

DOWNTOWN PORTLAND OREGON



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 Yamhill/Morrison signature retail district—with prime retail and restaurant energy—a remarkably diverse yet well-composed downtown emerges.

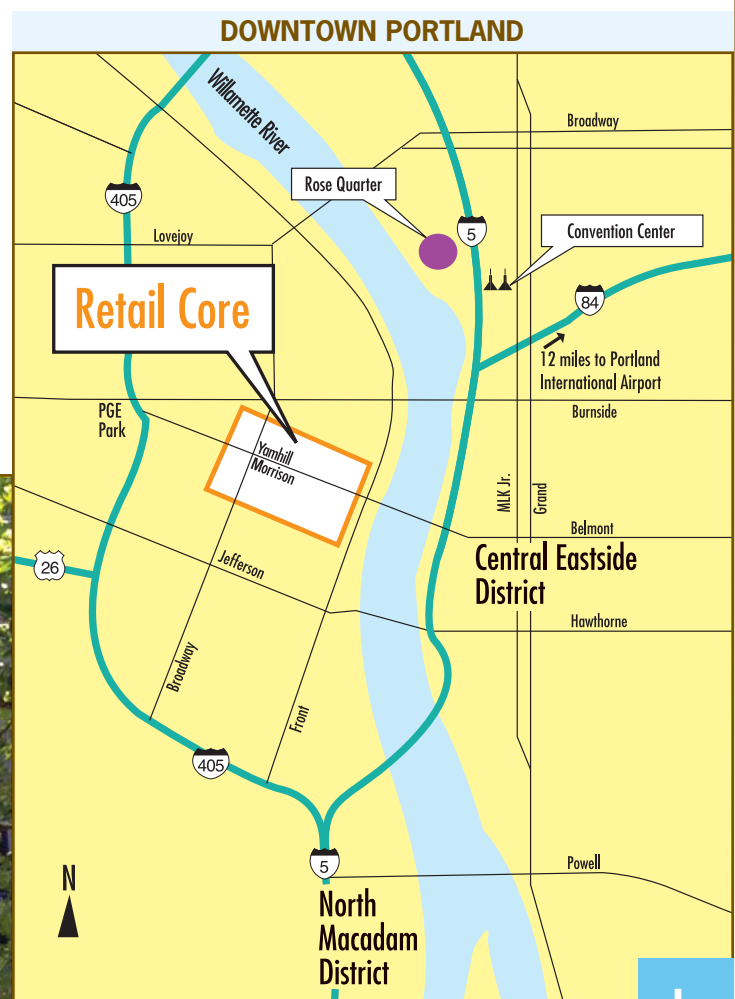
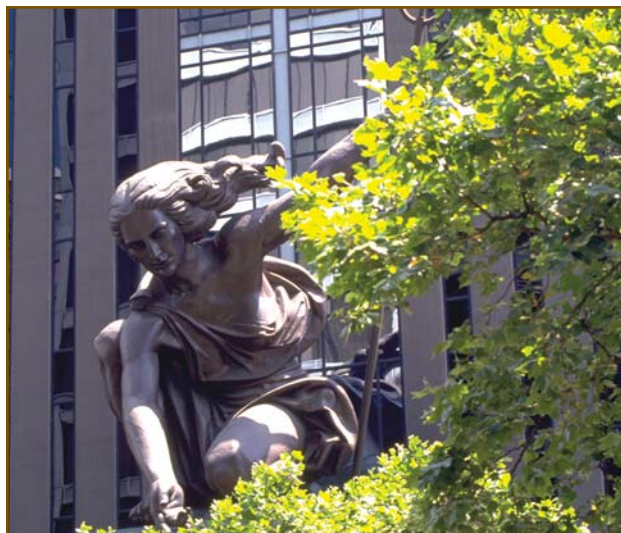
FAST FACTS ABOUT PORTLAND

RESIDENTS

- Portland Metropolitan Area ranks 23rd nationally in total population
- City of Portland population: 582,000; Portland Metro Area: 2.2 million
- More than 83,000 employees in downtown Portland
- 140,000 residents live within a three-mile radius of downtown
- 33 percent of the metro area's adult population has a college education or higher, compared to the national average of 24 percent
- 25,000 students attend Portland State University, located in downtown

VISITORS TO PORTLAND METRO AREA

- Visitors made approximately 8.9 million trips in 2009
- Visitors stayed 15.8 million days with the average stay lasting 1.8 days
- Visitors spent \$3.5 billion in 2009, with \$353 million going to retail goods
- Number of hotel rooms sold reached 3.4 million in 2009
- Average age of visitor is 43.3 years old
- 25 percent of tourists have an average income between \$50,000 and \$75,000 per year
- 13 four-star, luxury hotels in downtown Portland, with 4,700 hotel rooms



TOP TEN 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 83,000 people work downtown daily. Programs supported by the mayor help encourage retail development.

2. **HUB FOR INNOVATION.** World-class businesses and industries flourish here. The region's Silicon Forest is home to international leaders in the design and manufacture of semiconductors. The area also is a production center for sports apparel and footwear, heavy trucks and railcars, metals, animated films, wines and microbrews. The Wall Street Journal recently selected Portland one of The Most Inventive Towns in America, and Business Week described the area as a magnet for youth and creativity.

3. **DOWNTOWN IS HOME.** With condo and apartment developers adding to the number of downtown residences, more people are moving downtown. Additionally, 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.

4. **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, urban renewal and development assistance.

5. **ACCESSIBILITY.** It's easy to get to and around downtown Portland. Adding 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. Average commute time, including motorists on the region's freeways and surface streets, is a relatively modest 22 minutes. The 44-mile-long MAX light-rail system includes a line to Portland International Airport and area suburbs. Two lines connecting the northern and southern ends of downtown opened in 2009.

6. **FLOURISHING ARTS SCENE.** Downtown Portland has big-city and world-class cultural amenities: symphony, opera, ballet, theater, museums, art museums and galleries and film festivals. The thriving music scene draws local and international jazz and blues musicians to hometown venues and annual waterfront music festivals.

7. **SUSTAINABILITY.** While sustainability may be a new trend for the majority of the U.S., Portlanders were early adopters and innovators of sustainable lifestyles and business practices. The current 63 percent recycling rate for Portland businesses easily surpasses the city's goal of 50 percent. Portland companies are not only developing green products but are also encouraging carpooling, bicycling to work and discovering new ways to reduce waste.

8. **SOPHISTICATED PALATE.** The city's close proximity to nature is evident in the organically-minded chefs that recently made Portland the Food Network's America's "Best Eating Destination" in 2007. Whether it is trend-setting restaurants such as Gruner or the comfort food served at Mother's Bistro, downtown Portland has a dynamic dining scene attracting residents and tourists alike.

9. **AFFORDABILITY.** Compared with other states, Oregon has lower costs of water, power and workers' compensation insurance. Oregon is also distinctive in that there is no sales tax which is a draw for Washingtonians living across the river who are looking to save money, especially on high end, luxury items.

10. **QUALITY OF LIFE.** Because the Portland region is renowned as a place where "the good life" is more than a slogan, young professionals and others are moving to Portland. There are incredible opportunities for recreation, everything from skiing on Mount Hood to beachcombing on the Pacific shore – each about an hour's drive away.

PIONEER PLACE MALL



RETAIL ENVIRONMENT

Oregon is one of the few states without a sales tax; this attribute is one of the major drivers to 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, is home to four blocks filled with shopping, dining and entertainment, including **Tiffany and Co.**, **Louis Vuitton**, **Kate Spade**, **Coach**, **J. Crew**, **H & M**, **Betsey Johnson** 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. Stores including **Canoe**, **Frances May** and **The English Department** 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
- 7.8 percent commercial vacancy rate at the end of 2010
- 23rd largest retail market nationally
- 620 retail businesses

PEDESTRIAN COUNTS

1. 14,482	5. 22,789
2. 26,325	6. 8,297
3. 11,794	7. 13,480
4. 17,544	8. 15,730

PUBLIC PARKING

1. 485	6. 684
2.* 794	7. 400
3. 236	8. 449
4. 1,127	9.* 650
5. 486	10.* 849

* Smart Park Garage



PORTLAND'S RESTAURANTS & CULTURE

RESTAURANTS

Home to the father of American gastronomy, James Beard, it is no surprise that Portland was named no. 2 in CNBC's "America's Top Foodie Cities" in 2011, and its restaurants are regularly written up in *Food & Wine* and *Gourmet* 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 **Grüner** 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, serving pastrami and corned beef sandwiches that rival Katz's!

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 more than **83,000 downtown workers**, as well as the one million patrons attending evening performances and activities at downtown venues each year, fill up downtown's restaurants. Restaurants also benefit from a vast labor pool as two culinary schools, Sanford Brown Institute and Oregon Culinary Institute, support the city's restaurant industry.

FAST FACTS:

- There are more than 470 restaurants in downtown Portland
- Visitors spent \$589 million on food and beverage services in 2008, up from \$431 million in 2002

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 Center for the Performing Arts** (PCPA), 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. PCPA presents more than 900 performances a year, **drawing more than a million patrons to downtown.**

In addition to PCPA, there are a number of other cultural attractions downtown including the **Portland Art Museum** and the **Oregon Historical Society Museum**. 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 **Bite of Oregon**, the **Portland Institute of Contemporary Art's Time-based Art Festival** and the **Waterfront Blues Festival** attract hundreds of thousands of people to downtown throughout the summer months.



TRANSPORTATION

TRANSPORTATION: NATIONALLY RECOGNIZED, MULTIMODAL

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 city is connected to the rest of the region through an interconnected 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 in each of the past 21 years and now averages 275,000 rides per day or 101 million rides per year.** Residents and visitors alike benefit from TriMet's Free Rail Zone, which allows riders to travel within downtown and across the river to the Lloyd Center via light rail for free.

In February 2007, TriMet began construction on the Interstate 205/Portland Mall Light Rail Project. The line opened in September 2009 and now brings high capacity transit service from Clackamas Town Center through Southeast Portland to Downtown ending at Portland State University. In the fall of 2009, construction began on a new Central Eastside Streetcar line, which will help bring more people to and from downtown. The Eastside Streetcar line will open in 2012. 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 in Southwest Portland, where it connects to the Portland Aerial Tram. In 2010, the streetcar serviced approximately **12,500 weekday passengers.**



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, Japan; Vancouver, BC; and Amsterdam, The Netherlands.** Airport workers celebrated PDX's receipt of the *Condé Nast Traveler Magazine* award for Best Domestic Airport four out of the past five years (2006, 2007, 2008 and 2010)!

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.



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:

- 10 Best "Taste of" Cities – AOL Travel News (April 2011)
- No. 1, "Best Cities for Public Transportation" – U.S. News & World Report (February 2011)
- No. 2, "America's Top Foodie Cities" – CNBC (January 2011)
- Portland International Airport ranks No. 1 in Zagat Airline Survey – CNN.com (November 2010)
- "Why Portland Is America's New Food Eden" – TIME magazine (November 2010)
- No. 2, "America's Top 10 Safest Cities" – Forbes (October 2010)
- "Big Sales from Tiny Shops" – CNNMoney.com (September 2010)
- Portland's Waterfront Loop named one of "America's Coolest Riverwalks" – Travel + Leisure (August 2010)
- Portland is "Best Tax City for Travelers" – USA TODAY (August 2010)
- No. 6, "Top 10 Girlfriend Getaway Destinations in the United States" – TripAdvisor (March 2010)
- 10 to Watch: "One of the Top Budget Travel Destinations for 2010" – Budget Travel (December 2009)
- Portland was ranked No. 1 for environmental friendliness, public parks and access to the outdoors, public transportation and pedestrian-friendliness, safety, summer vacation and airport transportation (to/from & within); and No. 2 for farmers' markets and cleanliness – Travel + Leisure America's Favorite Cities survey (November 2009)
- No. 11, "Top 25 Arts Destinations in America" – AmericanStyle (June 2009)
- No. 6, "Fittest Cities in America" – Men's Fitness (February 2009)

LAN SU CHINESE GARDEN



DOWNTOWN PUBLIC ART



A COMMUNITY APPROACH TO DOWNTOWN VITALITY

Many groups and individuals are committed to a successful retail environment in downtown and the entire City of 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 are flourishing and have access to the resources they need to thrive. 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 INITIATIVE



Established in 2006, the Downtown Marketing Initiative (DMI) is a city-funded program that promotes downtown Portland to the greater Portland metropolitan region. The city has earmarked approximately \$1 million annually for the program by dedicating a percentage of parking revenue to the DMI.

Current efforts of the DMI include a new branding campaign, "Downtown Portland. Explore the Original" utilizing television, radio and outdoor advertising. The initiative hosts a website www.downtownportland.org, sends out monthly email newsletters, produces holiday programming and events, creates seasonal cooperative retail and restaurant promotions and conducts a year-round public relations campaign to promote downtown businesses. Downtown businesses may participate in the initiative's program at no charge.

PORTLAND DEVELOPMENT COMMISSION



The Portland Development Commission (PDC) is the city's economic development authority. PDC promotes development, housing projects 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.

FASHION'S NIGHT OUT



HOLIDAY POP-UP SHOPS



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 stakeholder organizations.

DOWNTOWN RETAIL STRATEGY

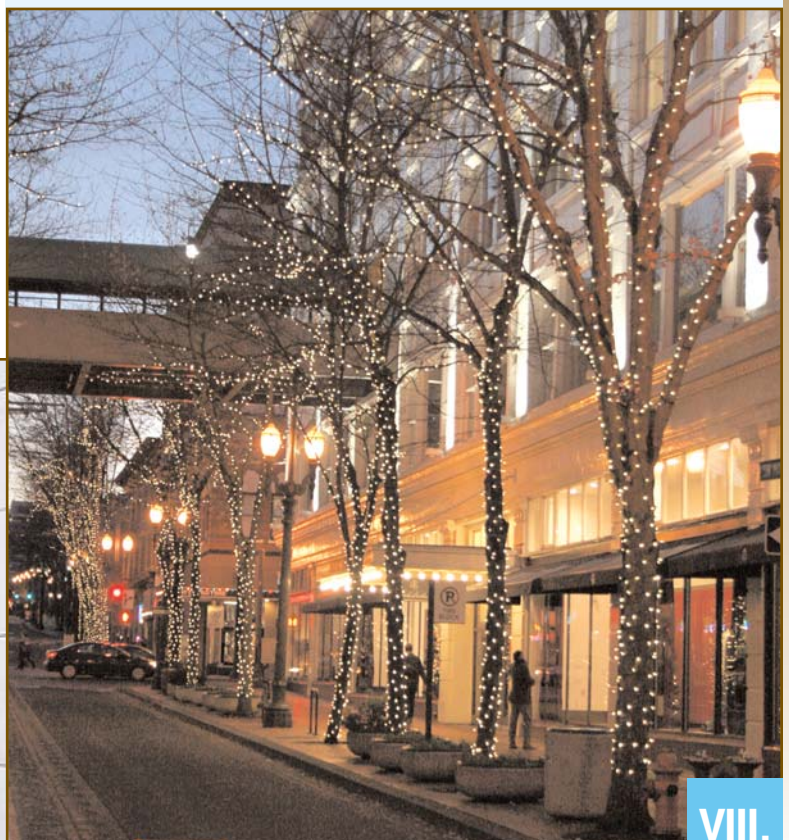
The Mayor of Portland, Sam Adams, assembled a group of downtown stakeholders in the fall of 2008 to help create a Downtown Retail Strategy, and the strategy was adopted by Portland City Council in January 2010. The Downtown Retail Strategy provides a targeted approach to ensure the long-term success 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 will direct and concentrate resources within the retail core. In effect, the Downtown Retail Strategy will guide private investment along the signature streets, creating ground floor active uses that contribute to a safe and vibrant streetscape.

HOLIDAY LIGHTING PROGRAM



DEMOGRAPHIC REPORT & HOUSEHOLD PROFILES

TRADE AREA RESIDENTS

- 586,336 households
- 1,482,393 individuals

AREA HOUSEHOLDS BY INCOME

- 20 percent of households fall within \$50,000 to \$74,999 range
- Average Household Income is \$73,600
- Median Household Income is \$53,404

AREA POPULATION BY AGE

- 25 to 34 years - 14 percent
- 35 to 44 years - 15 percent
- 45 to 54 years - 15 percent

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

TOP THREE HOUSEHOLD TYPES IN 25 MINUTE TRADE AREA

URBAN COMMUTER FAMILIES - 8.7 PERCENT OF HOUSEHOLDS

- Baby Boomer families
- College Educated
- Live in single detached homes in city neighborhoods on the metropolitan fringe

YOUNG COSMOPOLITANS - 8.6 PERCENT OF HOUSEHOLDS

- Aspiring Contemporaries
- Adults under 35 years old and single
- College educated and earning upper-middle-class incomes as professionals
- Live in luxury apartments and condos

STABLE CAREERS - 8.4 PERCENT OF HOUSEHOLDS

- Aspiring contemporaries
- Young and diverse singles
- Professional careers
- Reside in apartment buildings in big-city metropolitan areas

Information provided by Buxton Company

MAP OF 25-MINUTE DRIVE TIME TRADE AREA OF DOWNTOWN PORTLAND



RETAIL AND RESTAURANT RELOCATION GUIDE



*Investing in
Portland's Future*



Sources Used:

The data used throughout this document came from a number of sources including: Portland Development Commission's Portland Region Fact Book 2010; Travel Portland's Economic Impacts of Travel 2010 and; Portland Business Alliance's Downtown Business Census and Survey and other Alliance research.