 be complete in 2018.

Porter by Hilton (202 SW Jefferson St.)

Widewater Hotels recently completed a 16 story, 299 room hotel on this half block redevelopment site. Porter is the Hilton's upscale nameplate, Curio Collection.

Broadway Tower, Radisson Red (1455 SW Broadway)

BPM Real Estate is working with GBD Architects on a 270 foot tall, 19 story project that will include a 180 room Radisson Red on six floors. Completion is planned for 2018.



Park Avenue West

Portland in the Media

PORTLAND: A MEDIA DARLING

Portland's food, environmentally minded population, sales tax free shopping and natural attractions make it a media favorite. Here are some of the city's most recent press hits:

"The Best Small Cities in the U.S." Conde Nast Traveler (October 2017)

"The Hippest Cities in the U.S. that Everyone Under 30 Wants to Move to" MSN (December 2017)

No. 1 "Best Drinking Cities in the U.S." Time (September 2017)

No. 1 "The Best Domestic Airports" Travel + Leisure (July 2017)

"The Most Walkable Cities in America" Thrillist (May 2017)

No. 1 "The Best Beer Cities in the U.S." Business Insider (April 2017)

"52 Places to go in 2017" New York Times (January 2017)

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)

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

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



A Community Approach to Downtown Vitality

Private businesses, public groups and government agencies 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 (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 metro 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 campaigns to promote downtown businesses. Businesses may participate in the program at no charge.



PROSPER PORTLAND

Prosper Portland focuses on building an equitable economy based on four cornerstones: growing family wage jobs, advancing opportunities for prosperity, collaborating with partners for an equitable city, and creating vibrant neighborhoods and communities.



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 Prosper Portland. 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 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, thereby increasing 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:

1. Designate Morrison and Yamhill streets as the signature streets within the retail core to create an iconic location and sense of place.
2. Establish a Retail Overlay District to prioritize investments on the signature streets and in the downtown core.
3. Create a unified identity and an effective marketing strategy for the district.
4. 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 street-scape.

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 and the Nines. The district features landscaped planters, banner signage, special furnishings and additional on-street activities including live music, samplings and art.



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





Sources Used:

The data used throughout this document came from a number of sources including: Prosper Portland'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.